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

FORM 10-Q

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

For the quarterly period ended June 30, 2026

or

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

For the transition period from to

Commission File Number: 001-40033

P3 Health Partners Inc.

(Exact name of registrant as specified in its charter)

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

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

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:

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

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

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

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

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

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

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

As of August 3, 2026, the registrant had 3,911,962 shares of Class A common stock, par value $0.0001 and 3,349,020 shares of Class V common stock, par value $0.0001 outstanding.

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 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.
- We have significant cumulative preferred stock obligations held entirely by affiliates of our largest stockholder that rank senior to our common stock, which could adversely affect our common stockholders through the compounding of cumulative dividends, reduction of earnings available to common stockholders, senior liquidation priority, and constraints on our ability to raise additional capital or pursue strategic alternatives.
- 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)

	June 30, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash	$ 21,272	$ 25,012
Restricted cash	922	795
Health plan receivable, net of allowance for credit losses of $281	135,273	92,458
Clinic fees, insurance and other receivable	9,354	3,379
Prepaid expenses and other current assets	12,517	11,439
TOTAL CURRENT ASSETS	179,338	133,083
Property and equipment, net	2,527	3,374
Intangible assets, net	452,405	492,423
Other long-term assets	20,122	27,761
TOTAL ASSETS [(1)]	$ 654,392	$ 656,641
LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 7,569	$ 11,715
Accrued expenses and other current liabilities	43,265	42,820
Accrued payroll	2,421	1,950
Health plan settlements payable	11,386	69,830
Claims payable	228,980	287,790
Premium deficiency reserve	72,742	86,116
Current portion of long-term debt	21,800	45,036
Short-term debt	418	—
TOTAL CURRENT LIABILITIES	388,581	545,257
Operating lease liability, net	10,417	11,475
Warrant liabilities	10,389	2,462
Long-term debt, net	98,054	228,374
Other long-term liabilities	9,308	9,308
TOTAL LIABILITIES [(1)]	516,749	796,876
COMMITMENTS AND CONTINGENCIES		
MEZZANINE EQUITY:		
Redeemable non-controlling interest	64,453	14,997
STOCKHOLDERS' EQUITY (DEFICIT):		
Series A 13.5% Cumulative Preferred Stock, $0.0001 par value; 650 shares authorized; 498 and 0 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	21,186	—
Series B 17.5% Cumulative Preferred Stock, $0.0001 par value; 555 shares authorized; 396 and 0 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	18,717	—
Series C 19.5% Cumulative Preferred Stock, $0.0001 par value; 2,335 shares authorized; 1,631 and 0 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	81,317	—
Series D 19.5% Cumulative Preferred Stock, $0.0001 par value; 1,100 shares authorized; 559 and 0 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	43,218	—
Class A common stock, $0.0001 par value; 800,000 shares authorized; 3,910 and 3,286 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	—	—
Class V common stock, $0.0001 par value; 205,000 shares authorized; 3,349 and 3,919 shares issued and outstanding as of June 30, 2026 and December 31, 2025	—	—
Additional paid in capital	550,226	495,909
Accumulated deficit	(642,474)	(651,141)
Non-controlling interest	1,000	—
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	73,190	(155,232)
TOTAL LIABILITIES, MEZZANINE EQUITY, AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 654,392	$ 656,641

(1) The Company's condensed consolidated balance sheets include the assets and liabilities of its consolidated variable interest entities ("VIEs"). As discussed in Note 13 "Variable Interest Entities," P3 LLC is itself a VIE. P3 LLC represents substantially all the assets and liabilities of the Company. As a result, the language and amounts below refer only to VIEs held at the P3 LLC level. The condensed consolidated balance sheets include total assets that can be used only to settle obligations of P3 LLC's consolidated VIEs totaling $30.3 million and $8.2 million as of June 30, 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 $6.6 million and $6.6 million as of June 30, 2026 and December 31, 2025, respectively. These VIE assets and liabilities do not include $46.5 million and $46.8 million of net amounts due to affiliates as of June 30, 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
OPERATING REVENUE:				
Capitated revenue	$ 366,398	$ 351,724	$ 745,897	$ 721,241
Other revenue	19,983	4,064	26,874	7,772
TOTAL OPERATING REVENUE	386,381	355,788	772,771	729,013
OPERATING EXPENSE:				
Medical expense	300,377	351,350	636,401	723,393
Premium deficiency reserve	(8,659)	(5,967)	(13,374)	(12,929)
Corporate, general and administrative expense	32,393	23,446	58,163	48,626
Depreciation and amortization	21,044	21,083	42,118	42,135
TOTAL OPERATING EXPENSE	345,155	389,912	723,308	801,225
OPERATING INCOME (LOSS)	41,226	(34,124)	49,463	(72,212)
OTHER INCOME (EXPENSE):				
Interest expense, net	(7,862)	(10,145)	(24,628)	(18,870)
Mark-to-market of stock warrants and purchased put option	(16,366)	2,002	(16,036)	5,324
Other	(82)	583	160	901
TOTAL OTHER EXPENSE	(24,310)	(7,560)	(40,504)	(12,645)
INCOME (LOSS) BEFORE INCOME TAXES	16,916	(41,684)	8,959	(84,857)
INCOME TAX BENEFIT (PROVISION)	(1,265)	(1,981)	9,732	(3,054)
NET INCOME (LOSS)	15,651	(43,665)	18,691	(87,911)
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	8,207	(23,303)	10,024	(47,069)
NET INCOME (LOSS) ATTRIBUTABLE TO CONTROLLING INTEREST	$ 7,444	$ (20,362)	$ 8,667	$ (40,842)
LESS: CUMULATIVE PREFERRED STOCK DIVIDENDS	9,570	—	9,570	—
NET LOSS ATTRIBUTABLE TO CLASS A COMMON STOCKHOLDERS	$ (2,126)	$ (20,362)	$ (903)	$ (40,842)
NET LOSS PER SHARE (Note 9):				
Basic	$ (0.63)	$ (6.23)	$ (0.27)	$ (12.52)
Diluted	$ (0.63)	$ (6.23)	$ (0.27)	$ (12.52)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (Note 9):				
Basic	3,362	3,267	3,325	3,263
Diluted	3,362	3,267	3,325	3,263

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

	Redeemable Non-controlling Interest	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		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	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
STOCKHOLDERS' DEFICIT, December 31, 2025	$ 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
STOCKHOLDERS' DEFICIT, March 31, 2026	$ 10,381	—	—	—	—	—	—	—	—	3,294	$ —	3,919	$ —	$ 505,010	$ (649,918)	$ 1,360	$ (143,548)
Exchanges of redeemable non-controlling interest for Class A common stock	—	—	—	—	—	—	—	—	—	570	—	(570)	—	—	—	—	—
Conversion of debt to preferred stock, net of issuance costs	—	498	21,186	396	18,717	1,631	81,317				—	—	—	73,898	—	—	195,118
Issuance of preferred stock, net of issuance costs	—	—	—	—	—	—	—	559	43,218	—	—	—	—	—	—	—	43,218
Issuance of Class A common stock upon settlement of restricted stock units, net of shares withheld for tax	—	—	—	—	—	—	—	—	—	46	—	—	—	(4)	—	—	(4)
Equity-based compensation	—	—	—	—	—	—	—	—	—	—	—	—	—	866	—	—	866
Fair value adjustments to redeemable non-controlling interest	(85,657)	—	—	—	—	—	—	—	—	—	—	—	—	85,657	—	—	85,657
Remeasurement adjustment to redeemable non-controlling interest	131,162	—	—	—	—	—	—	—	—	—	—	—	—	(131,162)	—	—	(131,162)
Class A common stock warrants issued	—	—	—	—	—	—	—	—	—	—	—	—	—	15,961	—	—	15,961
Net income (loss)	8,567	—	—	—	—	—	—	—	—	—	—	—	—	—	7,444	(360)	7,084
STOCKHOLDERS' EQUITY, June 30, 2026	$ 64,453	498	$21,186	396	$18,717	1,631	$81,317	559	$43,218	3,910	$ —	3,349	$ —	$ 550,226	$ (642,474)	$ 1,000	$ 73,190

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 18,691	$ (87,911)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Noncash reduction of prior period medical expense	(56,000)	—
Depreciation and amortization	42,118	42,135
Mark-to-market adjustment of stock warrants and purchased put option	16,036	(5,324)
Paid in-kind interest expense	14,710	10,619
Premium deficiency reserve	(13,374)	(12,929)
Amortization of original issue discount and debt issuance costs	3,403	402
Equity-based compensation	1,917	3,271
Deferred income taxes	478	—
Loss on asset sale and disposal	127	—
Changes in operating assets and liabilities:		
Health plan receivable	(27,173)	27,803
Clinic fees, insurance, and other receivable	(5,975)	(3,625)
Prepaid expenses and other current assets	(9,187)	(1,747)
Other long-term assets	5,039	(14,464)
Accounts payable, accrued expenses, and other current liabilities	(3,597)	6,200
Accrued payroll	471	(1,560)
Health plan settlements payable	(44,182)	(13,694)
Claims payable	(32,714)	948
Operating lease liability	(169)	(223)
Net cash used in operating activities	(89,381)	(50,099)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other, net	(251)	—
Proceeds from asset sale	—	50
Net cash provided by (used in) investing activities	(251)	50
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of preferred stock, net of issuance costs	42,674	—
Proceeds from long-term debt, net of original issue discount	27,000	45,000
Proceeds from issuance of warrants	15,961	—
Proceeds from short-term debt	1,044	1,137
Repayment of short-term and long-term debt	(626)	(682)
Payment of debt issuance costs	(30)	(181)
Payment of tax withholdings upon settlement of restricted stock unit awards	(4)	—
Net cash provided by financing activities	86,019	45,274
Net change in cash and restricted cash	(3,613)	(4,775)
Cash and restricted cash, beginning of period	25,807	44,102
Cash and restricted cash, end of period	$ 22,194	$ 39,327
Reconciliation of cash and restricted cash:		
Cash	$ 21,272	$ 38,581
Restricted cash	922	746
Total cash and restricted cash	$ 22,194	$ 39,327
Supplemental disclosures of non-cash investing and financing information:		
Conversion of long-term debt to preferred equity, net of debt issuance costs and original issue discount	$ 195,118	$ —

See accompanying notes to condensed consolidated financial statements.

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

Note 1: Organization

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

P3 LLC was founded on April 12, 2017 and began commercial operations on April 20, 2017 to provide population health management services on an at-risk basis to insurance plans offering medical coverage to Medicare beneficiaries under 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 historical losses from inception through December 31, 2025, and has an accumulated deficit of $642.5 million as of June 30, 2026.

As of June 30, 2026 and December 31, 2025, the Company had $21.3 million and $25.0 million, respectively, in unrestricted cash available to fund future operations. The Company has a working capital deficit of $209.2 million and a stockholders’ equity of $73.2 million as of June 30, 2026. The Company had negative cash flows from operations of $89.4 million for the six months ended June 30, 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 and six months ended June 30, 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 13 "Variable Interest Entities," P3 LLC is the primary beneficiary of the following physician practices (collectively, the "Network VIEs"):

- Bacchus P.C. (f/k/a Bacchus and Kahan, P.C.)
- 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 June 30, 2026	% of Total	Three Months Ended June 30, 2025	% of Total
		(dollars in thousands)		
Capitated revenue	$ 366,398	94.8 %	$ 351,724	98.9 %
Other revenue:				
Clinical fees & insurance revenue	856	0.2	808	0.2
Care coordination / management fees	8,758	2.3	2,667	0.7
Incentive fees and other revenue	10,369	2.7	589	0.2
Total other revenue	19,983	5.2	4,064	1.1
Total revenue	$ 386,381	100.0 %	$ 355,788	100.0 %

Revenue Type	Six Months Ended June 30, 2026	% of Total	Six Months Ended June 30, 2025	% of Total
		(dollars in thousands)		
Capitated revenue	$ 745,897	96.5 %	$ 721,241	98.9 %
Other revenue:				
Clinical fees & insurance revenue	1,119	0.1	1,800	0.3
Care coordination / management fees	15,276	2.0	5,362	0.7
Incentive fees and other revenue	10,479	1.4	610	0.1
Total other revenue	26,874	3.5	7,772	1.1
Total revenue	$ 772,771	100.0 %	$ 729,013	100.0 %

During each of the three months ended June 30, 2026 and 2025, four and four health plan customers, respectively, each accounted for 10% or more of total revenue and collectively comprised 61% and 66% of the Company’s total revenue. During each of the six months ended June 30, 2026 and 2025, four and five health plan customers, respectively, each accounted for 10% or more of total revenue and collectively comprised 62% and 75% of the Company’s total revenue, respectively. Four and four health plan customers each accounted for 10% or more of total health plan receivable as of June 30, 2026 and December 31, 2025, respectively.

Note 4: Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

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 ("PIK") 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 early adopted ASU 2026-01 effective January 1, 2026 on a prospective basis. Under the new guidance, the measurement of PIK dividends is standardized, ensuring comparability across entities with similar instruments. The Company did not have PIK dividends prior to adoption.

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. The Company adopted ASU 2025-05 effective January 1, 2026 on a prospective basis. Adoption of this standard had an immaterial impact on its consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

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

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

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

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

Note 5: Fair Value Measurements and Hierarchy

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

	Level 1	Level 2	Level 3	Total
		(in thousands)		
Warrant liability as of June 30, 2026	$ 107	$ —	$ 10,282	$ 10,389
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:

	June 30, 2026	December 31, 2025
Volatility	112.8 %	102.1 %
Risk-free interest rate	4.1 %	3.7 %
Exercise price	$ 25.76	$ 25.74
Expected term	4.8 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:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Beginning balance	$ 2,356	$ 10,185
Mark-to-market adjustment of stock warrants	7,926	(5,315)
Ending balance	$ 10,282	$ 4,870

The Company recorded a loss of $8.3 million and a gain of $2.0 million from changes in the fair value of stock warrants for the three months ended June 30, 2026 and 2025, respectively. The Company recorded a loss of $7.9 million and a gain of $5.3 million from changes in the fair value of stock warrants for the six months ended June 30, 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 June 30, 2026.

Note 6: Intangible Assets

Intangible assets, net consisted of the following:

	June 30, 2026			December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
			(in thousands)			
Indefinite lived intangible assets:						
Medical licenses	$ 700	$ —	$ 700	$ 700	$ —	$ 700
Definite lived intangible assets:						
Customer relationships	672,639	(306,703)	365,936	671,819	(273,361)	398,458
Trademarks	148,635	(68,307)	80,328	148,635	(61,005)	87,630
Payor contracts	4,700	(2,115)	2,585	4,700	(1,880)	2,820
Provider network	5,064	(2,208)	2,856	4,734	(1,919)	2,815
Total	$ 831,738	$ (379,333)	$ 452,405	$ 830,588	$ (338,165)	$ 492,423

Amortization of intangible assets was $20.6 million and $20.5 million during the three months ended June 30, 2026 and 2025, respectively and $41.2 million and $40.9 million during the six months ended June 30, 2026 and 2025, respectively.

Note 7: Claims Payable

Activity in the liability for claims payable was as follows:

	Six Months Ended June 30,	
	2026	2025
Claims unpaid, beginning of period	$ 287,790	$ 2[illegible]
Incurred, related to:		
Current period	597,896	62[illegible]
Prior period(s)	(65,538)	[illegible]
Total incurred	532,358	6[illegible]
Paid, related to:		
Current period	456,317	4[illegible]
Prior period(s)	134,851	22[illegible]
Total paid	591,168	6[illegible]
Claims unpaid, end of period	$ 228,980	$ 2[illegible]

Note 8: Debt

Long-term Debt

Long-term debt consisted of the following:

	June 30, 2026	December 31, 2025
	(in thousands)	
Repurchase promissory note, interest paid at 14.0%, due September 2028	$ 36,062	$ 34,189
Term loan facility, interest paid at 15.0%, due September 2027	84,030	82,885
VGS 1 promissory note, interest paid at 13.5%, due June 2028	—	49,374
VGS 2 promissory note, interest paid at 17.5%, due September 2027	—	38,667
VGS 3 promissory note, interest paid at 19.5%, due June 2028	—	35,435
VGS 4 promissory note, interest paid at 19.5%, due August 2028	—	41,110
VGS 5 promissory note, interest paid at 19.5%, due August 2028	—	55,070
Long-term debt, gross	120,092	336,730
Less: unamortized debt issuance costs and original issue discount	(238)	(63,320)
	119,854	273,410
Less: current portion of long-term debt	(21,800)	(45,036)
Long-term debt, net	$ 98,054	$ 228,374

Amendment to Repurchase Promissory Note

On June 30, 2026, P3 LLC entered into the Second Amendment to Repurchase Promissory Note (the “Second Note Amendment”) with IHC Health Services, Inc. amending the Repurchase Promissory Note originally dated June 28, 2019 (as previously amended by the First Amendment to Repurchase Promissory Note dated November 19, 2020, and as further amended by the Second Note Amendment, the “Note”). The Second Note Amendment (i) extends the maturity date of the Note to September 30, 2028, and (ii) provides that, from and after June 30, 2026, the Note will accrue paid-in-kind interest at a rate of 14% per annum, commencing upon the date of the Second Note Amendment. Except as modified by the Second Note Amendment, all other terms and provisions of the Note remain in full force and effect.

VGS Debt Conversion

On April 27, 2026, the Company entered into a Debt Exchange Agreement (the “Exchange Agreement”) with various affiliates of Chicago Pacific Founders (“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 of the Debt for 0.5 million shares of Series A 13.5% Cumulative Preferred Stock; $39.6 million of the Debt for 0.4 million shares of Series B 17.5% Cumulative Preferred Stock; and $163.1 million of the Debt for 1.6 million shares of Series C 19.5% Cumulative Preferred Stock. Refer to Note 12 “Preferred Stock and Stockholders' Equity” for further disclosure.

Because the Debt was exchanged with related parties that are affiliates of the Company's largest stockholder, the transaction was accounted for as a capital transaction. Accordingly, the excess of the carrying amount of the Debt exchanged over the fair value of the preferred stock issued of approximately $73.9 million was recognized as a capital contribution and recorded within additional paid-in capital. The exchange resulted in a noncash financing activity and is reflected in the condensed consolidated statements of stockholders' equity and the supplemental noncash financing disclosures.

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.

During 2025, the Company received $28.0 million in funding from VGS 5. During 2026, the Company received an additional $27.0 million in funding from VGS 5.

On April 27, 2026, in connection with the Company’s entry into the Exchange Agreement with the Holders, the debt under the VGS 5 Promissory Note was exchanged for 860,653 shares of Series C 19.5% Cumulative Preferred Stock and such debt is no longer outstanding.

Note 9: Net Income (Loss) per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands, except per share data)			
Numerator–basic:				
Net income (loss) attributable to controlling interest	$ 7,444	$ (20,362)	$ 8,667	$ (40,842)
Less: Cumulative preferred dividends	9,570	—	9,570	—
Net loss attributable to Class A common stockholders–basic	$ (2,126)	$ (20,362)	$ (903)	$ (40,842)
Numerator–diluted:				
Net loss attributable to Class A common stockholders–basic	$ (2,126)	$ (20,362)	$ (903)	$ (40,842)
Effect of dilutive securities:				
Net income (loss) attributable to Class V common stockholders	—	—	—	—
Liability-classified warrants	—	—	—	—
Net loss attributable to Class A common stockholders–diluted	$ (2,126)	$ (20,362)	$ (903)	$ (40,842)
Denominator–basic:				
Weighted average Class A common shares outstanding–basic	3,362	3,267	3,325	3,263
Net loss per share attributable to Class A common stockholders–basic	$ (0.63)	$ (6.23)	$ (0.27)	$ (12.52)
Denominator–diluted:				
Weighted average Class A common shares outstanding–basic	3,362	3,267	3,325	3,263
Weighted average effect of dilutive securities:				
Shares of Class V common stock	—	—	—	—
Restricted stock units	—	—	—	—
Equity-classified warrants	—	—	—	—
Liability-classified warrants	—	—	—	—
Weighted average shares outstanding–diluted	3,362	3,267	3,325	3,263
Net loss per share attributable to Class A common stockholders–diluted	$ (0.63)	$ (6.23)	$ (0.27)	$ (12.52)

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Stock warrants [(1)]	12,163	7,789	12,163	7,789
Stock options [(1)]	540	430	540	430
Restricted stock units [(1)]	181	141	181	141
Shares of Class V common stock [(2)]	3,349	3,919	3,349	3,919
Total	16,233	12,279	16,233	12,279

(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.

Note 10: 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:

	June 30, 2026		December 31, 2025	
	Units (in thousands)	Ownership %	Units (in thousands)	Ownership %
P3 Health Partners Inc.'s ownership of Common Units	3,910	53.9 %	3,286	45.6 %
Non-controlling interest holders' ownership of Common Units	3,349	46.1	3,919	54.4
Total Common Units	7,259	100.0 %	7,205	100.0 %

During the six months ended June 30, 2026, the Company issued an aggregate of 570,104 shares of Class A common stock to P3 LLC members in connection with such members' redemptions of an equivalent number of Common Units and corresponding cancellation and retirement of an equivalent number of Class V common stock. Such retired shares of Class V common stock may not be reissued. The redemptions occurred pursuant to the terms of the P3 LLC Amended and Restated Limited Liability Company Agreement. There were no exchanges or redemptions of Class V common stock during the six months ended June 30, 2025.

As of June 30, 2026, there was no cumulative fair value adjustment to redeemable non-controlling interest recorded as the fair value of redeemable non-controlling interest was equal to the carrying value (i.e., based on the five-day volume-weighted average price of a share of Class A common stock). As of December 31, 2025, there was a $119.4 million cumulative fair value adjustment recorded as the carrying value of the redeemable non-controlling interest was less than the fair value of redeemable non-controlling interest.

Note 11: Segment Reporting

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Operating revenue	$ 386,381	$ 355,788	$ 772,771	$ 729,013
Less:				
Medical claims expense	(268,595)	(321,109)	(574,437)	(673,426)
Other medical expense[1]	(31,782)	(30,241)	(61,964)	(49,967)
Depreciation and amortization	(21,044)	(21,083)	(42,118)	(42,135)
Other segment items[2]	(40,182)	(15,352)	(60,915)	(30,252)
Interest expense	(7,862)	(10,145)	(24,628)	(18,870)
Interest income	—	458	250	780
Income (loss) before income taxes	16,916	(41,684)	8,959	(84,857)
Income tax (provision) benefit	(1,265)	(1,981)	9,732	(3,054)
Net income (loss)	$ 15,651	$ (43,665)	$ 18,691	$ (87,911)

	June 30, 2026	December 31, 2025
	(in thousands)	
Segment assets	$ 135,273	$ 92,458
Other assets[3]	519,119	564,183
Total assets	$ 654,392	$ 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, 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 12: Preferred Stock and Stockholders' Equity

Preferred Stock

The Company is authorized to issue up to ten million shares of preferred stock, par value $0.01 per share, in one or more series. The series of preferred stock described below 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.

The following table below presents details on preferred stock by series (in thousands, except per share amounts):

Series	Shares Authorized	Shares Issued and Outstanding	Par Value	Stated Value per Share	Dividend Rate per Annum	Cumulative Undeclared Dividends
A	650	498	$ 0.0001	$ 100.00	13.5 %	$ 1,195
B	555	396	$ 0.0001	$ 100.00	17.5 %	$ 1,230
C	2,335	1,631	$ 0.0001	$ 100.00	19.5 %	$ 5,656
D	1,100	559	$ 0.0001	$ 100.00	19.5 %	$ 1,489

Each series of the Company's preferred stock is not convertible, does not have voting or preemptive rights, and is not registered or listed. 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. Dividends are 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.

Securities Purchase Agreement

On April 27, 2026, 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 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 $1,000,000 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 (7) years from the date of issuance. The Company sold $10 million of Units in the initial closing of the Purchase Agreement, $20 million of Units on April 30, 2026, and $21.3 million of Units on May 28, 2026. The Company issued equity-classified warrants to purchase 2.5 million shares of Class A common stock at a weighted average exercise price of $7.04 per share in connection with the Purchase Agreement during the three months ended June 30, 2026. Such warrants had a fair value of $14.3 million and were classified within additional paid-in capital on the Company's condensed consolidated balance sheets. As of June 30, 2026, $18.7 million of Units remained available for issuance under the Purchase Agreement.

The undrawn portion of the Purchase Agreement represents a purchased put option that provides the Company with the right, but not the obligation, to require the purchaser to purchase additional Units at predetermined terms during the commitment period. The Company determined that the purchased put option is a freestanding financial instrument that is not within the scope of ASC 480 and does not qualify for equity classification under ASC 815-40 because it is not indexed to the Company's own stock. Accordingly, the purchased put option is recognized as an asset and subsequently remeasured at fair value at each issuance and reporting date, with changes in fair value recognized in earnings. The purchased put option was initially recorded at $12.2 million. During the three months ended June 30, 2026, the Company recognized a loss of $8.1 million related to the decrease in the fair value of the purchased put option. $4.1 million was allocated to preferred stock and additional paid-in capital in connection with the sale of Units during the three months ended June 30, 2026. As of June 30, the remaining fair value of the purchased put option was zero. The purchased put option was valued using a discounted cash flow methodology that incorporated estimates of the fair values of the associated Series D preferred stock and warrants, with the warrant valuation determined using a Monte Carlo simulation and Black-Scholes option pricing model. Significant unobservable inputs included expected stock price volatility, expected draw dates, expected holding period, risk-free interest rates, and a credit spread used to value the preferred stock.

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.

Note 13: Variable Interest Entities

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

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

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

	June 30, 2026	December 31, 2025
	(in thousands)	
ASSETS		
Cash	$ 6,637	$ 4,776
Clinic fees, insurance and other receivables	608	785
Prepaid expenses and other current assets	11	487
Property and equipment, net	40	32
Intangible assets, net	605	660
Other long-term assets	1,414	1,433
TOTAL ASSETS	$ 9,315	$ 8,173
LIABILITIES AND MEMBERS' DEFICIT		
Accounts payable	$ 344	$ 394
Accrued expenses and other current liabilities	365	241
Accrued payroll	640	887
Claims payable	4,316	4,199
Other long-term liabilities	901	922
Due to consolidated entities of P3	47,525	46,774
TOTAL LIABILITIES	54,091	53,417
MEMBERS' DEFICIT	(44,776)	(45,244)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 9,315	$ 8,173

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenue	$ 5,916	$ 5,395	$ 12,473	$ 13,554
Expense	6,354	4,525	11,799	12,679
Net income	$ (438)	$ 870	$ 674	$ 875

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:

	June 30, 2026
	(in thousands)
ASSETS	
Cash	$ 272
Clinic fees, insurance and other receivables	13
Health plan receivable	13,585
Prepaid expenses and other current assets	169
Intangible assets, net	958
Goodwill	4,990
Due from consolidated entities of P3	$ 1,039
TOTAL ASSETS	$ 21,026
LIABILITIES AND MEMBERS' EQUITY	
Accounts payable	$ 59
Accrued expenses and other current liabilities	14,969
Claims payable	6,132
TOTAL LIABILITIES	21,160
MEMBERS' DEFICIT	(134)
TOTAL LIABILITIES AND MEMBERS' DEFICIT	$ 21,026

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
	(in thousands)	
Revenue	$ 80,300	$ 187,563
Expense	83,234	188,696
Net income	$ (2,934)	$ (1,133)

Note 14: Related Parties

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 preferred stock that was issued in exchange for the extinguishment of the 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 $7.6 million and $10.6 million for the three and six months ended June 30, 2026 and $0.7 million and $1.4 million for the three and six months ended June 30, 2025, respectively, which are included in corporate, general and administrative expense in the condensed consolidated statements of operations. The Company recorded accrued expenses of $13.4 million and $9.3 million as of June 30, 2026 and December 31, 2025, respectively. There were no accounts payable as of June 30, 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 $0.0 million and $0.1 million for the three and six months ended June 30, 2026, respectively, which are included in corporate, general and administrative expense in the condensed consolidated statements of operations. There were no service expenses for the same periods in 2025. The Company recorded accounts payable of $0.0 million and $0.2 million as of June 30, 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Capitated revenue	$ 88,487	$ 76,862	$ 185,808	$ 152,242
Other revenue	$ 1,014	$ 1,355	$ 2,706	$ 2,697
Medical expense[1]	$ 65,360	$ 87,785	$ 142,913	$ 184,953
Interest expense[2]	$ 676	$ 479	$ 1,413	$ 937

[1] Medical expense for the three months and six months ended June 30, 2026 included reductions of $25.0 million and $38.5 million, respectively, and related net amounts due to Atrio, for relief of prior period medical claims expense.
[2] 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.

	June 30, 2026	December 31, 2025
	(in thousands)	
Health plan receivable	$ 32,974	$ 12,693
Accrued expenses and other current liabilities	$ 4,144	$ 2,731
Health plan settlements payable	$ 2,142	$ 2,409
Claims payable	$ 132,332	$ 178,141

VGS Promissory Notes and Warrants

The following tables summarize the Company's transactions related to the VGS 1, VGS 2, VGS 3, VGS 4 and VGS 5 promissory notes:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Interest expense, net	$ 2,760	$ 6,764	$ 13,645	$ 11,657

	June 30, 2026	December 31, 2025
	(in thousands)	
Long-term debt, net	$ —	$ 156,722

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”). Refer to Note 8 "Debt" for further disclosure regarding the Exchange Agreement.

Preferred Stock and Warrants

Affiliates of CPF own all of the Company’s outstanding preferred stock, which is summarized in Note 12 “Preferred Stock and Stockholders' Equity”. In connection with the issuances of Series D Preferred Stock, the Company issued equity-classified warrants to purchase a total of 2.5 million shares of Class A common stock during the six months ended June 30, 2026. Such warrants had a fair value of $14.3 million and were classified within additional paid-in capital on the Company’s condensed consolidated balance sheets.

Note 15: Income Taxes

The Company’s tax rate is affected primarily by the recognition of a valuation allowance and the portion of income and expense allocated to the non-controlling interest. It is also affected by discrete items that may occur in any given year such as benefits from changes in the fair value of private placement and public warrants. The Company's effective tax rate for the three and six months ended June 30, 2026 was different than the U.S. federal statutory tax rate primarily due to the change in the valuation allowance.

During the six months ended June 30, 2026, the Company’s tax rate was also impacted by the release of $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, which occurred during the three months ended March 31, 2026, reduced income tax expense for the year-to-date period. 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 16: Subsequent Events

On July 1, 2026, the Company sold $16 million of Units pursuant to the Purchase Agreement described in Note 12 “Preferred Stock and Stockholders' Equity”, representing 174,400 shares of Series D Preferred Stock and warrants to purchase 770,416 shares of Class A Common Stock at an exercise price of $10.80 per share.

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 July 2026. Our core focus is the Medicare Advantage ("MA") market, which covers approximately 36 million Medicare eligible lives as of July 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 2,100 physicians, in 26 markets (counties) across five states in over nine full years of operations as of June 30, 2026. As of June 30, 2026, our PCP network served approximately 104,400 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 six months ended June 30, 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Net income (loss)	$ 15,651	$ (43,665)	$ 18,691	$ (87,911)
Interest expense, net	7,862	10,145	24,628	18,870
Depreciation and amortization	21,044	21,083	42,118	42,135
Income tax provision (benefit)	1,265	1,981	(9,732)	3,054
Mark-to-market of stock warrants and purchased put option	16,366	(2,002)	16,036	(5,324)
Premium deficiency reserve	(8,659)	(5,967)	(13,374)	(12,929)
Equity-based compensation	866	1,463	1,917	3,271
Other[(1)]	50	(148)	(80)	(466)
Adjusted EBITDA (loss)	$ 54,445	$ (17,110)	$ 80,204	$ (39,300)

(1) Other during the three and six months ended June 30, 2026 consisted of interest income partially offset by valuation allowance on our notes receivable. Other during the three and six months ended June 30, 2025 consisted of interest income partially offset by severance expense in connection with reorganization of workforce.

Medical Margin

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

Medical margin represents the amount earned from capitated revenue after medical claims expenses are deducted. Medical claims expenses represent costs incurred for medical services provided to our members. As our platform grows and matures over time, we expect medical margin to increase in absolute dollars; however, medical margin PMPM may vary as the percentage of new members brought onto our platform fluctuates. New membership added to the platform is typically dilutive to medical margin PMPM.

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

The following table presents our medical margin:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Capitated revenue	$ 366,398	$ 351,724	$ 745,897	$ 721,241
Less: medical claims expense	(268,595)	(321,109)	(574,437)	(673,426)
Medical margin	$ 97,803	$ 30,615	$ 171,460	$ 47,815

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Gross profit	$ 86,004	$ 4,438	$ 136,370	$ 5,620
Other revenue	(19,983)	(4,064)	(26,874)	(7,772)
Other medical expense	31,782	30,241	61,964	49,967
Medical margin	$ 97,803	$ 30,615	$ 171,460	$ 47,815

Key Performance Metrics

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

Gross Profit

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

The following table presents our gross profit:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Total operating revenue	$ 386,381	$ 355,788	$ 772,771	$ 729,013
Less: medical claims expense	(268,595)	(321,109)	(574,437)	(673,426)
Less: other medical expense	(31,782)	(30,241)	(61,964)	(49,967)
Gross profit	$ 86,004	$ 4,438	$ 136,370	$ 5,620

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 104,800 and 115,900 average at-risk members for the three months ended June 30, 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 2,100 and 2,800 primary care physicians as of June 30, 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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Platform support costs	$ 26,968	$ 18,034	$ 47,717	$ 37,055
% of total operating revenue	7.0 %	5.1 %	6.2 %	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 includes 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. Other revenue also includes incentive-sharing arrangements related to Part D program incentive initiatives under which a third-party administrator facilitates the collection and distribution of incentive proceeds, and the Company receives a portion of those proceeds based on covered utilization activity.

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.

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 and purchased put option. 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. Mark-to-market of purchased put option consists of the change in the fair value on the revaluation of unissued Units consisting of (i) shares of the Company's Series D Preferred Stock, and (ii) warrants to purchase Class A Common Stock, pursuant to the Purchase Agreement described in Note 12 "Preferred Stock and Stockholders' Equity".

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 redeemable 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 June 30, 2026	% of Revenue	Three Months Ended June 30, 2025	% of Revenue
	(dollars in thousands)			
Operating revenue:				
Capitated revenue	$ 366,398	95 %	$ 351,724	99 %
Other revenue	19,983	5	4,064	1
Total operating revenue	386,381	100	355,788	100
Operating expense:				
Medical expense	300,377	78	351,350	99
Premium deficiency reserve	(8,659)	(2)	(5,967)	(2)
Corporate, general and administrative expense	32,393	8	23,446	7
Depreciation and amortization	21,044	5	21,083	6
Total operating expense	345,155	89	389,912	110
Operating income (loss)	41,226	11	(34,124)	(10)
Other (expense) income:				
Interest expense, net	(7,862)	(2)	(10,145)	(3)
Mark-to-market of stock warrants and purchased put option	(16,366)	(4)	2,002	1
Other	(82)	—	583	—
Total other expense	(24,310)	(6)	(7,560)	(2)
Income (loss) before income taxes	16,916	5	(41,684)	(12)
Income tax benefit (provision)	(1,265)	(1)	(1,981)	(1)
Net income (loss)	15,651	4	(43,665)	(13)
Net income (loss) attributable to non-controlling interests	8,207	2	(23,303)	(7)
Net income (loss) attributable to controlling interest	$ 7,444	2 %	$ (20,362)	(6)%

Results of Operations

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

	Six Months Ended June 30, 2026	% of Revenue	Six Months Ended June 30, 2025	% of Revenue
	(dollars in thousands)			
Operating revenue:				
Capitated revenue	$ 745,897	97 %	$ 721,241	99 %
Other revenue	26,874	3	7,772	1
Total operating revenue	772,771	100	729,013	100
Operating expense:				
Medical expense	636,401	82	723,393	99
Premium deficiency reserve	(13,374)	(2)	(12,929)	(2)
Corporate, general and administrative expense	58,163	8	48,626	7
Depreciation and amortization	42,118	6	42,135	6
Total operating expense	723,308	94	801,225	110
Operating income (loss)	49,463	6	(72,212)	(10)
Other (expense) income:				
Interest expense, net	(24,628)	(3)	(18,870)	(3)
Mark-to-market of stock warrants and purchased put option	(16,036)	(2)	5,324	1
Other	160	—	901	—
Total other expense	(40,504)	(5)	(12,645)	(2)
Loss before income taxes	8,959	1	(84,857)	(12)
Income tax (provision) benefit	9,732	1	(3,054)	—
Net income (loss)	18,691	2	(87,911)	(12)
Net income (loss) attributable to redeemable non-controlling interest	10,024	1	(47,069)	(6)
Net income (loss) attributable to controlling interest	$ 8,667	1 %	$ (40,842)	(6)%

Comparison of the Three Months Ended June 30, 2026 and 2025

Revenue

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Capitated revenue	$ 366,398	$ 351,724	$ 14,674	4 %
Other revenue	19,983	4,064	15,919	392 %
Total operating revenue	$ 386,381	$ 355,788	$ 30,593	9 %

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 an 10% decrease in the average number of at-risk members from 115,900 for the three months ended June 30, 2025 to 104,800 for the three months ended June 30, 2026, resulting from previously disclosed intentional network and payer rationalization. Capitated revenue was approximately 95% and 99% of total operating revenue for the three months ended June 30, 2026 and 2025, respectively.

Other revenue was approximately 5% of total operating revenue for the three months ended June 30, 2026 and approximately 1% of total operating revenue for the three months ended June 30, 2025. The increase was attributable to management fees for new delegated service contracts and an increase in revenue from incentive-sharing arrangements related to Part D program incentive initiatives.

Medical Expense

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Medical expense	$ 300,377	$ 351,350	$ (50,973)	(15)%

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 June 30, 2026 included a $36.2 million reduction of prior period medical claims expense.

Premium Deficiency Reserve

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Premium deficiency reserve	$ (8,659)	$ (5,967)	$ (2,692)	45 %

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 June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Corporate, general and administrative expense	$ 32,393	$ 23,446	$ 8,947	38 %

The increase in corporate, general and administrative expense was primarily driven by an increase in consulting expenses, as well as an increase in accrued performance bonuses.

Other Income (Expense)

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Other (expense) income:				
Interest expense, net	$ (7,862)	$ (10,145)	$ 2,283	(23)%
Mark-to-market of stock warrants and purchased put option	(16,366)	2,002	$ (18,368)	(917)%
Other	(82)	583	$ (665)	(114)%
Total other expense	$ (24,310)	$ (7,560)	$ (16,750)	222 %

The decrease in interest expense, net was primarily due to the conversion of certain of the Company's unsecured promissory notes to preferred stock that was effected on April 27, 2026. Refer to Note 8 "Debt" for further discussion of the related Exchange Agreement.

The Company recorded a loss of $8.3 million related to its liability-classified stock warrants during the three months ended June 30, 2026, compared to a gain of $2.0 million for three months ended June 30, 2025. The Company recorded a loss of $8.1 million related to its purchased put option during the three months ended June 30, 2026, compared to no activity for three months ended June 30, 2025.

Comparison of the Six Months Ended June 30, 2026 to the Six Months Ended June 30, 2025

Revenue

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Capitated revenue	$ 745,897	$ 721,241	$ 24,656	3 %
Other revenue	26,874	7,772	19,102	246 %
Total operating revenue	$ 772,771	$ 729,013	$ 43,758	6 %

The 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 of 105,500 for the six months ended June 30, 2026 compared to 116,800 for the six months ended June 30, 2025, which was primarily due to the strategic termination of underperforming payor contracts and affiliate providers in the current year. Capitated revenue was approximately 97% and 99% of total operating revenue for the six months ended June 30, 2026 and 2025, respectively.

Other revenue was approximately 3% and 1% of total operating revenue for the six months ended June 30, 2026 and 2025, respectively. The increase was attributable to management fees for new delegated service contracts and an increase in revenue from incentive-sharing arrangements related to Part D program incentive initiatives.

Medical Expense

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Medical expense	$ 636,401	$ 723,393	$ (86,992)	(12)%

The decrease in medical expense was driven 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 six months ended June 30, 2026 included a $56.0 million reduction of prior period medical claims expense.

Premium Deficiency Reserve

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Premium deficiency reserve	$ (13,374)	$ (12,929)	$ (445)	3 %

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

Corporate, General and Administrative Expense

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Corporate, general and administrative expense	$ 58,163	$ 48,626	$ 9,537	20 %

The increase in corporate, general and administrative expense was primarily driven by an increase in consulting expenses, as well as an increase in accrued performance bonuses. 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 period.

Other Income (Expense)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change Amount	Change %
	(dollars in thousands)			
Other (expense) income:				
Interest expense, net	$ (24,628)	$ (18,870)	$ (5,758)	31 %
Mark-to-market of stock warrants and purchased put option	(16,036)	5,324	$ (21,360)	(401)%
Other	160	901	$ (741)	(82)%
Total other expense	$ (40,504)	$ (12,645)	$ (27,859)	220 %

The increase in interest expense, net was due to the increase in principal amounts outstanding for the Company's unsecured promissory notes prior to the conversion of certain of the Company's unsecured promissory notes to preferred stock that was effected on April 27, 2026. Refer to Note 8 "Debt" for further discussion of the related Exchange Agreement.

The Company recorded a loss of $7.9 million related to its liability-classified stock warrants during the six months ended June 30, 2026, compared to a gain of $5.3 million for six months ended June 30, 2025. The Company recorded a loss of $8.1 million related to its purchased put option during the six months ended June 30, 2026, compared to no activity for six months ended June 30, 2025.

Income Tax Benefit (Provision)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025	Change Amount	Change %
	(dollars in thousands)			
Income tax benefit (provision)	$ 9,732	$ (3,054)	$ 12,786	419 %

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 June 30, 2026, we had $21.3 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.

On April 27, 2026, the Company entered into a Debt Exchange Agreement (the “Exchange Agreement”) with various affiliates of Chicago Pacific Founders (“CPF”), the largest stockholder and debtholder, directly or through affiliates (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 of directors 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 of the Debt for 0.5 million shares of Series A 13.5% Cumulative Preferred Stock; $39.6 million of the Debt for 0.4 million shares of Series B 17.5% Cumulative Preferred Stock; and $163.1 million of the Debt for 1.6 million shares of Series C 19.5% Cumulative Preferred Stock.

As of June 30, 2026, we were in compliance with the covenants under our Term Loan Facility; however, there can be no assurance that we will be able to maintain compliance with these covenants in the future or that the lender under the Term Loan Facility 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 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 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, $20.0 million of Units on April 30, 2026, and $21.3 million of Units on May 28, 2026. As of June 30, 2026, $18.7 million of Units remained available for issuance under the Purchase Agreement. On July 1, 2026, the Company sold an additional $16 million of Units. 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 $29.7 million as of June 30, 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 June 30, 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:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash used in operating activities	$ (89,381)	$ (50,099)
Net cash provided by (used in) investing activities	(251)	50
Net cash provided by financing activities	86,019	45,274
Net change in cash and restricted cash	$ (3,613)	$ (4,775)

Operating Activities

Net cash used in operating activities was $89.4 million for the six months ended June 30, 2026, compared to net cash used in operating activities of $50.1 million for the six months ended June 30, 2025. Significant changes impacting net cash used in operating activities during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 were decreases in claims payable and health plan settlements payable and an increase in health plan receivables.

Investing Activities

Net cash used in investing activities was $0.3 million for the six months ended June 30, 2026 compared to net cash provided by investing activities of $0.1 million for the six months ended June 30, 2025.

Financing Activities

Net cash provided by financing activities was $86.0 million for the six months ended June 30, 2026, primarily consisting of proceeds from the borrowings on the VGS 5 Promissory Note and issuance of Series D Preferred Stock and related warrants, and short-term financing agreements for the funding of certain insurance policies. Net cash provided by financing activities was $45.3 million for the six months ended June 30, 2025, consisting of proceeds from the borrowings on the VGS 4 Promissory Note, VGS 5 Promissory Note, and short-term financing agreements for the funding of certain insurance policies.

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 June 30, 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 June 30, 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.

Except as set forth below, 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 and the risk factor set forth below, which could materially affect our business, financial condition or future results.

We have significant cumulative preferred stock obligations that rank senior to our common stock, which could adversely affect our common stockholders.

On April 27, 2026, we entered into a Debt Exchange Agreement (the "Exchange Agreement") with various affiliates of Chicago Pacific Founders ("CPF"), our largest stockholder and debtholder. Pursuant to the Exchange Agreement, approximately $252.5 million, representing the full outstanding balances of certain 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 "Debt Exchange"). We 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 our board of directors or on the occurrence of certain specified liquidity events. At our sole election, 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 of the Debt for 0.5 million shares of Series A 13.5% Cumulative Preferred Stock; $39.6 million of the Debt for 0.4 million shares of Series B 17.5% Cumulative Preferred Stock; and $163.1 million of the Debt for 1.6 million shares of Series C 19.5% Cumulative Preferred Stock.

Also, on April 27, 2026, we entered into a Securities Purchase Agreement (the "Purchase Agreement") with affiliates of CPF, pursuant to which we agreed to issue up to $70.0 million of units (the "Units") in multiple tranches. The Units consist of shares of our Series D 19.5% Cumulative Preferred Stock, and warrants to purchase Class A common stock. We sold $10.0 million of Units in the initial closing of the Purchase Agreement, $20.0 million of Units on April 30, 2026, $21.3 million of Units on May 28, 2026 and $16 million of Units on July 1, 2026. The Series D Preferred Stock has terms that are identical to the other series of preferred stock, other than the dividend rate.

All outstanding shares of preferred stock are held by affiliates of CPF. The preferred stock ranks senior to all classes of our common stock with respect to rights to payment of dividends and distribution of assets upon our liquidation, dissolution or winding up. While dividends on the preferred stock are payable only when, as and if declared by our board of directors or upon the occurrence of certain specified liquidity events, the dividends are cumulative and, at our sole election, may be paid in-kind through the issuance of additional shares of preferred stock, which themselves would accrue further cumulative dividends at the applicable rate.

These cumulative preferred stock obligations present a number of risks to holders of our Class A common stock:

- *Compounding senior obligation.* Cumulative dividends accrue at rates of 13.5% to 19.5% per annum on an aggregate stated value of approximately $308.4 million of preferred stock. If we elect to pay dividends in-kind rather than in cash, the outstanding preferred stock balance will increase over time, generating additional cumulative dividend obligations at the applicable rate. This compounding effect will cause the aggregate senior claim on our assets and earnings to grow, whether or not we are profitable.
- *Reduction of earnings available to common stockholders*. Cumulative preferred stock dividends are deducted from net income in calculating net income (loss) attributable to our Class A common stockholders and earnings per share. For the three months ended June 30, 2026, we deducted $9.6 million in cumulative preferred stock dividends, converting net income of $7.4 million attributable to our controlling interest into a net loss of $2.1 million attributable to Class A common stockholders. As cumulative dividends continue to accrue, this dilutive effect on earnings available to common stockholders will intensify, which could negatively affect the trading price of our Class A common stock.
- *Liquidation priority.* In any liquidation, dissolution or winding up of the Company, holders of the preferred stock would be entitled to receive $100.00 per share, plus all accumulated and unpaid dividends, before any distribution is made to holders of our Class A or Class V common stock. As cumulative dividends accumulate, the aggregate liquidation preference will increase, potentially leaving little or no residual value for common stockholders in a liquidation scenario.
- *Concentration of preferred stock ownership.* All outstanding shares of preferred stock are held by affiliates of CPF, which also holds approximately 40% of our outstanding common stock and has rights under a letter agreement to designate an additional independent member of our board of directors, certain information rights, and certain protective provisions. While the preferred stock does not carry voting rights, CPF's combined economic position across our preferred stock, common stock, and warrants may give CPF interests that diverge from those of our other common stockholders, particularly with respect to decisions involving the declaration of preferred dividends, the redemption of preferred stock, or the pursuit of strategic alternatives.
- *Constraints on future capital raising and strategic alternatives.* The senior ranking of the preferred stock may make it more difficult for us to raise additional equity capital on favorable terms, as prospective investors in our common stock or new equity securities would be subordinate to the preferred stock's claims on dividends and liquidation distributions. In addition, the cumulative preferred stock obligations may affect the attractiveness and feasibility of potential strategic alternatives, including mergers, acquisitions, or other business combinations, to the extent that a portion of any transaction value would need to be allocated to satisfy the preferred stock's liquidation preference and accumulated dividends before common stockholders could participate in the proceeds.
- *Interaction with going concern.* As described in Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Form 10-Q, substantial doubt exists about our ability to continue as a going concern. The cumulative preferred stock dividend obligation adds a further claim on our limited cash resources and, even if our operations improve, may constrain our ability to deploy cash toward operations, debt service, or distributions to common stockholders.
- *Nasdaq listing compliance.* The Debt Exchange was undertaken specifically to regain compliance with Nasdaq Listing Rule 5550(b)(1), which requires minimum stockholders' equity of $2.5 million. Our continued compliance depends on the preferred stock continuing to be classified as permanent equity.
- *Warrant dilution.* In connection with the Series D Preferred Stock issuances, we issued warrants to purchase shares of Class A common stock and entered into a registration rights agreement facilitating the resale of the underlying shares. Exercise of these warrants would dilute existing Class A common stockholders, and the registration of the underlying shares for resale could create additional selling pressure on our stock price.

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

Debt Exchange. On April 27, 2026, the Company and P3 Health Group, LLC, a wholly owned subsidiary of the Company, entered into a Debt Exchange Agreement (the "Exchange Agreement") with various affiliates of Chicago Pacific Founders ("CPF"), the Company's largest stockholder and debtholder. Pursuant to the Exchange Agreement, approximately $252.5 million of outstanding promissory notes, including principal, accrued interest, and back-end fees, was exchanged for newly issued shares of the Company's non-convertible, non-voting cumulative preferred stock, having a stated value of $100 per share, consisting of (i) 0.5 million shares of Series A 13.5% Cumulative Preferred Stock, (ii) 0.4

million shares of Series B 17.5% Cumulative Preferred Stock, and (iii) 1.6 million shares of Series C 19.5% Cumulative Preferred Stock.

Series D Private Placement. Also on April 27, 2026, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with affiliates of CPF, pursuant to which the Company agreed to issue, in multiple tranches, up to $70.0 million of units (the "Units"), with each Unit consisting of (i) shares of the Company's Series D 19.5% Cumulative Preferred Stock and (ii) warrants to purchase shares of Class A common stock. As of June 30, 2026, the Company had sold $51.3 million of Units under the Purchase Agreement and had $18.7 million of Units remaining available for purchase in future tranches, subject to the satisfaction of applicable closing conditions. On July 1, 2026, the Company sold an additional $16.0 million of Units.

The securities described above were issued in reliance on the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 4(a)(2) thereof, as transactions by an issuer not involving a public offering. Each acquiror represented that it is an "accredited investor" as defined in Rule 501(a) of Regulation D and that the securities were acquired for investment purposes only and not with a view to, or for resale in connection with, any distribution thereof. Neither the Company nor any person acting on its behalf engaged in any form of general solicitation or general advertising in connection with the issuances.

The foregoing is a summary of these transactions and does not purport to be complete. Additional information regarding the transactions and the terms of the preferred stock is set forth in the Company's Current Reports on Form 8-K filed with the Securities and Exchange Commission on April 28, 2026 and May 15, 2026.

Other than as described above, there were no unregistered sales of our equity securities during the quarter ended June 30, 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 June 30, 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		Agreement and Plan of Merger, dated as of May 25, 2021, by and between Foresight Acquisition Corp., P3 Health Group Holdings, LLC and FAC Merger Sub LLC.	8-K	001-40033	2.1	6/1/2021
2.2		Transaction and Combination Agreement, dated as of May 25, 2021, by and among Foresight Acquisition Corp., the Merger Corps, the Blockers, Splitter and the Blocker Sellers.	8-K	001-40033	2.2	6/1/2021
2.3		First Amendment to Merger Agreement, dated as of November 21, 2021, by and among Foresight Acquisition Corp., FAC Merger Sub LLC and P3 Health Group Holdings, LLC.	8-K	001-40033	2.1	11/22/2021
2.4		Second Amendment, dated as of December 3, 2021, to the Agreement and Plan of Merger, dated as of May 25, 2021, by and among Foresight Acquisition Corp., FAC Merger Sub LLC and P3 Health Group Holdings, LLC.	8-K	001-40033	2.4	12/9/2021
2.5		The First Amendment to the Transaction and Combination Agreement between Foresight Acquisition Corp., the Merger Corps, the Blockers, Splitter and the Blocker Sellers.	8-K	001-40033	2.5	12/9/2021
3.1		Amended and Restated Certificate of Incorporation of the Company.	8-K	001-40033	3.1	12/9/2021
3.2		Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company.	8-K	001-40033	3.1	4/17/2025
3.3		Amended and Restated Bylaws of the Company.	8-K	001-40033	3.1	3/12/2024
3.4		Form of Certificate of Designation of Series A, B, C, and D Cumulative Preferred Stock.	8-K	001-40033	3.1	4/28/2026
3.5		Form of Warrant.	8-K	001-40033	10.4	4/28/2026
10.1		Debt Exchange Agreement, dated April 27, 2026, by and between P3 Health Partners, Inc. and the Purchasers named therein.	8-K	001-40033	10.1	4/28/2026
10.2		Series D Purchase Agreement, dated April 27, 2026, by and between P3 Health Partners, Inc. and the Purchasers named therein.	8-K	001-40033	10.2	4/28/2026
10.3		Form of Registration Rights Agreement by and between P3 Health Partners, Inc. and the Purchasers named therein.	8-K	001-40033	10.3	4/28/2026
10.4		Third Amended and Restated Letter Agreement, dated April 27, 2026, by and among P3 Health Partners Inc., Chicago Pacific Founders GP, L.P., Chicago Pacific Founders GP III, L.P., and Chicago Pacific Founders GP IV, L.P.	8-K	001-40033	10.4	5/14/2026
10.5		Second Amendment to Repurchase Promissory Note between P3 Health Group, LLC (f/k/a P3 Health Group Holdings, LLC) and IHC Health Services, Inc., dated June 30, 2026.	8-K	001-40033	10.1	7/6/2026
10.6	*	Second Amended and Restated Limited Liability Company Agreement				

Exhibit Number		Description	Incorporated by Reference			
			Form	File No.	Exhibit	Filing Date
31.1	*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2	*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1	**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2	**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	*	Inline XBRL Instance Document				
101.SCH	*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL	*	Inline XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	*	Inline XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	*	Inline XBRL Taxonomy Extension Presentation Document				
104	*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith

** Furnished herewith

† Indicates management contract or compensatory plan

SIGNATURES

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

Date: August 10, 2026	**P3 Health Partners Inc.**
	By: /s/ Leif Pedersen
	Leif Pedersen
	Chief Financial Officer
	(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.6

P3 HEALTH GROUP, LLC

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

Dated Effective as of April 27, 2026

THE LIMITED LIABILITY COMPANY INTERESTS REPRESENTED BY THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS. SUCH LIMITED LIABILITY COMPANY INTERESTS MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE DISPOSED OF AT ANY TIME WITHOUT EFFECTIVE REGISTRATION UNDER SUCH ACT AND LAWS OR EXEMPTION THEREFROM, AND COMPLIANCE WITH THE OTHER SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY SET FORTH HEREIN.

TABLE OF CONTENTS

Schedules

Exhibits

P3 HEALTH GROUP, LLC

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

This SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of P3 Health Group, LLC a Delaware limited liability company (the "***Company***"), dated effective as of April 27, 2026 (the "***Effective Date***"), is entered into by and among the Company, P3 Health Partners Inc., a Delaware corporation (the "***Corporation***"), as the sole managing member of the Company, and each of the other Members (as defined herein).

RECITALS

WHEREAS, unless the context otherwise requires, capitalized terms used herein have the respective meaning ascribed to them in Article I;

WHEREAS, the Company (f/k/a FAC Merger Sub LLC) is a limited liability company organized under the laws of the State of Delaware pursuant to and in accordance with the Delaware Act by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware on May 20, 2021;

WHEREAS, the Corporation entered into a Limited Liability Company Agreement of the Company effective as of May 20, 2021 (the "***Original LLC Agreement***");

WHEREAS, on May 25, 2021, the Company, the Corporation and P3 Health Group Holdings, LLC ("***P3***"), entered into that certain Merger Agreement (as amended, modified or supplemented from time to time in accordance with the terms thereof, the "***Transaction Agreement***") pursuant to which, among other things, (i) at the Effective Time, P3 merged with and into the Company (the "***Merger***"), with the Company surviving such Merger, and (ii) as of the Effective Time, (A) the Corporation received newly issued Common Units and Warrants from the Company pursuant to the Merger and the Warrant Agreement and (B) the unitholders of P3 (the "***Former P3 Members***") received Common Units of the Company as set forth in the Payment Spreadsheet (as defined in the Transaction Agreement) pursuant to the Merger as part of the consideration for their previously held membership units held at P3 (the "***P3 Units***");

WHEREAS, in connection with the foregoing matters, but immediately prior to the admittance of the other Members as members of the Company pursuant to the Merger, the Corporation amended and restated the Original LLC Agreement in its entirety as of the Effective Time to reflect, among other things, (a) the consummation of the transactions contemplated by the Transaction Agreement and (b) the other rights and obligations of the Members, the Company, the Manager and the Corporation, in each case, as provided and agreed upon in the terms of such Amended and Restated Limited Liability Company Agreement dated as of December 3, 2021 (the "***A&R LLC Agreement***");

WHEREAS, pursuant to that certain Debt Exchange Agreement dated as of April 27, 2026, by and among the Company, the Corporation, and VBC Growth SPV, LLC, VBC Growth

SPV 2, LLC, VBC Growth SPV 3, LLC, VBC Growth SPV 4, LLC, and VBC Growth SPV 5, LLC, each of which is a Delaware limited liability company, approximately $252,479,967 of outstanding promissory notes issued by the Company, including principal, accrued interest, and back-end fees, were exchanged for Series A 13.5% Cumulative Preferred Stock, Series B 17.5% Cumulative Preferred Stock, and Series C 19.5% Cumulative Preferred Stock of the Corporation (such exchange, the "***Debt Exchange***"), which was intended for U.S. federal income tax purposes to be treated as provided in section 1.1032-3 of the Treasury Regulations;

WHEREAS, pursuant to that certain Securities Purchase Agreement dated as of April 27, 2026, by and among the Corporation and the Purchasers (as defined in such agreement), the Corporation sold and issued Series D 19.5% Cumulative Preferred Stock of the Corporation (together with the Series A 13.5% Cumulative Preferred Stock, Series B 17.5% Cumulative Preferred Stock, and Series C 19.5% Cumulative Preferred Stock issued in the Debt Exchange, the "***Preferred Stock***," and such sale and issuance, the "***Series D Issuance***");

WHEREAS, in connection with the Debt Exchange and the Series D Issuance and in accordance with requirements under Section 3.04(a) of the A&R LLC Agreement, the Company and the Members desire to amend and restate the A&R LLC Agreement in its entirety to provide for the issuance of Preferred Units to the Corporation that correspond to the Preferred Stock as provided and agreed upon in the terms of this Agreement as of the Effective Date, at which time the A&R LLC Agreement shall be superseded entirely by this Agreement and shall be of no further force or effect as expressly contemplated herein; and

WHEREAS, the Company and the Members desire to continue the Company without dissolution.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the A&R LLC Agreement is hereby amended and restated in its entirety and the Company, the Corporation and the other Members, each intending to be legally bound, each hereby agrees as follows:

ARTICLE I.
DEFINITIONS

The following definitions shall be applied to the terms used in this Agreement for all purposes, unless otherwise clearly indicated to the contrary.

"***A&R LLC Agreement***" has the meaning set forth in the Recitals.

"***Additional Member***" has the meaning set forth in Section 12.02.

"***Adjusted Capital Account Deficit***" means, with respect to the Capital Account of any Member as of the end of any Taxable Year, the amount by which the balance in such Capital Account is less than zero. For this purpose, such Member's Capital Account balance shall be:

1. reduced for any items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6); and

2. increased for any amount such Member is obligated to contribute or is treated as being obligated to contribute to the Company pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(c) (relating to partner liabilities to a partnership) or 1.704-2(g)(1) and 1.704-2(i)(5) (relating to minimum gain).

"***Admission Date***" has the meaning set forth in Section 10.06.

"***Affiliate***" (and, with a correlative meaning, "***Affiliated***") means, with respect to a specified Person, each other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. As used in this definition, "control" (including with correlative meanings, "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of voting securities or by contract or other agreement or otherwise). For the avoidance of doubt, with respect to each Member other than the Corporation, (a) a trust, family limited partnership or similar estate planning vehicle, under which the distribution of Units may be made only to beneficiaries who are such Member, his or her spouse, lineal descendants (whether natural or adopted), siblings, parents, or spouse's parents; (b) a charitable remainder trust, the income of which shall be paid to such Member during his or her life, or (c) such Member's spouse, lineal descendants (whether natural or adopted), siblings, parents or spouse's parents, shall be an Affiliate for purposes hereof; *provided*, that "Affiliate" as used in Article X of this Agreement shall not include the foregoing sub-clause (c).

"***Agreement***" has the meaning set forth in the Preamble.

"***Assignee***" means a Person to whom a Unit has been transferred but who has not become a Member pursuant to Article XII.

"***Assumed Tax Liability***" means, with respect to any Member, an amount equal to the excess of (i) the product of (A) the Distribution Tax Rate *multiplied by* (B) the estimated or actual cumulative taxable income or gain of the Company, as determined for federal income tax purposes, allocated to such Member for Taxable Years or Fiscal Periods commencing on or after the Effective Time, *less* prior losses of the Company allocated to such Member for Taxable Years or Fiscal Periods commencing on or after the Effective Time, to the extent such prior losses are available to reduce such income and have not previously been taken into account in the calculation of Assumed Tax Liability for any prior period, in each case, as determined by the Manager and, for the avoidance of doubt, taking into account any Code Section 704(c) allocations (including "reverse" Section 704(c) allocation) *over* (ii) the cumulative Distributions made to such Member after the Effective Time pursuant to Sections 4.01(a)(ii) and 4.01(b); *provided* that, in the case of the Corporation, such Assumed Tax Liability shall be computed without regard to any increases to the tax basis of the Company's property pursuant to Sections 734(b) or 743(b) of the Code.

"***Base Rate***" means, on any date, a variable rate per annum equal to the rate of interest most recently published by *The Wall Street Journal* as the "prime rate" at large U.S. money center banks.

"***Black-Out Period***" means any "black-out" or similar period under the Corporation's policies covering trading in the Corporation's securities to which the applicable Redeeming

Member is subject (or will be subject at such time as it owns Class A Common Stock), which period restricts the ability of such Redeeming Member to immediately resell shares of Class A Common Stock to be delivered to such Redeeming Member in connection with a Share Settlement.

"***Blocker Agreement***" means that certain Transaction and Combination Agreement, dated as of May 25, 2021, by and among Foresight Acquisition Corp., FAC-A Merger Sub Corp., FAC-B Merger Sub Corp., CPF P3 Blocker-A, LLC, CPF P3 Blocker-B, LLC, CPF P3 Splitter, LLC, Chicago Pacific Founders Fund-A, L.P. and Chicago Pacific Founders Fund-B, L.P.

"***Blocker Mergers***" has the meaning set forth in the Blocker Agreement.

"***Book Value***" means, with respect to any property of the Company, the Company's adjusted basis for U.S. federal income tax purposes, adjusted from time to time to reflect the adjustments required or permitted by Treasury Regulations Sections 1.704-1(b)(2)(iv)(d) through (g) and (m) and 1.704-1(b)(2)(iv)(s).

"***Business Day***" means any day other than a Saturday, Sunday or day on which banks located in New York City, New York are authorized or required by Law to close.

"***Capital Account***" means the capital account maintained for a Member in accordance with Section 5.01.

"***Capital Contribution***" means, with respect to any Member, the amount of any Cash and Cash Equivalents or the Fair Market Value of other property that such Member (or such Member's predecessor) contributes (or is deemed to contribute) to the Company pursuant to Article III.

"***Cash and Cash Equivalents***" means the cash and cash equivalents, including checks, money orders, marketable securities, short-term instruments, negotiable instruments, funds in time and demand deposits or similar accounts on hand, in lock boxes, in financial institutions or elsewhere, together with all accrued but unpaid interest thereon, and all bank, brokerage or other similar accounts.

"***Cash Settlement***" means immediately available funds in U.S. dollars in an amount equal to the Redeemed Units Equivalent.

"***Certificate***" means the Company's Certificate of Formation as filed with the Secretary of State of the State of Delaware, as amended or amended and restated from time to time.

"***Certificate of Designation***" means a certificate of designation adopted by the Corporation evidencing the issuance of Preferred Stock and the designations, rights, preferences, powers, restrictions, and limitations with respect thereto.

"***Change of Control***" means the occurrence of any of the following events:

1. any "person" or "group" (within the meaning of Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other

fiduciary or administrator of any such plan, and excluding the Permitted Transferees) becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of Voting Securities of the Corporation representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding Voting Securities of the Corporation;

2. the stockholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated a sale or other disposition, directly or indirectly, by the Corporation of all or substantially all of the Corporation's assets (including a sale of all or substantially all of the assets of the Company);

3. there is consummated a merger or consolidation of the Corporation with any other corporation or entity, and, immediately after the consummation of such merger or consolidation, the Voting Securities of the Corporation outstanding immediately prior to such merger or consolidation do not continue to represent, or are not converted into, Voting Securities representing in the aggregate more than fifty percent (50%) of the voting power of all of the outstanding Voting Securities of the Person resulting from such merger or consolidation or, if the surviving company is a Subsidiary, the ultimate parent thereof; or

4. the Corporation ceases to be the sole Manager of the Company.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Class A Common Stock, Class V Common Stock, preferred stock and/or any other class or classes of capital stock of the Corporation immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in and voting control over, and own substantially all of the shares of, an entity which owns all or substantially all of the assets of the Corporation immediately following such transaction or series of transactions.

"***Change of Control Date***" has the meaning set forth in Section 10.09(a).

"***Change of Control Transaction***" means any Change of Control that was approved by the Corporate Board prior to such Change of Control.

"***Class A Common Stock***" means the shares of Class A common stock, par value $0.0001 per share, of the Corporation.

"***Class V Common Stock***" means the shares of Class V common stock, par value $0.0001 per share, of the Corporation.

"***Code***" means the United States Internal Revenue Code of 1986, as amended. Unless the context requires otherwise, any reference herein to a specific section of the Code shall be deemed to include any corresponding provisions of future Law as in effect for the relevant taxable period.

"***Common Unit***" means a Unit designated as a "Common Unit" on the Schedule of Members and having the rights and obligations specified with respect to the Common Units in this Agreement.

"***Common Unit Redemption Price***" means, with respect to any Redemption, the VWAP for the five (5) consecutive full Trading Days ending on and including the last full Trading Day immediately prior to the applicable Redemption Date, subject to appropriate and equitable adjustment for any stock splits, reverse splits, stock dividends or similar events affecting the Class A Common Stock during such period.

"***Common Unitholder***" means a Member who is the registered holder of Common Units.

"***Company***" has the meaning set forth in the Preamble.

"***Competitor***" means any Person who is engaged, or after December 3, 2021, engages, in the business of providing or the arranging for the provision of health care services and items and related support, administrative, management or ancillary services, directly or indirectly through Subsidiaries, affiliated providers or contractors.

"***Confidential Information***" has the meaning set forth in Section 15.02(a).

"***Consolidation Mergers***" has the meaning specified in the Blocker Agreement.

"***Corporate Board***" means the board of directors of the Corporation.

"***Corporation***" has the meaning set forth in the Recitals to this Agreement, together with its successors and assigns.

"***Corporation Transaction Costs***" means all unpaid expenses of (or to be paid by) the Corporation incurred prior to and through the date of the A&R LLC Agreement in connection with (a) the negotiation, preparation and execution of the Transaction Agreement, the Blocker Agreement and the other agreements and documents contemplated thereby (including this Agreement), (b) the furtherance of the consummation of the transactions contemplated by the Transaction Agreement, the Blocker Agreement and such other agreements and documents (including due diligence), (c) the Corporation's initial public offering (including any deferred underwriting fees), and (d) the Corporation's pursuit of a business combination with P3.

"***Corresponding Rights***" means any rights issued with respect to a share of Class A Common Stock or Class V Common Stock pursuant to a "poison pill" or similar stockholder rights plan approved by the Corporate Board.

"***Credit Agreements***" means any promissory note, mortgage, loan agreement, indenture or similar instrument or agreement to which the Company or any of its Subsidiaries is or becomes a borrower, as such instruments or agreements may be amended, restated, supplemented or otherwise modified from time to time and including any one or more refinancing or replacements thereof, in whole or in part, with any other debt facility or debt obligation, for as long as the payee or creditor to whom the Company or any of its Subsidiaries owes such obligation is not an Affiliate of the Company.

"***DGCL***" means the General Corporation Law of the State of Delaware, as it may be amended from time to time.

“***Debt Exchange***” has the meaning set forth in the Recitals.

“***Delaware Act***” means the Delaware Limited Liability Company Act, 6 Del. C. § 18-101, *et seq.*, as it may be amended from time to time, and any successor thereto.

“***Direct Exchange***” has the meaning set forth in Section 11.03(a).

“***Discount***” has the meaning set forth in Section 6.06.

“***Disinterested Majority***” means a majority of the directors of the Corporate Board who are disinterested, as determined by the Corporate Board in accordance with the DGCL, with respect to the matter being considered by the Corporate Board; *provided,* that to the extent a matter being considered by the Corporate Board is required to be considered by disinterested directors under the rules of the Stock Exchange or, if the Class A Common Stock is not listed or admitted to trading on the Stock Exchange, the principal national securities exchange on which the Class A Common Stock is listed or admitted to trading, the Securities Act or the Exchange Act, such rules with respect to the definition of disinterested director shall apply solely with respect to such matter.

“***Distributable Cash***” means, as of any relevant date on which a determination is being made by the Manager regarding a potential distribution pursuant to Section 4.01(a), the amount of cash that could be distributed by the Company for such purposes in accordance with any applicable Credit Agreements (and without otherwise violating any applicable provisions of any applicable Credit Agreements) and applicable Law.

“***Distribution***” (and, with a correlative meaning, “***Distribute***”) means each distribution made by the Company to a Member with respect to such Member’s Units, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; *provided, however*, that none of the following shall be a Distribution: (a) any recapitalization or any exchange of securities of the Company, in each case, that does not result in the distribution of cash or property (other than securities of the Company) to Members, and any subdivision (by Unit split or otherwise) or any combination (by reverse Unit split or otherwise) of any outstanding Units or (b) any other payment made by the Company to a Member that is not properly treated as a “distribution” for purposes of Sections 731, 732, or 733 or other applicable provisions of the Code.

“***Distribution Tax Rate***” means a rate equal to the highest effective marginal combined federal, state and local income tax rate for a Taxable Year applicable to a corporate or individual taxpayer (whichever is higher) resident in, or whose principal place of business is located in, the City of New York, taking into account the character of the relevant items of income or gain (*e.g.*, ordinary or capital) and the estimated deductibility of state and local income taxes for federal income tax purposes (but only to the extent such taxes are deductible under the Code), in each case, as reasonably determined by the Manager (it being understood and agreed that the same Distribution Tax Rate shall be applied for each Member).

“***Effective Date***” has the meaning set forth in the Preamble.

“***Effective Time***” has the meaning ascribed to the term “P3 Effective Time” as set forth in the Transaction Agreement.

"***EIN***" has the meaning set forth in Section 3.03(b).

"***Election Notice***" has the meaning set forth in Section 11.01(b).

"***Equity Plan***" means any option, stock, unit, stock unit, appreciation right, phantom equity or other incentive equity or equity-based compensation plan or program, in each case, now or hereafter adopted by the Corporation, including the Corporation's 2021 Incentive Award Plan.

"***Equity Securities***" means, with respect to any Person, (a) limited liability company or other equity interests in such Person or any Subsidiary of such Person, (b) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into any equity interests in such Person or any Subsidiary of such Person, and (c) warrants, options or other rights to purchase or otherwise acquire any equity interests in such Person or any Subsidiary of such Person.

"***Escrow Agreement***" means that certain Escrow Agreement entered into as of December 3, 2021, by and among P3 Health Group Holdings LLC, the Corporation, the Company, Hudson Vegas Investment SPV, LLC, Mary Tolan, Sherif Abdou and PNC Bank, N.A. (the "Escrow Agent").

"***Event of Withdrawal***" means the bankruptcy or dissolution of a Member or the occurrence of any other event that terminates the continued membership of a Member in the Company. "Event of Withdrawal" shall not include an event that (a) terminates the existence of a Member for income tax purposes (including, without limitation, (i) a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, (ii) a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or (iii) merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member) but that (b) does not terminate the existence of such Member under applicable state law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Units of such trust that is a Member).

"***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended, and any applicable rules and regulations promulgated thereunder, and any successor to such statute, rules or regulations.

"***Exchange Election Notice***" has the meaning set forth in Section 11.03(b).

"***Excluded Instruments***" has the meaning set forth in Section 3.04(c).

"***Fair Market Value***" of a specific asset of the Company will mean the amount which the Company would receive in an all-cash sale of such asset in an arms-length transaction with a willing unaffiliated third party, with neither party having any compulsion to buy or sell, consummated on the day immediately preceding the date on which the event occurred which necessitated the determination of the Fair Market Value (and after giving effect to any transfer taxes payable in connection with such sale), as such amount is determined by the Manager (or, if pursuant to Section 14.02, the Liquidators) in its good faith judgment using all factors, information and data it deems to be pertinent.

"***Fiscal Period***" means any interim accounting period within a Taxable Year established by the Manager and which is permitted or required by Section 706 of the Code.

"***Fiscal Year***" means the Company's annual accounting period established pursuant to Section 8.02.

"***Former P3 Members***" has the meaning set forth in the Recitals.

"***Governmental Entity***" means (a) the United States of America, (b) any other sovereign nation, (c) any state, province, county, municipal, district, territory or other political subdivision of (a) or (b) of this definition, including, but not limited to, any county, municipal or other local subdivision of the foregoing, or (d) any agency, arbitrator or arbitral body (public or private), authority, board, body, bureau, commission, court, department, entity, instrumentality, organization (including any public international organization such as the United Nations) or tribunal exercising executive, legislative, judicial, quasi-judicial, regulatory or administrative functions of or pertaining to government on behalf of (a), (b) or (c) of this definition.

"***Indemnified Person***" has the meaning set forth in Section 7.04(a).

"***Internal Revenue Service***" means the U.S. Internal Revenue Service.

"***Investment Company Act***" means the U.S. Investment Company Act of 1940, as amended from time to time.

"***Joinder***" means a joinder to this Agreement, in form and substance substantially similar to Exhibit A to this Agreement.

"***Law***" means all laws, statutes, acts, constitutions, treaties, principles of common law, codes, ordinances, rules and regulations of any Governmental Entity.

"***Liquidator***" has the meaning set forth in Section 14.02.

"***LLC Employee***" means an employee of, or other service provider (including, without limitation, any management member whether or not treated as an employee for the purposes of U.S. federal income tax) to, the Company or any of its Subsidiaries, in each case acting in such capacity.

"***Losses***" means items of loss or deduction of the Company determined according to Section 5.01(b).

"***Manager***" has the meaning set forth in Section 6.01.

"***Member***" means, as of any date of determination, (a) each of the members named on the Schedule of Members and (b) any Person admitted to the Company as a Substituted Member or Additional Member in accordance with Article XII, but in each case only so long as such Person is shown on the Company's books and records as the owner of one or more Units, each in its capacity as a member of the Company.

"***Merger***" has the meaning set forth in the Recitals.

"***Minimum Gain***" means "partnership minimum gain" determined pursuant to Treasury Regulations Section 1.704-2(d).

"***Net Loss***" means, with respect to a Taxable Year, the excess if any, of Losses for such Taxable Year over Profits for such Taxable Year (excluding Profits and Losses specially allocated pursuant to Section 5.03).

"***Net Profit***" means, with respect to a Taxable Year, the excess if any, of Profits for such Taxable Year over Losses for such Taxable Year (excluding Profits and Losses specially allocated pursuant to Section 5.03).

"***Non-Foreign Person Certificate***" has the meaning set forth in Section 11.06(a).

"***Officer***" has the meaning set forth in Section 6.01(b).

"***Original LLC Agreement***" has the meaning set forth in the Recitals.

"***Other Agreements***" has the meaning set forth in Section 10.04.

"***Partnership Representative***" has the meaning set forth in Section 9.03(a).

"***Percentage Interest***" means, as among an individual class of Units and with respect to a Member at a particular time, such Member's percentage interest in the Company determined by dividing the number of such Member's Units of such class at such time by the total number of Units of all Members of such class at such time. The Percentage Interest of each Member shall be calculated to the fourth decimal place.

"***Permitted Transfer***" has the meaning set forth in Section 10.02.

"***Permitted Transferee***" has the meaning set forth in Section 10.02.

"***Person***" means an individual or any corporation, partnership, limited liability company, trust, unincorporated organization, association, joint venture or any other organization or entity, whether or not a legal entity.

"***PIK Dividend***" means the payment of dividends on Preferred Stock by the Corporation issuing additional shares of Preferred Stock in accordance with the applicable Certificate of Designation.

"***Pre-Closing Tax Period***" has the meaning set forth in Section 9.03(b).

"***Preferred Return***" means, with respect to: (a) each Series A Preferred Unit, the mathematical equivalent of interest accruing daily at a per annum rate of thirteen and one-half percent (13.5%) compounded annually on the Stated Value of such Series A Preferred Unit; (b) each Series B Preferred Unit, the mathematical equivalent of interest accruing daily at a per annum rate of seventeen and one-half percent (17.5%) compounded annually on the Stated Value of such Series B Preferred Unit; (c) each Series C Preferred Unit, the mathematical equivalent of interest accruing daily at a per annum rate of nineteen and one-half percent (19.5%) compounded annually on the Stated Value of such Series C Preferred Unit; and (d) each Series D Preferred Unit, the mathematical equivalent of interest accruing daily at a per annum rate of nineteen and one-half percent (19.5%) compounded annually on the Stated Value of such Series D Preferred Unit. The Preferred Return shall accrue on the Stated Value of such Preferred Unit from, and including, the Issue Date (as defined in the applicable Certificate of Designation) of the corresponding share of Preferred Stock issued by the Corporation. The Preferred Return for each Preferred Unit shall be computed on the basis of a 360-day year consisting of twelve 30-day months, provided that for partial periods, the Preferred Return will be pro-rated. The foregoing definition of Preferred Return is intended to match the cumulative dividend rights with respect to the Preferred Stock issued by the Corporation as set forth in the applicable Certificate of Designation and shall be interpreted consistently therewith.

"***Preferred Stock***" has the meaning set forth in the Recitals.

"***Preferred Units***" means Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, and Series D Preferred Units. Each Series A Preferred Unit, Series B Preferred Unit, Series C Preferred Unit, and Series D Preferred Unit shall correspond to a share of Series A 13.5% Cumulative Preferred Stock, Series B 17.5% Cumulative Preferred Stock, Series C 19.5% Cumulative Preferred Stock, and Series D 19.5% Cumulative Preferred Stock, respectively, of the Corporation.

"***Preferred Unit Value***" means, with respect to any Preferred Unit at any time of determination, the sum of (a) the Preferred Return accrued with respect to such Preferred Unit and (b) the Stated Value of such Preferred Unit.

"***Pro rata***," "***pro rata portion***," "***according to their interests***," "***ratably***," "***proportionately***," "***proportional***," "***in proportion to***," "***based on the number of Units held***," "***based upon the percentage of Units held***," "***based upon the number of Units outstanding***," and other terms with similar meanings, when used in the context of a number of Units of the Company relative to other Units, means as amongst an individual class of Units, pro rata based upon the number of such Units within such class of Units.

"***Profits***" means items of income and gain of the Company determined according to Section 5.01(b).

"***Pubco Offer***" has the meaning set forth in Section 10.09(b).

"***P3***" has the meaning set forth in the Recitals.

"***P3 Units***" has the meaning set forth in the Recitals.

"***Quarterly Tax Distribution***" has the meaning set forth in Section 4.01(b)(i).

"***Redeemed Units***" has the meaning set forth in Section 11.01(a).

“***Redeemed Units Equivalent***” means the product of (a) the applicable number of Redeemed Units *multiplied by* (b) the Common Unit Redemption Price.

“***Redeeming Member***” has the meaning set forth in Section 11.01(a).

“***Redemption***” has the meaning set forth in Section 11.01(a).

“***Redemption Date***” has the meaning set forth in Section 11.01(a).

“***Redemption Notice***” has the meaning set forth in Section 11.01(a).

“***Redemption Right***” has the meaning set forth in Section 11.01(a).

“***Registration Rights Agreement***” means that certain Amended and Restated Registration Rights and Lock-up Agreement, dated as of December 3, 2021, by and among the Corporation, certain of the Members as of the date hereof and certain other Persons whose signatures are affixed thereto (together with any joinder thereto from time to time by any successor or assign to any party to such agreement), as amended from time to time.

“***Retraction Notice***” has the meaning set forth in Section 11.01(c).

“***Revised Partnership Audit Provisions***” means Section 1101 of Title XI (Revenue Provisions Related to Tax Compliance) of the Bipartisan Budget Act of 2015, H.R. 1314, Public Law Number 114-74, as amended. Unless the context requires otherwise, any reference herein to a specific section of the Revised Partnership Audit Provisions shall be deemed to include any corresponding provisions of future Law as in effect for the relevant taxable period.

“***Schedule of Members***” has the meaning set forth in Section 3.01(b).

“***Schedule 3.03(b)***” has the meaning set forth in Section 3.03(b).

“***Schedule 3.03(c)***” has the meaning set forth in Section 3.03(c).

“***SEC***” means the U.S. Securities and Exchange Commission, including any governmental body or agency succeeding to the functions thereof.

“***Securities Act***” means the U.S. Securities Act of 1933, as amended, and applicable rules and regulations thereunder, and any successor to such statute, rules or regulations. Any reference herein to a specific section, rule or regulation of the Securities Act shall be deemed to include any corresponding provisions of future Law.

“***Series A Preferred Units***” means Units of the Company so denominated having the designations, rights, preferences, powers, restrictions, and limitations set forth in this Agreement.

“***Series B Preferred Units***” means Units of the Company so denominated having the designations, rights, preferences, powers, restrictions, and limitations set forth in this Agreement.

“***Series C Preferred Units***” means Units of the Company so denominated having the designations, rights, preferences, powers, restrictions, and limitations set forth in this Agreement.

"***Series D Issuance***" has the meaning set forth in the Recitals.

"***Series D Preferred Units***" means Units of the Company so denominated having the designations, rights, preferences, powers, restrictions, and limitations set forth in this Agreement.

"***Share Settlement***" means a number of shares of Class A Common Stock (together with any Corresponding Rights) equal to the number of Redeemed Units.

"***Stated Value***" means, with respect to each Preferred Unit, the stated value of the corresponding share of Preferred Stock issued by the Corporation as set forth in the applicable Certificate of Designation.

"***Stock Exchange***" means Nasdaq Capital Market.

"***Subsidiary***" means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the voting interests thereof are at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof, (c) in any case, such Person controls the management thereof, or (d) such business entity is a variable interest entity of that Person. For purposes hereof, references to a "Subsidiary" of the Company shall be given effect only at such times that the Company has one or more Subsidiaries, and, unless otherwise indicated, the term "Subsidiary" refers to a Subsidiary of the Company. For the avoidance of doubt, "Subsidiaries" of the Company shall include any and all of the Company's direct and indirect, greater than fifty percent (50%) owned joint ventures.

"***Substituted Member***" means a Person that is admitted as a Member to the Company pursuant to Section 12.01.

"***Target Balance***" means, with respect to any Member as of the close of any period for which allocations are made under Article V, the amount such Member would receive (or be required to contribute) in a hypothetical liquidation of the Company as of the close of such period, assuming for purposes of such hypothetical liquidation (i) a sale of the assets of the Company at prices equal to their then Book Values and (ii) the Distribution of the net proceeds from such sale to the Members pursuant to Section 14.02(c) (treating any unvested Units as fully vested), after payment of all actual Company indebtedness and any other liabilities related to the Company's assets (limited in the case of nonrecourse liabilities to the Book Value of the collateral securing or otherwise available to satisfy such liabilities).

"***Tax Distributions***" has the meaning set forth in Section 4.01(b)(i).

"***Tax Receivable Agreement***" means that certain Tax Receivable Agreement, dated as of December 3, 2021, by and among the Corporation and the Company, on the one hand, and the other parties thereto, on the other hand (together with any joinder thereto from time to time by any successor or assign to any party to such agreement), as amended from time to time.

“***Taxable Year***” means the Company’s accounting period for U.S. federal income tax purposes determined pursuant to Section 9.02.

“***Third A&R LLC Agreement***” has the meaning set forth in Section 4.01(b)(iv).

“***Trading Day***” means, as of a particular time of determination, a day on which the Stock Exchange or such other principal United States securities exchange on which the Class A Common Stock is then listed or admitted to trading is open for the transaction of business (unless such trading shall have been suspended for the entire day).

“***Transaction Agreement***” has the meaning set forth in the Recitals.

“***Transfer***” (and, with a correlative meaning, “***Transferring***”) means any sale, transfer, assignment, redemption, pledge, encumbrance or other disposition of (whether directly or indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of Law) (a) any interest (legal or beneficial) in any Equity Securities of the Company or (b) any equity or other interest (legal or beneficial) in any Member if substantially all of the assets of such Member consist solely of Units.

“***Treasury Regulations***” means the final, temporary and (to the extent they can be relied upon) proposed regulations under the Code, as promulgated from time to time (including corresponding provisions and succeeding provisions) as in effect for the relevant taxable period.

“***Unit***” means the fractional interest of a Member in Profits, Losses and Distributions of the Company, and otherwise having the rights and obligations specified with respect to “Units” in this Agreement, including, but not limited to Common Units and Preferred Units; *provided, however*, that any class or group of Units issued, including the Common Units and Preferred Units, shall have the relative rights, powers and duties set forth in this Agreement applicable to such class or group of Units.

“***Unpaid Preferred Unit Value***” means, with respect to each Preferred Unit at any time of determination, the excess of (a) the Preferred Unit Value with respect to such Preferred Unit, over (b) the cumulative Distributions made with respect to such Preferred Unit pursuant to Section 4.01(a)(i).

“***Unvested Corporate Shares***” means shares of Class A Common Stock issuable pursuant to awards granted under an Equity Plan that are not Vested Corporate Shares.

“***Upstairs Warrants***” has the meaning set forth in Section 3.04(c).

“***VWAP***” means with respect to shares of Class A Common Stock, the daily per share volume-weighted average price per share of Class A Common Stock, regular way, or if no such sale took place on such day, the average of the closing bid and asked prices per share of Class A Common Stock, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the Stock Exchange or, if the Class A Common Stock is not listed or admitted to trading on the Stock Exchange, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Class A Common Stock is listed or admitted to trading or, if the Class A Common Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if the Class A Common Stock is not quoted by any such system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in shares of Class A Common Stock selected by the Corporate Board or, in the event that no trading price is available for the shares of Class A Common Stock, the fair market value of a share of Class A Common Stock, as determined in good faith by the Corporate Board.

"***Vested Corporate Shares***" means the shares of Class A Common Stock issued pursuant to awards granted under an Equity Plan that are vested pursuant to the terms thereof or any award or similar agreement relating thereto.

"***Vesting Date***" has the meaning set forth in Section 3.10(c)(ii).

"***Voting Securities***" of any Person means the capital stock or other Equity Securities of such Person normally entitled to vote in the election of directors or comparable governing body of such Person.

"***Warrant Agreement***" means that certain Amended and Restated Warrant agreement between the Corporation and the Company, dated as of December 3, 2021, pursuant to which, among other things, the Company issued Warrants to the Corporation.

"***Warrants***" means warrants to purchase Common Units.

ARTICLE II.
ORGANIZATIONAL MATTERS

Section 2.01 Formation of Company. The Company was formed in Delaware on May 20, 2021, pursuant to the provisions of the Delaware Act.

Section 2.02 Second Amended and Restated Limited Liability Company Agreement. The Members hereby execute this Agreement for the purpose of amending, restating and superseding the A&R LLC Agreement in its entirety as expressly contemplated herein and otherwise continuing the affairs of the Company and the conduct of its business in accordance with the provisions of the Delaware Act. The Members hereby agree that during the term of the Company set forth in Section 2.06 the rights and obligations of the Members with respect to the Company will be determined in accordance with the terms and conditions of this Agreement and the Delaware Act. No provision of this Agreement shall be in violation of the Delaware Act and to the extent any provision of this Agreement is in violation of the Delaware Act, such provision shall be void and of no effect to the extent of such violation without affecting the validity of the other provisions of this Agreement. Neither any Member nor the Manager nor any other Person shall have appraisal rights with respect to any Units.

Section 2.03 Name. The name of the Company is "P3 Health Group, LLC". The Manager in its sole discretion may change the name of the Company at any time and from time to time. Notification of any such change shall be given to all of the Members in a reasonable period of time following such change. The Company's business may be conducted under its name and/or any other name or names deemed advisable by the Manager.

Section 2.04 Purpose; Powers. The primary business and purpose of the Company shall be to engage in such activities as are permitted under the Delaware Act and determined from time to time by the Manager in accordance with the terms and conditions of this Agreement. The Company shall have the power and authority to take (directly or indirectly through its Subsidiaries) any and all actions and engage in any and all activities necessary, appropriate, desirable, advisable, ancillary or incidental to accomplish the foregoing purpose.

Section 2.05 Principal Office; Registered Office. The principal office of the Company shall be located at such place or places as the Manager may from time to time designate, each of which may be within or outside the State of Delaware. The address of the registered office of the Company in the State of Delaware shall be c/o Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware, 19808, and the registered agent for service of process on the Company in the State of Delaware at such registered office shall be Corporation Service Company. The Manager may from time to time change the Company's registered agent and registered office in the State of Delaware.

Section 2.06 Term. The term of the Company commenced upon the filing of the Certificate in accordance with the Delaware Act and shall continue in perpetuity unless dissolved in accordance with the provisions of Article XIV.

Section 2.07 No State-Law Partnership. The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member by virtue of this Agreement, for any purposes other than as set forth in the last sentence of this Section 2.07, and neither this Agreement nor any other document entered into by the Company or any Member relating to the subject matter hereof shall be construed to suggest otherwise. The Members intend that the Company shall be treated as a partnership for U.S. federal and, if applicable, state or local income tax purposes, and that each Member and the Company shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment.

Section 2.08 Liability. Except as otherwise provided by the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

ARTICLE III.
MEMBERS; UNITS; CAPITALIZATION

Section 3.01 Members.

(a) In connection with the transactions contemplated by the Transaction Agreement, the Corporation was admitted as a Member as described in Section 3.03.

(b) The Company shall maintain a schedule setting forth: (i) the name and address of each Member and (ii) the aggregate number of outstanding Units and the number and class of Units held by each Member (such schedule, the "***Schedule of Members***") and shall maintain records of (x) the aggregate amount of cash Capital Contributions that has been made by the Members with respect to their respective Units and (y) the Fair Market Value of any property other than cash contributed by the Members with respect to their respective Units (including, if applicable, a description and the amount of any liability assumed by the Company or to which contributed property is subject). The Schedule of Members may be updated by the Manager in the Company's books and records from time to time, and as so updated, it and the related above-referenced records shall be the definitive record of ownership of each Unit of the Company and all relevant information with respect to each Member. The Company shall be entitled to recognize the exclusive right of a Person registered on its records as the owner of Units for all purposes and shall not be bound to recognize any equitable or other claim to or interest in Units on the part of any other Person, whether or not it shall have express or other notice thereof, except as otherwise provided by the Delaware Act.

(c) No Member shall be required or, except as approved by the Manager pursuant to Section 6.01 or in accordance with the other provisions of this Agreement, permitted to (i) loan any money or property to the Company, (ii) borrow any money or property from the Company or (iii) make any additional Capital Contributions.

Section 3.02 Units.

(a) Limited liability company interests in the Company shall be represented by Units, or such other securities of the Company, in each case as the Manager may establish in its discretion in accordance with the terms and subject to the restrictions hereof.

(i) The Units will be comprised of five classes: Series A Preferred Units, Series B Preferred Units, Series C Preferred Units, Series D Preferred Units, and Common Units.

(ii) As of the Effective Date, the Corporation owns the following Preferred Units that correspond to the Preferred Stock: (A) 650,000 Series A Preferred Units, (B) 555,000 Series B Preferred Units, (C) 2,335,000 Series C Preferred Units, and (D) 1,100,000 Series D Preferred Units.

(b) Subject to Section 3.04, the Manager may (i) issue additional Common Units at any time in its sole discretion and (ii) create one or more classes or series of Units or preferred Units solely to the extent such new class or series of Units or preferred Units are substantially economically equivalent to a class of common or other stock of the Corporation or class or series of preferred stock of the Corporation, respectively; *provided,* that as long as there are any Members (other than the Corporation and its Subsidiaries) (x) no such new class or series of Units may deprive such Members of, or dilute or reduce, the allocations and Distributions they would have received, and the other rights and benefits to which they would have been entitled, in respect of their Units if such new class or series of Units had not been created and (y) no such new class or series of Units may be issued, in each case, except to the extent (and solely to the extent) the Company actually receives cash in an aggregate amount, other property with a Fair Market Value in an aggregate amount, or liability relief in an aggregate amount equal to the aggregate Distributions that would be made in respect of such new class or series of Units if the Company were liquidated immediately after the issuance of such new class or series of Units. The Company may reissue any Common Units that have been repurchased or acquired by the Company; *provided*, that any such issuance, and the admission of any Person as a Member in connection therewith, is otherwise made in accordance with the provisions of this Agreement.

(c) Subject to Sections 15.03(b) and Section 15.03(c), the Manager may amend this Agreement, without the consent of any Member or any other Person, in connection with the creation and issuance of such classes or series of Units, pursuant to Sections 3.02(b), 3.04(a) or 3.10.

Section 3.03 The Corporation's Admission as a Member; the Merger; the Unit Redemption.

(a) [RESERVED].

(b) Notwithstanding anything to the contrary: (i) the Corporation shall be admitted as a Member with respect to all Common Units it holds from time to time; (ii) each Warrant shall be treated as a "noncompensatory option" within the meaning of Treasury Regulations Sections 1.721-2(f) and 1.761-3(b)(2) and shall not be treated as a partnership interest pursuant to Treasury Regulations Section 1.761-3(a); (iii) the Company shall be treated as a continuation of P3 for U.S. federal and applicable state income tax purposes and, as such, shall use P3's employer identification number ("***EIN***") (and, for the avoidance of doubt, shall not obtain a new EIN); (iv) for U.S. federal and applicable state tax purposes, the Corporation shall be treated as having acquired the number of Common Units from the Former P3 Members set forth on Schedule 3.03(b) (for the avoidance of doubt, including any Common Units acquired in exchange for cash that consists of the Incentive Holdback Amount (as defined in the Transaction Agreement) based on the distribution of the Incentive Holdback Amount to the Former P3 Members pursuant to Section 2.01(b) of the Transaction Agreement) in exchange for (A) the cash consideration paid in the Merger pursuant to a taxable exchange and (B) the Class A Common Stock and cash consideration paid in the Blocker Mergers pursuant to a reorganization described in Section 368(a) of the Code; (v) for U.S. federal and applicable state tax purposes, the issuance of Common Units in exchange for P3 Units pursuant to the Merger and any reallocation of Common Units pursuant to the Escrow Agreement shall be treated as a non-taxable recapitalization of equity interests in the Company; (vi) the distribution procedures described in the Escrow Agreement shall be treated for U.S. federal and applicable state tax purposes in accordance with Section 3(e) of the Escrow Agreement and (vii) the transactions described in this Section 3.03(b) resulted in a "revaluation of partnership property" and corresponding adjustments to Capital Account balances as described in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations.

(c) Pursuant to the Merger and the Payment Spreadsheet referenced in the Transaction Agreement, certain Former P3 Members received Common Units which are subject to time-vesting restrictions, as set forth on Schedule 3.03(c) attached hereto.

Section 3.04 Authorization and Issuance of Additional Units and Warrants.

(a) Except as otherwise determined by the Manager, the Company, the Manager and the Corporation shall undertake all actions, including, without limitation, an issuance, redemption, cancellation, reclassification, distribution, division or recapitalization, with respect to the Common Units, the Class A Common Stock and/or the Class V Common Stock, as applicable, to maintain at all times (i) a one-to-one ratio between the number of Common Units owned by the Corporation, directly or indirectly, and the number of outstanding shares of Class A Common Stock and (ii) a one-to-one ratio between the number of Common Units owned by Members (other than the Corporation and its Subsidiaries), and the number of outstanding shares of Class V Common Stock, in each case, disregarding, for purposes of maintaining the one-to-one ratio, (A) Unvested Corporate Shares, (B) treasury stock or (C) preferred stock or other debt or Equity Securities (including any Corresponding Rights) issued by the Corporation that are convertible into or exercisable or exchangeable for Class A Common Stock (except to the extent the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the Company); *provided* that, in each of the foregoing cases of clauses (A) and (C), the issuance of Class A Common Stock in connection with the Vesting Date, conversion, exercise or exchange, as applicable, of such Unvested Corporate Shares, preferred stock or other debt or Equity Securities, as applicable, shall not be disregarded for purposes of this Section 3.04. Except as otherwise determined by the Manager, in the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems Class A Common Stock in a transaction not contemplated in this Agreement, the Manager, the Company and the Corporation shall take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the number of outstanding Common Units owned, directly or indirectly, by the Corporation will equal on a one-for-one basis the number of outstanding shares of Class A Common Stock. Except as otherwise determined by the Manager, in the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems Class V Common Stock in a transaction not contemplated in this Agreement, the Manager, and the Company shall take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the number of outstanding Common Units owned by the Members (other than the Corporation and its Subsidiaries), directly or indirectly, will equal on a one-for-one basis the number of outstanding shares of Class V Common Stock. Except as otherwise determined by the Manager, the Company, the Manager and the Corporation shall not undertake any subdivision (by any Common Unit stock split, Common Unit distribution, stock distribution, reclassification, division, recapitalization or similar event) or combination (by reverse Common Unit split, reverse stock split, reclassification, division, recapitalization or similar event) of the Common Units, Class A Common Stock or Class V Common Stock, as applicable, that is not accompanied by an identical subdivision or combination of Class A Common Stock, Class V Common Stock or Common Units respectively, to maintain at all times (y) a one-to-one ratio between the number of Common Units owned, directly or indirectly, by the Corporation and the number of outstanding shares of Class A Common Stock, or (z) a one-to-one ratio between the number of Common Units owned by Members (other than the Corporation and its Subsidiaries) and the number of outstanding shares of Class V Common Stock, in each case, unless such action is necessary to maintain at all times a one-to-one ratio between either the number of Common Units owned, directly or indirectly, by the Corporation and the number of outstanding shares of Class A Common Stock or the number of Common Units owned by Members (other than the Corporation and its Subsidiaries) and the number of outstanding shares of Class V Common Stock, in each case as contemplated by the first sentence of this Section 3.04(a).

(b) Except as otherwise determined by the Manager, the Company, the Manager and the Corporation shall undertake all actions, including, without limitation, an issuance, redemption, cancellation, reclassification, distribution, division or recapitalization, with respect to the Preferred Units and the Preferred Stock, as applicable, to maintain at all times (i) a one-to-one ratio between the number and class of Preferred Units owned by the Corporation, directly or indirectly, and the number and class of outstanding shares of Preferred Stock, disregarding, for purposes of maintaining the one-to-one ratio, (A) treasury stock or (B) preferred stock or other debt or Equity Securities (including any Corresponding Rights) issued by the Corporation that are convertible into or exercisable or exchangeable for Preferred Stock (except to the extent the net proceeds from such other securities, including any exercise or purchase price payable upon conversion, exercise or exchange thereof, has been contributed by the Corporation to the equity capital of the Company); provided that, in the case of clause (B), the issuance of Preferred Stock in connection with the conversion, exercise or exchange, as applicable, of such preferred stock or other debt or Equity Securities, as applicable, shall not be disregarded for purposes of this Section 3.04. If the Corporation makes a PIK Dividend with respect to any class of Preferred Stock, the Company shall issue a number of Preferred Units of the corresponding class equal to the number of shares of Preferred Stock issued in the PIK Dividend. Except as otherwise determined by the Manager, in the event the Corporation issues, transfers or delivers from treasury stock or repurchases or redeems the Corporation's preferred stock in a transaction not contemplated in this Agreement, the Manager, the Company and the Corporation shall take all actions such that, after giving effect to all such issuances, transfers, deliveries, repurchases or redemptions, the Corporation, directly or indirectly, holds (in the case of any issuance, transfer or delivery) or ceases to hold (in the case of any repurchase or redemption) Equity Securities in the Company which (in the good faith determination by the Manager) are in the aggregate substantially economically equivalent to the outstanding preferred stock of the Corporation so issued, transferred, delivered, repurchased or redeemed. Except as otherwise determined by the Manager, the Company, the Manager and the Corporation shall not undertake any subdivision (by any Preferred Unit split, Preferred Unit Distribution, stock distribution, reclassification, division, recapitalization or similar event) or combination (by reverse Preferred Unit split, reverse stock split, reclassification, division, recapitalization or similar event) of the Preferred Units or Preferred Stock, as applicable, that is not accompanied by an identical subdivision or combination of Preferred Stock or Preferred Units, respectively, to maintain at all times a one-to-one ratio between the number of Preferred Units owned, directly or indirectly, by the Corporation and the number of outstanding shares of Preferred Stock unless such action is necessary to maintain at all times a one-to-one ratio between the number and class of Preferred Units owned, directly or indirectly, by the Corporation and the number and class of outstanding shares of Preferred Stock as contemplated by the first sentence of this Section 3.04(b).

(c) Excluding warrants, options or similar instruments governed by Section 3.10 (the "***Excluded Instruments***"), the exercise of which shall be governed by such Section 3.10 and not this Section 3.04(c), in the event any holder of a warrant to purchase shares of Class A Common

Stock (the "***Upstairs Warrants***") exercises an Upstairs Warrant, then the Corporation shall cause a corresponding exercise (including by effecting such exercise in the same manner, *i.e.*, by payment of a cash exercise price or on a cashless basis) of a Warrant with similar terms held by the Corporation, such that the number of shares of Class A Common Stock issued in connection with the exercise of such Upstairs Warrants shall be matched with a corresponding number of Common Units issued by the Company to the Corporation pursuant to the Warrant Agreement. Upon the valid exercise of a Warrant by the Corporation in accordance with the Warrant Agreement pursuant to the immediately preceding sentence, the Company shall issue to the Corporation the number of Common Units contemplated thereby, free and clear of all liens and encumbrances other than those arising under applicable securities laws and this Agreement. The Corporation agrees that it will not exercise any Warrants other than in connection with the corresponding exercise of an Upstairs Warrant. In the event that an Upstairs Warrant is redeemed, the Company will redeem a Warrant with similar terms held by the Corporation.

(d) The Company shall only be permitted to issue additional Common Units, and/or establish other classes or series of Units or other Equity Securities in the Company to the Persons and on the terms and conditions provided for in Section 3.02, this Section 3.04, Section 3.10 and Section 3.11. Subject to the foregoing, the Manager may cause the Company to issue additional Common Units authorized under this Agreement and/or establish other classes or series of Units or other Equity Securities in the Company at such times and upon such terms as the Manager shall determine and the Manager shall amend this Agreement as necessary in connection with the issuance of additional Common Units, to establish other classes or series of Units or other Equity Securities in the Company, or admission of additional Members under this Section 3.04, in each case without the requirement of any consent or acknowledgement of any other Member.

Section 3.05 Repurchase or Redemption of Shares of Corporate Stock.

(a) Except as otherwise determined by the Manager, if at any time, any shares of Class A Common Stock are repurchased or redeemed (whether by exercise of a put or call, automatically or by means of another arrangement) by the Corporation for cash, then the Manager shall cause the Company, immediately prior to such repurchase or redemption of Class A Common Stock, to redeem a corresponding number of Common Units held (directly or indirectly) by the Corporation, at an aggregate redemption price equal to the aggregate purchase or redemption price of the shares of Class A Common Stock being repurchased or redeemed by the Corporation (plus any expenses or tax liability of the Corporation related to such redemptions, including as may result from amounts added to the redemption price of the Common Units pursuant to this parenthetical) and upon such other terms as are the same for the shares of Class A Common Stock being repurchased or redeemed by the Corporation; provided, if the Corporation uses funds received from distributions from the Company with respect to Common Units or the net proceeds from an issuance of Class A Common Stock to fund such repurchase or redemption, then the Company shall cancel a corresponding number of Common Units held (directly or indirectly) by the Corporation for no consideration. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any such repurchase or redemption if such repurchase or redemption would violate any applicable Law.

(b) Except as otherwise determined by the Manager, if at any time, any shares of Preferred Stock are repurchased or redeemed (whether by exercise of a put or call, automatically or by means of another arrangement) by the Corporation for cash, then the Manager shall cause the Company, immediately prior to such repurchase or redemption of Preferred Stock, to redeem a corresponding number and class of Preferred Units held (directly or indirectly) by the Corporation, at an aggregate redemption price equal to the aggregate purchase or redemption price of the shares of Preferred Stock being repurchased or redeemed by the Corporation (plus any expenses or tax liability of the Corporation related to such redemptions, including as may result from amounts added to the redemption price of the Preferred Units pursuant to this parenthetical) and upon such other terms as are the same for the shares of Preferred Stock being repurchased or redeemed by the Corporation; provided, if the Corporation uses funds received from distributions from the Company with respect to Preferred Units or the net proceeds from an issuance of Preferred Stock to fund such repurchase or redemption, then the Company shall cancel a corresponding number and class of Preferred Units held (directly or indirectly) by the Corporation for no consideration. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any such repurchase or redemption if such repurchase or redemption would violate any applicable Law.

Section 3.06 Certificates Representing Units; Lost, Stolen or Destroyed Certificates; Registration and Transfer of Units.

(a) Units shall not be certificated unless otherwise determined by the Manager. If the Manager determines that one or more Units shall be certificated, each such certificate shall be signed by or in the name of the Company, by the Chief Executive Officer, Chief Financial Officer, General Counsel, Secretary or any other officer designated by the Manager, representing the number of Units held by such holder. Such certificate shall be in such form (and shall contain such legends) as the Manager may determine. Any or all of such signatures on any certificate representing one or more Units may be a facsimile, engraved or printed, to the extent permitted by applicable Law. No Units shall be treated as a "security" within the meaning of Article 8 of the Uniform Commercial Code unless all Units then outstanding are certificated; notwithstanding anything to the contrary herein, including Section 15.03, the Manager is authorized to amend this Agreement in order for the Company to opt-in to the provisions of Article 8 of the Uniform Commercial Code without the consent or approval of any Member of any other Person.

(b) If Units are certificated, the Manager may direct that a new certificate representing one or more Units be issued in place of any certificate theretofore issued by the Company alleged to have been lost, stolen or destroyed, upon delivery to the Manager of an affidavit of the owner or owners of such certificate, setting forth such allegation. The Manager may require the owner of such lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

(c) To the extent Units are certificated, upon surrender to the Company or the transfer agent of the Company, if any, of a certificate for one or more Units, duly endorsed or accompanied by appropriate evidence of succession, assignment or authority to transfer, in compliance with the provisions hereof, the Company shall issue a new certificate representing one or more Units to the Person entitled thereto, cancel the old certificate and record the transaction upon its books. Subject to the provisions of this Agreement, the Manager may prescribe such additional rules and regulations as it may deem appropriate relating to the issue, Transfer and registration of Units.

Section 3.07 Negative Capital Accounts. No Member shall be required to pay to any other Member or the Company any deficit or negative balance which may exist from time to time in such Member's Capital Account (including upon and after dissolution of the Company).

Section 3.08 No Withdrawal. No Person shall be entitled to withdraw any part of such Person's Capital Contribution or Capital Account or to receive any Distribution from the Company, except as expressly provided in this Agreement.

Section 3.09 Loans From Members. Loans by Members to the Company shall not be considered Capital Contributions. Subject to the provisions of Section 3.01(c), the amount of any such advances shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such advances are made.

Section 3.10 Corporate Stock Option Plans and Equity Plans. Nothing in this Agreement shall be construed or applied to preclude or restrain the Corporation from adopting, modifying or terminating an Equity Plan or from issuing shares of Class A Common Stock pursuant to any such plans. The Corporation may implement such Equity Plans and any actions taken under such Equity Plans (such as the grant or exercise of options to acquire shares of Class A Common Stock, or the issuance of Unvested Corporate Shares), whether taken with respect to or by an employee or other service provider of the Corporation, the Company or its Subsidiaries, in a manner determined by the Corporation, in accordance with the initial implementation guidelines attached to this Agreement as Exhibit C, which may be amended by the Corporation from time to time (subject to the immediately succeeding sentence). The Corporation may amend this Agreement (including Exhibit C) as reasonably necessary or advisable, as determined by the Corporation in good faith, in connection with, and solely for purposes of effecting, the adoption, implementation, modification or termination of an Equity Plan. In the event of such an amendment by the Corporation, the Company will provide notice of such amendment to the Members. The Company is expressly authorized to issue Units (i) in accordance with the terms of any such Equity Plan, or (ii) in an amount equal to the number of shares of Class A Common Stock issued pursuant to any such Equity Plan, without any further act, approval or vote of any Member or any other Persons.

Section 3.11 Dividend Reinvestment Plan, Cash Option Purchase Plan, Stock Incentive Plan or Other Plans. Except as may otherwise be provided in this Article III, all amounts received or deemed received by the Corporation in respect of any dividend reinvestment plan, cash option purchase plan, stock incentive or other stock or subscription plan or agreement, either (a) shall be utilized by the Corporation to effect open market purchases of shares of Class A Common Stock, or (b) if the Corporation elects instead to issue new shares of Class A Common Stock with respect to such amounts, shall be contributed by the Corporation to the Company in exchange for additional Common Units. Upon such contribution, the Company will issue to the Corporation a number of Common Units equal to the number of new shares of Class A Common Stock so issued.

ARTICLE IV.
ORGANIZATIONAL MATTERS

Section 4.01 Distributions.

(a) *Distributable Cash; Other Distributions*. Subject to Section 4.01(b) (with respect to Tax Distributions) and Section 14.02 (with respect to liquidating Distributions), to the extent permitted by applicable Law and hereunder, Distributions to Members may be declared by the Manager out of Distributable Cash or other funds or property legally available therefor in such amounts, at such time and on such terms (including the payment dates of such Distributions) as the Manager in its sole discretion shall determine using such record date as the Manager may designate. All Distributions made under this Section 4.01(a) shall be made to the Members as follows:

(i) First, to the Members holding Preferred Units as of the close of business on such record date on a *pro rata* basis in accordance with the relative Unpaid Preferred Unit Value with respect to each Preferred Unit, until the Unpaid Preferred Unit Value with respect to each Preferred Unit has been reduced to zero; and

(ii) Thereafter, to the Members holding Common Units as of the close of business on such record date on a *pro rata* basis in accordance with each Member's Percentage Interest of such Common Units (other than, for the avoidance of doubt, any distributions made pursuant to Section 4.01(b)(iv)) as of the close of business on such record date.

Notwithstanding the foregoing, upon the occurrence of a Liquidity Event (as defined in the applicable Certificate of Designation), the Company shall use all of its funds legally available for Distribution to make a Distribution in accordance with Section 4.01(a)(i) in an amount sufficient to allow the Corporation to comply with its dividend obligations with respect to the Preferred Stock as set forth in the applicable Certificate of Designation. Notwithstanding any other provision herein to the contrary, no Distributions shall be made to any Member to the extent such Distribution would render the Company insolvent or violate the Delaware Act. For purposes of the foregoing sentence, "insolvency" means the inability of the Company to meet its payment obligations when due. In furtherance of the foregoing, it is intended that the Manager shall, to the extent permitted by applicable Law and hereunder, have the right in its sole discretion to make Distributions of Distributable Cash to the Members pursuant to this Section 4.01(a) in such amounts as shall enable the Corporation to meet its obligations, including its obligations pursuant to the Tax Receivable Agreement (to the extent such obligations are not otherwise able to be satisfied as a result of Tax Distributions required to be made pursuant to Section 4.01(b)).

(a) *Tax Distributions*.

(i) With respect to each Taxable Year, the Company shall, to the extent permitted by applicable Law, make cash distributions ("***Tax Distributions***") to each Member in accordance with, and to the extent of, such Member's Assumed Tax Liability. Tax Distributions pursuant to this Section 4.01(b)(i) shall be estimated by the Company on a quarterly basis and, to the extent feasible, shall be distributed to the Members (together with a statement showing the calculation of such Tax Distribution and an estimate of the Company's net taxable income allocable to each Member for such period) on a quarterly basis on April 15th, June 15th, September 15th and December 15th (or such other dates for which corporations or individuals are required to make quarterly estimated tax payments for U.S. federal income tax purposes, whichever is earlier) (each, a "***Quarterly Tax Distribution***"); *provided*, that the foregoing shall not restrict the Company from making a Tax Distribution on any other date as the Company determines is necessary to enable the Members to timely make estimated income tax payments. Quarterly Tax Distributions shall take into account the estimated taxable income or loss of the Company for the Taxable Year through the end of the relevant quarterly period. A final accounting for Tax Distributions shall be made for each Taxable Year after the allocation of the Company's actual net taxable income or loss has been determined and any shortfall in the amount of Tax Distributions a Member received for such Taxable Year based on such final accounting shall promptly be distributed to such Member. For the avoidance of doubt, any excess Tax Distributions a Member receives with respect to any Taxable Year shall reduce future Tax Distributions otherwise required to be made to such Member with respect to any subsequent Taxable Year.

(ii) To the extent a Member holding Common Units otherwise would be entitled to receive less than its Percentage Interest of Common Units of the aggregate Tax Distributions to be paid pursuant to this Section 4.01(b) [other than any distributions made pursuant to Section 4.01(b)(iv)) with respect such Member's Assumed Tax Liability attributable to Common Units on any given date, the Tax Distributions to such Member shall be increased to ensure that all Distributions made pursuant to this Section 4.01(b) with respect to such Member's Assumed Tax Liability attributable to Common Units are made *pro rata* in accordance with the Members' respective Percentage Interests of Common Units. If, on the date of a Tax Distribution, there are insufficient funds on hand to distribute to the Members the full amount of the Tax Distributions to which such Members are otherwise entitled, Tax Distributions pursuant to this Section 4.01(b) shall be made to the Members *pro rata* in accordance with the full amount of Tax Distributions to which the Members are otherwise entitled to the extent of available funds, and the Company shall make future Tax Distributions as soon as sufficient funds become available to pay the remaining portion of the Tax Distributions to which such Members are otherwise entitled.

(iii) In the event of any audit by, or similar event with, a Governmental Entity that affects the calculation of any Member's Assumed Tax Liability for any Taxable Year (other than an audit conducted pursuant to the Revised Partnership Audit Provisions for which no election is made pursuant to Section 6226 thereof and the Treasury Regulations promulgated thereunder), or in the event the Company files an amended tax return or administrative adjustment request, each Member's Assumed Tax Liability with respect to such year shall be recalculated by giving effect to such event (for the avoidance of doubt, taking into account interest or penalties). Any shortfall in the amount of Tax Distributions the Members and former Members received for the relevant Taxable Years based on such recalculated Assumed Tax Liability promptly shall be distributed to such Members and the successors of such former Members, except to the extent Distributions were made to such Members and former Members pursuant to Section 4.01(a) and this Section 4.01(b) in the relevant Taxable Years sufficient to cover such shortfall; *provided*, *however*, that the foregoing limitation shall not apply to any shortfall with respect to any Assumed Tax Liability attributable to Preferred Units.

(iv) Notwithstanding the foregoing and anything to the contrary in this Agreement, a final accounting for distributions under Section 4.1(a) of that certain Third Amended and Restated Operating Agreement of P3, dated April 16, 2020 (the "***Third A&R LLC Agreement***") in respect of the taxable income of P3 through the end of the day on which the Effective Time occurs shall be made by the Company following the Effective Time and, based on such final accounting, the Company shall make a distribution to the Former P3 Members (or in the case of any Former P3 Member that no longer exists, the successor of such Former P3 Member) in accordance with Section 4.1(a) of the Third A&R LLC Agreement (as if the Third A&R LLC Agreement was still in effect) to the extent of any shortfall in the amount of distributions the Former P3 Members received prior to the Effective Time under Section 4.1(a) of the Third A&R LLC Agreement with respect to taxable income of the Company through the end of the day on which the Effective Time occurs that will be allocated to the Former P3 Members (determined pursuant to an interim closing of the books under Section 706 of the Code and the Treasury Regulations thereunder). For the avoidance of doubt, the amount of distributions to be made pursuant to this Section 4.01(b)(iv) shall be calculated pursuant to the methodology set forth in Section 4.1(a) of the Third A&R LLC Agreement (as if the Third A&R LLC Agreement was still in effect).

ARTICLE V.
CAPITAL ACCOUNTS; ALLOCATIONS; TAX MATTERS

Section 5.01 Capital Accounts.

(a) The Company shall maintain a separate Capital Account for each Member according to the rules of Treasury Regulations Section 1.704-1(b)(2)(iv). For this purpose, the Company may (in the discretion of the Manager), upon the occurrence of the events specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f), increase or decrease the Capital Accounts in accordance with the rules of such Treasury Regulations and Treasury Regulations Section 1.704-1(b)(2)(iv)(g) to reflect a revaluation of the Company's property; *provided*, that if any noncompensatory options (including the Warrants) are outstanding upon the occurrence of any revaluation of the Company's property, the Company shall adjust the Book Values of its properties in accordance with Treasury Regulations Sections 1.704-1(b)(2)(iv)(f)(1) and 1.704-1(b)(2)(iv)(h)(2).

(b) For purposes of computing the amount of any item of income, gain, loss or deduction with respect to the Company to be allocated pursuant to this Article V and to be reflected in the Capital Accounts of the Members, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for U.S. federal income tax purposes (including any method of depreciation, cost recovery or amortization used for this purpose); *provided, however*, that:

(i) the computation of all items of income, gain, loss and deduction shall include those items described in Code Section 705(a)(l)(B) or Code Section 705(a)(2)(B) and Treasury Regulations Section 1.704-1(b)(2)(iv)(i), without regard to the fact that such items are not includible in gross income or are not deductible for U.S. federal income tax purposes.

(ii) if the Book Value of any property of the Company is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(e) or (f), the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property;

(iii) items of income, gain, loss or deduction attributable to the disposition of property of the Company having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the Book Value of such property;

(iv) items of depreciation, amortization and other cost recovery deductions with respect to property of the Company having a Book Value that differs from its adjusted basis for tax purposes shall be computed by reference to the property's Book Value in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g); and

(v) to the extent an adjustment to the adjusted tax basis of any asset of the Company pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

Section 5.02 Allocations. Except as otherwise provided in Section 5.03, Net Profits and Net Losses for any Taxable Year or Fiscal Period shall be allocated among the Capital Accounts of the Members in a manner so as to cause their Capital Account balances (determined after crediting to each Member's Capital Account any amount the Member is obligated to restore under this Agreement or deemed obligated to restore under Treasury Regulation Section 1.704-1(b)(2)(ii)(c) or the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5)) to equal, as nearly as possible, their Target Balances.

Section 5.03 Regulatory Allocations.

(a) Losses attributable to partner nonrecourse debt (as defined in Treasury Regulations Section 1.704-2(b)(4)) shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). Except as otherwise provided for in Section 5.03(b), if there is a net decrease during a Taxable Year in partner nonrecourse debt minimum gain (as defined in Treasury Regulations Section 1.704-2(i)(3)), Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) shall be allocated to the Members in the amounts and of such character as determined according to Treasury Regulations Section 1.704-2(i)(4).

(b) Nonrecourse deductions (as determined according to Treasury Regulations Section 1.704-2(b)(1)) for any Taxable Year shall be allocated pro rata among the Members in accordance with their Percentage Interests of Common Units. If there is a net decrease in the Minimum Gain during any Taxable Year, each Member shall be allocated Profits for such Taxable Year (and, if necessary, for subsequent Taxable Years) in the amounts and of such character as determined according to Treasury Regulations Section 1.704-2(f). This Section 5.03(b) is intended to be a minimum gain chargeback provision that complies with the requirements of Treasury Regulations Section 1.704-2(f), and shall be interpreted in a manner consistent therewith.

(c) If any Member that unexpectedly receives an adjustment, allocation or Distribution described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) has an Adjusted Capital Account Deficit as of the end of any Taxable Year, after all other allocations pursuant to Sections 5.02 and 5.03 have been tentatively made as if this Section 5.03(c) were not in this Agreement, then Profits for such Taxable Year shall be allocated to such Member in proportion to, and to the extent of, such Adjusted Capital Account Deficit. This Section 5.03(c) is intended to be a qualified income offset provision as described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted in a manner consistent therewith.

(d) If the allocation of Net Losses (or items of Losses) to a Member as provided in Section 5.02 would create or increase an Adjusted Capital Account Deficit, there shall be allocated to such Member only that amount of Losses as will not create or increase an Adjusted Capital Account Deficit. The Net Losses that would, absent the application of the preceding sentence, otherwise be allocated to such Member shall be allocated to the other Members in accordance with their relative Percentage Interests of Common Units, subject to this Section 5.03(d).

(e) Profits and Losses described in Section 5.01(b)(v) shall be allocated in a manner consistent with the manner that the adjustments to the Capital Accounts are required to be made pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(j) and (m).

(f) The allocations set forth in Section 5.03(a) through and including Section 5.03(e) (the "***Regulatory Allocations***") are intended to comply with certain requirements of Sections 1.704-1(b) and 1.704-2 of the Treasury Regulations. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate Net Profit and Net Loss of the Company or make Distributions. Accordingly, notwithstanding the other provisions of this Article V, but subject to the Regulatory Allocations, income, gain, deduction and loss with respect to the Company shall be reallocated among the Members so as to eliminate the effect of the Regulatory Allocations and thereby cause the respective Capital Accounts of the Members to be in the amounts (or as close thereto as possible) they would have been if Net Profit and Net Loss (and such other items of income, gain, deduction and loss) had been allocated without reference to the Regulatory Allocations. In general, the Members anticipate that this will be accomplished by specially allocating other Profit and Loss (and such other items of income, gain, deduction and loss) among the Members so that the net amount of the Regulatory Allocations and such special allocations to each such Member is zero. In addition, if in any Taxable Year or Fiscal Period there is a decrease in partnership minimum gain, or in partner nonrecourse debt minimum gain, and application of the minimum gain chargeback requirements set forth in Section 5.03(a) or Section 5.03(b) would cause a distortion in the economic arrangement among the Members, the Manager may, if it does not expect that the Company will have sufficient other income to correct such distortion, request the Internal Revenue Service to waive either or both of such minimum gain chargeback requirements pursuant to Treasury Regulations Section 1.704-2(f)(4). If such request is granted, this Agreement shall be applied in such instance as if it did not contain such minimum gain chargeback requirement.

Section 5.04 Tax Allocations.

(a) The income, gains, losses, deductions and credits of the Company will be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses, deductions and credits among the Members for computing their Capital Accounts; *provided* that if any such allocation is not permitted by the Code or other applicable Law, the Company's subsequent income, gains, losses, deductions and credits will be allocated among the Members so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of taxable income, gain, loss and deduction of the Company with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value using the traditional method set forth in Treasury Regulations Section 1.704-3(b).

(c) If the Book Value of any asset of the Company is adjusted pursuant to Section 5.01(a), including adjustments to the Book Value of any asset of the Company in connection with the execution of this Agreement, subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value using the traditional method set forth in Treasury Regulations Section 1.704-3(b).

(d) Allocations of tax credits, tax credit recapture, and any items related thereto shall be allocated to the Members as determined by the Manager taking into account the principles of Treasury Regulations Section 1.704-1(b)(4)(ii).

(e) For purposes of determining a Member's share of the Company's "excess nonrecourse liabilities" within the meaning of Treasury Regulations Section 1.752-3(a)(3), each Member's interest in income and gain shall be determined pursuant to any proper method, as reasonably determined by the Manager; *provided*, that each year the Manager shall use its reasonable best efforts (using in all instances any proper method permitted under applicable Law, including without limitation the "additional method" described in Treasury Regulations Section 1.752-3(a)(3)) to allocate a sufficient amount of the excess nonrecourse liabilities to those Members who would have at the end of the applicable Taxable Year, but for such allocation, taxable income due to the deemed distribution of money to such Member pursuant to Section 752(b) of the Code that is in excess of such Member's adjusted tax basis in its Units; *provided*, *further*, that with respect to any of the Company's "excess nonrecourse liabilities" that arise after the Effective Time, the Manager shall not be required to allocate "excess nonrecourse liabilities" in the manner described in the preceding proviso to the extent that the Manager determines in its sole discretion made in good faith that such allocation would reasonably be expected to have a material adverse impact on the Corporation (for this purpose, any such allocation that results in the Corporation having a lower tax basis in its interests in the Company but that does not otherwise cause the Corporation to have taxable income in the applicable Taxable Year in excess of the taxable income it otherwise would have been expected to have in such Taxable Year (including as a result of an actual or deemed distribution made to the Corporation in such Taxable Year) utilizing a different permissible allocation of "excess nonrecourse liabilities" shall not be considered a material adverse impact).

(f) If, as a result of an exercise of a noncompensatory option (including the Warrants) to acquire an interest in the Company, a Capital Account reallocation is required under Treasury Regulations Section 1.704-1(b)(2)(iv)(s)(3), the Company shall make corrective allocations pursuant to Treasury Regulations Section 1.704-1(b)(4)(x).

(g) In the event any Common Units issued pursuant to Section 3.10(c) are subsequently forfeited, the Company may make forfeiture allocations with respect to such Common Units in the Taxable Year of such forfeiture in accordance with the principles of proposed Treasury Regulations Section 1.704-1(b)(4)(xii)(c), taking into account any amendments thereto and any temporary or final Treasury Regulations issued pursuant thereto.

(h) Allocations pursuant to this Section 5.04 are solely for purposes of federal, state and local income taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, Distributions or other items of the Company pursuant to any provision of this Agreement.

Section 5.05 Indemnification and Reimbursement for Payments on Behalf of a Member. If the Company or any other Person in which the Company holds an interest is obligated to pay any amount to a Governmental Entity (or otherwise makes a payment to a Governmental Entity) that is specifically attributable to a Member or a Member's status as such (including federal income taxes, additions to tax, interest and penalties as a result of obligations of the Company pursuant to the Revised Partnership Audit Provisions, federal withholding taxes, state personal property taxes and state unincorporated business taxes, but excluding payments such as payroll taxes, withholding taxes, benefits or professional association fees and the like required to be made or made voluntarily by the Company on behalf of any Member based upon such Member's status as an employee of the Company), then such Member shall indemnify the Company in full for the entire amount paid (including interest, penalties and related expenses). The Manager may offset Distributions to which a Member is otherwise entitled under this Agreement against such Member's obligation to indemnify the Company under this Section 5.05. To the extent there are any amounts outstanding with respect to the Redeemed Units that are the subject of a Redemption or Direct Exchange as of the Redemption Date, the Redeeming Member shall fully satisfy its indemnification obligation under this Section 5.05 on the Redemption Date, immediately prior to the Redemption or Direct Exchange and in no event shall the Corporation have any liability with respect to any liability underlying such Redeeming Member's indemnification obligation under this Section 5.05 that is outstanding on or prior to the date of such Redemption or Direct Exchange. In addition, notwithstanding anything to the contrary, each Member agrees that any Cash Settlement such Member is entitled to receive pursuant to Article XI may be offset by an amount equal to such Member's obligation to indemnify the Company under this Section 5.05 and that such Member shall be treated as receiving the full amount of such Cash Settlement and paying to the Company an amount equal to such obligation. A Member's obligation to make payments to the Company under this Section 5.05 shall survive the transfer or termination of any Member's interest in any Units of the Company, the termination of this Agreement and the dissolution, liquidation, winding up and termination of the Company. In the event that the Company has been terminated prior to the date such payment is due, such Member shall make such payment to the Manager (or its designee), which shall distribute such funds in accordance with this Agreement. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 5.05, including instituting a lawsuit to collect such contribution with interest calculated at a rate per annum equal to the sum of the Base Rate plus 300 basis points (but not in excess of the highest rate per annum permitted by Law). Each Member hereby agrees to furnish to the Company such information and forms as required or reasonably requested by the Company in order to comply with any Laws and regulations governing withholding of tax or in order to claim any reduced rate of, or exemption from, withholding to which the Member is legally entitled. The Company may withhold any amount that it reasonably determines is required to be withheld from any amount otherwise payable to any Member hereunder, and any such withheld amount shall be deemed to have been paid to such Member for all purposes of this Agreement, unless otherwise reimbursed by such Member under this Section 5.05.

ARTICLE VI.
MANAGEMENT

Section 6.01 Authority of Manager; Officer Delegation.

(a) Except for situations in which the approval of any Member(s) is specifically required by this Agreement, (i) all management powers over the business and affairs of the Company shall be exclusively vested in the Corporation, as the sole managing member of the Company (the Corporation, in such capacity, the "***Manager***"), (ii) the Manager shall conduct, direct and exercise full control over all activities of the Company and (iii) no other Member shall have any right, authority or power to vote, consent or approve any matter, whether under the Delaware Act, this Agreement or otherwise. The Manager shall be the "manager" of the Company for the purposes of the Delaware Act. Except as otherwise expressly provided for herein and subject to the other provisions of this Agreement, the Members hereby consent to the exercise by the Manager of all such powers and rights conferred on the Members by the Delaware Act with respect to the management and control of the Company. Any vacancies in the position of Manager shall be filled in accordance with Section 6.04.

(b) Without limiting the authority of the Manager to act on behalf of the Company, the day-to-day business and operations of the Company shall be overseen and implemented by officers of the Company (each, an "***Officer***" and collectively, the "***Officers***"), subject to the limitations imposed by the Manager. An Officer may, but need not, be a Member. Each Officer shall be appointed by the Manager and shall hold office until his or her successor shall be duly designated and shall qualify or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any one Person may hold more than one office. Subject to the other provisions of this Agreement (including in Section 6.07), the salaries or other compensation, if any, of the Officers of the Company shall be fixed from time to time by the Manager. The authority and responsibility of the Officers shall be limited to such duties as the Manager may, from time to time, delegate to them. Unless the Manager decides otherwise, if the title is one commonly used for officers of a business corporation formed under the DGCL, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. All Officers shall be, and shall be deemed to be, officers and employees of the Company. An Officer may also perform one or more roles as an officer of the Manager. Any Officer may be removed at any time, with or without cause, by the Manager.

(c) Subject to the other provisions of this Agreement, the Manager shall have the power and authority to effectuate the sale, lease, transfer, exchange or other disposition of any, all or substantially all of the assets of the Company (including the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Company) or the merger, consolidation, conversion, division, reorganization or other combination of the Company with or into another entity, for the avoidance of doubt, without the prior consent of any Member or any other Person being required.

Section 6.02 Actions of the Manager. The Manager may act through any Officer or through any other Person or Persons to whom authority and duties have been delegated pursuant to Section 6.07.

Section 6.03 Resignation; No Removal. The Manager may resign at any time by giving written notice to the Members; *provided*, *however*, that any such resignation shall be subject to the appointment of a new Manager in accordance with Section 6.04. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Members (subject to the appointment of a new Manager in accordance with Section 6.04), and the acceptance of the resignation shall not be necessary to make it effective. For the avoidance of doubt, the Members have no right under this Agreement to remove or replace the Manager. Notwithstanding anything to the contrary herein, no replacement of the Corporation as the Manager shall be effective unless proper provision is made, in compliance with this Agreement, so that the obligations of the Corporation, its successor or assign (if applicable) and any new Manager and the rights of all Members under this Agreement and applicable Law remain in full force and effect. No appointment of a Person other than the Corporation (or its successor or assign, as applicable) as the Manager shall be effective unless the Corporation (or its successor or assign, as applicable) and the new Manager (as applicable) provide all other Members with contractual rights, directly enforceable by such other Members against the Corporation (or its successor, as applicable) and the new Manager (as applicable), to cause (a) the Corporation to comply with all of the Corporation's obligations under this Agreement (in its capacity as a Member) and (b) the new Manager to comply with all of the Manager's obligations under this Agreement.

Section 6.04 Vacancies. Vacancies in the position of Manager occurring for any reason shall be filled by the Corporation (or, if the Corporation has ceased to exist without any successor or assign, then by the holders of a majority in interest of the voting capital stock of the Corporation immediately prior to such cessation). For the avoidance of doubt, the Members (other than the Corporation) have no right under this Agreement to fill any vacancy in the position of Manager.

Section 6.05 Transactions Between the Company and the Manager. The Manager may cause the Company to contract and deal with the Manager, or any Affiliate of the Manager, *provided*, that such contracts and dealings (other than contracts and dealings between the Company and its Subsidiaries) are (i) on terms comparable to and competitive with those available to the Company from others dealing at arm's length, (ii) approved by the Members (other than the Manager) holding a majority of the Percentage Interests of the Members (other than the Manager) or (iii) approved by the Disinterested Majority, and in each case, otherwise are permitted by the Credit Agreements; *provided* that the foregoing shall in no way limit the Manager's rights under Sections 3.02, 3.04, 3.05 or 3.10. The Members hereby approve each of the contracts or agreements between or among the Manager or its Affiliates (other than the

Company and its Subsidiaries), on the one hand, and the Former P3 Members, any of their Affiliates, the Company or its Subsidiaries, on the other hand, entered into on or prior to the date of this Agreement in connection with the transactions contemplated by the Transaction Agreement and the Blocker Agreement, including, but not limited to, the Warrant Agreement and the Tax Receivable Agreement.

Section 6.06 Reimbursement for Expenses. The Manager shall not be compensated for its services as Manager of the Company except as expressly provided in this Agreement. The Members acknowledge and agree that the Manager's Class A Common Stock is publicly traded and, therefore, the Manager has access to the public capital markets and that such status and the services performed by the Manager will inure to the benefit of the Company and all Members; therefore, the Manager shall be reimbursed by the Company for any reasonable out-of-pocket expenses incurred on behalf of the Company, including, without limitation, all fees, expenses and costs associated with the Manager being a public company (including, without limitation, public reporting obligations, proxy statements, stockholder meetings, Stock Exchange fees, transfer agent fees, legal fees, SEC and FINRA filing fees and offering expenses) and maintaining its corporate existence. In the event that shares of Class A Common Stock are sold to underwriters in any subsequent public offering at a price per share that is lower than the price per share for which such shares of Class A Common Stock are sold to the public in such subsequent public offering, after taking into account underwriters' discounts or commissions and brokers' fees or commissions (such difference, the "***Discount***") (i) the Manager shall be deemed to have contributed to the Company in exchange for newly issued Common Units the full amount for which such shares of Class A Common Stock were sold to the public and (ii) the Company shall be deemed to have paid the Discount as an expense. The Manager also shall be deemed to have contributed an amount equal to the Corporation Transaction Costs to the Company in exchange for newly issued Common Units. To the extent practicable, expenses incurred by the Manager on behalf of or for the benefit of the Company shall be billed directly to and paid by the Company and, if and to the extent any reimbursements to the Manager or any of its Affiliates by the Company pursuant to this Section 6.06 constitute gross income to such Person (as opposed to the repayment of advances made by such Person on behalf of the Company), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) (unless otherwise required by the Code and Treasury Regulations) and shall not be treated as distributions for purposes of computing the Members' Capital Accounts. Notwithstanding the foregoing, the Company shall not bear any obligations with respect to income tax of the Manager or any payments made pursuant to the Tax Receivable Agreement other than in a manner that is expressly contemplated under this Agreement.

Section 6.07 Delegation of Authority. The Manager (a) may, from time to time, delegate to one or more Persons such authority and duties as the Manager may deem advisable, and (b) may assign titles (including, without limitation, chief executive officer, president, chief financial officer, chief operating officer, general counsel, senior vice president, vice president, secretary, assistant secretary, treasurer or assistant treasurer) and delegate certain authority and duties to such Persons, which may be amended, restated or otherwise modified from time to time. Any number of titles may be held by the same individual. The salaries or other compensation, if any, of such agents of the Company shall be fixed from time to time by the Manager, subject to the other provisions in this Agreement.

Section 6.08 Limitation of Liability of Manager.

(a) Except as otherwise provided herein or in an agreement entered into by such Person and the Company, neither the Manager nor any of the Manager's Affiliates or Manager's officers, directors, employees or other agents (collectively "***Manager's Representatives***") shall be liable to the Company, to any Member that is not the Manager or to any other Person bound by this Agreement for any act or omission performed or omitted by the Manager in its capacity as the sole managing member of the Company pursuant to authority granted to the Manager by this Agreement; *provided, however*, that, except as otherwise provided herein, such limitation of liability shall not apply to the extent the act or omission was attributable to the Manager's or a Manager's Representative's intentional misconduct or knowing violation of Law or for any present or future material breaches of any representations, warranties or covenants by the Manager or any Manager's Representative contained herein or in the Other Agreements with the Company. The Manager may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and shall not be responsible for any misconduct or negligence on the part of any such agent (so long as such agent was selected in good faith and with reasonable care). The Manager shall be entitled to rely upon the advice of legal counsel, independent public accountants and other experts, including financial advisors, and any act of or failure to act by the Manager in good faith reliance on such advice shall in no event subject the Manager to liability to the Company or any Member that is not the Manager.

(b) To the fullest extent permitted by applicable Law, whenever this Agreement or any other agreement contemplated herein provides that the Manager shall act in a manner which is, or provide terms which are, "fair and reasonable" to the Company or any Member that is not the Manager, the Manager shall determine such appropriate action or provide such terms considering, in each case, the relative interests of each party to such agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable United States generally accepted accounting practices or principles, notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of Law or equity or otherwise.

(c) In connection with the performance of its duties as the Manager of the Company, except as otherwise set forth herein, the Manager acknowledges that, solely in its capacity as Manager, it will owe to the Company and the Members the same fiduciary duties as it would owe to a Delaware corporation and the stockholders of such corporation if it were a member of the board of directors of such corporation and the Members were stockholders of such corporation.

(d) The Officers, in the performance of their duties as such, shall owe to the Company and the Members duties of the type owed by the officers of a corporation to such corporation and its stockholders under the laws of the State of Delaware.

Section 6.09 Investment Company Act. The Manager shall use its best efforts to ensure that the Company shall not be subject to registration as an investment company pursuant to the Investment Company Act.

ARTICLE VII.
RIGHTS AND OBLIGATIONS OF MEMBERS AND MANAGER

Section 7.01 Limitation of Liability and Duties of Members.

(a) Except as provided in this Agreement or in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company and no Member or Manager shall be obligated personally for any such debts, obligations, contracts or liabilities of the Company solely by reason of being a Member or the Manager (except to the extent and under the circumstances set forth in any non-waivable provision of the Delaware Act). Notwithstanding anything contained herein to the contrary, to the fullest extent permitted by applicable Law, the failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business and affairs under this Agreement or the Delaware Act shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

(b) In accordance with the Delaware Act and the laws of the State of Delaware, a Member may, under certain circumstances, be required to return amounts previously distributed to such Member. It is the intent of the Members that no Distribution to any Member pursuant to Articles IV or XIV shall be deemed a return of money or other property paid or distributed in violation of the Delaware Act. The payment of any such money or Distribution of any such property to a Member shall be deemed to be a compromise within the meaning of Section 18-502(b) of the Delaware Act, and, to the fullest extent permitted by Law, any Member receiving any such money or property shall not be required to return any such money or property to the Company or any other Person, unless such distribution was made by the Company to its Members in clerical error. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of any other Member.

(c) To the fullest extent permitted by applicable Law, including Section 18-1101(c) of the Delaware Act, and notwithstanding any other provision of this Agreement (but subject, and without limitation, to Section 6.08 with respect to the Manager) or in any Agreement contemplated herein or applicable provisions of Law or equity or otherwise, the parties hereto hereby agree that to the extent that any Member (other than the Manager in its capacity as such) (or any Member's Affiliate or any manager, managing member, general partner, director, officer, employee, agent, fiduciary or trustee of any Member or of any Affiliate of a Member) has duties (including fiduciary duties) to the Company, to the Manager, to another Member, to any Person who acquires an interest in a Unit or to any other Person bound by this Agreement, all such duties (including fiduciary duties) are hereby eliminated, to the fullest extent permitted by applicable law, and replaced with the duties or standards expressly set forth herein, if any; *provided*, *however*, that the foregoing shall not eliminate the implied contractual covenant of good faith and fair dealing. The elimination of duties (including fiduciary duties) to the Company, the Manager, each of the Members, each other Person who acquires an interest in a Unit and each other Person bound by this Agreement and replacement thereof with the duties or standards expressly set forth herein, if any, are approved by the Company, the Manager, each of the Members, each other Person who acquires an interest in a Unit and each other Person bound by this Agreement.

Section 7.02 Lack of Authority. No Member, other than the Manager or a duly appointed Officer, in each case in its capacity as such, has the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company or to make any expenditure on behalf of the Company. The Members hereby consent to the exercise by the Manager of the powers conferred on it by Law and this Agreement.

Section 7.03 No Right of Partition. No Member, other than the Manager (if the Manager is also a Member), shall have the right to seek or obtain partition by court decree or operation of Law of any property of the Company, or the right to own or use particular or individual assets of the Company.

Section 7.04 Indemnification.

(a) Subject to Section 5.05, the Company hereby agrees to indemnify and hold harmless any Person (each an "***Indemnified Person***") to the fullest extent permitted under applicable Law, as the same now exists or may hereafter be amended, substituted or replaced (but, to the fullest extent permitted by applicable Law, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Company is providing immediately prior to such amendment, substitution or replacement), against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, excise taxes or penalties) reasonably incurred or suffered by such Person (or one or more of such Person's Affiliates) by reason of the fact that such Person is or was serving as the Manager or a director, officer, employee or other agent of the Manager, the Partnership Representative, or a director, manager, Officer, employee or other agent of the Company or is or was serving at the request of the Company as a manager, officer, director, employee or agent of another Person; *provided, however*, that no Indemnified Person shall be indemnified for any expenses, liabilities or losses suffered that are attributable to such Indemnified Person's or its Affiliates' fraud, willful misconduct or knowing violation of Law or for any present or future breaches of any representations, warranties or covenants by such Indemnified Person or its Affiliates contained herein or in any other agreements with the Company; *provided*, *further*, that no Officer shall be entitled to indemnification hereunder for any expenses, liabilities or losses suffered that are attributable to such Officer's breach of its fiduciary duties to the extent that such Officer, if an officer of a corporation, would not be entitled to indemnification therefor under the laws of the State of Delaware. Reasonable expenses, including out-of-pocket attorneys' fees, incurred by any such Indemnified Person in defending a proceeding shall be paid by the Company in advance of the final disposition of such proceeding, including any appeal therefrom, upon receipt of an undertaking by or on behalf of such Indemnified Person to repay such amount if it shall ultimately be determined that such Indemnified Person is not entitled to be indemnified by the Company.

(b) The right to indemnification and the advancement of expenses conferred in this Section 7.04 shall not be exclusive of any other right which any Person may have or hereafter acquire under any statute, agreement, bylaw, action by the Manager or otherwise.

(c) The Company shall maintain directors' and officers' liability insurance, or substantially equivalent insurance, at its expense, to protect any Indemnified Person against any expense, liability or loss described in Section 7.04(a) whether or not the Company would have the power to indemnify such Indemnified Person against such expense, liability or loss under the provisions of this Section 7.04. The Company shall use its commercially reasonable efforts to purchase and maintain property, casualty and liability insurance in types and at levels customary for companies of similar size engaged in similar lines of business, as determined in good faith by the Manager, and the Company shall use its commercially reasonable efforts to purchase directors' and officers' liability insurance (including employment practices coverage) with a carrier and in an amount determined necessary or desirable as determined in good faith by the Manager.

(d) The indemnification and advancement of expenses provided for in this Section 7.04 shall be provided out of and to the extent of Company assets only. No Member (unless such Member otherwise agrees in writing or is found in a non-appealable decision by a Governmental Entity of competent jurisdiction to have personal liability on account thereof) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity of the Company. The Company (i) shall be the primary indemnitor of first resort for such Indemnified Person pursuant to this Section 7.04 and (ii) shall be fully responsible for the advancement of all expenses and the payment of all damages or liabilities with respect to such Indemnified Person which are addressed by this Section 7.04.

(e) If this Section 7.04 or any portion hereof shall be invalidated on any ground by any Governmental Entity of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Indemnified Person pursuant to this Section 7.04 to the fullest extent permitted by any applicable portion of this Section 7.04 that shall not have been invalidated and to the fullest extent permitted by applicable Law.

ARTICLE VIII.
BOOKS, RECORDS, ACCOUNTING AND REPORTS, AFFIRMATIVE COVENANTS

Section 8.01 Records and Accounting. The Company shall keep, or cause to be kept, appropriate books and records with respect to the Company's business, including all books and records necessary to provide any information, lists and copies of documents required pursuant to applicable Laws. All matters concerning (a) the determination of the relative amount of allocations and Distributions among the Members pursuant to Articles IV and V and (b) accounting procedures and determinations, and other determinations not specifically and expressly provided for by the terms of this Agreement, shall be determined by the Manager, whose determination shall be final and conclusive as to all of the Members absent manifest clerical error or common law fraud.

Section 8.02 Fiscal Year. The Fiscal Year of the Company shall end on December 31 of each year or such other date as may be established by the Manager.

Section 8.03 No Inspection Rights. Notwithstanding Section 18-305 of the Delaware Act, to the fullest extent permitted by applicable Law, no Member shall be entitled to any information, inspection or access rights that such Member would otherwise be entitled to receive pursuant to Section 18-305 of the Delaware Act.

ARTICLE IX.
TAX MATTERS

Section 9.01 Preparation of Tax Returns. The Manager shall arrange for the preparation and timely filing of all tax returns required to be filed by the Company. The Manager shall use reasonable efforts (taking into account applicable extensions of time to file tax returns) to furnish, within ninety (90) days of the close of each Taxable Year, to each Member a completed IRS Schedule K-1 (and any comparable state and local income tax form) and such other information as is reasonably requested by such Member relating to the Company that is necessary for such Member to comply with its tax reporting obligations. Subject to the terms and conditions of this Agreement and except as otherwise provided in this Agreement, in its capacity as Partnership Representative, the Corporation shall have the authority to prepare the tax returns of the Company using such permissible methods and elections as it determines in its reasonable discretion, including, without limitation, the use of any permissible method under Section 706 of the Code for purposes of determining the varying Units of its Members.

Section 9.02 Tax Elections. The Taxable Year shall be the Fiscal Year set forth in Section 8.02, unless otherwise required by Section 706 of the Code. The Manager shall cause the Company and each of its Subsidiaries that is treated as a partnership for U.S. federal income tax purposes to have in effect an election pursuant to Section 754 of the Code (or any similar provisions of applicable state, local or foreign tax Law) for the Taxable Year that includes the Effective Time and each subsequent Taxable Year, and the Manager shall take commercially reasonable efforts to cause each Person in which the Company owns a direct or indirect equity interest (other than a Subsidiary) that is so treated as a partnership to have in effect any such election for such Taxable Years. Each Member will upon request supply any information reasonably necessary to give proper effect to any such elections.

Section 9.03 Tax Controversies.

(a) The Manager shall cause the Company to take all necessary actions required by Law to designate the Corporation as the “tax matters partner” of the Company within the meaning of Section 6231 of the Code (as in effect prior to repeal of such section pursuant to the Revised Partnership Audit Provisions) with respect to any Taxable Year beginning on or before December 31, 2017. The Manager shall further cause the Company to take all necessary actions required by Law to designate the Corporation as the “partnership representative” of the Company as provided in Section 6223(a) of the Code with respect to any Taxable Year of the Company beginning after December 31, 2017, and if the “partnership representative” is an entity, the Corporation is hereby authorized to designate an individual to be the sole individual through which such entity “partnership representative” will act (in such capacities, including in similar capacities under analogous provisions of state or local Law, collectively, the “***Partnership Representative***”). The Company and the Members shall cooperate fully with each other and shall use reasonable best efforts to cause the Corporation (or its designated individual, as applicable) to become the Partnership Representative with respect to any taxable period of the Company with respect to which the statute of limitations has not yet expired (and causing any tax matters partner, partnership representative or designated individual designated prior to the Effective Time to resign, be revoked or replaced, as applicable), including (as applicable) by filing certifications pursuant to Treasury Regulations Section 301.6231(a)(7)-1(d) and completing IRS Form 8979 or any other form or certificate required pursuant to Treasury Regulations Section

301.6223-1(e)(1). The Partnership Representative shall have the right and obligation to take all actions authorized and required by the Code and Treasury Regulations (and analogous provisions of state or local Law) for the Partnership Representative and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including any resulting administrative and judicial proceedings, and to expend Company funds for professional services reasonably incurred in connection therewith. Each Member agrees to cooperate with the Company and the Partnership Representative and to do or refrain from doing any or all things reasonably requested by the Company or the Partnership Representative with respect to the conduct of such proceedings. Without limiting the generality of the foregoing, with respect to any audit or other proceeding, the Partnership Representative shall be entitled to cause the Company (and any of its Subsidiaries) to make any available elections pursuant to Section 6226 of the Code (and similar provisions of state, local and other Law), and the Members shall cooperate to the extent reasonably requested by the Company in connection therewith. The Company shall reimburse the Partnership Representative for all reasonable out-of-pocket expenses incurred by the Partnership Representative, including reasonable fees of any professional attorneys, in carrying out its duties as the Partnership Representative.

(b) Notwithstanding anything to the contrary, with respect to any matter that would reasonably be expected to result in any Tax liability for any taxable period (or portion thereof) that ends on or before the date on which the Effective Time occurs ("***Pre-Closing Tax Period***") for which any Former P3 Member could be responsible, without the prior written consent of the Recipients' Representative (as defined in the Transaction Agreement), not to be unreasonably withheld, conditioned or delayed, the Company shall not, and shall not permit any of its Affiliates to (i) file, re-file, or otherwise modify or amend any Tax Return of the Company or any of its subsidiaries with respect to any Pre-Closing Tax Period, (ii) make any Tax election with respect to the Company or any of its Subsidiaries that would have retroactive effect with respect to a Pre-Closing Tax Period or (iii) settle or compromise any Tax proceeding relating to the Company or any of its subsidiaries with respect to a Pre-Closing Tax Period.

(c) The provisions of this Section 9.03 shall survive the transfer or termination of any Member's interest in any Units of the Company, the termination of this Agreement and the termination of the Company, and shall remain binding on each Member for the period of time necessary to resolve all tax matters relating to the Company, and shall be subject to the provisions of the Tax Receivable Agreement, as applicable.

ARTICLE X.
RESTRICTIONS ON TRANSFER OF UNITS; CERTAIN TRANSACTIONS

Section 10.01 Transfers by Members. No holder of Units shall Transfer any interest in any Units, except Transfers (a) pursuant to and in accordance with Sections 10.02 and 10.09 or (b) approved in advance and in writing by the Manager, in the case of Transfers by any Member other than the Manager, or (c) in the case of Transfers by the Manager, to any Person who succeeds to the Manager in accordance with Section 6.04. Notwithstanding the foregoing, "Transfer" shall not include (i) an event that terminates the existence of a Member for income tax purposes (including, without limitation, a change in entity classification of a Member under Treasury Regulations Section 301.7701-3, a sale of assets by, or liquidation of, a Member pursuant to an election under Code Sections 336 or 338, or merger, severance, or allocation within a trust or among sub-trusts of a trust that is a Member), but that does not terminate the existence of such Member under applicable state Law (or, in the case of a trust that is a Member, does not terminate the trusteeship of the fiduciaries under such trust with respect to all the Units of such trust that is a Member) or (ii) any indirect Transfer of Units held by the Manager by virtue of any Transfer of Equity Securities of the Corporation.

Section 10.02 Permitted Transfers. The restrictions contained in Section 10.01 shall not apply to any of the following (each, a "***Permitted Transfer***" and each transferee, a "***Permitted Transferee***"): (i)(A) a Transfer pursuant to a Redemption or Direct Exchange in accordance with Article XI or a redemption or repurchase authorized by Article III or (B) a Transfer by a Member to the Corporation or any of its Subsidiaries, (ii) a Transfer to an Affiliate of such Member; *provided, however*, that (x) the restrictions contained in this Agreement will continue to apply to Units after any Permitted Transfer of such Units, and (y) in the case of the foregoing clause (ii), the Permitted Transferees of the Units so Transferred shall at the time of the Permitted Transfer agree in writing to be bound by the provisions of this Agreement, and prior to such Transfer the transferor will deliver a written notice to the Company and the Members, which notice will disclose in reasonable detail the identity of the proposed Permitted Transferee. If a Permitted Transfer pursuant to clause (ii) of the immediately preceding sentence would result in a Change of Control, such Member must provide the Manager with written notice of such proposed Permitted Transfer at least sixty (60) calendar days prior to the consummation of such Permitted Transfer. In the case of a Permitted Transfer of any Common Units by any Member holding Class V Common Stock to a Permitted Transferee in accordance with this Section 10.02, such Member shall also transfer a number of shares of Class V Common Stock equal to the number of Common Units that were transferred by such Member in the transaction to such Permitted Transferee. All Permitted Transfers are subject to the additional limitations set forth in Section 10.07(b).

Section 10.03 Restricted Units Legend. The Units have not been registered under the Securities Act and, therefore, in addition to the other restrictions on Transfer contained in this Agreement, cannot be sold unless subsequently registered under the Securities Act or if an exemption from such registration is then available with respect to such sale. To the extent such Units have been certificated, each certificate evidencing Units and each certificate issued in exchange for or upon the Transfer of any Units shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF P3 HEALTH GROUP, LLC, AS IT MAY BE AMENDED, RESTATED, AMENDED AND RESTATED, OR OTHERWISE MODIFIED FROM TIME TO TIME, AND P3 HEALTH GROUP, LLC RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH CONDITIONS HAVE BEEN FULFILLED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH CONDITIONS

SHALL BE FURNISHED BY P3 HEALTH GROUP, LLC TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE."

The Company shall imprint such legend on certificates (if any) evidencing Units. The legend set forth above shall be removed from the certificates (if any) evidencing any Units which cease to be Units in accordance with the definition thereof.

Section 10.04 Transfer. Prior to Transferring any Units, the Transferring holder of Units shall cause the prospective Permitted Transferee to be bound by this Agreement and any other agreements executed by the holders of Units and relating to such Units in the aggregate to which the Transferring Member was a party (collectively, the "***Other Agreements***") by executing and delivering to the Company counterparts of this Agreement and any applicable Other Agreements.

Section 10.05 Assignee's Rights.

(a) The Transfer of a Unit in accordance with this Agreement shall be effective as of the date of such Transfer (assuming compliance with all of the conditions to such Transfer set forth herein), and such Transfer shall be shown on the books and records of the Company. Profits, Losses and other items of the Company shall be allocated between the transferor and the transferee according to Code Section 706, using any permissible method as determined in the reasonable discretion of the Manager. Distributions made before the effective date of such Transfer shall be paid to the transferor, and Distributions made on or after such date shall be paid to the Assignee.

(b) Unless and until an Assignee becomes a Member pursuant to Article XII, the Assignee shall not be entitled to any of the rights granted to a Member hereunder or under applicable Law, other than the rights granted specifically to Assignees pursuant to this Agreement; *provided, however*, that, without relieving the Transferring Member from any such limitations or obligations as more fully described in Section 10.06, such Assignee shall be bound by any limitations and obligations of a Member contained herein by which a Member would be bound on account of the Assignee's Units (including the obligation to make Capital Contributions on account of such Units).

Section 10.06 Assignor's Rights and Obligations. Any Member who shall Transfer any Unit in a manner in accordance with this Agreement shall cease to be a Member with respect to such Unit and shall no longer have any rights or privileges, or, except as set forth in this Section 10.06, duties, liabilities or obligations, of a Member with respect to such Unit or other interest (it being understood, however, that the applicable provisions of Sections 6.08 and 7.04 shall continue to inure to such Person's benefit), except that unless and until the Assignee (if not already a Member) is admitted as a Substituted Member in accordance with the provisions of Article XII (the "***Admission Date***"), (i) such Transferring Member shall retain all of the duties, liabilities and obligations of a Member with respect to such Unit, and (ii) the Manager may, in its sole discretion, reinstate all or any portion of the rights and privileges of such Member with respect to such Unit for any period of time prior to the Admission Date. Nothing contained herein shall relieve any Member who Transfers any Units from any liability of such Member to the Company with respect to such Units that may exist as of the Admission Date or that is otherwise specified in the Delaware Act or for any liability to the Company or any other Person for any materially false statement made by such Member (in its capacity as such) or for any present or future breaches of any representations, warranties or covenants by such Member (in its capacity as such) contained herein or in the Other Agreements with the Company.

Section 10.07 Overriding Provisions.

(a) Any Transfer or attempted Transfer of any Units in violation of this Agreement (including any prohibited indirect Transfers) shall be, to the fullest extent permitted by applicable Law, null and void *ab initio*, and the provisions of Sections 10.05 and 10.06 shall not apply to any such Transfers. For the avoidance of doubt, any Person to whom a Transfer is made or attempted in violation of this Agreement shall not become a Member and shall not have any other rights in or with respect to any rights of a Member of the Company with respect to the applicable Units. The approval of any Transfer in any one or more instances shall not limit or waive the requirement for such approval in any other or future instance. The Manager shall promptly amend the Schedule of Members to reflect any Permitted Transfer pursuant to this Article X.

(b) Notwithstanding anything contained herein to the contrary (including, for the avoidance of doubt, the provisions of Section 10.01 and Article XI and Article XII), but subject to Section 10.07(d), in no event shall any Member Transfer any Units to the extent such Transfer would:

(i) result in the violation of the Securities Act, or any other applicable federal, state or foreign Laws;

(ii) cause an assignment under the Investment Company Act;

(iii) in the reasonable determination of the Manager, be a violation of or a default (or an event that, with notice or the lapse of time or both, would constitute a default) under, or result in an acceleration of any obligation under any Credit Agreement to which the Company or the Manager is a party; *provided* that the payee or creditor to whom the Company or the Manager owes such obligation is not an Affiliate of the Company or the Manager;

(iv) be a Transfer to a Person who is not legally competent or who has not achieved his or her majority of age under applicable Law (excluding trusts for the benefit of minors);

(v) be a Transfer to a Competitor;

(vi) cause the Company to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant to Section 7704 of the Code or any successor provision thereto under the Code; or

(vii) result in the Company having more than one hundred (100) partners, within the meaning of Treasury Regulations Section 1.7704-1(h)(1) (determined pursuant to the rules of Treasury Regulations Section 1.7704-1(h)(3)).

(c) Notwithstanding anything contained herein to the contrary, in no event shall any Member that is not a "United States person" within the meaning of Section 7701(a)(30) of the

Code Transfer any Units (including, for the avoidance of doubt, in connection with a Redemption or a Direct Exchange), unless such Member and the transferee have delivered to the Company, in respect of the relevant Transfer (or Redemption or Direct Exchange, as applicable), either (i) written evidence that all required withholding under Section 1446(f) of the Code will have been completed and duly remitted to the applicable Governmental Entity or (ii) duly executed certifications (prepared in accordance with the applicable Treasury Regulations or other authorities) of an exemption from such withholding; *provided*, that the Company shall cooperate in the manner set forth in Section 11.06(a) with any reasonable requests from such Member for certifications or other information from the Company in connection with satisfying this Section 10.07(c) prior to the relevant Transfer (or Redemption or Direct Exchange, as applicable).

(d) Notwithstanding anything contained herein to the contrary, in no event shall any sale, transfer, assignment, redemption, pledge, encumbrance or other disposition of (whether directly or indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of Law) of any securities of the Corporation constitute a Transfer of Units or any other Equity Securities of the Company.

Section 10.08 Spousal Consent. In connection with the execution and delivery of this Agreement, any Member who is a natural person will deliver to the Company an executed consent from such Member's spouse (if any) in the form of Exhibit B-1 attached hereto or a Member's spouse confirmation of separate property in the form of Exhibit B-2 attached hereto. If, at any time subsequent to the date of this Agreement such Member becomes legally married (whether in the first instance or to a different spouse), such Member shall cause his or her spouse to execute and deliver to the Company a consent in the form of Exhibit B-1 or Exhibit B-2 attached hereto. Such Member's non-delivery to the Company of an executed consent in the form of Exhibit B-1 or Exhibit B-2 at any time shall constitute such Member's continuing representation and warranty that such Member is not legally married as of such date.

Section 10.09 Certain Transactions with respect to the Corporation.

(a) In connection with a Change of Control Transaction, the Manager shall have the right, in its sole discretion, to require each Member (other than the Corporation and its Subsidiaries) to effect a Redemption of all or a portion of such Member's Units together with an equal number of shares of Class V Common Stock, pursuant to which such Units and such shares of Class V Common Stock will be exchanged for shares of Class A Common Stock (or economically equivalent cash or securities of a successor entity) in accordance with the Redemption provisions of Article XI, *mutatis mutandis* (applied for this purpose as if the Corporation had delivered an Election Notice that specified a Share Settlement with respect to such Redemption) and otherwise in accordance with this Section 10.09(a). Any such Redemption pursuant to this Section 10.09(a) shall be effective immediately prior to the consummation of such Change of Control Transaction (and, for the avoidance of doubt, shall be contingent upon the consummation of such Change of Control Transaction and shall not be effective if such Change of Control Transaction is not consummated) (the date of such Redemption pursuant to this Section 10.09(a), the "***Change of Control Date***"). From and after the Change of Control Date, (i) the Units and any shares of Class V Common Stock subject to such Redemption shall be deemed to be transferred to the Corporation on the Change of Control Date and (ii) each such Member shall cease to have any rights with respect to the Units and any shares of Class V Common Stock subject to such Redemption (other than the right to receive shares of Class A

Common Stock (or economically equivalent cash or Equity Securities in a successor entity) pursuant to such Redemption). In the event the Manager desires to initiate the provisions of this Section 10.09, the Manager shall provide written notice of an expected Change of Control Transaction to all Members within the earlier of (x) five (5) Business Days following the execution of a definitive agreement with respect to such Change of Control Transaction and (y) ten (10) Business Days before the proposed date upon which the contemplated Change of Control Transaction is to be effected, including in such notice such information as may reasonably describe the Change of Control Transaction, subject to applicable Law, including the date of execution of such definitive agreement or such proposed effective date, as applicable, the amount and types of consideration to be paid for shares of Class A Common Stock in the Change of Control Transaction and any election with respect to types of consideration that a holder of shares of Class A Common Stock, as applicable, shall be entitled to make in connection with a Change of Control Transaction (which election shall be available to each Member on the same terms as holders of shares of Class A Common Stock). Following delivery of such notice and on or prior to the Change of Control Date, the Members shall take all actions reasonably requested by the Corporation to effect such Redemption, including taking any action and delivering any document required pursuant to this Section 10.09(a) to effect such Redemption.

(b) In the event that a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization, or similar transaction with respect to Class A Common Stock (a "***Pubco Offer***") is proposed by the Corporation or is proposed to the Corporation or its stockholders and approved by the Corporate Board or is otherwise effected or to be effected with the consent or approval of the Corporate Board, the Manager shall provide written notice of the Pubco Offer to all Members within the earlier of (i) five (5) Business Days following the execution of a definitive agreement (if applicable) with respect to, or the commencement of (if applicable), such Pubco Offer and (ii) ten (10) Business Days before the proposed date upon which the Pubco Offer is to be effected, including in such notice such information as may reasonably describe the Pubco Offer, subject to applicable Law, including the date of execution of such definitive agreement (if applicable) or of such commencement (if applicable), the material terms of such Pubco Offer, including the amount and types of consideration to be received by holders of shares of Class A Common Stock in the Pubco Offer, any election with respect to types of consideration that a holder of shares of Class A Common Stock, as applicable, shall be entitled to make in connection with such Pubco Offer, and the number of Units (and the corresponding shares of Class V Common Stock) held by such Member that is applicable to such Pubco Offer. The Members (other than the Corporation and its Subsidiaries) shall be permitted to participate in such Pubco Offer by delivering a written notice of participation that is effective immediately prior to the consummation of such Pubco Offer (and that is contingent upon consummation of such offer), and shall include such information necessary for consummation of such offer as requested by the Corporation. In the case of any Pubco Offer that was initially proposed by the Corporation, the Corporation shall use reasonable best efforts to enable and permit the Members (other than the Corporation and its Subsidiaries) to participate in such transaction to the same extent or on an economically equivalent basis as the holders of shares of Class A Common Stock, and to enable such Members to participate in such transaction without being required to exchange Units or shares of Class V Common Stock prior to the consummation of such transaction. For the avoidance of doubt, in no event shall the Members be entitled to receive in such Pubco Offer aggregate consideration for each Common Unit that is greater than the consideration payable in respect of each share of Class A Common Stock in connection with a

Pubco Offer (it being understood that payments under or in respect of the Tax Receivable Agreement shall not be considered part of any such consideration).

(c) In the event that a transaction or proposed transaction constitutes both a Change of Control Transaction and a Pubco Offer, the provisions of Section 10.09(a) shall take precedence over the provisions of Section 10.09(b) with respect to such transaction, and the provisions of Section 10.09(b) shall be subordinate to provisions of Section 10.09(a), and may only be triggered if the Manager elects to waive the provisions of Section 10.09(a).

ARTICLE XI.
REDEMPTION AND DIRECT EXCHANGE RIGHTS

Section 11.01 Redemption Right of a Member.

(a) Each Member (other than the Corporation and its Subsidiaries), from and after the expiration of any contractual lock-up period relating to the shares of the Corporation that may be applicable to such Member shall be entitled to cause the Company to redeem (a "***Redemption***") its Common Units (excluding, for the avoidance of doubt, any Common Units that are subject to vesting conditions) in whole or in part (the "***Redemption Right***"); *provided*, that if such a Member elects to cause the Redemption of less than one hundred (100) Common Units, then such Member shall be required to deliver the Redemption Notice with respect to such Redemption during the first fifteen (15) Business Days of any calendar quarter. A Member desiring to exercise its Redemption Right (each, a "***Redeeming Member***") shall exercise such right by giving written notice (the "***Redemption Notice***") to the Company with a copy to the Corporation. The Redemption Notice shall specify the number of Common Units (the "***Redeemed Units***") that the Redeeming Member intends to have the Company redeem and a date, not less than five (5) Business Days nor more than ten (10) Business Days after delivery of such Redemption Notice (unless and to the extent that the Manager in its sole discretion agrees in writing to waive such time periods), on which exercise of the Redemption Right shall be completed (the "***Redemption Date***"); *provided*, *however*, that, the Company, the Corporation and the Redeeming Member may change the number of Redeemed Units and/or the Redemption Date specified in such Redemption Notice to another number and/or date by mutual agreement signed in writing by each of them; *provided, further,* that in the event the Corporation elects a Share Settlement, the Redemption may be conditioned (including as to timing) by the Redeeming Member on the closing of an underwritten distribution of the shares of Class A Common Stock that may be issued in connection with such proposed Redemption. Subject to Section 11.03 and unless the Redeeming Member timely has delivered a Retraction Notice as provided in Section 11.01(c) or has revoked or delayed a Redemption as provided in Section 11.01(d), on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date):

(i) the Redeeming Member shall Transfer and surrender, free and clear of all liens and encumbrances (x) the Redeemed Units to the Company (including any certificates representing the Redeemed Units if they are certificated), and (y) a number of shares of Class V Common Stock (together with any Corresponding Rights) equal to the number of Redeemed Units to the Corporation, to the extent applicable;

(ii) the Company shall (x) cancel the Redeemed Units, (y) transfer to the Redeeming Member the consideration to which the Redeeming Member is entitled under Section 11.01(b), and (z) if the Common Units are certificated, issue to the Redeeming Member a certificate for a number of Common Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to clause (i) of this Section 11.01(a) and the Redeemed Units; and

(iii) the Corporation shall cancel and retire for no consideration the shares of Class V Common Stock (together with any Corresponding Rights) that were Transferred to the Corporation pursuant to Section 11.01(a)(i)(y).

(b) The Corporation shall have the option (as determined solely by the Disinterested Majority) as provided in Section 11.02 to elect to have the Redeemed Units be redeemed in consideration for either a Share Settlement or a Cash Settlement. The Corporation shall give written notice (the "***Election Notice***") to the Company (with a copy to the Redeeming Member) of such election within three (3) Business Days of receiving the Redemption Notice; *provided*, that if the Corporation does not timely deliver an Election Notice, the Corporation shall be deemed to have elected the Share Settlement method (subject to the limitations set forth above).

(c) In the event the Corporation elects the Cash Settlement in connection with a Redemption, the Redeeming Member may retract its Redemption Notice by giving written notice (the "***Retraction Notice***") to the Company (with a copy to the Corporation) within three (3) Business Days of delivery of the Election Notice. The timely delivery of a Retraction Notice shall terminate all of the Redeeming Member's, the Company's and the Corporation's rights and obligations under this Section 11.01 arising from the related Redemption Notice.

(d) In the event the Corporation elects a Share Settlement in connection with a Redemption, a Redeeming Member shall be entitled to revoke its Redemption Notice or delay the consummation of a Redemption if any of the following conditions exists:

(i) any registration statement pursuant to which the resale of the Class A Common Stock to be registered for such Redeeming Member at or immediately following the consummation of the Redemption shall have ceased to be effective pursuant to any action or inaction by the SEC or no such resale registration statement has yet become effective;

(ii) the Corporation shall have failed to cause any related prospectus to be supplemented by any required prospectus supplement necessary to effect such Redemption;

(iii) the Corporation shall have exercised its right to defer, delay or suspend the filing or effectiveness of a registration statement and such deferral, delay or suspension shall affect the ability of such Redeeming Member to have its Class A Common Stock registered at or immediately following the consummation of the Redemption;

(iv) the Redeeming Member is in possession of any material non-public information concerning the Corporation, the receipt of which results in such Redeeming Member being prohibited or restricted from selling Class A Common Stock at or immediately following the Redemption without disclosure of such information (and the Corporation does not permit disclosure of such information);

(v) any stop order relating to the registration statement pursuant to which the Class A Common Stock was to be registered by such Redeeming Member at or immediately following the Redemption shall have been issued by the SEC;

(vi) there shall have occurred a material disruption in the securities markets generally or in the market or markets in which the Class A Common Stock is then traded;

(vii) there shall be in effect an injunction, a restraining order or a decree of any nature of any Governmental Entity that restrains or prohibits the Redemption;

(viii) the Corporation shall have failed to comply in all material respects with its obligations under the Registration Rights Agreement, and such failure shall have affected the ability of such Redeeming Member to consummate the resale of Class A Common Stock to be received upon such Redemption pursuant to an effective registration statement; or

(ix) the Redemption Date would occur three (3) Business Days or less prior to, or during, a Black-Out Period.

If a Redeeming Member delays the consummation of a Redemption pursuant to this Section 11.01(d), the Redemption Date shall occur on the fifth (5^{th}) Business Day following the date on which the condition(s) giving rise to such delay cease to exist (or such earlier day as the Corporation, the Company and such Redeeming Member may agree in writing).

(e) The number of shares of Class A Common Stock (or Redeemed Units Equivalent, if applicable) (together with any Corresponding Rights) applicable to any Share Settlement or Cash Settlement shall not be adjusted on account of any Distributions previously made with respect to the Redeemed Units or dividends previously paid with respect to Class A Common Stock; *provided, however*, that if a Redeeming Member causes the Company to redeem Redeemed Units and the Redemption Date occurs subsequent to the record date for any Distribution with respect to the Redeemed Units but prior to payment of such Distribution, the Redeeming Member shall be entitled to receive such Distribution with respect to the Redeemed Units on the date that it is made notwithstanding that the Redeeming Member Transferred and surrendered the Redeemed Units to the Company prior to such date; *provided*, *further*, *however*, that a Redeeming Member shall be entitled to receive any and all Tax Distributions that such Redeeming Member otherwise would have received in respect of income allocated to such Member for the portion of any Fiscal Year irrespective of whether such Tax Distribution(s) are declared or made after the Redemption Date.

(f) In the case of a Share Settlement, in the event a reclassification or other similar transaction occurs following delivery of a Redemption Notice, but prior to the Redemption Date, as a result of which shares of Class A Common Stock are converted into another security, then a Redeeming Member shall be entitled to receive the amount of such other security (and, if applicable, any Corresponding Rights) that the Redeeming Member would have received if such Redemption Right had been exercised and the Redemption Date had occurred immediately prior to the record date of such reclassification or other similar transaction.

(g) Notwithstanding anything to the contrary contained herein, neither the Company nor the Corporation shall be obligated to effectuate a Redemption if such Redemption could (as determined in the sole discretion of the Manager) cause the Company to be treated as a "publicly traded partnership" or to be taxed as a corporation pursuant to Section 7704 of the Code or successor provisions of the Code.

Section 11.02 Election and Contribution of the Corporation. Unless the Redeeming Member has timely delivered a Retraction Notice as provided in Section 11.01(c), or has revoked or delayed a Redemption as provided in Sections 11.01(d), subject to Section 11.03, on the Redemption Date (to be effective immediately prior to the close of business on the Redemption Date) (i) the Corporation shall make a Capital Contribution to the Company (in the form of the Share Settlement or the Cash Settlement, as determined by the Corporation in accordance with Section 11.01(b)), and (ii) the Company shall issue to the Corporation a number of Common Units equal to the number of Redeemed Units surrendered by the Redeeming Member. Notwithstanding any other provisions of this Agreement to the contrary, but subject to Section 11.03, in the event that the Corporation elects a Cash Settlement, the Corporation shall only be obligated to contribute to the Company an amount in respect of such Cash Settlement equal to the Redeemed Units Equivalent with respect to such Cash Settlement, which in no event shall exceed the amount actually paid by the Company to the Redeeming Member as the Cash Settlement. The timely delivery of a Retraction Notice shall terminate all of the Company's and the Corporation's rights and obligations under this Section 11.02 arising from the Redemption Notice.

Section 11.03 Direct Exchange Right of the Corporation.

(a) Notwithstanding anything to the contrary in this Article XI (save for the limitations set forth in Section 11.01(b) regarding the Corporation's option to select the Share Settlement or the Cash Settlement, and without limitation to the rights of the Members under Section 11.01, including the right to revoke a Redemption Notice), the Corporation may, in its sole and absolute discretion (as determined solely by the Disinterested Majority) (subject to the limitations set forth on such discretion in Section 11.01(b)), elect to effect on the Redemption Date the exchange of Redeemed Units for the Share Settlement or the Cash Settlement, as the case may be, through a direct exchange of such Redeemed Units and the Share Settlement or the Cash Settlement, as applicable, between the Redeeming Member and the Corporation (a "***Direct Exchange***") (rather than contributing the Share Settlement or the Cash Settlement, as the case may be, to the Company in accordance with Section 11.02 for purposes of the Company redeeming the Redeemed Units from the Redeeming Member in consideration of the Share Settlement or the Cash Settlement, as applicable). Upon such Direct Exchange pursuant to this Section 11.03, the Corporation shall acquire the Redeemed Units and shall be treated for all purposes of this Agreement as the owner of such Units.

(b) The Corporation may, at any time prior to a Redemption Date (including after delivery of an Election Notice pursuant to Section 11.01(b)), deliver written notice (an "***Exchange Election Notice***") to the Company and the Redeeming Member setting forth its election to exercise its right to consummate a Direct Exchange; *provided*, that such election is subject to the limitations set forth in Section 11.01(b) and does not unreasonably prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. An Exchange Election Notice may be revoked by the Corporation at any time; *provided*, that any such revocation does not unreasonably prejudice the ability of the parties to consummate a Redemption or Direct Exchange on the Redemption Date. The right to consummate a Direct Exchange in all events shall be exercisable for all of the Redeemed Units that would have otherwise been subject to a Redemption.

(c) Except as otherwise provided by this Section 11.03, a Direct Exchange shall be consummated pursuant to the same timeframe as the relevant Redemption would have been consummated if the Corporation had not delivered an Exchange Election Notice and as follows:

(i) the Redeeming Member shall transfer and surrender, free and clear of all liens and encumbrances (x) the Redeemed Units and (y) a number of shares of Class V Common Stock (together with any Corresponding Rights) equal to the number of Redeemed Units, to the extent applicable, in each case, to the Corporation;

(ii) the Corporation shall (x) pay to the Redeeming Member the Share Settlement or the Cash Settlement, as applicable, and (y) cancel and retire for no consideration the shares of Class V Common Stock (together with any Corresponding Rights) that were Transferred to the Corporation pursuant to Section 11.03(c)(i)(y); and

(iii) the Company shall (x) register the Corporation as the owner of the Redeemed Units and (y) if the Common Units are certificated, issue to the Redeeming Member a certificate for a number of Units equal to the difference (if any) between the number of Common Units evidenced by the certificate surrendered by the Redeeming Member pursuant to Section 11.03(c)(i)(x) and the Redeemed Units, and issue to the Corporation a certificate for the number of Redeemed Units.

Section 11.04 Reservation of Shares of Class A Common Stock; Listing; Certificate of the Corporation. At all times the Corporation shall reserve and keep available out of its authorized but unissued Class A Common Stock, solely for the purpose of issuance upon a Share Settlement in connection with a Redemption or Direct Exchange, such number of shares of Class A Common Stock as shall be issuable upon any such Share Settlement pursuant to a Redemption or Direct Exchange; *provided* that nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of any such Share Settlement pursuant to a Redemption or Direct Exchange by delivery of purchased Class A Common Stock (which may or may not be held in the treasury of the Corporation) or by way of Cash Settlement. The Corporation shall deliver Class A Common Stock that has been registered under the Securities Act with respect to any Share Settlement pursuant to a Redemption or Direct Exchange to the extent a registration statement is effective and available with respect to such shares. The Corporation shall use its commercially reasonable efforts to list the Class A Common Stock required to be delivered upon any such Share Settlement pursuant to a Redemption or Direct Exchange prior to such delivery upon each national securities exchange upon which the outstanding shares of Class A Common Stock are listed at the time of such Share Settlement pursuant to a Redemption or Direct Exchange (it being understood that any such shares may be subject to transfer restrictions under applicable securities Laws). The Corporation covenants that all shares of Class A Common Stock issued in connection with a Share Settlement pursuant to a Redemption or Direct Exchange will, upon issuance, be validly issued, fully paid and non-assessable. The provisions of this Article XI shall be interpreted and applied in a manner consistent with any corresponding provisions of the Corporation's certificate of incorporation (if any).

Section 11.05 Effect of Exercise of Redemption or Direct Exchange. This Agreement shall continue notwithstanding the consummation of a Redemption or Direct Exchange by a Member and all rights set forth herein shall continue in effect with respect to the remaining Members and, to the extent the Redeeming Member has any remaining Units following such Redemption or Direct Exchange, the Redeeming Member. No Redemption or Direct Exchange shall relieve a Redeeming Member of any prior breach of this Agreement by such Redeeming Member.

Section 11.06 Tax Treatment.

(a) In connection with any Redemption or Direct Exchange, the Redeeming Member shall, to the extent it is legally entitled to deliver such form, deliver to the Manager or the Company, as applicable, a certificate, dated as of the Redemption Date, in a form reasonably acceptable to the Manager or the Company, as applicable, certifying as to such Redeeming Member's taxpayer identification number and that such Redeeming Member is not a foreign person for purposes of Section 1445 and Section 1446(f) of the Code (which certificate may be an IRS Form W-9 if then sufficient for such purposes under applicable Law) (such certificate a "***Non-Foreign Person Certificate***"). If a Redeeming Member is unable to provide a Non-Foreign Person Certificate in connection with a Redemption or a Direct Exchange, then (i) such Redeeming Member and the Company shall cooperate to provide any other certification or determination described in proposed Treasury Regulations Sections 1.1446(f)-2(b) and 1.1446(f)-2(c) or otherwise permitted under applicable Law at the time of such Redemption or Direct Exchange, and the Manager or the Company, as applicable, shall be permitted to withhold on the amount realized by such Redeeming Member in respect of such Redemption or Direct Exchange to the extent required under Section 1446(f) of the Code and Treasury Regulations thereunder after taking into account the certificate or other determination provided pursuant to this sentence and (ii) upon request and to the extent permitted under applicable Law, the Company shall deliver a certificate pursuant to Treasury Regulations Section 1.1445-11T(d)(2) certifying that fifty percent (50%) or more of the value of the gross assets of the Company does not consist of "U.S. real property interests" (as used in Treasury Regulations Section 1.1445-11T), or that ninety percent (90%) or more of the value of the gross assets of the Company does not consist of "U.S. real property interests" plus "cash or cash equivalents" (as used in Treasury Regulations Section 1.1445-11T); *provided*, that if the Company is not legally entitled to provide the certificate described in clause (ii), the Corporation shall be permitted to withhold on the amount realized by such Redeeming Member in respect of such Redemption or Direct Exchange to the extent required under Section 1445 of the Code and Treasury Regulations.

(b) Unless otherwise required by applicable Law, the parties hereto acknowledge and agree that a Redemption or a Direct Exchange, as the case may be, shall be treated as a direct exchange of a Share Settlement or a Cash Settlement, as applicable, on the one hand, and the Redeemed Units, on the other hand, between the Corporation and the Redeeming Member for U.S. federal and applicable state and local income tax purposes.

ARTICLE XII.
ADMISSION OF MEMBERS

Section 12.01 Substituted Members. Subject to the provisions of Article X, in connection with the Permitted Transfer of a Unit hereunder, the Permitted Transferee shall become a Substituted Member on the effective date of such Transfer, which effective date shall not be earlier than the date of compliance with the conditions to such Transfer, and such admission shall be shown on the books and records of the Company, including the Schedule of Members.

Section 12.02 Additional Members. Subject to the provisions of Article X, any Person that is not a Member as of the Effective Date may be admitted to the Company as an additional Member (any such Person, an "***Additional Member***") only upon furnishing to the Manager (a) duly executed Joinder and counterparts to any applicable Other Agreements and (b) such other documents or instruments as may be reasonably necessary or appropriate to effect such Person's admission as a Member (including entering into such documents as may reasonably be requested by the Manager). Such admission shall become effective on the date on which the Manager determines in its sole discretion that such conditions have been satisfied and when any such admission is shown on the books and records of the Company, including the Schedule of Members.

ARTICLE XIII.
WITHDRAWAL AND RESIGNATION; TERMINATION OF RIGHTS

Section 13.01 Withdrawal and Resignation of Members. Except in the event of Transfers pursuant to Section 10.06 and the Manager's right to resign pursuant to Section 6.03, no Member shall have the power or right to withdraw or otherwise resign as a Member from the Company prior to the dissolution and winding up of the Company pursuant to Article XIV. Any Member, however, that attempts to withdraw or otherwise resign as a Member from the Company without the prior written consent of the Manager upon or following the dissolution and winding up of the Company pursuant to Article XIV, but prior to such Member receiving the full amount of Distributions from the Company to which such Member is entitled pursuant to Article XIV, shall be liable to the Company for all damages (including all lost profits and special, indirect and consequential damages) directly or indirectly caused by the withdrawal or resignation of such Member. Upon a Transfer of all of a Member's Units in a Transfer permitted by this Agreement, subject to the provisions of Section 10.06, such Member shall cease to be a Member.

ARTICLE XIV.
ORGANIZATIONAL MATTERS

Section 14.01 Dissolution. The Company shall not be dissolved by the admission of Additional Members or Substituted Members or the attempted withdrawal, removal, dissolution, bankruptcy or resignation of a Member. The Company shall dissolve, and its affairs shall be wound up, upon:

(a) the decision of the Manager together with the written approval of the Members holding a majority of the Units then outstanding to dissolve the Company (excluding for purposes of such calculation the Corporation and all Units held directly or indirectly by it);

(b) a dissolution of the Company under Section 18-801(4) of the Delaware Act, unless the Company is continued without dissolution pursuant thereto; or

(c) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Delaware Act.

Except as otherwise set forth in this Article XIV, the Company is intended to have perpetual existence. An Event of Withdrawal shall not in and of itself cause a dissolution of the Company and the Company shall continue in existence subject to the terms and conditions of this Agreement.

Section 14.02 Winding up. Subject to Section 14.05, on dissolution of the Company, the Manager shall act as liquidating trustee or may appoint one or more Persons as liquidating trustee (each such Person, a "***Liquidator***"). The Liquidators shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Delaware Act. The costs of liquidation shall be borne as an expense of the Company. Until final distribution, the Liquidators shall, to the fullest extent permitted by applicable Law, continue to operate the properties of the Company with all of the power and authority of the Manager. The steps to be accomplished by the Liquidators are as follows:

(a) as promptly as possible after dissolution and again after final liquidation, the Liquidators shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable;

(b) the Liquidators shall pay, satisfy or discharge from the Company's funds, or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash fund for contingent, conditional and unmatured liabilities in such amount and for such term as the liquidators may reasonably determine) the following: first, all expenses incurred in connection with the liquidation; second, all of the debts, liabilities and obligations of the Company owed to creditors other than the Members; and third, all of the debts, liabilities and obligations of the Company owed to the Members (other than any payments or distributions owed to such Members in their capacity as Members pursuant to this Agreement); and

(c) following any payments pursuant to the foregoing Section 14.02(b), all remaining assets of the Company shall be distributed to the Members in accordance with Section 4.01(a) by the end of the Taxable Year during which the liquidation of the Company occurs (or, if later, by ninety (90) days after the date of the liquidation).

The distribution of cash and/or property to the Members in accordance with the provisions of this Section 14.02 and Section 14.03 shall constitute a complete return to the Members of their Capital Contributions, a complete distribution to the Members of their interest in the Company and all of the Company's property and shall constitute a compromise to which all Members have consented within the meaning of the Delaware Act. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

Section 14.03 Deferment; Distribution in Kind. Notwithstanding the provisions of Section 14.02, but subject to the order of priorities set forth therein, if upon dissolution of the Company the Liquidators determine that an immediate sale of part or all of the Company's assets would be impractical or would cause undue loss (or would otherwise not be beneficial) to the Members, the Liquidators may, in their sole discretion and the fullest extent permitted by applicable Law, defer for a reasonable time the liquidation of any assets except those necessary to satisfy the Company's liabilities (other than loans to the Company by any Member(s)) and reserves. Subject to the order of priorities set forth in Section 14.02, the Liquidators may, in their sole discretion, distribute to the Members, in lieu of cash, either (a) all or any portion of such remaining assets in-kind of the Company in accordance with the provisions of Section 14.02(c), (b) as tenants in common and in accordance with the provisions of Section 14.02(c), undivided interests in all or any portion of such assets of the Company or (c) a combination of the foregoing. Any such Distributions in-kind shall be subject to (y) such conditions relating to the disposition and management of such assets as the Liquidators deem reasonable and equitable and (z) the terms and conditions of any agreements governing such assets (or the operation thereof or the holders thereof) at such time. Any assets of the Company distributed in kind will first be written up or down to their Fair Market Value, thus creating Profit or Loss (if any), which shall be allocated in accordance with Article V. The Liquidators shall determine the Fair Market Value of any property distributed.

Section 14.04 Cancellation of Certificate. On completion of the winding up of the Company as provided herein, the Manager (or such other Person or Persons as the Delaware Act may require or permit) shall file a certificate of cancellation of the Certificate with the Secretary of State of Delaware, cancel any other filings made pursuant to this Agreement that should be canceled and take such other actions as may be necessary to terminate the existence of the Company. The Company shall continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 14.04.

Section 14.05 Reasonable Time for Winding Up. A reasonable time shall be allowed for the orderly winding up of the business and affairs of the Company and the liquidation of its assets pursuant to Sections 14.02 and 14.03 in order to minimize any losses otherwise attendant upon such winding up.

Section 14.06 Return of Capital. The Liquidators shall not be personally liable for the return of Capital Contributions or any portion thereof to the Members (it being understood that any such return shall be made solely from assets of the Company).

ARTICLE XV.
GENERAL PROVISIONS

Section 15.01 Power of Attorney.

(a) Each Member hereby constitutes and appoints the Manager (or the Liquidator, if applicable) with full power of substitution, as his or her true and lawful agent and attorney-in-fact, with full power and authority in his, her or its name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) this Agreement, all certificates and other instruments and all amendments thereof which the Manager deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (B) all instruments which the Manager deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (C) all conveyances and other instruments or documents which the Manager deems appropriate or necessary to reflect the dissolution, winding up and termination of the Company pursuant to the terms of this Agreement, including a certificate of cancellation; and (D) all instruments relating to the admission, substitution or resignation of any Member pursuant to Article XII or XIII; and

(ii) sign, execute, swear to and acknowledge all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the reasonable judgment of the Manager, to evidence, confirm or ratify any vote, consent, approval, agreement or other action which is made or given by the Members hereunder or is consistent with the terms of this Agreement, in the reasonable judgment of the Manager, to effectuate the terms of this Agreement.

(b) The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the transfer of all or any portion of his, her or its Units and shall extend to such Member's heirs, successors, assigns and personal representatives.

Section 15.02 Confidentiality.

(a) Each of the Members (other than the Corporation) agrees to hold all Confidential Information in confidence and may not disclose or use such information except as otherwise authorized separately in writing by the Manager. "***Confidential Information***" means all information concerning the Corporation, the Company and/or any of their Subsidiaries, in whatever form, whether written, electronic or oral, including, but not limited to, ideas, financial product structuring, business strategies, innovations and materials, all aspects of the Corporation's and/or the Company's business plan, proposed operation and products, corporate structure, financial and organizational information, analyses, proposed partners, software code and system and product designs, employees and their identities, equity ownership, the methods and means by which either the Corporation or the Company plans to conduct its business, all trade secrets, trademarks, tradenames and all intellectual property associated with the Corporation's and/or Company's business. With respect to each Member, Confidential Information does not include information or material that: (a) is, or becomes, generally available to the public other than as a direct or indirect result of a disclosure by such Member or its Affiliates or representatives; (b) is, or becomes, available to such Member from a source other than the Corporation, the Company, any of its Subsidiaries or any of their respective representatives, *provided* that such source is not, and was not, known to such Member to be bound by a confidentiality agreement with, or any other contractual, fiduciary or other legal obligation of confidentiality to, the Corporation, the Company or any of their Affiliates or representatives; (c) is approved for release by written authorization of the Chief Executive Officer, Chief Financial Officer or General Counsel of the Company or of the Corporation, or any other officer designated by the Manager; or (d) is or becomes independently developed by such Member or its respective representatives without use of or reference to any Confidential Information.

(b) Solely to the extent it is reasonably necessary or appropriate to fulfill its obligations or to exercise its rights under this Agreement, each of the Members may disclose Confidential Information to its Subsidiaries, Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents, on the condition that such Persons keep the Confidential Information confidential to the same extent as such Member is required to keep the Confidential Information confidential; *provided*, that such Member shall remain liable with respect to any breach of this Section 15.02 by any such Subsidiaries, Affiliates, partners, directors, officers, employees, counsel, advisers, consultants, outside contractors and other agents (as if such Persons were party to this Agreement for purposes of this Section 15.02).

(c) Notwithstanding Section 15.02(a) or Section 15.02(b), each of the Members may disclose Confidential Information (i) to the extent that such Member is required by Law (by oral questions, interrogatories, request for information or documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, (ii) for purposes of reporting to its stockholders and direct and indirect equity holders (each of whom are bound by customary confidentiality obligations) the performance of the Company and its Subsidiaries and for purposes of including applicable information in its financial statements to the extent required by applicable Law or applicable accounting standards; or (iii) to any *bona fide* prospective purchaser of the equity or assets of a Member, or the Units held by such Member (provided, in each case, that such Member determines in good faith that such prospective purchaser would be a Permitted Transferee), or a prospective merger partner of such Member (*provided*, that (x) such Persons will be informed by such Member of the confidential nature of such information and shall agree in writing to keep such information confidential in accordance with the contents of this Agreement and (y) each Member will be liable for any breaches of this Section 15.02 by any such Persons (as if such Persons were party to this Agreement for purposes of this Section 15.02)). Notwithstanding any of the foregoing, nothing in this Section 15.02 will restrict in any manner the ability of the Corporation to disclose any Confidential Information. Notwithstanding anything to the contrary contained herein, each Member's obligations under this Section 15.02 shall survive any Transfer of Units by such Member, such Member's ceasing to be a member of the Company, any termination of this Agreement and/or the termination, dissolution, liquidation or winding up of the Company.

Section 15.03 Amendments. Except as otherwise contemplated by this Agreement, this Agreement may be amended or modified upon the prior written consent of the Manager, together with the prior written consent of the holders of a majority of the Units then outstanding (excluding all Units held directly or indirectly by the Corporation). Notwithstanding the foregoing, no amendment or modification:

(a) to this Section 15.03 may be made without the prior written consent of the Manager and each of the Members;

(b) to any of the terms and conditions of this Agreement, which terms and conditions expressly require the approval or action of certain Persons, may be made without obtaining the consent of the requisite number or specified percentage of such Persons who are entitled to approve or take action on such matter; and

(c) to any of the terms and conditions of this Agreement which would (i) reduce the amounts distributable to a Member pursuant to Articles IV and XIV in a manner that is not *pro rata* with respect to all Members, (ii) increase the liabilities of such Member hereunder, (iii) otherwise materially and adversely affect a holder of Units (with respect to such Units) in a manner materially disproportionate to any other holder of Units of the same class or series (with respect to such Units) (other than amendments, modifications and waivers necessary to implement the provisions of Article XII) or (iv) materially and adversely affect the rights of any Member under Article XI, shall be effective against such affected Member or holder of Units, as the case may be, without the prior written consent of such Member or holder of Units, as the case may be.

Notwithstanding any of the foregoing, the Manager may make any amendment to this Agreement (x) of an administrative nature that is necessary in order to implement the substantive provisions hereof, without the consent of any other Member; *provided*, that any such amendment does not adversely change the rights of the Members hereunder in any respect, or (y) to reflect any changes to the Class A Common Stock or Class V Common Stock or the issuance of any other capital stock of the Corporation.

Section 15.04 Title to Company Assets. Company assets shall be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such assets of the Company or any portion thereof. The Company shall hold title to all of its property in the name of the Company and not in the name of any Member. All assets of the Company shall be recorded as the property of the Company on its books and records, irrespective of the name in which legal title to such assets is held. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for, or in payment of, any individual obligation of any Member.

Section 15.05 Addresses and Notices. All notices and other communications to be given to any party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service, or when received in the form of an electronic transmission (receipt confirmation requested), and shall be directed to the address set forth, or at such address or to the attention of such other person as the recipient party has specified by prior written notice to the Company or the sending party.

To the Company:

P3 Health Group, LLC
2370 Corporate Circle, Suite 300
Henderson, Nevada 89074
Attention: Todd Smith
Email Address: todd.smith@p3hp.org

To the Corporation:

P3 Health Partners Inc.
2370 Corporate Circle, Suite 300

Henderson, Nevada 89074
Attention: Todd Smith
Email Address: todd.smith@p3hp.org

To the Members, as set forth on Schedule 2.

Section 15.06 Binding Effect; Intended Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than the Indemnified Persons under Section 7.04 (which is intended to be for the benefit of the Indemnified Persons and may be enforced by any Indemnified Person).

Section 15.07 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company or any of its Affiliates, and no creditor who makes a loan to the Company or any of its Affiliates may have or acquire (except pursuant to the terms of a separate agreement executed by the Company in favor of such creditor) at any time as a result of making the loan any direct or indirect interest in Profits, Losses, Distributions, capital or property of the Company other than as a secured creditor.

Section 15.08 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition.

Section 15.09 Counterparts. This Agreement may be executed in separate counterparts, each of which will be an original and all of which together shall constitute one and the same agreement binding on all the parties hereto.

Section 15.10 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Any suit, dispute, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be heard in the state or federal courts of the State of Delaware, and the parties hereby consent to the exclusive jurisdiction of such court (and of the appropriate appellate courts) in any such suit, action or proceeding and waives any objection to venue laid therein. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING MAY BE SERVED ON ANY PARTY ANYWHERE IN THE WORLD, WHETHER WITHIN OR WITHOUT THE JURISDICTION OF ANY SUCH COURT (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT) AND SHALL HAVE THE SAME LEGAL FORCE AND EFFECT AS IF SERVED UPON SUCH PARTY PERSONALLY WITHIN THE STATE OF DELAWARE. WITHOUT LIMITING THE FOREGOING, TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES AGREE THAT SERVICE OF PROCESS UPON SUCH PARTY AT THE ADDRESS REFERRED TO IN SECTION 15.05 (INCLUDING BY PREPAID CERTIFIED MAIL WITH A VALIDATED PROOF OF MAILING RECEIPT), TOGETHER WITH WRITTEN NOTICE OF SUCH

SERVICE TO SUCH PARTY, SHALL BE DEEMED EFFECTIVE SERVICE OF PROCESS UPON SUCH PARTY.

Section 15.11 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 15.12 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking such actions as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.13 Execution and Delivery by Electronic Signature and Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby or entered into by the Company in accordance herewith, and any amendments hereto or thereto, to the extent signed and delivered by means of an electronic signature and/or electronic transmission, including by a facsimile machine or via email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic signature or electronic transmission to execute and/or deliver a document or the fact that any signature or agreement or instrument was transmitted or communicated through such electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

Section 15.14 Right of Offset. Whenever the Company or the Corporation is to pay any sum (other than pursuant to Article IV) to any Member, any amounts that such Member owes to the Company or the Corporation which are not the subject of a good faith dispute may be deducted from that sum before payment. For the avoidance of doubt, the distribution of Units to the Corporation shall not be subject to this Section 15.14.

Section 15.15 Entire Agreement. This Agreement, those documents expressly referred to herein (including the Registration Rights Agreement and the Tax Receivable Agreement), and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way. For the avoidance of doubt, the A&R LLC Agreement is superseded in its entirety by this Agreement as of the Effective Date and shall be of no further force or effect thereafter (other than any provisions of the A&R LLC Agreement that survive any amendment, restatement, modification or termination of the A&R LLC Agreement as contemplated by the A&R LLC Agreement).

Section 15.16 Remedies. Each Member shall have all rights and remedies set forth in this Agreement and all rights and remedies which such Person has been granted at any time under any other agreement or contract and all of the rights which such Person has under any Law. Any Person having any rights under any provision of this Agreement or any other agreements contemplated hereby shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by Law.

Section 15.17 Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa. The use of the word "including" in this Agreement shall be by way of example rather than by limitation. Wherever required by the context, references to a Fiscal Year shall refer to a portion thereof. The use of the words "or," "either" and "any" shall not be exclusive. Each of the parties hereto agrees that they have been represented by independent counsel of its own choice during the negotiation and execution of this Agreement and the parties hereto and their counsel have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Second Amended and Restated Limited Liability Company Agreement as of the date first written above.

COMPANY:

` **P3 HEALTH GROUP, LLC**

By: /s/ Aric Coffman
Name: Aric Coffman
Title: Chief Executive Officer

MANAGER:

P3 HEALTH PARTNERS INC.

By: /s/ Aric Coffman
Name: Aric Coffman
Title: Chief Executive Officer

MEMBERS:

CHICAGO PACIFIC FOUNDERS FUND, L.P.

By: Chicago Founder GP, L.P.,
its General Partner

By: Chicago Founder UGP, LLC,
its General Partner

By: /s/ Lawrence B. Leisure
Name: Lawrence B. Leisure
Title: Manager

CHICAGO PACIFIC FOUNDERS GP, L.P.

By: Chicago Pacific Founders UGP, LLC,
its General Partner

By: /s/ Lawrence B. Leisure
Name: Lawrence B. Leisure
Title: Manager

KAZARIAN 2020 IRREVOCABLE TRUST

By: /s/ Kim H. Kazarian
Name: Kim H. Kazarian
Title: Trustee

By: /s/ Greg Kazarian
Name: KGreg Kazarian
Title: Trustee

Exhibit 31.1

CERTIFICATION

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

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

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

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

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

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

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

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

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

Date: August 10, 2026

/s/ Aric Coffman, M.D.

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

Exhibit 31.2

CERTIFICATION

I, Leif Pedersen, certify that:

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

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

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

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

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

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

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

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

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

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

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

Date: August 10, 2026

/s/ Leif Pedersen

Leif Pedersen
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of P3 Health Partners Inc. (the "Company") for the quarterly period ended June 30, 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: August 10, 2026

/s/ Aric Coffman, M.D.

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

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of P3 Health Partners Inc. (the “Company”) for the quarterly period ended June 30, 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: August 10, 2026

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