

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

FORM 10-Q

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

For the quarterly period ended March 31, 2026

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-40033



**P3 Health Partners Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**2370 Corporate Circle Suite 300 Henderson, Nevada**

(Address of principal executive offices)

**85-2992794**

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

**89074**

(Zip Code)

**(702) 910-3950**

(Registrant's telephone number, including area code)

N/A

(Former name, former address, and former fiscal year, if changed since last report)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	PIII	The Nasdaq Stock Market LLC
Warrants 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  No

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

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

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of May 11, 2026, the registrant had 3,325,858 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 March 31, 2026 (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, future results of anticipated products and prospects, our ability to maintain compliance with California regulations related to financial solvency and operational performance, 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, regulatory, economic or business developments, our business, financial condition and results of operations will be harmed.
- We primarily depend on reimbursement by third-party payors on a capitated basis, as well as payments by individuals, which could lead to delays, uncertainties and disagreements regarding the timing and process of reimbursement, 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”).
- Changes in laws and regulations related to AI technologies could adversely affect our products, services, and results of operations.
- 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 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.

- Failure to satisfy California regulations related to financial solvency and operational performance could result in our affiliated physician groups and Restricted Knox-Keene licensed health plans becoming subject to sanctions, and their ability to do business in California could be limited or terminated.
- 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.
- We may not recognize the anticipated benefits of recent and future acquisitions or dispositions and any such transactions could disrupt our operations and have a material adverse effect on our business, financial condition and results of operations
- 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, 2025, filed with the Securities and Exchange Commission (the “SEC”) on March 26, 2026 (the “2025 Form 10-K”), in Part II, Item 1A. “[Risk Factors](#)” and Part I, Item 2. “[Management’s Discussion and Analysis of Financial Condition 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)*

	March 31, 2026	December 31, 2025
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 25,497	\$ 25,012
Restricted cash	605	795
Health plan receivable, net of allowance for credit losses of \$281	124,894	92,458
Clinic fees, insurance and other receivable	9,060	3,379
Prepaid expenses and other current assets	12,154	11,439
<b>TOTAL CURRENT ASSETS</b>	<b>172,210</b>	<b>133,083</b>
Property and equipment, net	2,964	3,374
Intangible assets, net	472,989	492,423
Other long-term assets	25,994	27,761
<b>TOTAL ASSETS <sup>(1)</sup></b>	<b>\$ 674,157</b>	<b>\$ 656,641</b>
<b>LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' (DEFICIT) EQUITY</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 11,672	\$ 11,715
Accrued expenses and other current liabilities	43,224	42,820
Accrued payroll	2,773	1,950
Health plan settlements payable	48,245	69,830
Claims payable	285,898	287,790
Premium deficiency reserve	81,402	86,116
Current portion of long-term debt	51,436	45,036
Short-term debt	835	—
<b>TOTAL CURRENT LIABILITIES</b>	<b>525,485</b>	<b>545,257</b>
Operating lease liability, net	10,830	11,475
Warrant liabilities	2,132	2,462
Long-term debt, net	259,569	228,374
Other long-term liabilities	9,308	9,308
<b>TOTAL LIABILITIES <sup>(1)</sup></b>	<b>807,324</b>	<b>796,876</b>
COMMITMENTS AND CONTINGENCIES		
MEZZANINE EQUITY:		
Redeemable non-controlling interest	10,381	14,997
STOCKHOLDERS' (DEFICIT) EQUITY:		
Class A common stock, \$0.0001 par value; 800,000 shares authorized; 3,294 and 3,286 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	—	—
Class V common stock, \$0.0001 par value; 205,000 shares authorized; 3,919 shares issued and outstanding as of March 31, 2026 and December 31, 2025	—	—
Additional paid in capital	505,010	495,909
Accumulated deficit	(649,918)	(651,141)
Non-controlling interest	1,360	—
<b>TOTAL STOCKHOLDERS' (DEFICIT) EQUITY</b>	<b>(143,548)</b>	<b>(155,232)</b>
<b>TOTAL LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' (DEFICIT) EQUITY</b>	<b>\$ 674,157</b>	<b>\$ 656,641</b>

(1) The Company's condensed consolidated balance sheets include the assets and liabilities of its consolidated variable interest entities ("VIEs"). As discussed in Note 11 "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 \$26.7 million and \$8.2 million as of March 31, 2026 and December 31, 2025, 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 \$7.1 million and \$6.6 million as of March 31, 2026 and December 31, 2025, respectively. These VIE assets and liabilities do not include \$47.2 million and \$46.8 million of net amounts due to affiliates as of March 31, 2026 and December 31, 2025, respectively, as these are eliminated in consolidation and not presented within the condensed consolidated balance sheets.

*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 March 31,	
	2026	2025
<b>OPERATING REVENUE:</b>		
Capitated revenue	\$ 379,499	\$ 369,517
Other revenue	6,891	3,708
<b>TOTAL OPERATING REVENUE</b>	<b>386,390</b>	<b>373,225</b>
<b>OPERATING EXPENSE:</b>		
Medical expense	336,024	372,043
Premium deficiency reserve	(4,715)	(6,962)
Corporate, general and administrative expense	25,543	24,999
Sales and marketing expense	227	181
Depreciation and amortization	21,074	21,052
<b>TOTAL OPERATING EXPENSE</b>	<b>378,153</b>	<b>411,313</b>
<b>OPERATING INCOME (LOSS)</b>	<b>8,237</b>	<b>(38,088)</b>
<b>OTHER INCOME (EXPENSE):</b>		
Interest expense	(16,766)	(8,725)
Mark-to-market of stock warrants	330	3,322
Other	242	318
<b>TOTAL OTHER EXPENSE</b>	<b>(16,194)</b>	<b>(5,085)</b>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(7,957)</b>	<b>(43,173)</b>
<b>INCOME TAX BENEFIT (PROVISION)</b>	<b>10,997</b>	<b>(1,073)</b>
<b>NET INCOME (LOSS)</b>	<b>3,040</b>	<b>(44,246)</b>
<b>LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	<b>1,817</b>	<b>(23,766)</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST</b>	<b>\$ 1,223</b>	<b>\$ (20,480)</b>
<b>NET INCOME (LOSS) PER SHARE (Note 8):</b>		
Basic	\$ 0.37	\$ (6.28)
Diluted	\$ 0.32	\$ (6.28)
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (Note 8):</b>		
Basic	3,288	3,260
Diluted	8,417	3,260

*See accompanying notes to condensed consolidated financial statements.*

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

	Redeemable Non-controlling Interest	Class A Common Stock		Class V Common Stock		Additional Paid in Capital	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity
		Shares	Amount	Shares	Amount				
<b>STOCKHOLDERS' EQUITY, December 31, 2024</b>	\$ 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 resulting from 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)
<b>STOCKHOLDERS' EQUITY, March 31, 2025</b>	\$ 57,829	3,263	\$ —	3,919	\$ —	\$ 586,923	\$ (523,673)	\$ —	\$ 63,250

	Redeemable Non-controlling Interest	Class A Common Stock		Class V Common Stock		Additional Paid in Capital	Accumulated Deficit	Non-controlling Interest	Total Stockholders' Equity (Deficit)
		Shares	Amount	Shares	Amount				
<b>STOCKHOLDERS' DEFICIT, December 31, 2025</b>	\$ 14,997	3,286	\$ —	3,919	\$ —	\$ 495,909	\$ (651,141)	\$ —	\$ (155,232)
Issuance of Class A common stock upon settlement of restricted stock units, net of shares withheld for tax	—	8	—	—	—	—	—	—	—
Reclassification of non-controlling interest upon consolidation	(1,000)	—	—	—	—	—	—	1,000	1,000
Equity-based compensation	—	—	—	—	—	1,051	—	—	1,051
Fair value adjustments to redeemable non-controlling interest	(33,741)	—	—	—	—	33,741	—	—	33,741
Remeasurement adjustment to redeemable non-controlling interest	28,668	—	—	—	—	(28,668)	—	—	(28,668)
Class A common stock warrants issued	—	—	—	—	—	2,977	—	—	2,977
Net income	1,457	—	—	—	—	—	1,223	360	1,583
<b>STOCKHOLDERS' DEFICIT, March 31, 2026</b>	\$ 10,381	3,294	\$ —	3,919	\$ —	\$ 505,010	\$ (649,918)	\$ 1,360	\$ (143,548)

*See accompanying notes to condensed consolidated financial statements.*

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

	Three Months Ended March 31,	
	2026	2025
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Net income (loss)	\$ 3,040	\$ (44,246)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	21,074	21,052
Premium deficiency reserve	(4,715)	(6,962)
Paid in-kind interest expense		
	10,799	5,614
Amortization of original issue discount and debt issuance costs	2,803	331
Equity-based compensation	1,051	1,808
Deferred income taxes	478	—
Mark-to-market adjustment of stock warrants	(330)	(3,322)
Changes in operating assets and liabilities:		
Health plan receivable	(32,436)	(8,084)
Clinic fees, insurance, and other receivable	(5,681)	(1,462)
Prepaid expenses and other current assets	(715)	(558)
Other long-term assets	(473)	(14,345)
Accounts payable, accrued expenses, and other current liabilities	420	1,593
Accrued payroll	823	494
Health plan settlements payable	(21,585)	1,150
Claims payable	(1,892)	13,575
Accrued interest	—	—
Operating lease liability	(128)	(104)
Net cash used in operating activities	(27,467)	(33,466)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Other, net	(43)	—
Net cash used in investing activities	(43)	—
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from long-term debt, net of original issue discount	27,000	30,000
Proceeds from short-term debt	1,044	1,137
Repayment of short-term and long-term debt	(209)	(341)
Payment of debt issuance costs	(30)	(139)
Net cash provided by financing activities	27,805	30,657
Net change in cash and restricted cash	295	(2,809)
Cash and restricted cash, beginning of period	25,807	44,102
Cash and restricted cash, end of period	\$ 26,102	\$ 41,293
<b>Reconciliation of cash and restricted cash:</b>		
Cash	\$ 25,497	\$ 40,082
Restricted cash	605	1,211
Total cash and restricted cash	\$ 26,102	\$ 41,293

*See accompanying notes to condensed consolidated financial statements.*

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

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**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 MA programs. 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 by the Company 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 and affiliated 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 until the quarter ended March 31, 2026.

As of March 31, 2026 and December 31, 2025, the Company had \$25.5 million and \$25.0 million, respectively, in unrestricted cash available to fund future operations. The Company has a working capital deficit of \$353.3 million and a stockholders’ deficit of \$143.5 million as of March 31, 2026. 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 for 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, 2025. 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 months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026, or for any other future annual or interim period.

#### Reclassifications

Certain amounts reported previously have been reclassified to conform to the current year presentation with no effect on total assets, total liabilities, total stockholders' equity, net income (loss), or total cash flows from operating activities as previously reported.

#### 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. 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 redeemable 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 11 "Variable Interest Entities," P3 LLC is the primary beneficiary of the following physician practices (collectively, the "Network VIEs"):

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

P3 LLC, through its subsidiary P3 Health Partners REACH ACO, LLC ("P3 ACO"), is also the primary beneficiary of P3 Commonwealth Innovation MSO, LLC (the "MSO") and, as of January 1, 2026, of Commonwealth Primary Care ACO, LLC ("CPC ACO"). Through its contracts with the MSO and CPC ACO, the Company has the right to direct the most significant activities of the MSO and CPC ACO and the obligation to absorb losses and receive benefits. The rights of the non-controlling member are limited and protective in nature and do not give substantive participation rights. Accordingly, the Company identifies itself as the primary beneficiary of the MSO and CPC ACO, resulting in a non-controlling interest related to the 20% ownership interest in the MSO held by members other than P3.

#### Comprehensive Income (Loss)

Comprehensive income (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 income (loss) and net income (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, fair value of redeemable non-controlling interest, 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, 2025. No changes to significant accounting policies have occurred since December 31, 2025.

Revenue Recognition

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

Revenue Type	Three Months Ended March 31, 2026	% of Total	Three Months Ended March 31, 2025	% of Total
(dollars in thousands)				
Capitated revenue	\$ 379,499	98.2 %	\$ 369,517	99.0 %
Other revenue:				
Clinical fees & insurance revenue	263	0.1	992	0.3
Care coordination / management fees	6,518	1.7	2,695	0.7
Incentive fees and other revenue	110	0.0	21	0.0
Total other revenue	6,891	1.8	3,708	1.0
Total revenue	\$ 386,390	100.0 %	\$ 373,225	100.0 %

During each of the three months ended March 31, 2026 and 2025, four and five health plan customers, respectively, each accounted for 10% or more of total revenue and collectively comprised 63% and 75% of the Company’s total revenue. Four and four health plan customers each accounted for 10% or more of total health plan receivable as of March 31, 2026 and December 31, 2025, respectively.

**Note 4: Recent Accounting Pronouncements**

**Recent Accounting Pronouncements Not Yet Adopted**

ASU 2026-01, Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock (“ASU 2026-01”)

Accounting Standards Update (“ASU”) 2026-01 clarifies how issuers initially measure paid-in-kind dividends on equity-classified preferred stock by requiring issuers to use the paid-in-kind dividend rate stated in the preferred stock agreement. ASU 2026-01 is effective for the fiscal years beginning after December 15, 2026, with early adoption permitted, and can be applied prospectively or retrospectively at the option of the Company. The Company is evaluating the effect ASU 2026-01 will have on its consolidated financial statements.

ASU 2025-05, Financial Instruments - Credit Losses (Topic 326)-Measurement of Credit Losses for Accounts Receivable and Contract Assets (“ASU 2025-05”)

ASU 2025-05 provides all entities with a practical expedient when estimating expected credit losses on accounts receivable and contract assets. Under this election, entities may assume that current conditions as of the balance sheet date do not change for the remaining life of accounts receivable and contract assets when developing forecasts as part of estimating expected credit losses. ASU 2025-05 is effective for the Company’s Annual Report on Form 10-K for the year

ending December 31, 2026 and interim period reporting beginning in 2026 on a prospective basis. The Company expects adoption of this standard to have an immaterial impact on its consolidated financial statements.

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 2023-06, 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 March 31, 2026	\$ 63	\$ —	\$ 2,069	\$ 2,132
Warrant liability as of December 31, 2025	\$ 106	\$ —	\$ 2,356	\$ 2,462

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:

	March 31, 2026	December 31, 2025
Volatility	106.5 %	102.1 %
Risk-free interest rate	3.9 %	3.7 %
Exercise price	\$ 25.60	\$ 25.74
Expected term	5.1 years	5.3 years

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:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Beginning balance	\$ 2,356	\$ 10,185
Mark-to-market adjustment of stock warrants	(287)	(3,322)
Ending balance	<u>\$ 2,069</u>	<u>\$ 6,863</u>

The Company recorded losses of \$0.3 million and \$3.3 million, respectively, from changes in the fair value of stock warrants for the three months ended March 31, 2026 and 2025, 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. The book value of long-term debt approximates fair value, which was calculated using Level 2 inputs, as of March 31, 2026.

#### **Note 6: Intangible Assets**

Intangible assets, net consisted of the following:

	March 31, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in thousands)					
<b>Indefinite lived intangible assets:</b>						
Medical licenses	\$ 700	\$ —	\$ 700	\$ 700	\$ —	\$ 700
<b>Definite lived intangible assets:</b>						
Customer relationships	672,639	(290,031)	382,608	671,819	(273,361)	398,458
Trademarks	148,635	(64,656)	83,979	148,635	(61,005)	87,630
Payor contracts	4,700	(1,998)	2,702	4,700	(1,880)	2,820
Provider network	5,064	(2,064)	3,000	4,734	(1,919)	2,815
<b>Total</b>	<u>\$ 831,738</u>	<u>\$ (358,749)</u>	<u>\$ 472,989</u>	<u>\$ 830,588</u>	<u>\$ (338,165)</u>	<u>\$ 492,423</u>

Amortization of intangible assets was \$20.6 million and \$20.5 million during the three months ended March 31, 2026 and 2025, respectively.

**Note 7: Debt**

Long-term Debt

Long-term debt consisted of the following:

	March 31, 2026	December 31, 2025
	(in thousands)	
Repurchase promissory note, interest paid at 11.0%, due June 2026	\$ 35,113	\$ 34,189
Term loan facility, interest paid at 12.0%, due September 2027	83,901	82,885
VGS 1 promissory note, interest paid at 13.5%, due June 2028	50,854	49,374
VGS 2 promissory note, interest paid at 17.5%, due September 2027	40,133	38,667
VGS 3 promissory note, interest paid at 19.5%, due June 2028	36,943	35,435
VGS 4 promissory note, interest paid at 19.5%, due August 2028	42,854	41,110
VGS 5 promissory note, interest paid at 19.5%, due August 2028	89,458	55,070
Long-term debt, gross	379,256	336,730
Less: unamortized debt issuance costs and original issue discount	(68,251)	(63,320)
	311,005	273,410
Less: current portion of long-term debt	(51,436)	(45,036)
Long-term debt, net	\$ 259,569	\$ 228,374

*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. 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% 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 Facility (defined below) 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).

In connection with the issuance of the VGS 5 Promissory Note, P3 LLC 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 and Security Agreement with CRG Servicing, LLC (the “Term Loan Facility”). Under the terms of the VGS 5 Subordination Agreement, P3 LLC will be effectively required to pay all interest under the VGS 5 Promissory Note in-kind.

On June 21, 2025, the Company delivered a request to VGS 5 for \$15.0 million in funding related to the second tranche. VGS 5 funded \$8.5 million in July 2025 and \$6.5 million in August 2025. On October 3, 2025, the Company delivered a request to VGS 5 for \$13.0 million in funding related to the third tranche, which was funded on October 7, 2025.

On December 31, 2025, the Company delivered a request to VGS 5 for \$8.0 million in funding related to the third tranche, which was funded on January 9, 2026. On February 11, 2026, the Company entered into an Amendment to VGS 5 Promissory Note with VGS 5, which extended the availability period for the third tranche of funding through June 30, 2026. On February 11, 2026, the Company delivered a request to VGS 5 for \$10.0 million in funding related to the third

tranche, which was funded on February 12, 2026. On March 23, 2026, the Company delivered a request to VGS 5 for the final \$9.0 million in funding related to the third tranche, which was funded on March 27, 2026.

See Note 14 for a description of the subsequent event impacting the Company's outstanding long-term debt.

#### **Note 8: Net Income (Loss) per Share**

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

	Three Months Ended March 31,	
	2026	2025
	(in thousands, except per share data)	
Numerator—basic:		
Net income (loss) attributable to Class A common stockholders—basic	\$ 1,223	\$ (20,480)
Numerator—diluted:		
Net income (loss) attributable to Class A common stockholders—basic	\$ 1,223	\$ (20,480)
Effect of dilutive securities:		
Net income (loss) attributable to Class V common stockholders	1,457	—
Liability-classified warrants	—	—
Net income (loss) attributable to Class A common stockholders—diluted	\$ 2,680	\$ (20,480)
Denominator—basic:		
Weighted average Class A common shares outstanding—basic	3,288	3,260
Net income (loss) per share attributable to Class A common stockholders—basic	\$ 0.37	\$ (6.28)
Denominator—diluted:		
Weighted average Class A common shares outstanding—basic	3,288	3,260
Weighted average effect of dilutive securities:		
Shares of Class V common stock	3,919	—
Restricted stock units	3	—
Equity-classified warrants	1,207	—
Liability-classified warrants	—	—
Weighted average shares outstanding—diluted	8,417	3,260
Net income (loss) per share attributable to Class A common stockholders—diluted	\$ 0.32	\$ (6.28)

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 income (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 income (loss) per share for the periods presented because their effect would have been anti-dilutive.

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Stock warrants <sup>(1)</sup>	8,492	6,358
Stock options <sup>(1)</sup>	450	433
Restricted stock units <sup>(1)</sup>	165	141
Shares of Class V common stock <sup>(2)</sup>	—	3,919
Total	9,107	10,851

(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 income (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 2025.

**Note 9: Redeemable Non-controlling Interest**

Redeemable 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:

	March 31, 2026		December 31, 2025	
	Units (in thousands)	Ownership %	Units (in thousands)	Ownership %
P3 Health Partners Inc.'s ownership of Common Units	3,288	45.6 %	3,287	45.6 %
Non-controlling interest holders' ownership of Common Units	3,919	54.4	3,919	54.4
Total Common Units	7,207	100.0 %	7,206	100.0 %

There were no exchanges or redemptions of Class V common stock during the three months ended March 31, 2026 or 2025.

As of March 31, 2026 and December 31, 2025, there was an \$85.7 million and \$119.4 million cumulative remeasurement adjustment, respectively, recorded as the carrying value of the redeemable non-controlling interest was less than the fair value of redeemable non-controlling interest (i.e., based on the five-day volume-weighted average price of a share of Class A common stock).

**Note 10: 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 March 31,	
	2026	2025
	(in thousands)	
Operating revenue	\$ 386,390	\$ 373,225
Less:		
Medical claims expense	(305,842)	(352,317)
Other medical expense <sup>(1)</sup>	(30,182)	(19,726)
Depreciation and amortization	(21,074)	(21,052)
Other segment items <sup>(2)</sup>	(20,733)	(14,900)
Interest expense	(16,766)	(8,725)
Interest income	250	322
Loss before income taxes	(7,957)	(43,173)
Income tax (provision) benefit	10,997	(1,073)
Net income (loss)	\$ 3,040	\$ (44,246)

	March 31, 2026	December 31, 2025
	(in thousands)	
Segment assets	\$ 124,894	\$ 92,458
Other assets <sup>(3)</sup>	549,263	564,183
Total assets	\$ 674,157	\$ 656,641

(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.

(3) Other assets consists of cash, restricted cash, prepaid expenses and other current assets, other receivables, assets held for sale, and other long-term assets not allocated to the reportable segment.

### Note 11: 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 the Network VIEs held at the P3 LLC level.

	March 31, 2026	December 31, 2025
	(in thousands)	
<b>ASSETS</b>		
Cash	\$ 6,578	\$ 4,776
Clinic fees, insurance and other receivables	130	785
Prepaid expenses and other current assets	424	487
Property and equipment, net	32	32
Intangible assets, net	633	660
Other long-term assets	1,424	1,433
<b>TOTAL ASSETS</b>	<b>\$ 9,221</b>	<b>\$ 8,173</b>
<b>LIABILITIES AND MEMBERS’ DEFICIT</b>		
Accounts payable	\$ 448	\$ 394
Accrued expenses and other current liabilities	568	241
Accrued payroll	756	887
Claims payable	4,378	4,199
Other long-term liabilities	916	922
Due to consolidated entities of P3	46,492	46,774
<b>TOTAL LIABILITIES</b>	<b>53,558</b>	<b>53,417</b>
<b>MEMBERS’ DEFICIT</b>	<b>(44,337)</b>	<b>(45,244)</b>
<b>TOTAL LIABILITIES AND MEMBERS’ DEFICIT</b>	<b>\$ 9,221</b>	<b>\$ 8,173</b>

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Revenue	\$ 6,557	\$ 8,159
Expense	5,445	8,154
<b>Net income</b>	<b>\$ 1,112</b>	<b>\$ 5</b>

P3 LLC, through its subsidiary P3 ACO, is also the primary beneficiary of the MSO and, as of January 1, 2026, of CPC ACO. The MSO was created to engage in the management, administration, and coordination of activities on behalf of accountable care organizations intended to improve the performance and quality of the parties' respective ACO programs. To this end, the MSO entered into an MSA with the ACOs that will govern the MSO's oversight of clinical integration, provider management, data analytics, financial management, strategic planning, shared services, compliance operations, and related administrative and operational support for the benefit of the ACOs.

Each ACO shall pay a management fee to the MSO for its services under the MSA. The MSO will also be entitled to receive from each ACO a portion of each ACO's net shared savings as determined under the MSA. P3 LLC is obligated to fund any working capital needs to the extent operating expenses exceed gross revenue and to assume any obligations related to CPC ACO's contracts with CMS and the Center for Medicare and Medicaid Innovation ("CMMI"). The MSA may be terminated after three years without cause.

CPC ACO's ownership interest in the MSO represents a non-controlling interest which participates only in the profit of the MSO and distributions of any net assets upon liquidation, because of the Company's obligation to fund losses and assume specific obligations. The non-controlling interest was measured at its fair value upon the formation date.

The following tables provide a summary of the assets, liabilities, and operating performance of the MSO and CPC ACO:

	<b>March 31, 2026</b>
	<b>(in thousands)</b>
<b>ASSETS</b>	
Cash	\$ 708
Clinic fees, insurance and other receivables	1,558
Health plan receivable	8,890
Prepaid expenses and other current assets	253
Intangible assets, net	1,054
Goodwill	4,990
<b>TOTAL ASSETS</b>	<b>\$ 17,453</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>	
Accrued expenses and other current liabilities	\$ 9,875
Claims payable	4,100
Due to consolidated entities of P3	677
<b>TOTAL LIABILITIES</b>	<b>14,652</b>
Non-controlling interest	1,360
Retained earnings	1,441
<b>MEMBERS' EQUITY</b>	<b>2,801</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 17,453</b>
<b>Three Months Ended March 31, 2026</b>	
<b>(in thousands)</b>	
Revenue	\$ 107,263
Expense	105,462
Net income	\$ 1,801

**Note 12: Related Parties**

Chicago Pacific Founders (“CPF”), a principal equity holder of the Company, has equity investments in Allymar Health Solutions (“Allymar”), Anderson Family LLC (“Anderson”), and Atrio Health Plans (“Atrio”). Additionally, CPF manages the entities that own the Company’s VGS 1 through VGS 5 unsecured promissory notes.

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 \$3.0 million and \$0.7 million for the three months ended March 31, 2026 and 2025, respectively, which are included in corporate, general and administrative expense in the condensed consolidated statements of operations. The Company recorded accrued expenses of \$9.8 million and \$9.3 million as of March 31, 2026 and December 31, 2025, respectively. There were no accounts payable as of March 31, 2026 and December 31, 2025.

Anderson Family LLC

The Company has a master services agreement in place with Anderson whereby Anderson provides end-of-life care data analysis and related services for the Company. The Company recorded service expenses of \$0.1 million for the three months ended March 31, 2026, which are included in corporate, general and administrative expense in the condensed consolidated statements of operations. There were no service expenses for the same period in 2025. The Company recorded accounts payable of \$0.0 million and \$0.2 million as of March 31, 2026 and December 31, 2025, respectively.

Atrio Health Plans

The Company has a full-risk capitation agreement in place with Atrio whereby the Company is delegated to perform services on behalf of Atrio’s members assigned to the Company. These delegated services include but are not limited to provider network credentialing, patient authorizations, and medical management (care management, quality management and utilization management). The following tables summarize the Company’s transactions with Atrio:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Capitated revenue	\$ 97,321	\$ 54,471
Other revenue	\$ 1,692	\$ 891
Medical expense <sup>(1)</sup>	\$ 77,554	\$ 76,578
Interest expense <sup>(2)</sup>	\$ 737	\$ 458

<sup>(1)</sup> Medical expense for the three months ended March 31, 2026 included a \$13.5 million reduction for relief of prior period medical claims expense.

<sup>(2)</sup> Interest expense accrues on claims in transit, where Atrio has paid claims on behalf of the Company and has not been reimbursed. Interest accrues at the daily Secured Overnight Financing Rate published by Federal Reserve Bank.

	March 31, 2026	December 31, 2025
	(in thousands)	
Health plan receivable	\$ 30,483	\$ 12,693
Accrued expenses and other current liabilities	\$ 3,468	\$ 2,731
Health plan settlements payable	\$ 2,208	\$ 2,409
Claims payable	\$ 176,527	\$ 178,141

VGS Promissory Notes and Warrants

The following tables summarize the Company's transactions related to the VGS1, VGS 2, VGS 3, VGS 4 and VGS 5 promissory notes:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Interest expense, net	\$ 11,833	\$ 4,894

	March 31,	December 31,
	2026	2025
	(in thousands)	
Long-term debt, net	\$ 192,754	\$ 156,722

In connection with the issuances of promissory notes to VGS, VGS 3, VGS 4, and VGS 5, the Company issued equity-classified warrants to purchase a total of 6.2 million shares of Class A common stock. The Company issued warrants to purchase a total of 1.3 million and 1.4 million shares of Class A common stock during the three months ended March 31, 2026 and 2025, respectively. Such warrants had a fair value of \$3.0 million and \$14.0 million, respectively, and were classified within additional paid-in capital on the Company's condensed consolidated balance sheets.

**Note 13: 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 months ended March 31, 2026, the Company released \$6.4 million of uncertain tax positions primarily related to the reassessment of open state tax positions and changes in the Company's interpretation of recently enacted state tax law. The release of these reserves reduced income tax expense for the quarter. The Company maintains its estimates for remaining exposures and believes its remaining reserves to be adequate. In addition to the uncertain tax position release, the Company released \$2.4 million of accrued interest and penalties related to those positions.

**Note 14: Subsequent Events**

On April 27, 2026, the Company entered into a Debt Exchange Agreement (the "Exchange Agreement") with various affiliates of CPF, the largest stockholder and debtholder, directly or through affiliates, of the Company (such affiliates, the "Holders"). Pursuant to the Exchange Agreement, approximately \$252.5 million, representing the full outstanding balances of the Company's VGS 1 through VGS 5 unsecured promissory notes, including principal, accrued interest, and back-end fees (collectively, the "Debt"), was exchanged for preferred stock that is not convertible, does not have voting or preemptive rights, is not registered or listed, and has a stated value of \$100 per share. The Company may redeem the preferred stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$100.00 per share, plus any accumulated and unpaid dividends.

The Debt was converted into several series of preferred stock having identical terms, other than the dividend rate, with dividends payable only when, as and if declared by the Company's board or on the occurrence of certain specified liquidity events. At the sole election of the Company, such dividends may be paid in cash legally available for the payment of dividends or in-kind in the form of the issuance of additional shares of preferred stock. Debt exchanges included

\$49.8 million for 0.5 million shares of Series A 13.5% Cumulative Preferred Stock; \$39.6 million of the Debt was exchanged for 0.4 million shares of Series B 17.5% Cumulative Preferred Stock; and \$163.1 of the Debt was exchanged for 1.6 million shares of Series C 19.5% Cumulative Preferred Stock.

In addition to the Exchange Agreement, on the same date, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with affiliates of CPF pursuant to which the Company agreed to issue up to \$70.0 million of units (the “Units”) in multiple tranches. The Units consist of (i) shares of the Company’s Series D 19.5% Cumulative Preferred Stock (the “Series D Preferred Stock”), and (ii) warrants to purchase Class A Common Stock (the “Common Stock”), exercisable for a number of shares of Common Stock equal to 0.66333% of the outstanding Class A and Class V Common Stock of the Company per \$1.0 million of amount funded, with an exercise price equal to the Nasdaq Minimum Price on the date of issuance of the applicable warrant and a term of seven years from the date of issuance. The Company sold \$10.0 million of Units in the initial closing of the Purchase Agreement and an additional \$20.0 million of Units on April 30, 2026. \$40.0 million of Units remain available for purchase in future tranches, provided that the conditions to closing such additional purchases are satisfied as of the time of any future closing. The Series D Preferred Stock has terms that are identical to the other series of preferred stock, other than the dividend rate.

The series of preferred stock described above are on parity with each other, and rank, with respect to rights to payment of dividends and distribution of assets in connection with the Company’s liquidation, dissolution or winding up, senior to all classes or series of the Company’s Common Stock and to all other equity securities issued by the Company.

In connection with the Purchase Agreement, the Company entered into a third amended and restated letter agreement (the “Third Amended and Restated Letter Agreement”) with Chicago Pacific Founders GP, L.P., a Delaware limited partnership (“CPF GP I”), Chicago Pacific Founders GP III, L.P., a Delaware limited partnership (“CPF GP III”), and Chicago Pacific Founders GP IV, L.P., a Delaware limited partnership (“CPF GP IV”) (on behalf of the funds of which CPF GP I is the general partner, certain funds of which CPF GP III is the general partner, certain funds of which CPF GP IV is the general partner and/or certain of their affiliated entities and funds (collectively, the “CPF Parties”). Pursuant to the Third Amended and Restated Letter Agreement, (i) for as long as the CPF Parties own 40% of the Company’s outstanding common stock, CPF will be entitled to designate one additional independent member of the Company’s board of directors, who must be independent and satisfy all applicable requirements regarding service as a director of the Company under applicable law and SEC and stock exchange rules, (ii) for as long as the CPF Parties own 40% of the Company’s outstanding common stock, CPF will be entitled to certain information rights and protective provisions, and (iii) the CPF Parties agreed to extend the standstill restriction from January 1, 2026 to January 1, 2027 that limits the ownership of the CPF Parties to 49.99% of the Company’s issued and outstanding shares of common stock.

## 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 2025 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 \$1,118 billion Medicare market, which covers more than 70 million eligible lives as of April 2026. Our core focus is the Medicare Advantage (“MA”) market, which covers approximately 36 million Medicare eligible lives as of April 2026. 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 2,300 physicians, in 26 markets (counties) across five states in over eight full years of operations as of March 31, 2026. As of March 31, 2026, our PCP network served approximately 105,700 at-risk members.

## 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. 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, which may increase or decrease revenue, 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 88% of our total operating expense for the three months ended March 31, 2026. 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 income (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 income (loss), the most directly comparable GAAP metric, to Adjusted EBITDA (loss):

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Net income (loss)	\$ 3,040	\$ (44,246)
Interest expense, net	16,766	8,725
Depreciation and amortization	21,074	21,052
Income tax provision (benefit)	(10,997)	1,073
Mark-to-market of stock warrants	(330)	(3,322)
Premium deficiency reserve	(4,715)	(6,962)
Equity-based compensation	1,051	1,808
Other <sup>(1)</sup>	(130)	(318)
Adjusted EBITDA (loss)	<u>\$ 25,759</u>	<u>\$ (22,190)</u>

(1) Other during the three months ended March 31, 2026 consisted of interest income partially offset by valuation allowance on our notes receivable. Other during the three months ended March 31, 2025 consisted of interest income partially offset by 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 March 31,	
	2026	2025
	(in thousands)	
Capitated revenue	\$ 379,499	\$ 369,517
Less: medical claims expense	(305,842)	(352,317)
Medical margin	<u>\$ 73,657</u>	<u>\$ 17,200</u>

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

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Gross profit	\$ 50,366	\$ 1,182
Other revenue	(6,891)	(3,708)
Other medical expense	30,182	19,726
Medical margin	<u>\$ 73,657</u>	<u>\$ 17,200</u>

### 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 March 31,	
	2026	2025
	(in thousands)	
Total operating revenue	\$ 386,390	\$ 373,225
Less: medical claims expense	(305,842)	(352,317)
Less: other medical expense	(30,182)	(19,726)
Gross profit	<u>\$ 50,366</u>	<u>\$ 1,182</u>

#### 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 106,400 and 117,700 average at-risk members for the three months ended March 31, 2026 and 2025, 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 2,300 and 2,800 primary care physicians as of March 31, 2026 and 2025, 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 March 31,	
	2026	2025
	(dollars in thousands)	
Platform support costs	\$ 20,749	\$ 19,021
% of total operating revenue	5.4 %	5.1 %

### 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 revenue.* Other revenue is comprised primarily of encounter-related fees to treat patients outside of our at-risk arrangements at Company-owned or affiliated clinics. Other 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. 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.

The Company is taxed as a corporation and pays corporate federal, state, and local taxes on income allocated to it from P3 LLC based on the Company's economic interest held in P3 LLC. While the Company consolidates P3 LLC for financial purposes as a VIE, the Company will not be taxed on the earnings attributed to the non-controlling interests. As a result, the income tax burden on the earnings taxed on the non-controlling interests is not reported by the Company in its consolidated financial statements.

#### **Non-controlling Interests**

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 interests. 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 interests.

Additionally, starting January 1, 2026, we consolidate the financial results of CPC ACO and report a non-controlling interest on our condensed consolidation statements of operations, representing the 20% of net income attributable to 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 March 31, 2026		Three Months Ended March 31, 2025	
		% of Revenue		% of Revenue
(dollars in thousands)				
Operating revenue:				
Capitated revenue	\$ 379,499	98 %	\$ 369,517	99 %
Other revenue	6,891	2	3,708	1
Total operating revenue	386,390	100	373,225	100
Operating expense:				
Medical expense	336,024	87	372,043	100
Premium deficiency reserve	(4,715)	(1)	(6,962)	(2)
Corporate, general and administrative expense	25,543	7	24,999	6
Sales and marketing expense	227	—	181	—
Depreciation and amortization	21,074	5	21,052	6
Total operating expense	378,153	98	411,313	110
Operating income (loss)	8,237	2	(38,088)	(10)
Other (expense) income:				
Interest expense	(16,766)	(4)	(8,725)	(2)
Mark-to-market of stock warrants	330	0	3,322	1
Other	242	0	318	—
Total other income (expense)	(16,194)	(4)	(5,085)	(1)
Loss before income taxes	(7,957)	(2)	(43,173)	(11)
Income tax benefit (provision)	10,997	3	(1,073)	—
Net income (loss)	3,040	1	(44,246)	(11)
Net income (loss) attributable to non-controlling interests	1,817	—	(23,766)	(6)
Net income (loss) attributable to controlling interest	\$ 1,223	1 %	\$ (20,480)	(5)%

### Comparison of the Three Months Ended March 31, 2026 and 2025

#### Revenue

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
(dollars in thousands)				
Capitated revenue	\$ 379,499	\$ 369,517	\$ 9,982	3 %
Other revenue	6,891	3,708	3,183	86 %
Total operating revenue	\$ 386,390	\$ 373,225	\$ 13,165	4 %

This increase in capitated revenue was primarily driven by an increase in the average rate resulting from ongoing strategic contractual restructuring, as well as from rate progression and burden of illness performance. The increase was partially offset by a 10% decrease in the average number of at-risk members from 117,700 for the three months ended March 31, 2025 to 106,400 for the three months ended March 31, 2026, resulting from previously disclosed intentional network and payer rationalization. Capitated revenue was approximately 98% and 99% of total operating revenue for each of the three months ended March 31, 2026 and 2025, respectively.

Other revenue was approximately 2% of total operating revenue for the three months ended March 31, 2026 and approximately 1% of total operating revenue for the three months ended March 31, 2025.

### Medical Expense

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Medical expense	\$ 336,024	\$ 372,043	\$ (36,019)	(10)%

The decrease in medical expense was driven primarily by a decrease in the total number of at-risk members year-over-year as well as favorable reserve development and claims true-up activity. Additionally, medical expense for the three months ended March 31, 2026 included a \$13.5 million reduction of prior period medical claims expense from a related party.

### Premium Deficiency Reserve

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Premium deficiency reserve	\$ (4,715)	\$ (6,962)	\$ 2,247	(32)%

The change in premium deficiency reserve was due to management's assessment of the profitability of contracts, wherein maturation of our overall contractual arrangements is expected to reduce our future losses.

### Corporate, General and Administrative Expense

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Corporate, general and administrative expense	\$ 25,543	\$ 24,999	\$ 544	2%

The increase in corporate, general and administrative expense was primarily driven by an increase in professional fees, primarily driven by higher consulting expenses. The increase was partially offset by the reversal of \$2.0 million of expense related to certain indirect tax returns for which the Company filed amended returns during the quarter.

### Income Tax Benefit (Provision)

	Three Months Ended March 31,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Income tax benefit (provision)	\$ 10,997	\$ (1,073)	\$ 12,070	1125%

The increase in income tax benefit was primarily driven by the release of \$6.4 million of uncertain tax positions related to the reassessment of open state tax positions and changes in the interpretation of recently enacted state tax law, as well as the release of \$2.4 million of accrued interest and penalties associated with those positions.

### 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 upon the consummation of a series of business combinations in December 2021 with Foresight Acquisition Corp. (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 March 31, 2026, we had \$25.5 million of unrestricted cash available to fund future operations.

We have experienced losses since our inception until the three months ended March 31, 2026. 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 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. As of March 31, 2026, the full \$70.0 million of funding had been drawn. 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 (as defined below) do not permit us to pay interest in cash, interest will be paid entirely in-kind.

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 March 31, 2026, we were in 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.

### Series D Preferred Stock Issuance

On April 27, 2026, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with affiliates of Chicago Pacific Founders, the largest stockholder and debtholder, directly or through affiliates, of the Company (“CPF”) pursuant to which the Company agreed to issue up to \$70.0 million of units (the “Units”) in multiple tranches. The Units consist of (i) shares of the Company’s Series D 19.5% Cumulative Preferred Stock (the “Series D Preferred Stock”), and (ii) warrants to purchase Class A Common Stock (the “Common Stock”), exercisable for a number of shares of Common Stock equal to 0.66333% of the outstanding Class A and Class V Common Stock of the Company per \$1.0 million of amount funded, with an exercise price equal to the Nasdaq Minimum Price on the date of issuance of the applicable warrant and a term of seven years from the date of issuance. The Company sold \$10.0 million of Units in the initial closing of the Purchase Agreement and an additional \$20.0 million of Units on April 30, 2026. \$40.0 million of Units remain available for purchase in future tranches, provided that the conditions to closing such additional purchases are satisfied as of the time of any future closing. The Series D Preferred Stock has terms that are identical to the other series of preferred stock, other than the dividend rate.

In connection with the Purchase Agreement, the Company entered into a third amended and restated letter agreement (the “Third Amended and Restated Letter Agreement”) with Chicago Pacific Founders GP, L.P., a Delaware limited partnership (“CPF GP I”), Chicago Pacific Founders GP III, L.P., a Delaware limited partnership (“CPF GP III”), and Chicago Pacific Founders GP IV, L.P., a Delaware limited partnership (“CPF GP IV”) (on behalf of the funds of which CPF GP I is the general partner, certain funds of which CPF GP III is the general partner, certain funds of which CPF GP IV is the general partner and/or certain of their affiliated entities and funds (collectively, the “CPF Parties”). Pursuant to the Third Amended and Restated Letter Agreement, (i) for as long as the CPF Parties own 40% of the Company’s outstanding common stock, CPF will be entitled to designate one additional independent member of the Company’s board of directors, who must be independent and satisfy all applicable requirements regarding service as a director of the Company under applicable law and SEC and stock exchange rules, (ii) for as long as the CPF Parties own 40% of the Company’s outstanding common stock, CPF will be entitled to certain information rights and protective provisions, and (iii) the CPF Parties agreed to extend the standstill restriction from January 1, 2026 to January 1, 2027 that limits the ownership of the CPF Parties to 49.99% of the Company’s issued and outstanding shares of common stock.

### **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 tax receivable agreement (“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 \$12.4 million as of March 31, 2026. 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 March 31, 2026.

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 2025 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:

	Three Months Ended March 31,	
	2026	2025
	(in thousands)	
Net cash used in operating activities	\$ (27,467)	\$ (33,466)
Net cash used in investing activities	(43)	—
Net cash provided by financing activities	27,805	30,657
Net change in cash and restricted cash	<u>\$ 295</u>	<u>\$ (2,809)</u>

### ***Operating Activities***

Net cash used in operating activities was \$27.5 million for the three months ended March 31, 2026, compared to net cash used in operating activities of \$33.5 million for the three months ended March 31, 2025. Significant changes

impacting net cash used in operating activities during the three months ended March 31, 2026 as compared to the three months ended March 31, 2025 were primarily due to changes in working capital and net income as compared to net loss.

Investing Activities

Net cash used in investing activities was \$0.0 million for the three months ended March 31, 2026 compared to \$0.0 million for the three months ended March 31, 2025.

Financing Activities

Net cash provided by financing activities was \$27.8 million for the three months ended March 31, 2026, primarily consisting of proceeds from the borrowings on the VGS 5 Promissory Note and short-term financing agreements for the funding of certain insurance policies. Net cash provided by financing activities was \$30.7 million for the three months ended March 31, 2025, consisting of proceeds from the borrowings on the VGS 4 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 2025 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 March 31, 2026, 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 March 31, 2026 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 income (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 2025 Form 10-K, and as identified above in the Cautionary Statement Regarding Forward-Looking Statements.

### Item 1A. Risk Factors.

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A., "Risk Factors" of our 2025 Form 10-K. You should carefully consider the risk factors discussed in our 2025 Form 10-K, which could materially affect our business, financial condition or future results.

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

There were no unregistered sales of our equity securities during the quarter ended March 31, 2026, 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 March 31, 2026, 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	<a href="#">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.</a>	8-K	001-40033	2.1	6/1/2021
2.2	<a href="#">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.</a>	8-K	001-40033	2.2	6/1/2021
2.3	<a href="#">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.</a>	8-K	001-40033	2.1	11/22/2021
2.4	<a href="#">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.</a>	8-K	001-40033	2.4	12/9/2021
2.5	<a href="#">The First Amendment to the Transaction and Combination Agreement between Foresight Acquisition Corp., the Merger Corps, the Blockers, Splitter and the Blocker Sellers.</a>	8-K	001-40033	2.5	12/9/2021
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Company.</a>	8-K	001-40033	3.1	12/9/2021
3.2	<a href="#">Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company.</a>	8-K	001-40033	3.1	4/17/2025
3.3	<a href="#">Amended and Restated Bylaws of the Company.</a>	8-K	001-40033	3.1	3/12/2024
3.4	<a href="#">Form of Certificate of Designation of Series A, B, C, and D Cumulative Preferred Stock.</a>	8-K	001-40033	3.1	4/28/2026
3.5	<a href="#">Form of Warrant.</a>	8-K	001-40033	10.4	4/28/2026
10.1	<a href="#">Amendment to Unsecured Promissory Note, dated as of February 11, 2026, by and among P3 Health Group, LLC and VBC Growth SPV 5, LLC.</a>	8-K	001-40033	10.1	2/17/2026
10.2	<a href="#">Statement of Work No. 1, effective March 19, 2026, by and between P3 Health Partners, LLC and the Client.</a>	8-K	001-40033	10.1	3/25/2026
10.3	<a href="#">Debt Exchange Agreement, dated April 27, 2026, by and between P3 Health Partners, Inc. and the Purchasers named therein.</a>	8-K	001-40033	10.1	4/28/2026
10.4	<a href="#">Series D Purchase Agreement, dated April 27, 2026, by and between P3 Health Partners, Inc. and the Purchasers named therein.</a>	8-K	001-40033	10.2	4/28/2026
10.5	<a href="#">Form of Registration Rights Agreement by and between P3 Health Partners, Inc. and the Purchasers named therein.</a>	8-K	001-40033	10.3	4/28/2026
31.1	*	<a href="#">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.</a>			
31.2	*	<a href="#">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.</a>			

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Exhibit Number		Description	Incorporated by Reference			
			Form	File No.	Exhibit	Filing Date
32.1	**	<a href="#">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.</a>				
32.2	**	<a href="#">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.</a>				
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: May 14, 2026

**P3 Health Partners Inc.**

By: /s/ Leif Pedersen

Leif Pedersen

Chief Financial Officer

*(Principal Financial Officer and Principal Accounting Officer)*

## 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: May 14, 2026

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

## 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: May 14, 2026

/s/ Leif Pedersen

Leif Pedersen

Chief Financial Officer

(Principal Financial Officer)

**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 March 31, 2026, 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: May 14, 2026

/s/ Aric Coffman, M.D.

Aric Coffman, M.D.

Chief Executive Officer

*(Principal Executive Officer)*

**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 March 31, 2026, 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: May 14, 2026

/s/ Leif Pedersen

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Leif Pedersen

Chief Financial Officer

*(Principal Financial Officer)*