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

FORM 10-K

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

For the fiscal year ended December 31, 2024
or

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

Commission file number 001-04321

American Oncology Network, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**85-3984427**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
14543 Global Parkway, Suite 110, Fort Myers, Florida	**33913**
(Address of Principal Executive Offices)	(Zip Code)

(833) 886-1725
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol	Name of each exchange on which registered
None	N/A	N/A

Securities registered pursuant to section 12(g) of the Act: None
Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).
Yes ☒ No ☐
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant, as of June 30, 2024, the last day of the registrant’s most recently completed second fiscal quarter, was approximately $7,988,383.

As of March 24, 2025, the registrant had outstanding 32,087,737 shares of Class A common stock, inclusive of the Sponsor Earnout shares, and 14,867,850 shares of Class B common stock.

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Explanatory Note

On May 21, 2024, American Oncology Network, Inc. (the "Company") announced that it has determined to voluntarily delist its Class A Common Stock and publicly traded warrants to purchase Class A Common Stock (the "Warrants") from the Nasdaq Capital Market ("Nasdaq"), as recommended to the Board of Directors (the "Board") of the Company by a special committee (the "Special Committee") of the Board comprised solely of disinterested directors. On May 31, 2024, the Company filed a Form 25 with the SEC to effect the voluntary delisting of the Company's common stock from Nasdaq. The last trading day of the Class A Common Stock and Warrants on Nasdaq was June 7, 2024. The Class A Common Stock and Warrants commenced trading on the OTCQX Best Market on June 10, 2024. The Company's Class A Common Stock and Warrants deregistered from Section 12(b) of the Exchance Act effective August 24, 2024. On January 2, 2025, the Company filed a Form 15 to report the automatic suspension of its duty to file reports with the SEC under Section 15(d) of the Exchange Act. The Company's obligation to file periodic reports under the Exchange Act has been suspended, subject only to its obligation to file this Form 10-K for its 2024 fiscal year.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K (this "Form 10-K"), including, without limitation, statements under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995, including statements about the financial condition, results of operations, earnings outlook and prospects of American Oncology Network, Inc. ("AON", "New AON", "AON Inc.", or the "Company"). Any statements that refer to projections (including EBITDA, Adjusted EBITDA and revenue projections), forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements are based on current expectations and projections about future events and various assumptions. AON cannot guarantee that it will actually achieve the plans, intentions, or expectations disclosed in its forward-looking statements and you should not place undue reliance on AON's forward-looking statements, which speak only as of the date hereof.

These forward-looking statements involve a number of risks, uncertainties (many of which are beyond the control of AON), or other assumptions that may cause actual results or performance to differ materially from those expressed or implied by these forward-looking statements.

Factors that could cause actual results to differ from those implied by the forward-looking statements in this Form 10-K are more fully described under the heading "Risk Factors" and elsewhere in this Form 10-K. The risks described under the heading "Risk Factors" are not exhaustive. Other sections of this Form 10-K describe additional factors that could adversely affect the business, financial condition or results of operations of AON. New risk factors emerge from time to time and it is not possible to predict all such risk factors, nor can AON assess the impact of all such risk factors on the business of AON, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements are not guarantees of performance. All forward-looking statements attributable to AON or persons acting on their behalf are expressly qualified in their entirety by the foregoing cautionary statements. AON undertakes no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Part I

Item 1. Business

Overview

Since its inception, AON has offered a progressive model of physician-led, community-based oncology management. AON preserves and elevates community oncology by helping its physicians navigate the complex healthcare landscape, providing them an efficient platform to work autonomously and thrive, and most importantly, improving the quality of patient care that is being delivered. We are an alliance of physicians and veteran healthcare leaders partnering to ensure the long-term success and viability of oncology diagnosis and treatment in community-based settings. As of December 31, 2024, AON's platform includes 37 practices across 20 states and the District of Columbia ("Network Practices"). Our robust platform provides oncology practices with comprehensive support, access to revenue-diversifying adjacent services and practice management expertise to empower physicians to make cancer care better for every patient.

Our mission is to provide the best cancer care that is affordable and close to where patients live and work. We believe the key to accessible and equitable healthcare lies in the strength of community healthcare practices and we are committed to closing the gap in cancer care to ensure every patient has access to the optimal care needed to help in their fight against cancer. To accomplish this, we have practices in some of the most densely populated cities as well as rural areas where medical resources are scarce. We deliver cancer care innovation by bringing new treatments to the forum and also by ensuring the access to the necessary adjacent services to provide comprehensive quality cancer care and preserving the delivery of personalized cancer care in the community oncology setting.

Through access to care-enhancing patient services such as a centralized specialty pharmacy, wide ranging clinical lab and pathology, a fully integrated technology platform anchored by an oncology-specific electronic medical record system, as well as a care management team and a variety of financial assistance programs, our patients receive expert cancer care at each of our clinics.

We provide patients a variety of services to enhance patient care throughout the healthcare journey: high-quality and timely laboratory services for routine and specialized testing; in-house professional and technical pathology providing complete, accurate and timely pathology reports; in-house specialty pharmacy with patient education, financial assistance, and 24/7 patient assistance; and care management support services including nutrition guidance.

As the future of healthcare continues to transition from volume to value, we are at the forefront of this initiative by ensuring care quality over care quantity and adopting a patient-first mentality. Through an integrated system of seamless communication, coordination and patient care for better health outcomes, AON practices benefit from decreased expenditures through the implementation of centralized administrative services, processes, and technologies designed to support effective decision-making such as optimal pricing on drugs and medical supplies. Our patients benefit through our 24/7 clinical care support leading to a reduction in unnecessary emergency room visits and admissions and enhanced care quality. Ultimately, the payors benefit from more efficient delivery of high-quality, comprehensive services comparable to any hospital system at a lower cost point.

Though our network spans the country, its clinicians are interconnected and focused on driving change not just at their local clinics, but throughout our network. Our Network Practices unite in collaboration through a physician advisory board, which acts as a liaison between AON management and our Network Practices so that we remain apprised of issues and opinions concerning our Network Practices. In addition, our Network Practices also remain at the forefront of new discoveries and findings by expanding and improving cancer treatment options for every patient through a pharmacy and therapeutics committee that continuously updates its formulary in real time as advanced therapeutics come to market and through participating in clinical research to ensure we remain on the cutting edge of cancer protocols. Patients benefit from convenient access to clinical trials that we participate in without the need to travel to large cities or tertiary cancer care facilities, and personalized care by matching a patient's cancer to a tailored therapy using molecular profiling.

We have made significant investment in a resilient, integrated technology platform to support the practices which includes a fully-integrated electronic health record and a robust decision support tool and analytics engine. Our development of compliance materials ensures consistency and optimal patient experiences and meets or exceeds the Office of Inspector General ("OIG") guidelines.

We believe that our position in the market and focus on elevating the state of oncology care with our affiliated providers bodes well for future growth. Our proprietary technology platform supports this growth and enables the Network Practices to standardize and deliver consistent care at scale. We believe that our model will support growth into new markets and allow us to continue to service more patients across the United States.

Market Overview

Our business is focused on caring for adult and senior populations with medical oncology and related care needs, including members of Medicare Advantage ("MA") plan run by private insurance companies on behalf of the Centers for Medicare and Medicaid Services, or CMS, as well as traditional Fee-For-Service ("FFS") Medicare, Medicaid, other government healthcare programs and commercial insurance populations.

As of December 31, 2024, we were active across 37 practices in 20 states and the District of Columbia. We also operate a triple-accredited specialty pharmacy and a state of the art clinical laboratory. According to the Community Oncology Services Global Market Report 2023, the global community oncology services market size is expected to grow to $81.33 billion in 2027 at a compound annual growth rate ("CAGR") of 10.9%. Furthermore, according to the BCC Research Global Oncology Pharmaceuticals Market Report, the oncology pharmaceuticals market, which is also a significant market of AON's services, is currently a $177 billion industry and is expected to grow to $314 billion by 2026. This expanding market provides us with a substantial opportunity to grow in both our legacy, existing markets, as well as in our new expansion geographies.

Our Care Model

Since our founding, we have offered a progressive model of physician-led, community-based oncology management. It preserves and elevates community oncology by helping our physicians navigate the complex healthcare landscape, providing them an efficient platform to work autonomously and thrive, and most importantly, improving the quality of patient care that is being delivered. Our care model is focused on delivering personalized, evidenced-based care consistently and at scale. We seek to deliver better patient outcomes for lower costs, and to care for more of our payors' patient populations. Our care model is team-focused and values-driven and promotes a culture of loyalty and trust from providers and staff, leading to strong clinical outcomes.

- Continuously Supporting the Patient — Deliver results by providing compassionate oncology and hematology services with continued focus on the patient.
- Always Do the Right Thing — Committed to personal excellence, accountability, and integrity, abiding by the highest regulatory standards, performing in the most ethical manner, and taking responsibility for actions.
- Respectfully Engage — Foster positive relationships, encourage diversity of thought, and promote trust among teams and customers; encouraging healthy debate and respect for the thoughts and opinions of others; believing that talent, skills, and expertise are most important.
- Exceed Expectations — Striving to provide excellence in all things; creating a standard of caring that goes above and beyond while embracing change in support of continuous improvement for patients.

Our Network Physician Practices

We operate our physician practices through management service agreements ("MSAs") between American Oncology Management Company, LLC ("AOMC"), and American Oncology Partners, P.A. ("AON Partners"), and American Partners of Maryland, P.A. ("Partners of Maryland"). AOMC is a wholly owned subsidiary of the Company while AON Partners and Partners of Maryland are physician owned.

Under our MSAs, we have agreed to serve, on an exclusive basis, as manager and administrator of each our practice's non-medical functions while healthcare services and items provided to patients are provided by physicians and other licensed healthcare providers employed by or under contract with a practice. Under the MSAs, the responsibilities of AOMC include, but are not limited to, negotiating provider and payor contracts, employment and compensation decisions, billing and collections, furnishing all supplies and equipment necessary for the respective practice's operations as well as, necessary real estate, contracting on behalf of AON Partners and Partners of Maryland, entering into leases, holding a power of attorney to perform the above activities, preparing, maintaining and administering all accounting records (including financial reporting), expense payment, and maintenance of all information systems/software. Furthermore, the MSAs provide that AON Partners and Partners of Maryland have sole discretionary authority on decisions with respect to medical practice and shall be based on their professional judgment and in the best interests of patients. The MSAs also provide that AOMC will not interfere with AON Partners' and Partners of Maryland's decisions with respect to the supervision, selection, terms, conditions or obligations of their physicians and healthcare professionals. In addition, the MSAs provide that services provided by AOMC will comply with applicable federal and state requirements, as well as any accreditation and certification requirements applicable to medical practices.

We are paid a management fee to compensate AOMC for the services provided. The management fee has fixed and variable components and is negotiated and agreed upon on an annual basis by AOMC and AON Partners or Partners of Maryland, respectively. The fixed amount of the management fee to be agreed upon is based primarily on expenses incurred by AOMC in connection with providing management and administrative services to each of AON Partners' and Partners of Maryland's medical practices. The variable component of the management fee is based primarily on the volume of collections by AON Partners and Partners of Maryland and their respective profitability. In accordance with relevant accounting guidance, each of AON Partners and Partners of Maryland is determined to be a variable interest entity, or VIE, of AON because AON has the ability under the MSAs to direct the activities (except for clinical decisions) that most affect the economic performance and profitability of AON Partners and Partners of Maryland. Our MSAs with AON Partners or Partners of Maryland have five-year terms that automatically renew for successive five-year terms, unless terminated upon mutual agreement of the parties or unilaterally by a party following a material breach or commencement of bankruptcy or liquidation events by the other party, or a governmental or judicial termination order against a party.

Our Value Proposition

We believe we have developed a compelling value proposition for each of our patients, providers, and payors. We seek to provide high quality and lower cost care delivery through the following capabilities:

Patient

- Quality providers, continuous clinical improvements, and ancillary services such as clinical laboratory, professional and technical pathology services, oral oncolytic pharmacy, care management, and access to clinical trials set a high standard of patient care.
- Optimization of centralized administrative services allows providers the opportunity to maximize time serving patients.
- In addition to traditional oncology care, a focus on addressing patients' mental and spiritual health.
- Delivery of true Value Base Care ("VBC") through participation in alternative payment models such as CMS' Enhancing Oncology Model.

Providers

- Strong culture, based on a prominent clinical reputation, and attractive physician ownership model enable us to attract and retain the best providers in a competitive market.
- Proven practice management expertise, driving practice growth by providing outstanding administrative support including managed care services, drug procurement, and revenue cycle management, as well as a proprietary playbook on driving same store growth of new patients for AON practices.
- Access to new revenue streams through centralized ancillaries such as clinical lab, pathology, and oral oncolytic pharmacy enables practice growth.

● Favorable drug pricing through preferred vendor agreement with a major pharmaceutical distributor.
● Differentiated, provider-centric culture attracts the industry's leading providers.
96% Physician Quality Score according to CMMI (Center of Medicare and Medicaid Innovation).

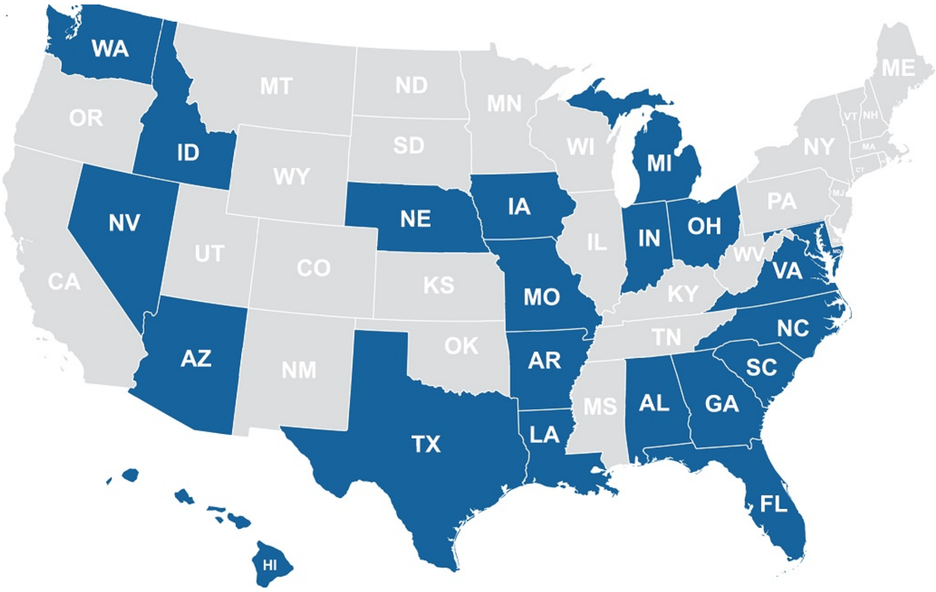
Payors

● Experienced and knowledgeable centralized Payor Strategy & Relations team coordinates with practices to maintain close relationships with all payors across the AON platform.
● Robust suite of solutions offered to practices driving cost savings for payors, addressing three cost drivers: 1) Variable use of drugs and diagnostics during treatment; 2) Deterioration of patient health between treatments; and 3) Ineffective interventions near the end of life.
● Optimized management solutions generating operational efficiencies and cost savings shared with payors.
We strive to add value by consistently performing these activities effectively. The goal is a lower cost of care for the same or better clinical outcomes while providing a superior patient experience.

Growth Strategy and Opportunities

To date, we have achieved rapid growth through acquisition of existing practices and through organic growth of these practices after acquisition. Revenue has grown at a roughly 41% CAGR from 2019 to 2024.

Our practice footprint as of December 31, 2024, spanned 20 states and the District of Columbia with 37 total practices.



We anticipate adding more managed practices in the future across our markets through acquisitions and through organic growth within existing practices.

Our go-to-market strategy focuses on demographic trends, secular tailwinds, and fragmented community-based oncology practices facing pricing pressures, as follows:

● According to BCC Research, oncology medicine spending is forecasted to grow at a 12% long-term CAGR.

- Recent treatments tailored to the specific genomic sequence of each patient's tumor have continued to drive growth in the oncology market.
- The number of cancer cases through 2040 is expected to grow five times faster than the population growth per the Journal of Clinical Oncology.
- The oncology service market is vast and extremely fragmented in the U.S. Of the over 12,000 oncologists in the country, approximately 76% work in practices that employ between 1 – 5 oncologists.

We are well-positioned to capitalize on this growth opportunity given our hands-on, "Patient-First" model, practice revenue diversification offerings such as our in-house pathology lab, and our specialty pharmacy which can dispense over 96% of the oral oncolytics available in the market today. We have multiple strategies we believe can achieve long-term growth.

- Significant Growth Embedded Within Existing Business: Our existing physician base will continue to grow as AON drive deeper penetration of adjacent services and our physician recruitment team recruits new physicians to practices that are already part of the AON network. We have invested heavily in corporate infrastructure over the past two years, which should lead to significant operating leverage.
- New Service Line Growth: New service lines will drive growth from our existing physician base and attract new physicians to the network. A sample of such new services that have been recently implemented are as follows:
- In December 2022, we launched our new AON Pharmacy MSA model that will offer potential AON practices access to pharmaceutical management and a la carte services.
- We are initiating new revenue streams developed from clinical informatics and data licensing subscriptions.
- Implementing new CMS-approved patient services including Principal Care Management ("PCM"), Transitional Care Management ("TCM"), and Chronic Care Management ("CCM").
- Participation in alternative payment models developed by CMMI and third-party payors.
- M&A Opportunities: We plan to pursue accelerated growth through acquisition with a more aggressive approach towards M&A. Access to the public markets allows us to pursue a broader M&A strategy and opening up the universe of potential targets. In addition, our more robust service offerings and flexibility in deal structuring will allow for acceleration of our M&A efforts.
- Expansion of research initiatives: We believe today's research is tomorrow's standard of care, accordingly, AON plans to expand our national research platform. Access to cutting edge clinical trials within the community setting will be critical to oncology research and drug development and AON practices have the best opportunity to offer patients access to such trials. We offer centralized administrative resources and innovative technology solutions that allows for the timely and efficient expansion in numbers of research investigators and clinical locations throughout the US. With a significant investment in our standardized technology platform, AON maintains the ability to collaborate closely with trial sponsors in order to timely identify patients for clinical trial accrual across our network.

Contracting

Governmental programs, such as Medicare and Medicaid, are collectively the largest payors for our affiliated practices and includes Managed Medicare and Medicaid programs whereby Medicare and Medicaid contract with third-party payors to administer health plans for their beneficiaries. Under such programs, physicians are reimbursed at negotiated rates rather than the Medicare fee schedule and the payor is a third-party, rather than Medicare and Medicaid itself.

Medicare reimbursement for physician services is based on a fee schedule, which establishes payment for a given service, in relation to actual resources used in providing the service, through the application of relative value units. The resources used are converted into a dollar amount of reimbursement through a conversion factor, which is updated annually by CMS, based on a formula.

Also, Medicare reimburses providers for oncology pharmaceuticals administered in our clinics based on the average sales price ("ASP") for drugs plus a fixed percentage (adjusted for sequestration). Our ability to manage pharmaceutical acquisition costs and concentration of our purchases with a limited number of manufacturers is critical to our success. Nearly all of our pharmaceutical pricing advantage relative to other suppliers is derived from a limited number of drugs. Implementation of ASP-based reimbursement has reduced the amount of differential pricing that is available to us from pharmaceutical manufacturers, which is one of our key competitive strengths.

In addition to traditional FFS arrangements, we continue to explore several other forms of alternative payment models including value-based arrangements. Although many of these arrangements continue to be based on an FFS-based methodology, our affiliated providers are eligible to earn additional bonuses based on their ability to achieve oncology-specific clinical and other quality of care-based benchmarks as well as financial rewards often based on total cost of care. While these alternative value-based arrangements may not produce as much initial revenue, we believe this flexibility in contracting models will allow us to speed our expansion into new markets while preserving the value-based economics that are critical for our business' growth and success.

Payor Relationships

We are attractive to physician practices because of our ability to efficiently manage payor relationships for our Network Practices. As is the case with many healthcare providers, our Network Practices seek payment for their services from a limited number of payors. We generally manage our Network Practices' payor contracts on a state-by-state basis, entering into a separate contract in each state with the local affiliate of the relevant payor such that no one local payor contract accounts for a majority of our collective revenue. Our centralized Payor Strategy & Relations team coordinates with practices and fosters close relationships with all payors across the AON platform. Our solutions offer unique cost savings opportunities to payors, and our optimized revenue cycle management function generates operation efficiencies and cost savings that are shared with payors. We believe these factors make our practices attractive to payors. Our Network Practices have long-term contracts with many payors including some of the biggest and most respected names in healthcare, including Anthem and United Healthcare. Generally, the contracts with our payors are entered into on substantially consistent terms. These terms include the period of performance, reimbursement rates and termination clauses that are standard in the industry. For example, typically, many of our contracts are terminable for convenience by either the payor or us after a notice period has passed. Many of our payor contracts include cure periods for certain breaches, during which time we may attempt to resolve any issues that would trigger a payor's ability to terminate the contract. Typically, contracts may be terminated immediately by the payor if we lose applicable licenses, go bankrupt, lose our liability insurance, become insolvent, file for bankruptcy or receive an exclusion, suspension or debarment from state or federal government authorities. We consider our relationships with our payors to be very strong.

Practice Structure, Staffing and Network Design

We have a standard clinic design and approach to staffing that we continually improve and refine.

Managed clinics average 6,200 square feet and typically offer services from up to 30 providers (physicians and advanced practice providers) per clinic. We have flexibility around clinic size to allow us to establish smaller clinics and part time staffing in areas where needed to ensure the Network Practices can meet patient needs under existing payor contracts. We group our managed clinics by geography into regions. We have operations teams managing our markets and regions allowing us to drive performance and scale efficiently.

Competition

The U.S. healthcare industry is highly competitive. We compete directly with national, regional, and local providers of healthcare for patients and physicians. Our primary competitors are traditional community oncology physician practices, local and national health systems and national oncology management service organizations such as US Oncology Network, Inc., and OneOncology, Inc. Similar to the Company, US Oncology Network, Inc. and OneOncology, Inc. each offers a nationwide oncology management platform that offers diagnostics, specialty pharmacies and clinical laboratories; however, we differentiate ourselves from these competitors in our management model. We give our network physicians a high level of autonomy with respect to their practice after joining our network as AON employed physicians. We believe this structure differentiates us from our competitors. Some of our competitors may have greater recognition and be more established in their respective communities than we are and may have greater financial and other resources than we have. Competing oncology care providers may also offer larger facilities or different programs or services than our Network Practices do, which, combined with the foregoing factors, may result in our competitors being more attractive to our current patients, potential patients, and referral sources. We believe the principal competitive factors for serving the healthcare market include patient experience, quality of care, health outcomes, total cost of care, brand identity and trust in that brand. We believe we compete favorably on all these factors within the markets we serve.

Government Regulation

Regulatory Licensing, Accreditation and Certification

Participants in the healthcare industry are required to comply with extensive government regulation at the federal, state and local levels. If we fail to comply with applicable laws and regulations, we may be subject to criminal penalties and civil sanctions, our providers could lose their licenses and we could lose our ability to participate in Medicare, Medicaid, and other government programs. These legal and regulatory standards address, among other issues, licensure, certification, and enrollment with government programs; the necessity and adequacy of medical care; quality of medical equipment and services; qualifications of medical and support personnel; operating policies and procedures; billing and coding for services; handling overpayments; classifications of levels of care provided; relationships with referral sources and referral recipients; maintenance of adequate records; rate-setting; building codes; environmental protection; privacy and security; interoperability and refraining from information blocking; debt collection; balance billing and billing for out-of-network services; and communications with patients and consumers.

Our clinics are subject to periodic inspection by federal, state, and local authorities to determine their compliance with applicable regulations and requirements necessary for licensing and certification. All of our clinics and providers are licensed under appropriate state laws and are qualified to participate in Medicare and Medicaid programs. Government regulations may change. If that happens, we may have to make changes to our facilities, equipment, personnel, and services so that our practices remain certified and qualified to participate in these programs. We believe that our practices are in substantial compliance with current federal, state, and local regulations and standards. We cannot be certain that governmental officials responsible for enforcing these laws or whistleblowers will not assert that we are in violation of them or that such statutes or regulations will be interpreted by the courts in a manner consistent with our interpretation.

State Corporate Practice of Medicine and Fee-Splitting Laws

Some states, including states where we operate, prohibit unlicensed persons or business entities, including corporations, from employing physicians. These prohibitions are generally referred to as prohibitions against the “corporate practice of medicine,” and their primary objective is to protect physicians’ independent medical judgment from the influence of corporate profit motives. Corporate practice of medicine doctrines vary from state to state, and can be found in a mix of state laws and regulations, case law and state attorney general opinions. But in virtually all (if not all) states, physicians are generally permitted to practice medicine through professional corporations or professional limited liability companies that restrict their ownership solely to licensed physicians.

Some states, including states where we operate, also have adopted laws that prohibit “fee-splitting” arrangements with physicians and unlicensed persons or business entities. Possible sanctions for violations of corporate practice of medicine and fee-splitting restrictions include loss of a physician’s license, civil and criminal penalties, and rescission of business arrangements. These laws vary from state to state, are often vague and in some cases, have seldom been interpreted by the courts or regulatory agencies.

In order to comply with these various state laws and doctrines, a non-licensed entity that enters into a business relationship with a physician practice will often use a management services model. In this structure, a professional corporation or limited liability company is formed with 100% physician ownership. Such physician-owned entity contracts with a management services organization to furnish management and other services to the professional entity in consideration of a commercially reasonable, fair market value fee. The physician-owned entity employs or contracts with all of the practice’s licensed clinical personnel, such as physicians and advanced practice practitioners. The management services organization employs all of the non-clinical personnel who will furnish administrative and business services to the physician-owned entity, such as financial management, billing and collection, human resources, management of office space, etc. The physician-owned entity typically pays for all clinical compensation, benefits and malpractice insurance expenses of the practice from the professional revenues it generates. The management services organization, on the other hand, will incur all other expenses for the practices, which it will pay using its management fee. The end result is that the physician-owned entity maintains control over the clinical aspects of the practice — maintaining independent professional judgment with respect to patient care — and the management services organization manages the physician-owned entity’s back office functions. AON employs such an accepted model to comply with state regulations relating corporate practice and fee splitting laws in the states where AON operates.

Healthcare Fraud and Abuse Laws

We are subject to a number of federal and state healthcare regulatory laws that restrict certain business practices in the healthcare industry. These laws include, but are not limited to, federal and state anti-kickback, self-referral, false claims, and other healthcare fraud and abuse laws.

The federal Anti-Kickback Statute, or AKS, which prohibits the knowing and willful offer, payment, solicitation or receipt of any bribe, kickback, rebate, or other remuneration for referring an individual, in return for ordering, leasing, purchasing, or recommending or arranging for or to induce the referral of an individual or the ordering, purchasing, or leasing of items or services covered, in whole or in part, by any federal healthcare program, such as Medicare and Medicaid. Courts have interpreted this statute broadly and held that there is a violation of the AKS if just one purpose of the remuneration is to generate referrals, even if there are other lawful purposes. Furthermore, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation.

The federal physician self-referral law, the Stark Law, which, subject to limited exceptions, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain designated health services, or DHS if the physician or a member of such physician's immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibits the entity from billing Medicare or Medicaid for such DHS.

The federal False Claims Act, or FCA, which imposes civil and criminal liability on individuals or entities that knowingly submit false or fraudulent claims for payment to the government or knowingly make, or cause to be made, a false statement in order to have a false claim paid, including qui tam or whistleblower suits. There are many potential bases for liability under the FCA. The government has used the FCA to prosecute Medicare and other government healthcare program fraud such as coding errors, billing for services not provided, and providing care that is not medically necessary or that is substandard in quality. In addition, the government may assert that a claim including items or services resulting from a violation of the AKS or Stark Law constitutes a false or fraudulent claim for purposes of the FCA.

The Civil Monetary Penalties Law, which prohibits, among other things, an individual or entity from offering remuneration to a federal healthcare program beneficiary that the individual or entity knows or should know is likely to influence the beneficiary to order or receive healthcare items or services from a particular provider. We may also be subject to civil monetary penalties and other sanctions under the statute if we or our Network Practices hire or contract with any individuals or entities that are or become excluded from government healthcare programs, for the provision of items or services for which payment may be made under such programs.

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") also established federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the AKS, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Several states in which we operate have also adopted similar fraud and abuse laws as described above. The scope of these laws and the interpretations of them vary from state to state and are enforced by state courts and regulatory authorities, each with broad discretion. Some state fraud and abuse laws apply to items or services reimbursed by any payor, including patients and commercial insurers, not just those reimbursed by a federally funded healthcare program.

The laws and regulations in these areas are complex, changing and often subject to varying interpretations. As a result, there is no guarantee that a government authority will find that we or our Network Practices are in compliance with all such laws and regulations that apply to our business. Further, because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of the business activities undertaken by us or our Network Practices could be subject to challenge under one or more of these laws, including, without limitation, patient assistance programs that waive or reduce the patient's obligation to pay copayments, coinsurance or deductible amounts owed for the services provided to them if they meet certain financial need criteria. If our or our Network Practices' operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to significant penalties, including, without limitation, administrative, civil, and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, contractual damages, exclusion from participation in federal and state healthcare programs and imprisonment. In addition, any action against us or our Network Practices for violation of these laws or regulations, even if successfully defended against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and result in adverse publicity, or otherwise experience a material adverse impact on our business, results of operations, financial condition, cash flows, reputation as a result.

Healthcare Reform

Our revenue is dependent on the healthcare industry and could be affected by changes in healthcare spending, reimbursement, and policy. By way of example, the Affordable Care Act (ACA), which was enacted in 2010, made major changes in how healthcare is delivered and reimbursed, and it increased access to health insurance benefits to the uninsured and underinsured populations of the United States. Since its enactment, there have been judicial, executive, and Congressional challenges to certain aspects of the ACA.

On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order initiating a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare. It is unclear how healthcare reform measures enacted by Congress or implemented by the Biden administration, if any, will impact our business.

Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year, which began in 2013 and will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022. Under current legislation, the actual reduction in Medicare payments varies from 1% from April 1, 2022 to June 30, 2022, to up to 3% in the final fiscal year of this sequester, unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. New laws may result in additional reductions in Medicare and other healthcare funding, which may materially adversely affect consumer demand and affordability for our products and services and, accordingly, the results of our financial operations. Additional changes that may affect our business include the expansion of new programs such as Medicare payment for performance initiatives for physicians under the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, which first affected physician payment in 2019. At this time, it is unclear how the introduction of the Medicare quality payment program will impact overall physician reimbursement. The Inflation Reduction Act of 2022, or IRA, signed into law on August 16, 2022, also contains a number of provisions designed to limit or reduce drug prices under the Medicare program, reduce beneficiary out-of-pocket spending under Medicare's prescription drug benefit, and expand subsidies for individuals to obtain private health insurance under the ACA. While these provisions of the IRA do not apply directly to healthcare providers like our Network Practices, we are continuing to evaluate the potential impact, if any, that the IRA may have on our business.

The 21st Century Cures Act (the "Cures Act"), which was signed into law in December 2016, includes provisions related to data interoperability, information blocking and patient access. In May 2020, the HHS Office of the National Coordinator for Health Information Technology, or ONC, and CMS published the Cures Act final rule, which was intended to clarify provisions of the Cures Act regarding interoperability and information blocking, and include, among other things, requirements surrounding information blocking, changes to ONC's health IT certification program and requirements that CMS-regulated payors make relevant claims/care data and provider directory information available through standardized patient access and provider directory application programming interfaces, or APIs, that connect to provider electronic health record systems, or EHRs. The final rule will transform the way in which healthcare providers, health IT developers, health information exchanges/health information networks, or HIEs/HINs, and health plans share patient information, and create significant requirements for healthcare industry participants. For example, the final rule, which went into effect on April 5, 2021, prohibits healthcare providers, health IT developers of certified health IT, and HIEs/HINs from engaging in practices that are likely to interfere with, prevent, materially discourage, or otherwise inhibit the access, exchange, or use of electronic health information, or EHI, also known as "information blocking." To further support access and exchange of EHI, the final rule identifies eight "reasonable and necessary activities" as exceptions to information blocking activities, as long as specific conditions are met. Any failure to comply with these rules could have a material adverse effect on our business, results of operations and financial condition.

There is also uncertainty regarding the potential impact of other reform efforts at the federal and state levels. For example, some members of Congress have proposed measures that would expand government- sponsored coverage, including proposals to expand coverage of federally-funded insurance programs as an alternative to private insurance or establish a single-payer system (such reforms often referred to as "Medicare for All"). Some states have implemented or are considering measures such as individual health insurance mandates and public health insurance options. Other initiatives and proposals, including those aimed at price transparency and out-of-network charges, may impact prices and the relationships between health care providers, insurers and patients. For example, the No Surprises Act requires providers to send an insured patient's health plan a good faith estimate of expected charges, including billing and diagnostic codes, prior to when the patient is scheduled to receive the item or service.

HIPAA Administrative Simplification and Privacy and Security Requirements

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, requires the use of uniform electronic data transmission standards for healthcare claims and payment transactions submitted or received electronically. These provisions are intended to encourage electronic commerce in the healthcare industry. U.S. Department of Health and Human Services Agency ("HHS") has established electronic data transmission standards and code sets that all healthcare providers must use when submitting or receiving certain healthcare transactions electronically and has issued operating rules to promote uniformity in the implementation of each standardized electronic transaction. HIPAA also requires that each provider use a National Provider Identifier.

As required by HIPAA, HHS has issued privacy and security regulations that extensively regulate the use and disclosure of individually identifiable health-related information and require covered entities, including health plans and most healthcare providers, to implement administrative, physical and technical practices to protect the security of individually identifiable health information that is electronically maintained or transmitted. Business associates (entities that handle protected health information for or on behalf of covered entities) are subject to direct liability for violation of applicable provisions of the regulations. In addition, a covered entity may be subject to penalties as a result of a business associate violating HIPAA, if the business associate is found to be an agent of the covered entity. We have developed and utilize a HIPAA compliance plan as part of our effort to comply with HIPAA privacy and security requirements. Our ongoing efforts to comply with privacy regulations and security regulations have and will continue to impose significant costs on us.

Covered entities must report breaches of unsecured protected health information to affected individuals without unreasonable delay, but not to exceed 60 days of discovery of the breach by the covered entity or its agents. Notification must also be made to HHS and, in certain situations involving large breaches, to the media. HHS is required to publish on its website a list of all covered entities that report a breach involving more than 500 individuals. All non-permitted uses or disclosures of unsecured protected health information are presumed to be breaches unless the covered entity or business associate establishes that there is a low probability the information has been compromised. Various state laws and regulations may also require us to notify affected individuals in the event of a data breach involving individually identifiable information.

Violations of the HIPAA privacy and security regulations may result in criminal penalties and in substantial civil penalties per violation. The civil penalties are adjusted annually based on updates to the consumer price index. HHS is required to perform compliance audits. In addition to enforcement by HHS, state attorneys general are authorized to bring civil actions seeking either injunction or damages in response to violations of HIPAA privacy and security regulations that threaten the privacy of state residents. HHS may resolve HIPAA violations through informal means, such as allowing a covered entity to implement a corrective action plan, but HHS has the discretion to move directly to impose monetary penalties and is required to impose penalties for violations resulting from willful neglect. We are also subject to any federal or state privacy-related laws that are more restrictive than the privacy regulations issued under HIPAA. These laws vary and could impose additional penalties and subject us to additional privacy and security restrictions. For example, the Federal Trade Commission uses its consumer protection authority to initiate enforcement actions in response to data breaches. In addition, various states have enacted, and other states are considering, new laws and regulations concerning the privacy and security of consumer and other personal information. To the extent we are subject to such requirements, these laws and regulations often have far-reaching effects, are subject to amendments and changing requirements and updates to regulators' enforcement priorities, may require us to modify our data processing practices and policies, may require us to incur substantial costs and expenses to comply and may subject our business to a risk of increased potential liability. These laws and regulations often provide for civil penalties for violations, as well as a private right of action for data breaches, which may increase the likelihood or impact of data breach litigation. Any failure or perceived failure, by us or by third parties with whom we work, to comply with these data protection, privacy and security, or consumer protection laws and regulations could result in enforcement actions, including fines and liability, claims for damages, reputational harm, and other adverse effects on our business, financial condition and results of operations.

Intellectual Property

We own a number of active trademark registrations, The failure to protect our intellectual property assets could have a material adverse effect on our business; however, the loss of any single trademark or service mark, taken alone, would not have a material adverse effect on the Company as a whole.

Legal Proceedings

From time to time, we may receive inquiries or subpoenas from state regulators, state Medicaid Fraud Control units, fiscal intermediaries, CMS, the U.S. Department of Justice and other government entities regarding various Medicare and Medicaid issues. In addition, we may be subject to other claims and lawsuits arising in the ordinary course of our business including lawsuits and claims related to billing practices and the administration of charity care policies at our practices. Based on current knowledge, management does not believe that loss contingencies arising from pending legal, regulatory and governmental matters, including the matters described herein, will have a material adverse effect on the consolidated financial position or liquidity of the Company.

Insurance

As part of our business of providing oncology care to our patients, we may be subject to legal actions alleging liability on our part. To cover claims arising out of the operations of our clinics and providers, we maintain professional malpractice liability insurance and general liability insurance on a claims-made basis in excess of those amounts for which we are self-insured, in amounts we believe to be sufficient for our operations. We also maintain umbrella liability coverage for claims which, due to their nature or amount, are not covered by our other insurance policies. However, our insurance coverage does not cover all claims against us or may not continue to be available at a reasonable cost for us to maintain adequate levels of insurance.

Employees and Human Capital Resources

As of December 31, 2024, we employed approximately 1,914 employees, including approximately 266 physicians and advanced practice providers that we employ through our physician owned subsidiaries AON Partners and Partners of Maryland. None of our employees are represented by a labor union or party to a collective bargaining agreement. We consider our relations with our employees to be good.

The healthcare industry, and in particular, oncology care, is currently facing workforce challenges and this has become a significant operating issue for healthcare providers. A multipronged approach including staff retention bonuses, market adjustments to compensation, continuation of annual bonuses, competitive fringe benefits including access to robust health insurance and retirement programs have assisted in increasing the retention of our providers and employees. We believe that these efforts will aid in our ability to acquire new clinics and retain our current clinics. Due to the challenges above and other factors, our practices, like many other healthcare providers, have experienced rising labor costs. We may be required to continue to enhance wages and benefits to recruit and retain healthcare providers.

Environmental Matters

We are subject to a number of federal, state and local environmental laws, rules and regulations that govern, among other things, our disposal of medical waste, as well as our use, storage, transportation and disposal of hazardous and toxic materials. In addition, we could be affected by climate change to the extent that climate change results in severe weather conditions or other disruptions impacting the communities in which our facilities are located or adversely impacts general economic conditions, including in communities in which our facilities are located. At the current time, our compliance with environmental legal requirements, including legal requirements relating to climate change, does not have a material effect on our capital expenditures, financial results or operations. However, it is possible that developments may arise in the future as a result of climate change or other environmental developments that we are unable to currently predict.

Properties

Our principal corporate offices are located in Fort Myers, Florida where we lease approximately 9,500 square feet of office space that expires in 2038. We use this facility for administration, billing and collections, technology and development and professional services. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

We lease all of the 102 properties used for our practice locations as well as administrative facilities under operating leases. As of December 31, 2024, we have leases located in Washington, Idaho, Nevada, Arizona, Iowa, Missouri, Arkansas, Louisiana, Michigan, Indiana, Ohio, Maryland, Virginia, Florida, North Carolina, South Carolina, Georgia, Texas, Hawaii, and the District of Columbia. Generally, our leases are “net” leases, which require us to pay all of the cost of insurance, taxes, maintenance, and utilities. We intend to lease the premises for any new practice locations. Our typical practice occupies an average of 6,000 square feet.

Additional Information

We are subject to the reporting and information requirements of the Securities and Exchange Act of 1934, as amended, and as a result are obligated to file or furnish, as applicable, annual, quarterly, and current reports, proxy statements, and other information with the SEC. We make these documents and other information available free of charge on our website (https://investors.aoncology.com) as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. Information on our website does not constitute part of the Report. In addition, the SEC maintains a website (http://www.sec.gov) that contains our annual, quarterly, and current reports, proxy and information statements, and other information we electronically file with, or furnish to, the SEC.

Item 1A. Risk Factors

Summary of Risk Factors

The following summary highlights some of the principal risks that could adversely affect our business, financial condition, or results of operations. This summary is not complete, and the risks summarized below are not the only risks we face. You should read this summary together with the full and complete discussion of risk factors contained below:

Risks Related to Our Business and Industry

- We need to contract and form partnerships with Network Practices in order to execute our growth strategy.
- Our Network Practices primarily depend on reimbursement from third-party payors, which could lead to delays, denials, or uncertainties in the reimbursement process.
- A significant portion of our revenue is derived from a limited number of health insurance and medical group companies.
- A significant portion of our revenue is derived from a limited number of Network Practices.
- We have identified material weaknesses in our internal control over financial reporting and if we are unable to remediate these material weaknesses, investor confidence in our business and the value of AON common stock could be adversely affected.
- The AON PNC Loans and the associated restrictive covenants thereunder could adversely affect our financial condition and will restrict our ability to raise capital.
- The AON PNC Loans subject us to interest rate risk, which could cause our debt service obligations to increase significantly and potentially limit our ability to effectively refinance our indebtedness.
- A pandemic, epidemic or outbreak of an infectious disease could adversely affect our business.
- We must be able to attract and retain highly qualified physicians, medical professionals and other personnel, as well as new patients and obtain new payor contracts in order to grow our business.
- We face risks associated with estimating the amount of revenue that is recognized under Network Practices risk agreements with health plans.
- Reductions in government reimbursement rates or changes in the rules governing government healthcare programs could have a material adverse effect.
- Our business could be adversely affected by health care reform and other changes in government programs.
- Changes in the payor mix of patients and potential decreases in reimbursement rates as a result of consolidation among plans could affect our business.
- We face significant competition from other healthcare services providers.
- Competition for physicians and nurses, shortages of qualified personnel or other factors could increase our labor costs.
- Our Network Practices must provide consistently high quality of care.

- Our business could be adversely affected by supply price increases, particularly with respect to intravenous and oral drug costs and shortages.
- We rely on third-party information technology systems that could suffer from disruptions and data breaches.
- We could be subject to legal proceedings and litigation.
- Some jurisdictions preclude AON from entering into non-compete agreements with physicians.
- Current and future acquisitions may use significant resources, may be unsuccessful, and could expose us to unforeseen liabilities.
- We need to protect the confidentiality of our trade secrets, know-how and other proprietary and internally-developed information.
- Negative publicity regarding the managed healthcare industry generally could adversely affect our results of operations or business.
- Our facilities may be negatively impacted by weather and other factors beyond our control.
- Our investments in marketable securities are subject to certain risks which could affect our overall financial condition, results of operations, or cash flows.
- Inflation may adversely affect us by materially increasing our costs.

Risks Related to our Regulatory Environment

- We are dependent on our relationships with our Network Practices to provide healthcare services.
- Our managed clinics and our Network Practices providing professional services at such clinics may become subject to medical liability claims.
- Changes in accounting standards by the Financial Accounting Standards Board ("FASB") subjects us to risk.
- Our managed clinics and our Network Practices may be subject to third-party payor audits.
- We are subject to extensive fraud, waste, and abuse laws.
- We face risks relating to loss of regulatory licenses, permits and/or accreditation status.
- We face risks relating to applicable data interoperability and information blocking rules.
- We face risks relating to actual or perceived failures to comply with applicable data protection, privacy and security, advertising and consumer protection laws, regulations, standards and other requirements.
- We are subject to federal, state and local laws and regulations that govern our business.
- We are subject to applicable tax laws and regulations.

Risks Relating to Our Common Stock and Warrants

- The trading price of our Class A Common Stock may be volatile, and purchasers of our Class A Common Stock could incur substantial losses.
- Anti-takeover provisions in our organizational documents could delay or prevent a change of control.
- Our Charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders.
- Certain existing stockholders purchased our shares at a price below the current trading price of such shares, and may experience a positive rate of return based on the current trading price. Other investors and stockholders may not experience a similar rate of return.
- Because we do not anticipate paying any cash dividends in the foreseeable future, capital appreciation, if any, would be your sole source of gain.
- From time to time we may issue additional equity securities in connection with raising capital for growth, which would be dilutive to existing ownership interests.
- A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.
- Our warrants may never be in the money, and they may expire worthless.
- We may redeem unexpired public warrants prior to their exercise at a time that is disadvantageous to the warrant holders, thereby making the warrants worthless.
- Warrants to purchase AON Class A Common Stock are exercisable which could increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.
- Future offerings of debt or offerings or issuances of equity securities by us may adversely affect the market price of Class A Common Stock or otherwise dilute all other stockholders.

- The price of Class A Common Stock could decline if securities analysts do not publish research or if securities analysts or other third parties publish inaccurate or unfavorable research about us.
- We may be subject to securities litigation, which is expensive and could divert management's attention.

Risk Factors

You should carefully consider the following risk factors in addition to the other information included in this Report, including matters addressed in the section entitled "Cautionary Note Regarding Forward-Looking Statements". The risk factors described below disclose both material and other risks, and are not intended to be exhaustive and are not the only risks facing us. Additional risks not currently known to us or that we currently deem to be immaterial, or which are not identified because they are generally common to businesses, also may materially adversely affect our business, financial condition, results of operations and cash flows in future periods. The following discussion should be read in conjunction with our consolidated financial statements and notes to the consolidated financial statements included herein, as well as our other public filings with the Securities and Exchange Commission.

Risks Related to Our Business and Industry

In order to execute our growth strategy, we will need to acquire oncology practices and affiliated care providers ("Network Practices"). Our ability to grow depends upon a number of factors, including our ability to obtain referrals for cancer patient care services, identify appropriate physician practices to acquire, enter into contracts with such additional Network Practices, obtain leases, identify appropriate facilities to acquire, complete internal buildouts of new facilities within proposed timelines and budgets, and hire and retain employees including but not limited to physicians affiliated with Network Practices. We cannot guarantee that we will be successful in pursuing our growth strategy.

Our growth strategy involves a number of risks and uncertainties, including that:

- we and our Network Practices may not be able to successfully enter into contracts with local payors on terms acceptable to us or at all. In addition, we compete for payor relationships with other healthcare organizations, many of whom may have greater resources than we do. This competition may intensify due to the ongoing consolidation in the healthcare industry, which may increase our costs to pursue such opportunities. Patients may also choose providers with more competitive contracted rates than we are able to negotiate;
- we will require additional capital and resources in order to acquire additional Network Practices;
- we cannot make any assurance that we will be able to maintain relationships with our Network Practices;
- through our Network Practices, we may not be able to recruit or retain a sufficient number of new patients to execute our growth strategy, and we may incur substantial costs to recruit new patients and we may be unable to recruit a sufficient number of new patients to offset those costs;
- we may not be able to contract with a sufficient numbers of physicians and other staff and may fail to integrate our employees, particularly our medical personnel, into our care model;
- our Network Practices may not conform to our exact business model, which may impact their profitability and in-turn, our profitability;
- when expanding our business into new states, we may be required to comply with laws and regulations that may differ from states in which we currently operate;
- we may not be able to easily monitor and track changes to state and local laws in the states in which we operate, which could increase our legal exposure; and
- depending upon the nature of the local market, we may not be able to implement our business model in every local market that we enter, which could negatively impact our revenues and financial condition.

There can be no assurance that we will be able to successfully capitalize on growth opportunities, which may negatively impact our business model, revenues, results of operations and financial condition.

Our Network Practices primarily depend on reimbursement from third-party payors, as well as payments by individuals, which could lead to delays, denials, or uncertainties in the reimbursement process.

The reimbursement process is complex and can involve lengthy delays. Although we recognize revenue when our Network Practices provide services to patients, our Network Practices may from time to time experience delays in receiving the associated payments. In addition, third-party payors may disallow, in whole or in part, requests for reimbursement based on determinations that the patient is not eligible for coverage, certain amounts are not reimbursable under plan coverage or the services provided that were not medically necessary or additional supporting documentation is necessary. Retroactive adjustments may change amounts realized from third-party payors. Our Network Practices are subject to audits by such payors, including governmental audits of our Medicare and Medicaid claims, and may be required to repay these payors if a finding is made that we were incorrectly reimbursed. Delays and uncertainties in the reimbursement process may adversely affect accounts receivable, increase the overall costs of collection and cause us to incur additional costs associated with raising capital. Third-party payors are also increasingly focused on controlling healthcare costs, and such efforts, including any revisions to reimbursement policies, may further complicate and delay our Network Practices' reimbursement claims.

In addition, certain of the patients are covered under health plans that require the patient to cover a portion of their own healthcare expenses through the payment of copayments or deductibles. Our Network Practices may not be able to collect the full amounts due with respect to these payments that are the patient's financial responsibility, or in those instances where physicians provide services to uninsured individuals. To the extent permitted by law, amounts not covered by third-party payors are the obligations of individual patients for which our Network Practices may not receive whole or partial payment. Any increase in cost shifting from third-party payors to individual patients, including as a result of high deductible plans for patients, increases our collection costs and reduces overall collections, which we may not be able to offset such additional costs with sufficient revenue.

A significant portion of our revenue is derived from a limited number of health insurance and medical group companies. Those payors could take action to remove, exclude, delay, or otherwise prevent the inclusion of our Network Practices in their provider networks.

Our operations are dependent on a concentrated number of payors with whom our Network Practices contract to provide services to patients. We generally manage our Network Practices' payor contracts on a state by state basis, entering into a separate contract in each state with the local affiliate of the relevant payor such that no one local payor contract accounts for a majority of our collective revenue. We believe that a majority of our Network Practices' revenues will continue to be derived from a limited number of key payors, which may terminate their contracts with our Network Practices or the individual Network Practice physicians credentialed by them upon the occurrence of certain events. The sudden loss of any of our network Practices' payors, or the renegotiation of any of our Network Practices' payor contracts, could adversely affect our operating results. In the ordinary course of business, we engage in active discussions and renegotiations with payors in respect of the services our Network Practices provide and the terms of our Network Practices' payor agreements. As the payors' businesses respond to market dynamics and financial pressures, and as payors make strategic business decisions in respect of the lines of business they pursue and programs in which they participate, certain of the payors may seek to renegotiate or terminate their agreements with our Network Practices. These discussions could result in reductions to the fees and changes to the scope of services contemplated by the original payor contracts and consequently could negatively impact our revenues, business and prospects.

Because we rely on a limited number of payors for a significant portion of our Network Practices' revenues, we depend on the creditworthiness of these payors. The payors are subject to a number of risks including reductions in payment rates from governmental programs, higher than expected health care costs and lack of predictability of financial results when entering new lines of business, particularly with high-risk populations. If the financial condition of our Network Practices' payors declines, our financial results could be impacted. Should one or more of our Network Practices' payors declare bankruptcy, be declared insolvent or otherwise be restricted by state or federal laws or regulation from continuing in some or all of their operations, this could adversely affect our ongoing revenues, the collectability of our accounts receivable, our bad debt reserves and our net income.

Although our Network Practices have long-term contracts with many payors, these contracts may be terminated before their term expires for various reasons, such as changes in the regulatory landscape and poor performance by our Network Practices and our affiliated providers, subject to certain conditions. Certain of the payor contracts are terminable immediately upon the occurrence of certain events. Certain of the payor contracts may be terminated immediately by the payor if our Network Practices lose applicable licenses, go bankrupt, lose their liability insurance or receive an exclusion, suspension or debarment from state or federal government authorities. Additionally, if a payor were to lose applicable licenses, go bankrupt, lose liability insurance, become insolvent, file for bankruptcy or become subject to exclusion, suspension or debarment from state or federal government authorities, the Network Practices' contract with such payor could in effect be terminated. In addition, certain of the payor contracts may be terminated immediately if a Network Practice becomes insolvent or file for bankruptcy. If any of the contracts with the Network Practice's payors are terminated, the Network Practice may not be able to recover all fees due under the terminated contract, which may adversely affect our operating results.

A significant portion of our revenue is derived from a limited number of our Network Practices. If there are unforeseen disruptions in the businesses of our top Network Practices or these Network Practices terminate their contracts with us, our revenue could decline.

For the fiscal year ended December 31, 2024, our top ten Network Practices generated approximately 59.3% of our revenue. Unforeseen disruptions to these Network Practices could have a significant adverse effect on our revenues. Furthermore, while we enter into long-term contracts with our Network Practices, under certain circumstances and conditions, either party may terminate. The Network Practices have no obligation to renew their contracts after the initial term expires. In addition, our Network Practices may negotiate terms less advantageous to us upon renewal, which may reduce our revenue from them. If our top ten Network Practices terminate their contracts, decide not to renew their contracts, or renew their contracts on less favorable terms or at lower fee levels, our revenue may decline significantly, or our future growth may be constrained.

AON has identified material weaknesses in its internal control over financial reporting. If AON is unable to remediate these material weaknesses, or if it identifies additional material weaknesses in the future or otherwise fails to maintain effective internal control over financial reporting, AON may not be able to accurately or timely report its financial condition or results of operations, which may adversely affect investor confidence in AON's business and the value of AON common stock.

As a public company, AON will be required to furnish a report by management on the effectiveness of our internal control over financial reporting beginning with our second annual report on Form 10-K. If AON is unable to establish or maintain appropriate internal control over financial reporting or implement these additional requirements in a timely manner or with adequate compliance, it could result in material misstatements in its consolidated financial statements, failure to meet its reporting obligations on a timely basis, increases in compliance costs, and subject AON to adverse regulatory consequences, all of which may adversely affect investor confidence in AON and the value of AON common stock.

As of December 31, 2024, material weaknesses existed in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of AON's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses that AON identified were as follows:

- The Company did not design and maintain an effective control environment commensurate with its financial reporting requirements. Specifically, the Company lacked a sufficient complement of resources with (i) an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately, and (ii) an appropriate level of knowledge and experience to establish effective processes and controls. Additionally, the lack of a sufficient complement of resources resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of its financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in its finance and accounting functions.

- The Company did not effectively design and maintain effective controls in response to the risks of material misstatement. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.

These material weaknesses contributed to the following additional material weaknesses:

- The Company did not design and maintain effective controls to identify, analyze, account for and disclose non-routine, unusual or complex transactions. Specifically, the Company did not design and maintain controls to account for its business combinations, asset acquisitions, clinical trial agreements, and related party transactions.

- The Company did not design and maintain effective controls related to the period-end financial reporting process, including designing and maintaining formal accounting policies, procedures and controls to achieve complete and accurate financial accounting, reporting and disclosures. Additionally, the Company did not design and maintain controls over the preparation and review of account reconciliations and journal entries, including maintaining appropriate segregation of duties.

- The Company did not design and maintain effective controls to achieve complete, accurate and timely accounting of accrued liabilities.

- The Company did not design and maintain effective controls to achieve complete, accurate and timely accounting of revenue and accounts receivable. Specifically, the Company did not design and maintain controls over the inputs, assumptions, and calculations to develop our contractual allowances.

- The Company did not design and maintain effective information technology ("IT") general controls for information systems that are relevant to the preparation of its financial statements. Specifically, the Company did not design and maintain: (i) program change management controls to ensure that program and data changes are identified, tested, authorized, and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel; (iii) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored; and (iv) program development controls to ensure that new software development is tested, authorized and implemented appropriately.

These material weaknesses could result in further misstatements of the aforementioned account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

The Company is in the process of designing and implementing measures designed to improve our internal control over financial reporting and remediate the control deficiencies which led to the material weaknesses.

The Company's remediation measures are ongoing and include the following:

- The Company enhanced the technical capabilities of its accounting department via the hiring of an SEC Reporting Manager and intends to seek additional opportunities to further expand its full-time accounting leadership team going forward. Furthermore, the Company will continue to leverage third-party consultants for its technical accounting needs whenever specific technical accounting competencies are required;

- Management continues to enhance its review process for unusual, non-routine or complex transactions. These enhancements include, but are not limited to, when appropriate, the involvement of non-finance personnel (such as legal or operations personnel) in order to verify the validity and proper accounting treatment of such transactions;

- In 2023 and 2024, management collaborated with outside consultants possessing significant financial reporting and internal control expertise to perform an extensive review of the design of the Company's internal controls over financial reporting. This review included the identification of internal control deficiencies and the development of corresponding remediation plans for each of the deficiencies identified. These internal control deficiencies identified and corresponding remediation plans included, but were not limited to, the following: improvements to the financial close and reporting process, accounting for contractual allowances related to revenue recognition, the identification of related party transactions, and the timely development of quality estimates related to accrued liabilities;

- Management is gaining a better understanding of system functionality through the review of permissions and profiles to be executed during the periodic user access reviews to be conducted going forward for each IT application that is significant to the Company's financial reporting objectives, and intends subsequently reconfigure profiles with appropriate permissions to better align with job responsibilities and enforce segregation of duties;

- The Company enhanced its financial close process by introducing additional layers of independent reviews by appropriately qualified individuals and improving the precision and timeliness of reviews applied to various period-end activities and financial result analyses, including journal entries, account reconciliations, revenue recognition, and accrued liabilities. Additionally, the Company is developing evidence of review standards to be consistently applied to its various period-end control activities going forward, thereby requiring control owners to better formally document the operation of these controls; and

- The Company has designed and implemented a broad suite of ITGCs over change management, the review and update of user access rights and privileges, controls over batch jobs and data backups, and program development approvals and testing. During 2024, the Company intends to continue improving its ITGC environment by more uniformly applying password parameter requirements across its base of IT applications that are significant to its financial reporting objectives, as well as by enhancing the precision of its periodic user access reviews for these systems.

AON has begun the process to remediate its identified material weaknesses as detailed above. The material weaknesses will not be considered remediated until management completes the design and implementation of the processes and controls described above and the controls operate for a sufficient period of time, and AON has concluded, through testing, that the newly implemented and enhanced controls are operating effectively. At this time, AON cannot predict the success of such efforts or the outcome of future assessments of the remediation efforts. AON's current controls and any new controls that it develops may become inadequate because of changes in conditions in its business, personnel, IT systems and applications, or other factors. If AON fails to remediate AON's existing material weakness or identifies new material weaknesses in its internal controls over financial reporting, if it is unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if it is unable to conclude that its internal controls over financial reporting are effective, it is possible that a material misstatement of AON's financial statements would not be prevented or detected on a timely basis, investors may lose confidence in the accuracy and completeness of AON's financial reports, and the market price of AON Class A Common Stock could be negatively affected.

Our services are concentrated in certain geographic areas and populations exposing us to unfavorable changes in local benefit costs, reimbursement rates, competition and economic conditions.

Our services are concentrated in certain geographic areas in the United States. Unfavorable changes in health care or other benefit costs or reimbursement rates or increased competition in the states in which we operate or any other geographic area where our Network Practices are concentrated in the future could therefore have a disproportionately adverse effect on our operating results. Additionally, the geographic concentration of a significant portion of our Network Practices may make them more vulnerable to events such as an outbreak of a pandemic similar to the COVID-19 pandemic.

The AON PNC Loans and the associated restrictive covenants thereunder could adversely affect our financial condition and will restrict our ability to raise capital.

On April 30, 2021, we entered into the AON PNC Loans with PNC Bank National Association ("PNC"). The AON PNC Loans contains various restrictive and financial covenants, including restrictions on indebtedness, leverage ratio, restricts our ability to (i) incur indebtedness other than (a) in connection with and as allowed under certain provisions of the agreements governing the AON PNC Loans or (b) in ordinary course of business, (ii) permit any lien or encumbrance upon our property except as generally permitted by PNC or as specifically enumerated in the agreements governing the AON PNC Loans, (iii) (a) purchase or redeem any of our membership interests, (b) declare or pay any dividend or set aside any funds for any such purpose (c) prepay, purchase or redeem any other debt, (d) lend or advance any funds or (e) repay any loans or advances to, for or from any of our affiliates, except, for each of the foregoing, as specifically permitted under the AON PNC Loans, (iv) merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of our assets (whether now owned or hereafter acquired) to, any person or entity, (v) without prior written consent, make any change in any borrower's name, identity, corporate structure or location under the AON PNC Loans or make any other change in such borrower's identity or corporate structure, or (vi) acquire another business (via assets or equity) unless certain other requirements are met, including that acquisitions via capital stock may only be of a subsidiary of AON. Subject to customary exceptions and exclusions, our obligations under the AON PNC Loans are guaranteed by a perfected, first-priority security interest in substantially all of our assets, including our intellectual property and the equity ownership interests directly and indirectly held by us in our wholly-owned subsidiaries and excluding certain assets used in connection with medical services. Compliance with such covenants and our indebtedness will result in the following, which could materially and adversely affect our business, financial condition and results of operations:

- require us to dedicate a substantial portion of cash and cash equivalents to the payment of interest on, and principal of, the indebtedness, which will reduce the amounts available to fund working capital, capital expenditures, product development efforts and other general corporate purposes;
- oblige us to comply with negative covenants restricting our activities, including limitations on dispositions, mergers or acquisitions, encumbering our intellectual property, incurring indebtedness or liens, paying dividends, making investments and engaging in certain other business transactions;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- place us at a competitive disadvantage compared to our competitors who have less debt or competitors with comparable debt at more favorable interest rates;
- limit our ability to borrow additional amounts for working capital, capital expenditures, research and development efforts, acquisitions, debt service requirements, execution of our business strategy and other purposes and otherwise restrict our financing options.

Furthermore, because the interests of the lenders may potentially differ from ours and from those of our stockholders, we may be unable to engage in transactions or other activities that may be beneficial to our stockholders. The covenants under the agreements governing the AON PNC Loans could materially and adversely affect our business, financial condition and results of operations.

Servicing our indebtedness requires a significant amount of cash. Our ability to repay the principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our indebtedness. If we are unable to generate cash flow, we may be required to adopt one or more alternatives, such as restructuring debt or obtaining additional financing on terms that may be unfavorable to us or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at the time we seek to refinance such indebtedness. Our inability to satisfy our debt obligations could materially and adversely affect our financial position and results of operations.

A failure to comply with the conditions of the AON PNC Loans could result in an event of default. An event of default under the AON PNC Loans includes, among other things, a failure to pay any amount due under the AON PNC Loans. If we fail to comply with any of the covenants under our indebtedness and are unable to obtain a waiver or amendment, the lenders may, among other things, accelerate our outstanding indebtedness and exercise rights with respect to collateral securing our outstanding indebtedness, each of which could have an adverse effect on our business, financial condition and results of operations.

Any of these events could materially and adversely affect our business, financial condition and results of operations.

The AON PNC Loans subject us to interest rate risk, which could cause our debt service obligations to increase significantly and potentially limit our ability to effectively refinance our indebtedness as it matures.

Borrowings under the AON PNC Loans bear interest at variable rates and expose us to interest rate risk. If interest rates increase and we do not hedge such variable rates, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed will remain the same, which will negatively impact our net income and operating cash flows, including cash available for servicing our indebtedness.

Additionally, our ability to refinance portions of our indebtedness in advance of their maturity dates depends on securing new financing bearing interest at rates that we are able to service. While we believe that we currently have adequate cash flows to service the interest rates currently applicable to our indebtedness, if interest rates were to continue to rise significantly, we might be unable to maintain a level of cash flows from operating activities sufficient to meet our debt service obligations at such increased rates.

A pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide, similar to the outbreak of COVID-19 or the continuation of such an outbreak, could adversely affect our business, financial condition, results of operations and growth.

If a pandemic, epidemic or outbreak of an infectious disease occurs in the United States or worldwide, our business may be adversely affected.

To the extent a pandemic, epidemic or outbreak of an infectious disease which occurs in the United States or worldwide adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section, including but not limited to those relating to cyberattacks and security vulnerabilities, interruptions or delays due to third-parties, or our ability to raise additional capital or generate sufficient cash flows necessary to fulfill our obligations under our existing indebtedness or to expand our operations.

If we are unable to attract new patients and to obtain new payor contracts our revenue growth will be adversely affected.

To increase our revenue, our business strategy is to expand the number of oncology clinics and affiliated physicians in our network. In order to support such growth, we must continue to win new contracts and retain or grow existing contracts with payors. Our Network Practices face competition from other oncology providers. If our Network Practices are unable to convince potential payors and patients of the benefits of our value-based system, or if potential or existing payors and patients prefer the care provider model of one of our competitors, we may not be able to effectively implement our growth strategy, which depends on our ability to attract new patient referrals and payors for our Network Practices. Network Practices’ inability to obtain new payor agreements and patient referrals and retain existing payors and patients would harm our ability to execute our growth strategy and may have a material adverse effect on our business operations and financial position.

We face risks associated with estimating the amount of revenue that is recognized under Network Practices’ agreements with health plans, and if our estimates of revenue are materially inaccurate, it could impact the timing and the amount of our revenue recognition or have a material adverse effect on our business, results of operations, financial condition and cash flows.

There are significant risks associated with estimating the amount of revenues that are recognized under Network Practices’ agreements with health plans in a reporting period and it is possible that we may not accurately estimate the amount of such revenues. The billing and collection process is complex due to ongoing insurance coverage changes, geographic coverage differences, differing interpretations of contract coverage and other payor issues, such as ensuring appropriate documentation. Determining applicable primary and secondary coverage for patients, together with the changes in patient coverage that occur each month, requires complex, resource-intensive processes. Errors in determining the correct coordination of benefits may result in refunds to payors. Revenues associated with Medicare and Medicaid programs are also subject to estimating risk related to the amounts not paid by the primary government payor that will ultimately be collectible from other government programs paying secondary coverage, the patient’s commercial health plan secondary coverage or the patient. Collections, refunds and payor recoupments typically continue to occur for up to three years and longer after services are provided. If our estimates of revenues are materially inaccurate, it could impact the timing and the amount of our revenues recognition and have a material adverse impact on our business, results of operations, financial condition and cash flows.

Reductions in government reimbursement rates or changes in the rules governing government healthcare programs could have a material adverse effect on our financial condition and results of operations.

Our Network Practices receive a significant portion of revenue directly from Medicare. In addition, many private payors base their reimbursement rates on the published Medicare rates or, in the case of Medicare Advantage, are themselves reimbursed by Medicare for the services our Network Practices provide.

As a result, our results of operations are, in part, dependent on government funding levels for Medicare programs, particularly Medicare Advantage programs. Any changes that limit or reduce Medicare Advantage or general Medicare reimbursement levels, such as reductions in or limitations of reimbursement amounts or rates under programs, reductions in funding of programs, expansion of benefits without adequate funding, elimination of coverage for certain benefits, or elimination of coverage for certain individuals or treatments under programs, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The Medicare program and its reimbursement rates and rules are subject to frequent change. These include statutory and regulatory changes, rate adjustments (including retroactive adjustments), administrative or executive orders and government funding restrictions, all of which may materially adversely affect the rates at which Medicare reimburses our Network Practices for patient care services. Budget pressures often lead the federal government to reduce or place limits on reimbursement rates under Medicare. Implementation of these and other types of measures has in the past and could in the future result in substantial reductions in our revenue and operating margins.

In addition, CMS often changes the rules governing the Medicare program, including those governing reimbursement. Changes that could adversely affect our business include:

- administrative or legislative changes to rates or the bases of payment;
- limits on the services or types of providers for which Medicare will provide reimbursement;
- changes in methodology for patient assessment and/or determination of payment levels;
- the reduction or elimination of annual rate increases; or
- an increase in co-payments or deductibles payable by beneficiaries.

Any reductions in reimbursement rates or the scope of services rendered by our Network Practices being reimbursed could have a material, adverse effect on our financial condition and results of operations or even result in reimbursement rates that are insufficient to cover our operating expenses. Additionally, any delay or default by the government in making Medicare or Medicaid reimbursement payments to our Network Practices or any reduction in patients eligible for such programs could materially and adversely affect our business, financial condition and results of operations.

We cannot predict the effect that health care reform and other changes in government programs may have on our business, financial condition or results of operations.

The impact of healthcare reform 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 revenue is dependent on the healthcare industry and could be affected by changes in healthcare spending, reimbursement and policy. The healthcare industry is subject to changing political, regulatory and other influences. By way of example, the Affordable Care Act ("ACA"), which was enacted in 2010, made major changes in how healthcare is delivered and reimbursed, and it increased access to health insurance benefits to the uninsured and underinsured populations of the United States.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order initiating a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare. It is unclear how healthcare reform measures enacted by Congress or implemented by the Biden administration, if any, will impact our business.

Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of 2% per fiscal year, which began in 2013 and will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022. Under current legislation, the actual reduction in Medicare payments varies from 1% from April 1, 2022 to June 30, 2022, to up to 3% in the final fiscal year of this sequester, unless additional Congressional action is taken. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. New laws may result in additional reductions in Medicare and other healthcare funding, which may materially adversely affect consumer demand and affordability for our products and services and, accordingly, the results of our financial operations. Additional changes that may affect our business include the expansion of new programs such as Medicare payment for performance initiatives for physicians under the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, which first affected physician payment in 2019. At this time, it is unclear how the introduction of the Medicare quality payment program will impact overall physician reimbursement. The Inflation Reduction Act of 2022, or IRA, signed into law on August 16, 2022, also contains a number of provisions designed to limit or reduce drug prices under the Medicare program, reduce beneficiary out-of-pocket spending under Medicare's prescription drug benefit, and expand subsidies for individuals to obtain private health insurance under the ACA. While these provisions of the IRA do not apply directly to healthcare providers like our Network Practices, we are continuing to evaluate the potential impact, if any, that the IRA may have on our business.

Such changes in the regulatory environment may also result in changes to our payer mix that may affect our operations and revenue. In addition, certain provisions of the ACA authorize voluntary demonstration projects, which include the development of bundling payments for acute, inpatient hospital services, physician services and post-acute services for episodes of hospital care.

Further, the ACA may adversely affect payers by increasing medical costs generally, which could have an effect on the industry and potentially impact our business and revenue as payers seek to offset these increases by reducing costs in other areas. Uncertainty regarding future amendments to the ACA as well as new legislative proposals to reform healthcare and government insurance programs, along with the trend toward managed healthcare in the United States, could result in reduced demand and prices for our services. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments and other third party payers will pay for healthcare products and services, which could adversely affect our business, financial condition and results of operations.

Changes in the payor mix of patients and potential decreases in reimbursement rates as a result of consolidation among plans could adversely affect our revenues and results of operations.

The amounts our Network Practices receive for services provided to patients are determined by a number of factors, including the payor mix of patients and the reimbursement methodologies and rates utilized by the patients' plans. Patient services revenue consists of fee-for-service agreements held by our Network Practices. Under a fee-for-service payor arrangement, our Network Practices collect fees directly from the payor as services are provided. Patient services revenue accounted for substantially all of our total revenue for the year ended December 31, 2023. A significant decrease in the number of fee-for-service arrangements held by our Network Practices could adversely affect our revenues and results of operation.

The healthcare industry has also experienced a trend of consolidation, resulting in fewer but larger payors that have significant bargaining power, given their market share. Payments from payors are the result of negotiated rates. These rates may decline based on renegotiations and larger payors have significant bargaining power to negotiate higher discounted fee arrangements with healthcare providers. As a result, payors increasingly are demanding discounted fee structures or the assumption by healthcare providers of all or a portion of the financial risk related to paying for care provided through capitation agreements.

We face significant competition from other healthcare services providers. Our failure to adequately compete could adversely affect our business.

We and our Network Practices compete directly with national, regional and local providers of healthcare for patients and physicians. There are many other companies and individuals currently providing healthcare services, many of which have been in business longer and/or have substantially more resources. Other companies could enter the healthcare industry in the future and divert some or all of our business. If we expand to other geographies, we expect competition may change based on a number of factors, including the number of competing oncology care facilities in the local market and the types of services available at those facilities, our Network Practices' reputation for quality care of patients, the commitment and expertise of our Network Practices' medical staff, our local service offerings and community programs, the cost of care in each locality, and the physical appearance, location, age and condition of our facilities. If we are unable to attract patients to our managed clinics, our revenue and profitability will be adversely affected. Some of our competitors may have greater recognition and be more established in their respective communities than we are, and may have greater financial and other resources than we have. Competing oncology care providers may also offer larger facilities or different programs or services than our Network Practices do, which, combined with the foregoing factors, may result in our competitors being more attractive to our current patients, potential patients and referral sources. Furthermore, while we budget for routine capital expenditures at our managed clinics to keep them competitive in their respective markets, to the extent that competitive forces cause those expenditures to increase in the future, our financial condition may be negatively affected. In addition, our relationships with governmental and private third-party payors are not exclusive and our competitors have established or could seek to establish relationships with such payors to serve their covered patients. Additionally, as we expand into new geographies, we may encounter competitors with stronger relationships or recognition in the community in such new geography, which could give those competitors an advantage in obtaining new patients. Individual physicians, physician groups and companies in other healthcare industry segments, including those with which our Network Practices have contracts, and some of which have greater financial, marketing and staffing resources, may become competitors in providing health care services, and this competition may have a material adverse effect on our business operations and financial position.

Competition for physicians and nurses, shortages of qualified personnel or other factors could increase our labor costs and adversely affect our revenue, profitability and cash flows.

Our operations are dependent on the efforts, abilities and experience of our Network Practices’ physicians and clinical personnel. We compete with other healthcare providers, primarily hospitals and other oncology practices, in attracting physicians, nurses and medical staff to support our managed clinics, recruiting and retaining qualified management and support personnel responsible for the daily operations of each of our managed clinics and in our Network Practices contracting with payors in each of our markets. In some markets, the lack of availability of clinical personnel has become a significant operating issue facing all healthcare providers. This shortage may require us and our Network Practices to continue to enhance wages and benefits to recruit and retain qualified personnel or to contract for more expensive temporary personnel. We also depend on the available labor pool of semi-skilled and unskilled workers in each of the markets in which we operate.

If our labor costs increase, we may not be able to raise rates to offset these increased costs. Because a significant percentage of our revenue consists of fixed, prospective payments, our ability to pass along increased labor costs is limited. In particular, if labor costs rise at an annual rate greater than our net annual consumer price index basket update from Medicare, our results of operations and cash flows will likely be adversely affected. Or, if we do not compensate our physicians and other healthcare providers at rates competitive with the market, we may lose physicians and other healthcare providers to our competitors. Any union activity at our managed clinics that may occur in the future could contribute to increased labor costs. Certain proposed changes in federal labor laws and the National Labor Relations Board’s modification of its election procedures could increase the likelihood of employee unionization attempts. Although none of our employees or the employees of our Network Practices are currently represented by a collective bargaining agreement, to the extent a significant portion of our employee base unionizes, it is possible our labor costs could increase materially. Our failure to recruit and retain qualified management and medical personnel for our Network Practices, or to control our collective labor costs, could have a material adverse effect on our business, prospects, results of operations and financial condition.

Because competition for qualified personnel is intense, we may not be able to attract and retain the highly skilled employees we need to execute our business strategies and growth plans.

To execute on our growth plan, we and our Network Practices must attract and retain highly qualified personnel. Competition for highly qualified personnel is intense, especially for physicians and other medical professionals who are experienced in providing oncology care services. We and our Network Practice have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies and healthcare providers with which we compete for experienced personnel have greater resources than we have. If we and our Network Practices hire employees from competitors or other companies or healthcare providers, their former employees may attempt to assert that these employers or we have breached certain legal obligations, resulting in a diversion of our time and resources.

As we become a more mature company, we may find our recruiting efforts more challenging. The incentives to attract, retain, and motivate employees provided by our stock options and other equity awards, or by other compensation arrangements, may not be as effective as in the past. As such, we may not be successful in continuing to attract and retain qualified personnel. Our recruiting efforts may also be limited by laws and regulations, such as restrictive immigration laws, and restrictions on travel or availability of visas. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed.

If our Network Practices and the physicians affiliated therewith are unable to provide consistently high quality of care, our business will be adversely impacted.

Our business is dependent upon our Network Practices and the physicians affiliated therewith providing high-quality care to patients. In particular, the ability to attract and retain patients and patient referrals is dependent upon providing cost effective, quality patient care that meets or exceeds the patients’ and payors’ expectations. We depend on third parties for certain of the patient care needs. If we, our Network Practices or the physicians affiliated therewith fail to provide service that meets the patients’ and payors’ expectations, we may have difficulty retaining or growing the patient base, which could adversely affect our business, financial condition and results of operations.

We expect the importance of high-quality patient experience to increase as we, through our Network Practices, expand our business and pursue new lives served. Any failure to maintain high-quality patient experience, or a market perception that we do not maintain high-quality care, could harm our reputation and our ability to grow the number of lives served, and our business, results of operations, and financial condition. Additionally, as the number of lives served by our Network Practices in our managed clinics grows, we will need to hire additional personnel to provide quality care at scale. If we, our Network Practices or the physicians affiliated therewith are unable to provide such care, our business, results of operations, financial condition, and reputation could be harmed.

If certain of our suppliers do not meet our needs, if there are material price increases on supplies, if we are not reimbursed or adequately reimbursed for drugs purchased or if we are unable to effectively access new technology or superior products, it could negatively impact the ability of our Network Practices to effectively provide the services we offer and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

If our suppliers do not meet our Network Practices' needs for the products they supply, including in the event of a product recall, shortage or dispute, and are not able to find adequate alternative sources, if our Network Practices experience material price increases from these suppliers, particularly with respect to intravenous and oral drugs that we are unable to mitigate, or if some of the drugs that our Network Practices purchase are not reimbursed or not adequately reimbursed by commercial or government payors, it could have a material adverse impact on our business, results of operations, financial condition and cash flows. In addition, the technology related to the products critical to the services we provide is subject to new developments which may result in superior products. If we are not able to access superior products on a cost-effective basis or if suppliers are not able to fulfill our requirements for such products, we and our Network Practices could face patient attrition and other negative consequences which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We depend on our information technology systems, and those of our third-party vendors, contractors and consultants, and any failure or significant disruptions of these systems, security breaches or loss of data could materially adversely affect our business, financial condition and results of operations.

Our business is dependent on maintaining effective information systems as well as the integrity and timeliness of the data we use to serve patients, support our care teams and operate our business. Because of the large amount of data that we collect and manage, it is possible that hardware failures or errors in our systems could result in data loss or corruption or cause the information that we collect to be incomplete or contain inaccuracies that our partners regard as significant. If our data were found to be inaccurate or unreliable due to fraud or other error, or if we, or any of the third-party service providers we engage, were to fail to maintain information systems and data integrity effectively, we could experience operational disruptions that may impact patients and care teams and hinder our ability to provide services, retain and attract patients, establish appropriate pricing for services, manage patient risk profiles, establish reserves, report financial results timely and accurately and maintain regulatory compliance, among other things.

Our information technology strategy and execution are critical to our continued success. We must continue to invest in long-term solutions that will enable us to anticipate patient needs and expectations, enhance the patient experience, act as a differentiator in the market and protect against cybersecurity risks and threats. We believe our success is dependent, in large part, on maintaining the effectiveness of existing technology systems and continuing to deliver and enhance technology systems that support our business processes in a cost-efficient and resource-efficient manner. Increasing regulatory and legislative changes will place additional demands on our information technology infrastructure that could have a direct impact on resources available for other projects tied to our strategic initiatives. In addition, recent trends toward greater patient engagement in health care require new and enhanced technologies, including more sophisticated applications for mobile devices. Connectivity among technologies is becoming increasingly important. We must also develop new systems to meet current market standards and keep pace with continuing changes in information processing technology, evolving industry and regulatory standards and patient needs. Failure to do so may present compliance challenges and impede our ability to deliver services in a competitive manner. Further, because system development projects are long-term in nature, they may be more costly than expected to complete and may not deliver the expected benefits upon completion.

Security incidents compromising the confidentiality, integrity, and availability of our confidential or personal information and our and our third-party service providers' information technology systems could result from cyber-attacks, computer malware, viruses, social engineering (including spear phishing and ransomware attacks), credential stuffing, supply chain attacks, efforts by individuals or groups of hackers and sophisticated organizations, including state-sponsored organizations, errors or malfeasance of our personnel, and security vulnerabilities in the software or systems on which we and our third party service providers rely. As techniques used by cyber criminals change frequently, a disruption, cyberattack or other security breach of our information technology systems or infrastructure, or those of our third-party service providers, may go undetected for an extended period and could result in the theft, transfer, unauthorized access to, disclosure, modification, misuse, loss or destruction of our employee, representative, customer, vendor, consumer and/or other third-party data, including sensitive or confidential data, personal information and/or intellectual property. We and certain of our service providers are from time to time, subject to cyberattacks and security incidents, and we cannot guarantee that our security efforts will prevent breaches or breakdowns of our or our third-party service providers' information technology systems. While we do not believe that we have experienced any significant system failure, accident or security breach to date, if we suffer a material loss or disclosure of health-related or other personal or confidential information as a result of a breach of our information technology systems, including those of our third-party service providers, we may suffer reputational, competitive and/or business harm, incur significant costs and be subject to government investigations, litigation, fines and/or damages, which could have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows. Moreover, while we maintain cyber insurance that may help provide coverage for these types of incidents, we cannot assure you that our insurance will be adequate to cover costs and liabilities related to these incidents. Further, our failure to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology and other business systems could adversely affect our results of operations, financial position and cash flow.

We may be subject to legal proceedings and litigation, including intellectual property and privacy disputes, which are costly to defend and could materially harm our business and results of operations.

We and our Network Practices may be party to lawsuits and legal proceedings in the normal course of business. These matters are often expensive and disruptive to normal business operations. We may face allegations, lawsuits and regulatory inquiries, audits and investigations regarding data privacy, security, labor and employment, consumer protection and intellectual property infringement, including claims related to privacy, patents, publicity, trademarks, copyrights and other rights. We may also face allegations or litigation related to our acquisitions, securities issuances or business practices, including public disclosures about our business. Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, our litigation costs could be significant. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our services or require us to stop serving certain patients or geographies, all of which could negatively impact our geographical expansion and revenue growth. Our Network Practices may also become subject to periodic audits, which would likely increase our regulatory compliance costs and may require us to change our business practices, which could negatively impact our revenue growth. Managing legal proceedings, litigation and audits, even if we achieve favorable outcomes, is time-consuming and diverts the attention of management and our affiliated providers from our business.

The results of regulatory proceedings, litigation, claims, and audits cannot be predicted with certainty, and determining reserves for pending litigation and other legal, regulatory and audit matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our reputation, business, financial condition, results of operations and the market price of our common stock.

Furthermore, our business exposes our Network Practices and affiliated providers to potential medical malpractice, professional negligence or other related actions or claims that are inherent in the provision of healthcare services. These claims, with or without merit, could cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management and our affiliated providers from our core business, harm our reputation and adversely affect our Network Practices' ability to attract and retain patients, any of which could have a material adverse effect on our business, financial condition and results of operations.

Although we maintain professional liability insurance coverage for our Network Practices and affiliated providers, it is possible that claims against them may exceed the coverage limits of our insurance policies. Even if any professional liability loss is covered by an insurance policy, our liability could exceed the limits of our insurance coverage. Professional liability claims in excess of applicable insurance coverage could have a material adverse effect on our collective business, financial condition and results of operations. In addition, any professional liability claim brought against our Network Practices and affiliated providers, with or without merit, could result in an increase of our professional liability insurance premiums. Insurance coverage varies in cost and can be difficult to obtain, in particular insurance coverage relating to cybersecurity, and we cannot guarantee that we will be able to obtain insurance coverage on behalf of our Network Practices and affiliated providers in the future on terms acceptable to us or at all. If costs of insurance and claims increase, then our collective earnings could decline.

Some jurisdictions preclude Network Practices from entering into non-compete agreements with physicians, and other non-compete agreements and restrictive covenants applicable to certain physicians and other clinical employees may not be enforceable.

Network Practices have employment contracts with physicians and other health professionals in many states. Some of these contracts include provisions preventing these physicians and other health professionals from competing with us both during and after the term of our contract with them. The law governing non-compete agreements and other forms of restrictive covenants varies from state to state. Some jurisdictions prohibit our Network Practices from using non-competition covenants with our professional staff. Other states are reluctant to strictly enforce non-compete agreements and restrictive covenants applicable to physicians and other healthcare professionals. There can be no assurance that our Network Practices' non-compete agreements related to physicians and other health professionals will be found enforceable if challenged in certain states. In such event, our Network Practices would be unable to prevent physicians and other health professionals formerly employed by our Network Practices from competing with us, potentially resulting in the loss of some of our patients.

Current and future acquisitions may use significant resources, may be unsuccessful, and could expose us to unforeseen liabilities.

As part of our growth strategy, we may pursue acquisitions of oncology and other physician practices and services. These acquisitions may involve significant cash expenditures, debt incurrence, additional operational losses and expenses, and compliance risks that could have a material adverse effect on our financial condition and results of operations. We may not be able to successfully integrate the acquired businesses into ours and our Network Practices', and therefore, we may not be able to realize the intended benefits from an acquisition. These acquisitions could result in difficulties integrating acquired operations, technologies, and personnel into our business. Such difficulties may divert significant financial, operational, and managerial resources from our existing operations and make it more difficult to achieve our operating and strategic objectives. We and our Network Practices may fail to retain employees or patients acquired through these acquisitions, which may negatively impact the integration efforts. These acquisitions could also have a negative impact on our results of operations if it is subsequently determined that goodwill or other acquired intangible assets are impaired, thus resulting in an impairment charge in a future period.

In addition, these acquisitions involve risks that the acquired businesses will not perform in accordance with expectations; that we may become liable for unforeseen financial or business liabilities of the acquires businesses, including liabilities for failure to comply with applicable healthcare regulations; that the expected synergies associated with acquisitions will not be achieved; and that business judgments concerning the value, strengths and weaknesses of businesses acquired will prove incorrect, which could have a material adverse effect on our financial condition and results of operations.

If we are unable to protect the confidentiality of our trade secrets, know-how and other proprietary and internally developed information, the value of our technology could be adversely affected.

We may not be able to protect our trade secrets, know-how and other internally developed information adequately. Although we use reasonable efforts to protect this internally developed information and technology, our employees, consultants and other parties (including independent contractors and companies with which we conduct business) may unintentionally or willfully disclose our information or technology to competitors. Enforcing a claim that a third party illegally disclosed or obtained and is using any of our internally developed information or technology is difficult, expensive and time-consuming, and the outcome is unpredictable. We rely, in part, on non-disclosure, confidentiality and assignment-of-invention agreements with our employees, independent contractors, consultants and companies with which we conduct business to protect our internally developed information. These agreements may not be self-executing, or they may be breached and we may not have adequate remedies for such breach. Moreover, third parties may independently develop similar or equivalent proprietary information or otherwise gain access to our trade secrets, know- how and other internally developed information.

Negative publicity regarding the managed healthcare industry generally could adversely affect our results of operations or business.

Negative publicity regarding the managed healthcare industry generally may result in increased regulation and legislative review of industry practices that further increase our costs of doing business and adversely affect our results of operations or business by:

- requiring us to change our products and services;
- increasing the regulatory, including compliance, burdens under which we operate, which, in turn, may negatively impact the manner in which our Network Practices provide services and increase our costs of providing services;
- adversely affecting our ability to market our products or services through the imposition of further regulatory restrictions; or
- adversely affecting our ability to attract and retain patients.

Our managed clinics may be negatively impacted by weather and other factors beyond our control.

Our results of operations may be adversely impacted by adverse conditions affecting our managed clinics, including severe weather events such as hurricanes and flooding, natural disasters such as earthquakes and forest fires. In particular, Fort Myers, Florida where our headquarters are located, experienced significant damage in the wake of Hurricane Ian. We may not fully realize Ian's impact on Fort Myers for some time, and Fort Myers is likely to be adversely impacted by other severe storms and/or hurricanes in the future. Our results of operations may also be adversely impacted by public health concerns such as contagious disease outbreaks, violence or threats of violence or other factors beyond our control that cause disruption of patient scheduling, displacement of patients, employees and care teams, or force certain of our managed clinics to close temporarily. Our future operating results may be adversely affected by these and other factors that disrupt the operation of our managed clinics.

Our investments in marketable securities are subject to certain risks which could affect our overall financial condition, results of operations, or cash flows.

We invest a portion of our available cash and cash equivalents by purchasing marketable securities in a managed portfolio and direct investments in a variety of debt securities, including corporate debt securities, municipal bonds, and U.S. government and agency debt securities. The primary objective of our investment activity is to maintain the safety of principal, preserve capital and provide for future liquidity requirements while maximizing yields without significantly increasing risk. Should any of our investments or marketable securities lose value or have their liquidity impaired, it could materially affect our overall financial condition. Additionally, should we choose or are required to sell these securities in the future at a loss, our consolidated operating results or cash flows may be materially and adversely affected.

Inflation may adversely affect us by materially increasing our costs.

Recently, inflation has increased throughout the U.S. economy. Inflation can adversely affect us by materially increasing the costs of drugs and medical supplies, labor, administration and other costs of doing business. We may experience material increases in the cost of labor due to a nationwide shortage of nurses and other clinical staff. In an inflationary environment, cost increases may materially outpace our expectations, causing us to use our cash and other liquid assets faster than forecasted. Our ability to pass on increased costs associated with providing healthcare to Medicare and Medicaid patients is limited due to various federal, state and local laws which have been enacted that, in certain cases, limit our ability to increase prices. If this happens, we may need to raise additional capital to fund our operations, which may not be available in sufficient amounts or on reasonable terms, if at all, sooner than expected. The Company minimizes the impacts of inflation by maintaining strong relationships with its suppliers and renegotiating payor contracts where possible

Risks Related to Our Regulatory Environment

We are dependent on our relationships with our Network Practices to provide healthcare services, and our business would be harmed if those relationships were disrupted or if our arrangements with our Network Practices become subject to legal challenges.

Our contractual relationships with our Network Practices may implicate certain state laws that generally prohibit non-professional entities from providing licensed medical services or exercising control over licensed physicians or other healthcare professionals (such activities generally referred to as the "corporate practice of medicine") or engaging in certain practices such as fee-splitting with such licensed professionals. The interpretation and enforcement of these laws vary significantly from state to state. There can be no assurance that these laws will be interpreted in a manner consistent with our practices or that other laws or regulations will not be enacted in the future that could have a material and adverse effect on our business, financial condition and results of operations. Regulatory authorities, state boards of medicine, state attorneys general and other parties may assert that, despite the agreements through which we operate, we are engaged in the provision of medical services and/or that our arrangements with our Network Practices constitute unlawful fee-splitting. If a jurisdiction's prohibition on the corporate practice of medicine or fee-splitting is interpreted in a manner that is inconsistent with our practices, we would be required to restructure or terminate our arrangements with our Network Practices to bring our activities into compliance with such laws. A determination of non-compliance, or the termination of or failure to successfully restructure these relationships could result in disciplinary action, penalties, damages, fines, and/or a loss of revenue, any of which could have a material and adverse effect on our business, financial condition and results of operations. State corporate practice of medicine and fee-splitting prohibitions also often impose penalties on healthcare professionals for aiding in the improper rendering of professional services, which could discourage physicians and other healthcare professionals with whom we contract from providing clinical services.

Our managed clinics and our Network Practices providing professional services at such clinics may become subject to medical liability claims, which could have a material adverse impact on our business.

Our business entails the risk of medical liability claims against us, our Network Practices and their clinicians. Although we, our Network Practices and their clinicians carry insurance covering medical malpractice claims in amounts that we believe are appropriate in light of the risks attendant to our business, successful medical liability claims could result in substantial damage awards that exceed the limits of our and our clinicians' insurance coverage, and/or plaintiffs in these matters may request punitive or other damages that may not be covered by insurance. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our clinicians, our affiliated practices or to us in the future at acceptable costs or at all.

Any claims made against us or our Network Practices that are not fully covered by insurance could be costly to defend, result in substantial damage awards against us and divert the attention of our management and our Network Practices from our operations, which could have a material adverse effect on our business, financial condition and results of operations. In addition, any claims may adversely affect our business or reputation.

If there is a change in accounting standards by the Financial Accounting Standards Board ("FASB") or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on our consolidation of total revenues derived from our Network Practices.

Our financial statements are consolidated in accordance with applicable accounting standards and include the accounts of our Network Practices, which we manage under long-term management services agreements but are not owned by us. Such consolidation for accounting and/or tax purposes does not, is not intended to, and should not be deemed to, imply or provide us any control over the medical decisions of our Network Practices. In the event a change in accounting standards promulgated by the FASB or in interpretation of its standards, we may not be permitted to continue to consolidate the total revenues of such practices which would negatively affect the market price of our common stock.

Our managed clinics and our Network Practices may be subject to third-party payor audits, which, if adversely determined against us or our Network Practices, may have a material effect on our results of operations and financial condition.

As a result of our Network Practices' participation in the Medicare and Medicaid programs, our managed clinics and our Network Practices are subject to various governmental inspections, reviews, audits and investigations to verify our compliance with these programs and applicable laws and regulations.

Payors may also reserve the right to conduct audits. We also periodically conduct internal audits and reviews of our regulatory compliance. An adverse inspection, review, audit or investigation could result in:

- refunding amounts we have been paid pursuant to the Medicare or Medicaid programs or from payors;
- state or federal agencies imposing fines, penalties and other sanctions on us;
- temporary suspension of payment for new patients to the facility or agency;
- decertification or exclusion from participation in the Medicare or Medicaid programs or one or more payor networks;
- self-disclosure of violations to applicable regulatory authorities;

- damage to our reputation;
- the revocation of a facility's or agency's license; and
- loss of certain rights under, or termination of, our contracts with payors.

If adverse inspections, reviews, audits or investigations occur and any of the results noted above occur, it could have a material adverse effect on our business and operating results. Furthermore, the legal, document production and other costs associated with complying with these inspections, reviews, audits or investigations could be significant.

We are subject to extensive fraud, waste, and abuse laws that may give rise to federal and state audits, investigations, lawsuits and claims against us, the outcome of which may have a material adverse effect on our business, financial condition, cash flows, or results of operations.

The U.S. healthcare industry is heavily regulated and closely scrutinized by federal, state and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services and collect reimbursement from governmental programs and private payors, our contractual relationships and arrangements with healthcare providers and vendors, our marketing activities and other aspects of our operations. Of particular importance are:

- the federal Anti-Kickback Statute, or AKS, which prohibits the knowing and willful offer, payment, solicitation or receipt of any bribe, kickback, rebate or other remuneration for referring an individual, in return for ordering, leasing, purchasing or recommending or arranging for or to induce the referral of an individual or the ordering, purchasing or leasing of items or services covered, in whole or in part, by any federal healthcare program, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal physician self-referral law, the Stark Law, which, subject to limited exceptions, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain designated health services, or DHS, if the physician or a member of such physician's immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibits the entity from billing Medicare or Medicaid for such DHS;
- the federal False Claims Act, or FCA, which imposes civil and criminal liability on individuals or entities that knowingly submit false or fraudulent claims for payment to the government or knowingly make, or cause to be made, a false statement in order to have a false claim paid, including qui tam or whistleblower suits. There are many potential bases for liability under the FCA. The government has used the FCA to prosecute Medicare and other government healthcare program fraud such as coding errors, billing for services not provided, and providing care that is not medically necessary or that is substandard in quality. In addition, the government may assert that a claim including items or services resulting from a violation of the AKS or Stark Law constitutes a false or fraudulent claim for purposes of the FCA;
- the Civil Monetary Penalties Law, which prohibits, among other things, an individual or entity from offering remuneration to a federal healthcare program beneficiary that the individual or entity knows or should know is likely to influence the beneficiary to order or receive healthcare items or services from a particular provider. We may also be subject to civil monetary penalties and other sanctions under the statute if we or our Network Practices hire or contract with any individuals or entities that are or become excluded from government healthcare programs, for the provision of items or services for which payment may be made under such programs;
- the criminal healthcare fraud provisions of HIPAA and related rules that prohibit knowingly and willfully executing a scheme or artifice to defraud any healthcare benefit program or falsifying, concealing or covering up a material fact or making any material false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the AKS, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- reassignment of payment rules that prohibit certain types of billing and collection practices in connection with claims payable by the Medicare or Medicaid programs;
- similar state law provisions pertaining to anti-kickback, self-referral and false claims issues, some of which may apply to items or services reimbursed by any payor, including patients and commercial insurers;
- laws that regulate debt collection practices;

- a provision of the Social Security Act that imposes criminal penalties on healthcare providers who fail to disclose, or refund known overpayments;
- federal and state laws that prohibit providers from billing and receiving payment from Medicare and Medicaid for services unless the services are medically necessary, adequately and accurately documented, and billed using codes that accurately reflect the type and level of services rendered;
- federal and state laws and policies that require healthcare providers to maintain licensure, certification or accreditation to enroll and participate in the Medicare and Medicaid programs, to report certain changes in their operations to the agencies that administer these programs and, in some cases, to re-enroll in these programs when changes in direct or indirect ownership occur;
- federal and state laws pertaining to the provision of services by nurse practitioners and physician assistants in certain settings, physician supervision of those services, and reimbursement requirements that depend on the types of services provided and documented and relationships between physician supervisors and nurse practitioners and physician assistants; and
- Medicare and Medicaid regulations, manual provisions, local coverage determinations, national coverage determinations and agency guidance imposing complex and extensive requirements upon healthcare providers.

The laws and regulations in these areas are complex, changing and often subject to varying interpretations. As a result, there is no guarantee that a government authority will find that we or our Network Practices are in compliance with all such laws and regulations that apply to our business. Further, because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of the business activities undertaken by us or our Network Practices could be subject to challenge under one or more of these laws, including, without limitation, patient assistance programs that waive or reduce the patient’s obligation to pay copayments, coinsurance or deductible amounts owed for the services provided to them if they meet certain financial need criteria. If we or our Network Practices’ operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to significant penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and imprisonment. In addition, any action against us or our Network Practices for violation of these laws or regulations, even if successfully defended against, could cause us to incur significant legal expenses, divert our management’s attention from the operation of our business and result in adverse publicity, or otherwise experience a material adverse impact on our business, results of operations, financial condition, cashflows, reputation as a result.

If any of our managed clinics or Network Practices lose their regulatory licenses, permits and/or accreditation status, or become ineligible to receive reimbursement under Medicare or Medicaid or other third-party Payors, there may be a material adverse effect on our business, financial condition, cash flows, or results of operations.

The operations of our managed clinics through our Network Practices are subject to extensive federal, state and local regulation relating to, among other things, the adequacy of medical care, equipment, personnel, operating policies and procedures, dispensing of prescription drugs, fire prevention, rate-setting and compliance with building codes and environmental protection. Our managed clinics and Network Practices are also subject to extensive laws and regulation relating to facility and professional licensure, conduct of operations, including financial relationships among healthcare providers, Medicare and Medicaid fraud and abuse and physician self-referrals, and maintaining updates to our Network Practices’ enrollment in the Medicare and Medicaid programs, including addition of new clinic locations, providers and other enrollment information. Our managed clinics and Network Practices are subject to periodic inspection by licensing authorities and accreditation organizations to assure their continued compliance with these various standards. There can be no assurance that these regulatory authorities will determine that all applicable requirements are fully met at any given time. Should any of our managed clinics or Network Practices be found to be noncompliant with these requirements, we or our Network Practices could be assessed fines and penalties, could be required to refund reimbursement amounts or could lose our licensure or Medicare and/or Medicaid certification or accreditation so that we or our Network Practices are unable to receive reimbursement from such programs and possibly from other third-party payors, any of which could materially adversely affect our business, financial condition, cash flows or results of operations.

If we or our Network Practices fail to comply with applicable data interoperability and information blocking rules, our consolidated results of operations could be adversely affected.

The 21st Century Cures Act (the “Cures Act”), which was signed into law in December 2016, includes provisions related to data interoperability, information blocking and patient access. In May 2020, the HHS Office of the National

Coordinator for Health Information Technology, or ONC, and CMS published the Cures Act final rule, which was intended to clarify provisions of the Cures Act regarding interoperability and information blocking, and include, among other things, requirements surrounding information blocking, changes to ONC's health IT certification program and requirements that CMS-regulated payors make relevant claims/care data and provider directory information available through standardized patient access and provider directory application programming interfaces, or APIs, that connect to provider electronic health record systems, or EHRs. The final rule will transform the way in which healthcare providers, health IT developers, health information exchanges/health information networks, or HIEs/HINs, and health plans share patient information, and create significant requirements for healthcare industry participants. For example, the final rule, which went into effect on April 5, 2021, prohibits healthcare providers, health IT developers of certified health IT, and HIEs/HINs from engaging in practices that are likely to interfere with, prevent, materially discourage, or otherwise inhibit the access, exchange or use of electronic health information, or EHI, also known as "information blocking." To further support access and exchange of EHI, the final rule identifies eight "reasonable and necessary activities" as exceptions to information blocking activities, as long as specific conditions are met. Any failure to comply with these rules could have a material adverse effect on our business, results of operations and financial condition.

Actual or perceived failures to comply with applicable data protection, privacy and security, advertising and consumer protection laws, regulations, standards and other requirements could adversely affect our business, financial condition and results of operations.

We and our Network Practices collect, receive, generate, use, process, and store significant and increasing volumes of sensitive information, such as employee, individually identifiable health information and other personally identifiable information. We and our Network Practices are subject to a variety of federal and state laws and regulations, as well as contractual obligations, relating to the collection, use, storage, retention, security, disclosure, transfer, return, destruction and other processing of personal information, including health-related information. Enforcement actions and consequences for noncompliance with such laws, directives and regulations are rising, and the regulatory framework for privacy, data protection and data transfers is complex and rapidly evolving and is likely to remain uncertain for the foreseeable future.

In the United States, numerous such federal and state laws and regulations, including data breach notification laws, health information privacy laws, and consumer protection laws and regulations, including those that govern the collection, use, disclosure, and protection of health-related and other personal information, could apply to our operations or the operations of our Network Practices. For example, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and regulations implemented thereunder, which we refer to collectively as HIPAA, imposes privacy, security and breach notification obligations on certain health care providers, health plans, and health care clearinghouses, known as covered entities, as well as business associates that perform certain services that involve creating, receiving, maintaining or transmitting individually identifiable health information for or on behalf of such covered entities. HIPAA requires covered entities, such as our Network Practices, and business associates, such as us, to develop and maintain policies with respect to the protection of, use and disclosure of protected health information, or PHI, including the adoption of administrative, physical and technical safeguards to protect such information, and certain notification requirements in the event of a data breach.

Entities that are found to be in violation of HIPAA as the result of a breach of unsecured PHI, a complaint about privacy practices or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. HIPAA also authorizes state Attorneys General to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. Enforcement actions by HHS or state Attorneys General could result in significant financial liability and reputational harm, in addition to depleting financial resources.

Numerous other state and federal laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality, security and processing of personal information, including health-related information, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. In addition, these laws and regulations in many cases are more restrictive than, and may not be preempted by, HIPAA and may be subject to varying interpretations by courts and government agencies.

Laws in all 50 states and other United States territories have been enacted that may require businesses to provide notice to regulators or to individuals whose personal information has been accessed without authorization or disclosed as a result of a data breach. Such laws are not always consistent, and compliance in the event of a widespread data breach is costly and may be challenging. We also may be contractually required to comply with various requirements relating to privacy and security of personal information and to provide notice or take other actions in connection with a data breach, and failures to comply with such contractual requirements could result in potential contractual liability. Although we may have certain contractual protections in our contracts with third parties, such contractual protections may not be sufficient to adequately protect us from potential liability, potential harm to our reputation or the need to expend significant resources on data security and responding to an actual or perceived data breach.

States are also constantly amending existing laws, requiring attention to frequently changing requirements, and we expect these changes to continue. For example, in June 2018, California enacted the California Consumer Privacy Act, or the CCPA, which became effective on January 1, 2020, and, among other things, requires covered companies to provide disclosures to California consumers, and affords such consumers certain data protection rights, including the ability to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information that may increase data breach litigation. While the CCPA includes certain exceptions for health-related information, including PHI, it still may require us to modify our data practices and policies and to incur substantial costs and expenses in an effort to comply. Further, the California Privacy Rights Act, or CPRA, recently passed in California. The CPRA will impose additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The majority of the provisions went into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required.

As required by certain laws, we publicly post documentation regarding our privacy practices concerning the collection, processing, use and disclosure of certain data. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. In addition, although we endeavor to comply with our published policies and documentation, individuals could allege we have failed to do so, or we may at times actually fail to do so despite our efforts. Any failure by us, our third-party service providers or other parties with whom we do business to comply with this documentation or with laws or regulations applicable to our business could result in proceedings against us by governmental entities or others.

In addition, the Federal Trade Commission, or the FTC, expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Our failure to take any steps perceived by the FTC as appropriate to protect consumers' personal information may result in claims by the FTC that we have engaged in unfair or deceptive acts or practices in violation of Section 5(a) of the FTC Act. State consumer protection laws provide similar causes of action for unfair or deceptive practices for alleged privacy, data protection and data security violations.

In addition to government regulation, privacy advocates and industry groups may propose self- regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards or to facilitate our customers' compliance with such standards. We expect that there will continue to be new proposed laws and regulations concerning privacy, data protection, and information security, and we cannot yet determine the impact such future laws, regulations, and standards may have on our business. New laws, amendments to or re-interpretations of existing laws and regulations, industry standards, contractual and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of laws, standards, contractual and other obligations relating to privacy and data protection are still uncertain and changing, it is possible that these laws, standards, contractual and other obligations may be interpreted and applied in a manner that is inconsistent with our data management practices, our privacy, data protection or data security policies or procedures or the features of our technology. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, imprisonment of company officials and public censure, other claims and penalties, significant costs for remediation and damage to our reputation, we could be required to fundamentally change our business activities and practices or modify our technology, any of which could adversely affect our business. We may be unable to make such changes or modifications in a commercially reasonable manner, or at all, and our ability to develop new software or provide new services could be limited. Any inability to adequately address privacy, data protection or information security-related concerns, even if such concerns are unfounded, or to successfully negotiate privacy, data protection or information security- related contractual terms with customers, or to comply with applicable laws and regulations, or our policies relating to privacy, data protection, and information security, could result in additional cost and liability to us, harm our reputation and brand, and adversely affect our business, financial condition and results of operations.

We and our Network Practices are subject to federal, state and local laws and regulations that govern our business. These include regulations of our employment practices, including minimum wage, living wage, and paid time-off requirements, permitting and licensing, employee health and safety and the storage, treatment and disposal of waste. Failure to comply with these laws and regulations, or changes to these laws and regulations that increase our expenses, could adversely impact our operations.

We and our Network Practices are required to comply with all applicable federal, state and local laws and regulations related to the operation of our business. These regulations include regulations governing our Network Practices' dispensary services, the construction, the use of our managed clinics and the treatment of hazardous waste or drug products. Changes in regulations or new regulations could increase our costs, cause our Network Practices to lose licenses or accreditations or otherwise harm our business or the business of our Network Practices.

We and our Network Practices are required to comply with all applicable federal, state and local laws and regulations relating to employment, including occupational safety and health requirements, wage and hour and other compensation requirements, employee benefits, providing leave and sick pay, employment insurance, proper classification of workers as employees or independent contractors, immigration and equal employment opportunity laws. These laws and regulations can vary significantly among jurisdictions and can be highly technical. Costs and expenses related to these requirements are a significant operating expense and may increase as a result of, among other things, changes in federal, state or local laws or regulations, or the interpretation thereof, requiring employers to provide specified benefits or rights to employees, increases in the minimum wage and local living wage ordinances, increases in the level of existing benefits or the lengthening of periods for which unemployment benefits are available. We may not be able to offset any increased costs and expenses. Furthermore, any failure to comply with these laws requirements, including even a seemingly minor infraction, can result in significant penalties which could harm our reputation and have a material adverse effect on our business.

Future changes to applicable tax laws and regulations and/or their interpretation may have an adverse effect on our business, financial condition and results of operations. Tax rules and regulations are subject to interpretation and require judgment by us that may be successfully challenged by the applicable taxation authorities upon audit, which could result in additional tax liabilities.

Changes in tax laws or their interpretation could decrease the amount of revenues we receive, the value of any tax loss carry-forwards and tax credits recorded on our balance sheet and the amount of our cash flow, and adversely affect our business, financial condition or results of operations. In addition, other factors or events, including business combinations and investment transactions, changes in the valuation of our deferred tax assets and liabilities, adjustments to taxes upon finalization of various tax returns or as a result of deficiencies asserted by taxing authorities, increases in expenses not deductible for tax purposes, changes in available tax credits, other changes in the apportionment of our income, and changes in tax rates, could also increase our future effective tax rate.

In addition, our effective tax rate and tax liability are based on the application of current income tax laws, regulations and treaties. These laws, regulations and treaties are complex, and the manner which they apply to us and our diverse set of business arrangements is often open to interpretation, and can require us to take positions regarding the interpretation of applicable rules or the valuation of our assets that are subject to material uncertainty. Significant management judgment is required in determining our provision for taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. The proper tax treatment or characterization of the transactions we undertake is often subject to significant uncertainty, and the resolution of any related issues could affect the withholding tax liabilities to which we are subject or the tax deductions that we are able to claim. The tax authorities could challenge our interpretation of laws, regulations and treaties or the positions that we have taken regarding the valuation of our assets, resulting in additional tax liability or adjustment to our income tax provision.

Our tax filings are subject to review or audit by various taxing authorities. As discussed above, we exercise significant judgment in determining our provision for taxes and, in the ordinary course of our business, there may be transactions and calculations where the proper tax treatment is uncertain. We may also be liable for taxes in connection with businesses we acquire. Our determinations are not binding on the IRS or any other taxing authorities, and accordingly the final determination in an audit or other proceeding may be materially different than the treatment reflected in our tax provisions, accruals and returns. An assessment of additional taxes because of an audit could have a material adverse effect on our business, financial condition, results of operations and cash flows.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, or interpreted, changed, modified or applied adversely to us, any of which could adversely affect our business operations and financial performance. We are unable to predict what changes will occur and, if so, the ultimate impact on its business. To the extent that such changes have a negative impact on us, they may materially and adversely impact its business, financial condition, results of operations and cash flows.

Risks Related to Our Common Stock Warrants

The trading price of our Class A Common Stock may be volatile, and purchasers of our Class A Common Stock could incur substantial losses.

The trading price of our Class A Common Stock may be volatile. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our Class A Common Stock may be influenced by many factors, including:

- the voluntary delisting of our Class A common stock and warrants from Nasdaq and the trading of such securities on the over-the-counter markets;
- the deregistration of our securities from the Exchange Act and the suspension of our duty to file reports under the Exchange Act;
- actual or anticipated variations in our operating results;
- changes in financial estimates by us or by any securities analysts who might cover our shares;
- conditions or trends in our industry;
- changes as a result of a large scale pandemic, international hostilities or similar macroeconomic events;
- unfavorable general economic conditions, such as a recession or economic slowdown;
- stock market price and volume fluctuations of comparable companies;
- announcements by us or our competitors of new product or service offerings, significant acquisitions, strategic partnerships, or divestitures;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;
- capital commitments;
- investors' general perception of us and our business;
- recruitment or departure of key personnel; and
- sales of our common stock, including sales by our directors and officers or specific stockholders.

In addition, in the past, stockholders have initiated class action lawsuits following periods of volatility in the market prices of these companies' stock. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources from our business.

Anti-takeover provisions in our organizational documents could delay or prevent a change of control.

Certain provisions of our Charter and Bylaws contain an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things:

- the division of our Board into three classes of directors, with each class serving a staggered three year term;
- there is no cumulative voting with respect to the election of our Board;
- the ability of our Board to issue one or more series of preferred stock;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings;
- limiting the ability of stockholders to call special stockholder meetings;

- limiting the ability of stockholders to act by written consent;
- the ability of our Board to exclusively fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director in certain circumstances;
- providing that our Board is expressly authorized to adopt, amend, alter or repeal our bylaws;
- providing that stockholders may amend the bylaws only by the affirmative vote of at least 66.7% of the voting power of all then outstanding shares of capital stock of AON entitled to vote generally in the election of directors, voting together as a single class; and
- AON is subject to the provisions of Section 203 of Delaware General Corporation Law ("DGCL").

These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party's offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. See *"Description of Securities."*

Our Charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our charter provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of us, (ii) action asserting a claim of breach of a duty (including any fiduciary duty) owed by any current or former director, officer, stockholder, employee or agent of the Company to us or our stockholders, (iii) action asserting out of or relating to any provision of the DGCL, the Charter or the Bylaws or (iv) action asserting a claim governed by the internal affairs doctrine of the State of Delaware shall, to the fullest extent permitted by law. Our charter will also provide that, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing, otherwise acquiring or holding any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of the provisions of the Charter described above. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. This exclusive forum provision will not apply to claims under the Exchange Act, but will apply to actions arising under the Securities Act. Section 22 of the Securities Act, however, creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. If a court were to find these provisions of the Charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

Certain existing stockholders purchased our shares at a price below the current trading price of such shares, and may experience a positive rate of return based on the current trading price. Other investors and stockholders may not experience a similar rate of return.

The Sponsor paid the nominal price of $0.003 per share for the shares of Class A Common Stock held by it and $1.50 per private placement warrant as of March 12, 2021. The shares held by the Sponsor and its permitted transferees (including 2,839,375 Earnout Shares, which are subject to vesting) represent approximately 87% of the total outstanding shares of the Company's Class A Common Stock. If the Sponsor exercised its 6,113,333 private placement warrants, the Sponsor would own an aggregate of 14,450,833 shares of our Class A Common Stock, or approximately 92% of our outstanding Class A Common Stock. As a result of these nominal prices compared with the market prices of our Class A Common Stock and public warrants, which as of March 26, 2024, were $5.97 per share and $0.39 per warrant, respectively, the Sponsor is likely to earn a positive return on its investment even if other holders of shares of Class A Common Stock, including our public stockholders, experience a negative return on their investment in the Company's securities. Based on the closing price as of March 26, 2024 of $5.97 per share, the Sponsor and its permitted transferees could earn a profit of $49.8 million (assuming full vesting of the Earnout Shares). Based on the closing price of $0.39 per warrant, the Sponsor and its permitted transferees will not earn a profit on the sale of the private placement warrants, but if the trading price of the warrant exceeds the $1.50 price that the Sponsor paid for the private placement warrants, the Sponsors and its permitted transferees may realize a profit. As a result, the market price of our Class A Common Stock may be depressed because the Sponsor paid approximately $0.003 per share for its Founder Shares. The Sponsor and its permitted transferees may be incentivized to sell its securities when others are not. Other stockholders and investors may not experience a similar rate of return.

Because we do not anticipate paying any cash dividends in the foreseeable future, capital appreciation, if any, would be your sole source of gain.

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. As a result, capital appreciation, if any, of Class A Common Stock would be your sole source of gain on an investment in such shares for the foreseeable future.

An active market for our securities may not develop, which would adversely affect the liquidity and price of our securities.

Our Class A Common Stock and Warrants are traded on the over-the-counter market. There is a limited market for our stock. It may be subject to volatility, low volumes of trades and large spreads in bid and ask prices quoted by market makers. Due to the low volume of shares traded on any trading day, persons buying or selling in relatively small quantities may easily influence prices of our securities. This low volume of trades could also cause the price of our stock to fluctuate greatly, with large percentage changes in price occurring in any trading day session. Holders of our securities may also not be able to readily liquidate their investment or may be forced to sell at depressed prices due to low volume trading. If high spreads between the bid and ask prices of our securities exist at the time of a purchase, the stock would have to appreciate substantially on a relative percentage basis for an investor to recoup their investment. If an active market does not develop, holders of our securities may be unable to readily sell the shares they hold or may not be able to sell their shares at all.

Our warrants may never be in the money, and they may expire worthless.

The exercise price for our public warrants is $11.50 per share, and the exercise price for our private placement warrants is $11.50 per share (each as subject to adjustment as described herein), which exceeds the market price of Class A Common Stock, which was $5.25 per share based on the closing price of Class A Common Stock on OTCQX on March 24, 2025. If all of our public warrants were exercised in full for cash, we would receive an aggregate of approximately $95.9 million. If all of our public warrants and private placement warrants were exercised in full for cash, we would receive an aggregate of approximately $166.2 million. We do not expect warrant holders to exercise their warrants and, therefore, we do not expect to receive cash proceeds from any such exercise, for so long as the warrants remain out-of-the money. There can be no assurance that the public warrants will ever be in the money prior to their expiration and, as such, the warrants may expire worthless.

We may redeem unexpired public warrants prior to their exercise at a time that is disadvantageous to the warrant holders, thereby making the warrants worthless.

We may redeem outstanding warrants (excluding any private placement warrants held by the Sponsor or its permitted transferees) at any time after they become exercisable and prior to their expiration, at $0.01 per warrant, provided that the last reported sales price (or the closing bid price of Class A Common Stock in the event Class A Common Stock is not traded on any specific trading day) of Class A Common Stock equals or exceeds $18.00 per-share for any 20 trading days within a 30 trading-day period ending on the third business day prior to the date we send proper notice of such redemption, provided that on the date we give notice of redemption and during the entire period thereafter until the time we redeem the warrants, there is an effective registration statement under the Securities Act covering the shares of Class A Common Stock issuable upon exercise of the warrants and a current prospectus relating to them is available. We also have the ability to redeem outstanding warrants (excluding any private placement warrants held by the Sponsor or its permitted transferees) at any time after they become exercisable and prior to their expiration, at $0.10; provided that (i) the last reported sales price of the Class A Common Stock equals or exceeds $10.00 per share (as adjusted for stock splits, stock dividends, reorganizations and the like) on each of 20 trading days within the 30 trading-day period ending on the third business day prior to the date on which AON sends proper notice of such redemption and (ii) if the last reported sales price of the Class A Common Stock is less than $18.00 per share, the Private Placement Warrants are also concurrently exchanged at the same price (equal to a number of shares of Class A Common Stock) as the outstanding Public Warrants. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force a warrant holder: (i) to exercise its warrants and pay the exercise price therefore at a time when it may be disadvantageous for it to do so, (ii) to sell its warrants at the then-current market price when it might otherwise wish to hold its warrants or (iii) to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, will be substantially less than the market value of its warrants.

Warrants to purchase AON Class A Common Stock are exercisable, which could increase the number of shares eligible for future resale in the public market and result in dilution to its stockholders.

We have 8,337,500 public warrants and 6,113,333 private placement warrants outstanding, all of which are currently exercisable. Each public warrant entitles its holder to purchase one share of Common Stock at an exercise price of $11.50 per share, and each private placement warrant entitles its holder to purchase one share of Common Stock at an exercise price of $11.50 per share (subject to adjustment as described herein). To the extent warrants are exercised, additional shares of Common Stock will be issued, which will result in dilution to our then existing stockholders and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could depress the market price of Class A Common Stock.

Future offerings of debt or offerings or issuances of equity securities by us may adversely affect the market price of Class A Common Stock or otherwise dilute all other stockholders.

In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional shares of our Class A Common Stock or by offering debt or other equity securities, including commercial paper, medium-term notes, senior or subordinated notes, debt securities convertible into equity or shares of preferred stock. We also expect to grant equity awards to employees, directors, and consultants under our stock incentive plans.

Future acquisitions could require substantial additional capital in excess of cash from operations. We would expect to obtain the capital required for acquisitions through a combination of additional issuances of equity, corporate indebtedness and/or cash from operations.

Issuing additional shares of common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders or reduce the market price of our Class A Common Stock or both. Upon liquidation, holders of such debt securities and preferred shares, if issued, and lenders with respect to other borrowings would receive a distribution of our available assets prior to the holders of our Class A Common Stock. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred shares, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of the Class A Common Stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing and nature of our future offerings.

The price of Class A Common Stock could decline if securities analysts do not publish research or if securities analysts or other third parties publish inaccurate or unfavorable research about us.

The trading market for Class A Common Stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts commence coverage of us, the trading price for Class A Common Stock could be negatively impacted. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model or the performance of Class A Common Stock, or if our results of operations fail to meet the expectations of analysts, the price of Class A Common Stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline.

We may be subject to securities litigation, which is expensive and could divert management's attention.

The share price of our Class A Common Stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. AON may be the target of this type of litigation in the future. Litigation of this type could result in substantial costs and diversion of management's attention and resources, which could have a material adverse effect on its business, financial condition, results of operations and prospects. Any adverse determination in litigation could also subject us to significant liabilities.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

AON has developed a standardized and systematic process for identifying, assessing, and mitigating cybersecurity risks within the organization. The process includes the gathering of information on cybersecurity trends, assessing risks, and recommending mitigation actions for periodic reporting to boards or committees. The documented standard operating procedure ("SOP") outlines the processes, responsibilities, and methodologies that the Company follows to proactively manage and mitigate risks associated with the confidentiality, integrity, and availability of sensitive organizational and healthcare information.

The SOP includes guidelines for risk identification and information gathering, consistent with the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF"), risk assessment, mitigation planning and recommendation, executive board and committee reporting, and documentation and review. The SOP also identifies the roles and responsibilities of individuals and groups within the organization that participate in ensuring that risks are identified, assessed, and mitigated in a way that aligns with organizational goals, risk appetite, legal requirements, and best practices.

The SOP is required to be approved by the Information Security Review Board ("ISRB") as well as our SEC Reporting Manager and reviewed every 2 years for relevance and effectiveness.

AON has implemented a risk-based approach to identify and assess cybersecurity threats (both internal and external) that could affect our operations (including, but not limited to, our mission, functions, image, or reputation), assets, information, and individuals. This approach incorporates both external and internal risk and threat identification methodologies.

External: AON engages in penetration testing and external trend analysis, which primarily monitors industry reports, threat intelligence feeds, and cybersecurity news sources for potential risks and emerging threats/trends relevant to the organization.

Internal: AON's internal risk and threat identification includes the conducting of real-time monitoring of the AON data communications systems, transactions, and event logs on a 24x7 basis. We also conduct periodic security risk identification exercises including regulatory compliance assessments, vulnerability scanning and penetration testing to identify potential risks and threats. Finally, we periodically conduct cybersecurity awareness training for all users and continuously encourage/remind them to report any identified threats or potential risks.

Identified risks are documented in a risk register or security gap remediation worksheet with detailed information and an expert opinion on their probability of occurrence and potential impact. These values are then used to determine the overall rating value of the risk.

There are several major risk categories that AON takes into consideration when identifying risks. The major risk categories that AON recognizes include: "Advanced Persistent Threat" ("APT"), "Denial of Service" ("DoS"), "Equipment Loss or Theft", "Inappropriate Use or Unlawful Activity", "Malware/Ransomware", "Phishing/Smishing/Vishing", "Supply Chain/Vendor Incident", "Unauthorized Access or Privacy Breach", and "Unplanned Downtime/Outage".

AON also strives to categorize organizational data based on sensitivity levels. AON's data is classified into one of the following categories: "Restricted/Confidential," "Private/Internal," or "Public". These data categories are taken into consideration and aligned with potential risks and impact assessments.

AON's risk management team is charged with the responsibility of ensuring that the processes described above are implemented according to the company's risk management policy and that they align with the organization's stated risk appetite and tolerance levels. AON's risk management policy dictates that the company shall identify, assess, and manage material risks and craft a risk response strategy to address each individual case of an identified risk.

AON engages third parties in various stages of the risk management process. These third parties include a virtual chief security officer service (“vCISO”), which is engaged as needed, and an incident response team associated with our managed detection and response service.

AON has established a comprehensive vendor management program to assess, monitor, and manage risks associated with all third-party vendors including cybersecurity service providers. Thorough due diligence is exercised when selecting cybersecurity vendors including the evaluation of the provider's reputation, experience, certifications (where applicable), and adherence to industry best practices. The evaluation process includes the review of “Business Associate and Information Security Questionnaires” as well as the company's “Service/System Organization Controls” (“SOC”) report, and these must be reviewed annually. Clear cybersecurity expectations and requirements are required to be defined in contractual agreements, as well as clauses related to data protection, incident response, reporting, and compliance with security standards. Vendors must comply with all applicable AON policies, practice standards and agreements, including, but not limited to: non-disclosure agreements, code of conduct and safety policies, privacy and security policies, auditing policies, and software licensing policies.

AON’s IT Security Team has implemented a formal Business Impact Analysis (BIA) process to assess and mitigate risks associated with disruptions to critical systems that support business operations. This process involves identifying key applications, evaluating their impact on business continuity, and establishing recovery objectives to ensure resilience. As part of our ongoing risk management strategy, we conduct regular BIAs on mission-critical systems to align with regulatory requirements, industry best practices, and cybersecurity frameworks such as HIPAA, NIST, and SOC 2. These assessments help us enhance our disaster recovery and business continuity plans, ensuring the availability, integrity, and security of essential technology resources necessary to support patient care, financial operations, and compliance obligations.

Governance

AON has defined multiple roles and responsibilities to create a collaborative and effective approach to cybersecurity risk management. Each plays a critical part in ensuring that risks are identified, assessed, and mitigated in a way that aligns with organizational goals, risk appetite, legal requirements, and best practices. The collaboration between these roles ensures a comprehensive and well-coordinated effort to protect the organization from cybersecurity threats.

Business Owner / Data Stewardship - Has responsibility for specific business processes or data sets. Ensures that data is used, stored, and transmitted securely.

Chief Information Security Officer (CISO) / Chief Information Officer (CIO) - Provides overall leadership for the information security program. Represents cybersecurity interests at the executive level.

Compliance Officer - Ensures that the organization complies with relevant laws and regulations. Provides guidance on compliance requirements impacting cybersecurity.

IT Security Team / Information Security Practitioners - Acts as point of contact for risk-related concerns within respective teams. Implements security measures based on risk assessments.

Legal Team - Provides legal expertise on cybersecurity and data protection matters. Ensures that cybersecurity practices comply with applicable laws and regulations.

Risk Officer - Facilitates and coordinates risk management activities. Ensures that the risk management process is followed consistently.

Risk Management Committee - Provides expertise in various domains of cybersecurity. Ensures the overall effectiveness of risk management processes. This is an informal management committee that was initiated by the IT Security Director. Members include the CIO, CISO, Risk Officer, and Compliance Officer. Members were selected based on their existing roles within AON and their relationship to cybersecurity and risk management functions.

The AON Risk Management Committee meets on a quarterly cadence to summarize cybersecurity trends, identified risks, and mitigation strategies. The committee works together to craft executive-level reports suitable for board or committee review. It is the responsibility of the CIO, CISO, or the Risk Officer, each of whom have at least 10 years of expertise in the cybersecurity field, to present key findings, risk assessments, and mitigation strategies to boards or committees, including the Information Security Review and Executive Boards. The AON Risk Management Committee reviews and summarizes key cybersecurity trends, identified risks, and mitigation strategies and crafts executive-level reports for AON's leadership. It is the responsibility of the CIO, CISO, or the Risk Officer to present these reports to boards or committees, including the Information Security Review and Executive Boards on a regular cadence.

It is the responsibility of our board of directors to establish and maintain a robust cybersecurity risk governance framework within the organization. The board of directors is also responsible for defining and communicating our organizational risk appetite and tolerance for cybersecurity. Additionally, the board of directors provides input and oversight of the organization's cybersecurity strategy and objectives and ensures alignment between cybersecurity initiatives and overall business goals.

AON’s board of directors is required to actively participate in risk identification workshops and crisis management planning, especially regarding cybersecurity incidents. The board of directors is also responsible for promoting a cybersecurity-aware and continuous improvement culture within the organization. Starting in 2024, AON’s board of directors will receive quarterly reports on the organization's cybersecurity posture, including risk findings and assessments, mitigation strategies, and key performance indicators (“KPIs”), which shall be presented in a review meeting by representative from the Risk Management Committee.

Material Effects of Cybersecurity Threats

There is a vast array of potential material effects that AON could feasibly face from cybersecurity threats in the near future. While we have identified the most likely of these in our “Cybersecurity Incident Response Plan and Risk Management, Assessment and Mitigation Guide,” and have either taken proactive measures and/or created a response strategy to mitigate the likelihood and impact of each, there remains a distinct possibility that a new/emerging threat might impact the business. The most likely material effects that could impact the organization in the near future include:

Business Disruption: Cybersecurity threats, such as malware or ransomware attacks or DoS attacks, which could lead to business disruptions. Unplanned downtimes or outages, particularly in critical systems or services, may impact the organization's ability to operate efficiently, affecting business continuity.

Supply Chain Disruptions: Cybersecurity threats targeting third-party vendors or supply chain partners may lead to disruptions. Dependencies on external entities could impact the organization's ability to deliver services, affecting business strategy and financial conditions.

Increased Operational Costs: Investing in cybersecurity measures, incident response, and recovery efforts may lead to increased operational costs. More importantly, budgetary constraints for other strategic initiatives may result from the need to allocate resources to address cybersecurity threats.

Other possible material effects include, but are not limited to intellectual property theft, increased insurance premiums, unplanned litigation costs, reputation damage, and regulatory non-compliance.

Item 2. Properties

Our principal corporate offices are located in Fort Myers, Florida where we lease approximately 9,500 square feet of office space that expires in 2038. We use this facility for administration, billing and collections, technology and development and professional services. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

We lease all of the 102 properties used for our practice locations as well as administrative facilities under operating leases. As of December 31, 2024, we have leases located in Washington, Idaho, Nevada, Arizona, Iowa, Missouri, Arkansas, Louisiana, Michigan, Indiana, Ohio, Maryland, Virginia, Florida, North Carolina, South Carolina, Georgia, Texas, Hawaii, and the District of Columbia. Generally, our leases are “net” leases, which require us to pay all of the cost of insurance, taxes, maintenance, and utilities. We intend to lease the premises for any new practice locations. Our typical practice occupies an average of 6,000 square feet.

Item 3. Legal Proceedings

From time to time, we may be involved in various legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of litigation and claims are inherently unpredictable and uncertain, we are not currently a party to any legal proceedings the outcome of which, if determined adversely to us, are believed to, either individually or taken together, have a material adverse effect on our business, operating results, cash flows or financial condition.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for our Common Stock

Shares of our class A common stock, par value $0.0001 per share (the "Class A Common Stock") is quoted for trading on the OTCQX market of the OTC Markets Group, Inc. under the trading symbol "AONC."

Stockholders of Record

As of the close of business on March 24, 2025, there were 178 stockholders of record of our Class A Common Stock and 100 stockholders of record of our Class B Common Stock, based on our transfer agent's report. The number of beneficial holders of our Class A Common Stock is greater than the number of record holders of our Class A Common Stock, because beneficial owners of our Class A Common Stock, hold their shares in street name by brokers and other nominees.

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Securities authorized for issuance under equity compensation plans.

The information required by this item is set forth in Part III Item 11 - EQUITY COMPENSATION PLAN INFORMATION of this Annual Report on form 10-K, and is incorporated herein by reference.

Dividends

We have not paid any cash dividends on our Class A Common Stock or our Series A Preferred Stock to date. Our Class B Common Stock will not participate in any dividend or other distributions. The Company currently intends to retain its future earnings, if any, to finance the further development and expansion of its business and does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board and will depend on the Company's financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as its Board deems relevant. Additionally, certain of our loan agreements restrict the payment of cash dividends.

Item 6. [Reserved]

Reserved.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which AON's management believes is relevant to an assessment and understanding of AON's results of operations and financial condition. You should read the following discussion and analysis of AON's financial condition and results of operations together with AON's audited consolidated financial statements for the years ended December 31, 2024 and 2023, together with the related notes thereto, included elsewhere in this report.

In addition, the following discussion and analysis of AON Inc.'s financial condition and results of operations also contains forward-looking statements that involve risks, uncertainties and assumptions. Actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. The following should be read in conjunction with the sections titled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors."

Unless otherwise indicated or the context otherwise requires, references in this AON Management's Discussion and Analysis of Financial Condition and Results of Operations section to "AON,", "AON, Inc.", "New AON", "we," "us," "our," the "Company," and other similar terms refers to American Oncology Network, Inc., its consolidated subsidiaries and variable interest entities.

Overview

Since its inception in 2018, AON has offered an innovative model of physician-led, community-based oncology management. AON preserves and elevates community oncology by helping its physicians navigate the complex healthcare landscape, providing them an efficient platform to work autonomously and thrive, and most importantly, improving the quality of patient care that is being delivered. We are an alliance of physicians and veteran healthcare leaders partnering to ensure the long-term success and viability of oncology diagnosis and treatment in community-based settings. As of December 31, 2024, we have approximately 266 physicians and advanced practice providers across 102 locations in 20 states and the District of Columbia. Our robust platform provides oncology practices with comprehensive support, access to revenue- diversifying adjacent services and practice management expertise to empower physicians to make cancer care better for every patient.

Our mission is to provide high quality, cost effective cancer care close to where patients live and work. We believe the key to accessible and equitable healthcare lies in the strength of community healthcare practices and we are committed to closing the gap in cancer care to ensure every patient has access to the optimal, comprehensive care needed to help in their fight against cancer. To accomplish this, we have practices in some of the most densely populated cities as well as rural areas where medical resources are scarce. We deliver cancer care innovation by bringing new treatments to the forum and also by ensuring access to the necessary adjacent services to provide comprehensive quality cancer care and preserving the delivery of personalized cancer care in the community oncology setting.

Through access to care-enhancing patient services such as a centralized specialty pharmacy, wide ranging clinical lab and pathology services, clinical research, diagnostic imaging, a fully integrated technology platform anchored by an oncology- specific electronic medical record system, as well as a caring management team and a variety of financial assistance programs, our patients receive expert cancer care at each of our clinics.

We provide patients a variety of services to enhance patient care throughout the healthcare journey: high-quality and timely laboratory services for routine and specialized testing; in-house professional and technical pathology services providing complete, accurate and timely pathology reports; in-house specialty pharmacy with patient education, financial assistance, and 24/7 patient assistance; and care management support services including nutrition guidance.

As the future of healthcare continues to transition from volume to value, we are at the forefront of this initiative by ensuring we remain focused on care quality over care quantity and maintaining a patient-first mentality. Through an integrated system of seamless communication, coordination and patient care for better health outcomes, AON practices benefit from decreased expenditures through the implementation of centralized administrative services, processes, and technologies designed to support effective decision- making such as optimal pricing on drugs and medical supplies. Our patients benefit through our 24/7 clinical care support leading to a reduction in unnecessary emergency room visits and admissions and enhanced care quality. Ultimately, the payors benefit from more efficient delivery of high-quality, comprehensive services comparable to any hospital system at a lower cost point.

Though our network spans the country, our clinicians are interconnected and focused on driving change not just at their local clinics, but throughout our network. Our Network Practices not only unite in collaboration through a physician advisory board, but they also remain at the forefront of new discoveries and findings by expanding and improving cancer treatment options for every patient through a Pharmacy and Therapeutics Committee that continuously updates its formulary in real time as advanced therapeutics come to market and through participating in clinical research to ensure we remain on the cutting edge of cancer protocols. Patients benefit from convenient access to clinical trials that we participate in without the need to travel to large cities or tertiary cancer care facilities, and personalized care by matching a patient's cancer to a tailored therapy using molecular profiling.

We have invested significantly in a resilient, integrated technology platform to support the practices which includes a fully integrated electronic health record and a robust decision support tool and analytics engine. Our development of compliance materials ensures consistency and optimal patient experiences that meets or exceeds the Office of Inspector General ("OIG") guidelines.

We believe that our position in the market and focus on elevating the state of oncology care with our affiliated providers bodes well for future growth. Our proprietary technology platform supports this growth and enables the Network Practices to standardize and deliver consistent care at scale. We believe that our model will support growth into new markets and allow us to continue to service more patients across the United States.

The Business Combination

Digital Transformation Opportunities Corp. ("DTOC"), American Oncology Network, LLC ("AON LLC"), GEF AON Holdings Corp. ("AON Class C Preferred Investor"), and DTOC Merger Sub, Inc., a direct, wholly owned subsidiary of DTOC ("Merger Sub") entered into a Business Combination Agreement (the "Business Combination Agreement"), dated as of June 14, 2023 (which further amended and restated the Business Combination Agreement entered into by DTOC and AON as of October 5, 2022, and amended and restated on January 6, 2023, and April 27, 2023), pursuant to which, among other transactions, on September 20, 2023 (the "Closing Date"), DTOC and AON undertook a series of transactions (the "Business Combination") resulting in the organization of the combined post-business combination company as an umbrella partnership C corporation, in which substantially all of the assets and the business of the combined company are held by AON LLC, and DTOC became a member of AON LLC. In connection with the closing of the Business Combination ("the Closing"), DTOC changed its name to "American Oncology Network, Inc.". The Business Combination was completed on September 20, 2023.

As a result of, and in connection with, the Closing, among other things, (i) AON LLC amended and restated its operating agreement (the "Amended and Restated AON LLC Agreement") to reclassify its existing Class A units, Class A-1 units and Class B units into a single class of AON LLC common units ("AON LLC Common Units") that can be exchanged on a one-to-one basis for shares of New AON Class A common stock ("New AON Class A Common Stock") and its existing AON LLC Class C units into AON LLC Series A preferred units (AON LLC Series A Preferred Units"); (ii) AON LLC converted profit pool units of certain of AON LLC's subsidiaries into an equal number of AON LLC Common Units and shares of New AON Class B common stock ("New AON Class B Common Stock"), which together are exchangeable into shares of New AON Class A Common Stock (together with the New AON Class B Common Stock, the "New AON Common Stock"); (iii) New AON amended and restated its charter (the "Charter") to provide for (a) the conversion of all existing shares of DTOC Class B common stock into shares of New AON Class A Common Stock on a one-to-one basis, (b) amendment of the terms of New AON Class B Common Stock to provide holders voting rights but no economic rights and (c) designation of a new series of New AON preferred stock as Series A convertible preferred stock (the "New AON Series A Preferred Stock" or "Series A Preferred Stock") with such rights and preferences as provided for in the certificate of designation of the New Aon Series A Preferred Stock (the "New AON Series A Certificate of Designation"); and (iv) among other things, (a) AON LLC issued common units to New AON in exchange for a combination of cash and shares of New AON Class B Common Stock and warrants to acquire shares of New AON Class B Common Stock (the "Class B Prefunded Warrants"), (b) New AON was admitted as a member of AON LLC, (c) AON LLC distributed shares of New AON Class B common stock or Class B Prefunded Warrants, as applicable, to AON LLC equity holders, (d) New AON reserved a specified number of additional shares of New AON Class A Common Stock after the Closing for issuance to eligible participants, (e) Merger Sub merged with and into the AON Class C Preferred Investor whereby the separate existence of Merger Sub ceased and New AON issued a number of shares of New AON Series A Preferred Stock equal to the number of AON LLC Series A preferred units held by the AON Class C Preferred Investor to AEA Growth Management LP, the parent of AON Class C Preferred Investor ("AEA Growth") in exchange for all the shares of common stock held by AEA Growth in the AON Class C Preferred Investor (the "First Step"), (f) promptly after the First Step, the AON Class C Preferred Investor merged with and into New AON whereby the separate existence of the AON Class C Preferred Investor ceased and New AON held all the AON LLC Series A preferred units and (g) from and after the Closing (but subject to lock-up restrictions), the AON LLC common equity holders (other than New AON), referred to herein as "Legacy AON Stockholders" (former AON LLC Class A, Class A-1, and Class B unit holders), will have the right (but not the obligation) to exchange AON LLC Common Units together with an equal number of shares of New AON Class B Common Stock (whether held directly or indirectly through Class B Prefunded Warrants) for shares of New AON Class A Common Stock.

In addition, in connection with the Closing, DTOC completed the offer to the holders of AON LLC Class B-1 units to exchange their AON LLC Class B-1 units for such number of newly issued shares of New AON Class A Common Stock equal to the ratio set forth in the Business Combination Agreement (such offer, the “Exchange Offer”). DTOC and AON LLC solicited consents from the holders of AON LLC Class B-1 units to make certain amendments to the terms of the awards and the unit grant agreements pursuant to which the AON LLC Class B-1 units were granted, which provided for the automatic exchange, as of immediately prior to the adoption of the Amended and Restated AON LLC Agreement, of all outstanding AON LLC Class B-1 units into shares of New AON Class A Common Stock (collectively, the “Proposed Amendments”). The requisite number of holders of Class B-1 units provided their consent to the Proposed Amendments, and as a result, in connection with the Closing, all AON LLC Class B-1 units were exchanged for an aggregate of 1,047,343 shares of New AON Class A Common Stock.

Delisting from the Nasdaq Capital Market

On May 21, 2024, the Company determined to voluntarily delist its Class A Common Stock (“Common Stock”) and publicly traded warrants to purchase Class A Common Stock (the “Warrants”) from the Nasdaq Capital Market (“Nasdaq”), as recommended to the Board of Directors (the “Board”) of the Company by a special committee (the “Special Committee”) of the Board comprised solely of disinterested directors (the “Delisting”). The last trading day of its Class A Common Stock and Warrants on Nasdaq was June 7, 2024. The Class A Common Stock and Warrants commenced trading on the OTCQX Best Market on June 10, 2024.

Third Party Tender Offer

On October 4th, 2024, affiliates of AEA Growth (collectively the “Bidders” or “AEA Parties”) closed on a tender offer to purchase for cash, i) 5,407,155 AON LLC Common Units from holders of such AON LLC Common Units and ii) 2,809,338 shares of New AON Class A Common Stock from holders of such New AON Class A Common Stock (the “Third Party Tender Offer”). Each AON LLC Common Unit and share of New AON Class A Common Stock were purchased by the Bidders for $4.00 less certain fees and expenses. Following the closing of the Third Party Tender Offer, the Bidder converted the 5,407,155 AON LLC Common Units into an equal number of shares of Class A Common Stock of the Company.

Neither AON Inc. nor AON LLC was a Bidder in the Third Party Tender Offer. AON Inc. and AON LLC assisted with facilitating documentation between the Bidders and participants in the Third Party Tender Offer in order to maintain an orderly process between the participants in the Third Party Tender Offer and the Bidders. The Company and AEA Growth entered into a Stockholders Agreement on July 19th, 2024 that provides for certain customary shareholder protections in the event that AEA Parties collectively and beneficially own at least 40% of outstanding voting power of the Company. Upon closing of the Third Party Tender Offer, the AEA Parties owned approximately 30% of the outstanding voting power of the Company.

Class A Common Stock Financing

On November 12, 2024, the Company and AEA AON Aggregator LLC (the “Investor”), an affiliate of AEA Growth, entered into a securities purchase agreement (the “Securities Purchase Agreement”) and closed on the sale of 8,500,000 shares of Class A Common Stock at a price of $6.00 per share (the “Equity Financing”). The gross proceeds of the offering was $51,000,000 before deducting reimbursable fees and expenses of counsel to the Investor. The Company intends to use the proceeds of the financing for capital expenditures and general corporate purposes.

Basis of Presentation

For the year ended December 31, 2024, these consolidated financial statements reflect the consolidated results of operations, comprehensive income (loss), cash flows and changes in equity of AON LLC and its wholly-owned subsidiaries for the period of January 1, 2023 through September 20, 2023, the Closing Date of the Reverse Recapitalization, and the consolidated results of operations, comprehensive income (loss), cash flows and changes in stockholders' equity of AON Inc. and its consolidated subsidiaries, including AON LLC, for the period of September 21, 2023 through December 31, 2023. The consolidated balance sheet at December 31, 2023 presents the financial condition of AON Inc. and its consolidated subsidiaries, including AON LLC, and reflects the initial recording of the assets and liabilities of AON Inc. at their historical cost. All intercompany balances and transactions of AON LLC prior to the Reverse Recapitalization have been eliminated. All intercompany balances and transactions of AON Inc. after the Reverse Recapitalization have been eliminated.

For the year ended December 31, 2024, $-4.0 million of the consolidated net loss of AON LLC were attributable to the Class A Common Stockholders, and reflects the Class A Common Stockholders' absorption of 35.7% of the consolidated net loss of AON LLC. For the year ended December 31, 2024, $-23.8 million of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 64.3% of the consolidated net losses of AON LLC.

For the year ended December 31, 2023, $5.5 million of the consolidated net loss of AON LLC were attributable to the Class A Common Stockholders, and reflects the Class A Common Stockholders' absorption of 19.2% of the consolidated net loss of AON LLC for the period of September 21, 2023 through December 31, 2023. For the year ended December 31, 2023, $30.8 million of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 80.8% of the consolidated net losses of AON LLC for the period of September 21, 2023 through December 31, 2023.

For the year ended December 31, 2023, $27.1 million of the consolidated net losses of AON LLC were attributable to the Legacy AON Stockholders, to reflect their absorption of 100% of the consolidated net losses of AON LLC pertaining to the days prior to the Reverse Recapitalization. For the year ended December 30, 2022 and December 31, 2021, net income and loss of $2.6 million and $0.1 million, respectively, were attributable to the Legacy AON Stockholders to reflect their absorption of 100% of AON LLC's net income and loss pertaining to the periods prior to the Reverse Recapitalization.

Key Factors Affecting Performance

Factors Affecting Our Revenues

There are many factors that drive patient service revenues; however, we focus on certain key metrics such as:

- Total patient encounters which include initial consultations and treatments, new patient encounters, recurring patient encounters and treatments, and cancer vs non cancer patients.
- Patient referrals which are also an important driver of patient service revenue; we manage the referral pipeline locally through the coordinated efforts of our physician liaisons working with our physicians to market our practices by visiting referral sources such as, primary care providers and other medical specialties.

Factors Affecting Our Operating Costs

Operating costs are primarily dependent upon factors such as:

- The cost of prescription drugs used in our treatment plans which include both intravenous and oral oncolytics. The management of these costs are a critical component of our business as it is our single largest expense. We manage this cost by strategic volume purchases and continuously evaluating the most clinically effective drug for cancer type through our Pharmaceutical and Therapeutics Committee.
- Clinical compensation and benefits, including non-medical personnel, represent our second largest operating expense. These costs are impacted by both micro and macro-economic factors as well as local competition for personnel that could impact costs associated with personnel. In particular, in all of our markets, we have seen significant increases in compensation for qualified nursing resources. We continuously monitor wages period over period to mitigate the impact of variations in industry and macro-economic labor conditions.
- We lease all of our facilities, therefore real-estate costs are a significant component of our operating costs. We continuously monitor local and national real estate conditions to actively manage our exposure to fluctuating occupancy costs.

Components of Results of Operations

Patient Service Revenue, net

The Company receives payments from the following sources for services rendered: (i) commercial insurers; (ii) pharmacy benefit managers (“PBMs”); (iii) the federal government under the Medicare program administered by the Centers for Medicare and Medicaid Services (“CMS”); (iv) state governments under Medicaid and other programs, including managed Medicare and Medicaid; and (v) individual patients.

The primary elements of patient service revenue are from fee for service (“FFS”) revenue which includes revenue from required patient infusion and injection treatments, as well as oral prescription drugs. FFS revenue comprise revenues in which we bill and collect for medical services rendered by our physicians or nurse practitioners including office visits and consults. FFS revenue also includes infusion therapies and treatment. FFS revenue consists of fees for medical services provided to patients. Payments for services provided are generally less than billed charges. The Company records revenue net of an allowance for contractual adjustments, which represents the net revenue expected to be collected from third-party payors (including managed care, commercial, and governmental payors such as Medicare and Medicaid), and patients.

These expected collections are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patient’s healthcare plan, mandated payment rates in the case of Medicare and Medicaid programs, and historical cash collections (net of recoveries). The recognition of net revenue (gross charges less contractual allowances) from such services is dependent on certain factors, such as, the proper completion of medical charts following a patient encounter, proper medical coding of the charts, and the verification and authorization of each patient’s eligibility at the time services are rendered as to the payor(s) responsible for payment of such services.

Oral prescription drugs comprise revenues from prescriptions written by AON’s doctors to their patients which are dispensed directly by AON’s specialty pharmacy. Revenue for the oral prescription is recognized at the time a patient takes possession of the oral prescription drug and is based on fee schedules set by by pharmacy benefit managers (“PBMs”) and other third-party payors. Until December 31, 2023, these fee schedules were subject to direct and indirect remuneration (“DIR”) fees, which were retrospectively based on adherence and other metrics and deducted from future payments. . Effective January 1, 2024, the PBMs and third-party payors no longer apply DIR fees to reimbursement for claims with 2024 dates of service, rather any fees are assessed at the point of claim adjudication versus retrospectively.

Other Revenue

Other revenue is primarily generated from service arrangements with various hospitals systems and data contracts as well as through clinical trials.

Cost of Revenue

Cost of services primarily includes chemotherapy drug costs, clinician salaries and benefits, medical supplies, and clinical occupancy costs. Clinicians include oncologists, advanced practice providers such as physician assistants and nurse practitioners, and registered nurses. Specialty pharmacy costs primarily include the cost of oral medications dispensed from the specialty pharmacy including overhead costs for running a free-standing pharmacy and shipping costs to patients.

General and Administrative Expenses

Our general and administrative expenses include corporate occupancy costs, technology infrastructure, operations, clinical and quality support, finance, legal, human resources, and business development. Depreciation and amortization expenses are also included in general and administrative expenses. The Company expects its general and administrative expenses to increase over time following the consummation of the Business Combination due to the additional legal, accounting, insurance, investor relations and other costs that the Company will incur as a public company, as well as other costs associated with continuing to grow the business. While we expect general and administrative expenses to increase in the foreseeable future, such expenses on average are expected to decrease as a percentage of revenue over the long term, as the company continues to scale its operations.

Transaction Expenses

Transaction expenses consist of legal costs, professional fees and other due diligence expenses that were incurred in connection with the Business Combination and costs associated with the preparation for initial compliance with Sarbanes

Oxley requirements. Transaction expenses also include costs associated with the Delisting, and costs associated with the Third Party Tender Offer.

Results of Operations

Comparison of the Years Ended December 31, 2024 and 2023

Revenue

	Year Ended December 31,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**
Patient service revenue, net	$ 1,743,978	$ 1,265,719	$ 478,259	37.8 %
Other revenue	15,506	13,466	2,040	15.1 %
Total revenue	$ 1,759,484	$ 1,279,185	$ 480,299	37.5 %

Revenue increased by $480.3 million, or 37.5%, primarily due to a $478.3 million increase in patient service revenue and a $2.0 million increase in other revenue.

Patient service revenue, net

The $478.3 million increase in revenue is largely attributable to an increase of patient encounters of 21.4%, related to growth from acquired practices and organic volume growth, driving a $270.5 million revenue increase in fiscal year 2024 as compared to fiscal year 2023. We also realized a $207.8 million of revenue growth from an increased revenue per encounter of 13.5% over the comparable periods, driven by growth in reimbursement rates associated with drug cost increases, as well as improvements in revenue cycle operations.

Other revenue

Other revenue increased 2.0 million primarily due to an increase of $5.2 million in data contracts and service arrangements offset by a decrease of $3.2 million in clinical trial revenue.

Operating Expenses

	Year Ended December 31,		**Change**	
(dollars in thousands)	**2024**	**2023**	**$**	**%**
Cost of revenue	$ 1,641,638	$ 1,196,389	$ 445,249	37.2 %
General and administrative expenses	133,937	100,714	33,223	33.0 %
Transaction expenses	1,338	31,236	(29,898)	*
Total costs and expenses	$ 1,776,913	$ 1,328,339	$ 448,574	33.8 %

* — % not meaningful

Operating expenses increased $448.6 million, or 33.8%, due to a $445.2 million increase in cost of revenue, a $33.2 million increase in general and administrative expenses offset by a $29.9 million decrease in transaction expenses.

Cost of revenue

Cost of revenue increased $445.2 million which was primarily driven by increased intravenous and oral drug costs, due to the Company's overall growth in increased patient encounters as well as increases in drug cost per encounter. Growth in patient encounter volumes at our practices drove cost of revenue higher by $219.6 million, and the cost per encounter drove a $167.6 million increase. The increased cost of patient encounters was driven by a combination of higher drug and supply costs as well as the drug and service mix required by patients. Additionally, in 2024, the Company issued Restricted Stock Units ("RSUs") under the 2023 Equity Incentive Plan to employees of the Company with various vesting periods including RSUs that vest immediately, over a period of one year, and over a period of two years. The Company recognized an increase of $17.7 million of equity-based compensation expense during the twelve months ended December 31, 2024 associated with the 2024 grant of RSUs, a significant amount of which was related to RSUs that vested immediately upon grant. Refer to Note 12, Equity-Based Compensation, for further discussion. Increases in practice compensation related labor costs drove the remaining $40.3 million increase in cost of revenue as clinical salaries and benefit expenses grew both organically and from acquisition related activity.

General and administrative expense

General and administrative expenses grew $33.2 million, or 33.2%, in fiscal year 2024 as compared to fiscal year 2023, consistent with the Company's overall growth. However, general and administrative costs grew at a lower rate than the Company's 38% revenue growth in 2024, as the Company leveraged its corporate overhead and related infrastructure to support the Company's growth in 2024.

Transaction expense

The $29.9 million decrease in transaction expenses was driven by a significant reduction in costs associated with the Business Combination, which closed in September of 2023, net of increases in costs associated with the delisting the Company's securities from Nasdaq, in addition to costs associated with the Third Party Tender Offer.

Other Income (Expense)

	Year Ended December 31,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**
Interest expense	$ (7,057)	$ (6,417)	$ (640)	10.0 %
Interest income	3,199	1,326	1,873	*
Other (expense) income, net	(3,326)	(8,262)	4,936	*
Total other expense	$ (7,184)	$ (13,353)	$ 6,169	(46.2 %)

* — % not meaningful

Interest expense

Interest expense for the Company increased within the twelve months ended December 31, 2024 generally consistent with the growth in the Company's debt balances (both long and short-term components) in 2024 compared to 2023.

Interest income

The increase in interest income for the twelve months ended December 31, 2024 was generated by higher levels of marketable securities held by the Company, on average, in 2024 as compared to 2023.

Other (expense) income, net

The decrease in other expense is attributable to a non-cash benefit of $8.3 million related to the fair value adjustment of the Class A-1 & Class C derivative liability, offset by $3.6 million of asset disposals and the change in fair value of the Public and Private Warrant liabilities.

Income taxes

	Year Ended December 31,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**
Provision for (benefit from) income taxes	$ 2,498	$ 384	$ 2,114	550.5 %
Effective tax rate	(10.15)%	(0.62)%	(9.5)%	*

* — % not meaningful

The Company's effective income tax rate was.(10.15)% and (0.62)% for the years ended December 31, 2024 and 2023, respectively. The change to the income tax provision for the year ended December 31, 2024 compared to the income tax provision for the year ended December 31, 2023 was primarily a result of the transaction closing on September 20, 2023, resulting in a portion of the Company's consolidated pre-tax earnings, which were previously not subject to income taxes, flowing into a taxable corporation included in the Company's post transaction structure. As of December 31, 2023, the Company recognized a deferred tax asset related to its investment in the American Oncology Network, LLC partnership. As of December 31, 2024, the Company updated its valuation allowance assessment based on new factors including its 2024 loss incurred at the American Oncology Network, LLC partnership legal entity. Based on its updated valuation allowance assessment, the Company recorded a full valuation allowance against its investment in partnership deferred tax asset during the year ending December 31, 2024.

Non-GAAP Financial Measures

Adjusted EBITDA
In addition to our results of operations prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which we have discussed above, we also evaluate our financial performance using Adjusted EBITDA.

We define Adjusted EBITDA as net loss before interest expense, net; depreciation and amortization, and income tax expense; as further adjusted for the impact of certain other items that are either non-recurring, infrequent, non-cash, unusual, or items deemed by management to not be indicative of the performance of our core operations, including equity-based compensation; gain or loss on derivative liabilities; revenue cycle transformation; transaction costs; acquisition related costs; and costs and settlements associated with acquisition and divestiture related activities. As a non-GAAP financial measure, our computation of Adjusted EBITDA may vary from similarly termed non-GAAP financial measures used by other companies, making comparisons with other companies on the basis of this measure impracticable.

We believe our computations of Adjusted EBITDA are helpful in highlighting trends in our core operating performance. In determining which adjustments are made to arrive at Adjusted EBITDA, we consider both (1) certain non-recurring, infrequent, non-cash or unusual items, which can vary significantly from year to year, as well as (2) certain other items that may be recurring, frequent, or settled in cash but which management does not believe are indicative of our core operating performance. We use Adjusted EBITDA to assess operating performance and make business decisions.

Given our determination of adjustments in arriving at our computations of Adjusted EBITDA, this non-GAAP measure has limitations as an analytical tool and should not be considered in isolation or as substitutes or alternatives to net income or loss, revenue, operating income or loss, cash flows from operating activities, or any other financial measures calculated in accordance with U.S. GAAP.

The following table provides a reconciliation of net loss, the most closely comparable GAAP financial measure, to Adjusted EBITDA for the periods indicated:

	Year Ended December 31,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**
Net income (loss)	(26,958)	$ (63,150)	$ 36,192	*
Interest expense, net	3,858	5,091	(1,233)	(24.2 %)
Depreciation & amortization	10,516	8,450	2,066	24.4 %
Income tax expense	2,498	384	2,114	*
Non-cash stock compensation	17,681	4,877	12,804	*
Loss on derivative liabilities	289	9,249	(8,960)	(96.9 %)
Revenue cycle transformation (a)	11,861	21,588	(9,727)	*
Acquisition related costs (b)	4,453	—	4,453	*
Costs and settlements associated with acquisition & divestiture related activities (c)	3,868	—	3,868	*
Bargain purchase gain	(511)	—	(511)	*
Transaction expenses (d)	1,338	31,236	(29,898)	*
Other	94	316	(222)	(70.3 %)
Adjusted EBITDA	$ 28,986	$ 18,041	$ 10,945	60.7 %

* — % not meaningful
(a) During the year-ended December 31, 2024 and 2023 respectively, represents approximately $9.1 million and $20.7 million of incremental implicit price concessions associated with exiting a legacy billing system and implementing a new billing system, which commenced in the fourth fiscal quarter of 2023, and approximately $2.7 million and $0.9 million of

duplicative billing system operating costs as the legacy system is sunset, including write-offs of legacy system software costs.
(b) Represents i) transaction and other one-time costs incurred in connection with planned, completed, or terminated acquisitions, which include investment banking fees, legal diligence and related documentation costs, and finance and accounting diligence and documentation; and ii) transitionary costs incurred to integrate acquired companies into our practice and corporate operations.
(c) Represents legal and other costs, including settlements, associated with resolving legal matters arising during or as a result of practice acquisition and divestiture related activities.
(d) Represents costs incurred in connection with the Business Combination, costs associated with preparation for initial compliance with Sarbanes Oxley requirements, as well as costs associated with the Delisting, and the Third Party Tender Offer.

Liquidity and Capital Resources

General

To date, the Company has financed its operations principally through the issuance of common stock and long-term debt, and to a lesser extent, cash flows from operations. As discussed below, on June 7, 2023, the Company entered into an agreement to issue Class C Preferred Units for net proceeds of approximately $64.5 million, and in November 2024 issued 8,500,000 shares of Class A Common Stock at a price of $6.00 per share, raising approximately $51.0 million before fees and expenses. As of December 31, 2024, the Company had $62.8 million of cash and cash equivalents, $9.8 million of short-term marketable securities, $19.7 million available under the PNC Loan Facility, and $1.0 million of availability under its PNC Line of Credit.

The Company may incur operating losses and generate negative cash flows from operations for the foreseeable future due to the investments management intends to continue making in expanding operations and sales and marketing and due to additional general and administrative expenses management expects to incur in connection with operating as a public company. As a result, the Company may require additional capital resources to execute strategic initiatives to grow the business.

Management believes that the cash on hand, operating cash flows, and availability under PNC Facility will be sufficient to fund the Company's operating and capital needs for at least the next 12 months. On January 31, 2025, the Company entered into Fourth Amendment to Loan Agreement which extended the maturity date from June 30, 2026 to January 31, 2028. Please refer to FN 22 - Subsequent Events for additional details. The Company's actual results may vary due to, and its future capital requirements will depend on, many factors, including its organic growth rate and the timing and extent of acquisitions of new clinics and expansion into new markets. The Company may in the future enter into arrangements to acquire or invest in complementary businesses. The Company could use its available capital resources sooner than management currently expects. The Company may be required to seek additional equity or debt financing.

Reverse Recapitalization

The Company closed the Business Combination on September 20, 2023 ("the Closing" or the "Closing Date"). As of the Closing, the Company received $1.4 million of the remaining cash held in the Trust Account after all redemptions. On the Closing Date, the Company paid $7.1 million of DTOC transaction expenses incurred as a result of the Business Combination. The Company assumed an additional $6.1 million in liabilities, of which $3.4 million were related to an excise tax and $2.7 million related to unpaid transaction expenses incurred by DTOC as a result of the Business Combination.

Significant Financing Transactions

2022 Debt Financing Activity

In 2022, the Company amended the PNC Facility and Line of Credit agreements. The primary changes included an increase of the Facility limit from $75.0 million to $125.0 million, a decrease of the PNC Line of Credit amount from $5.0 million to $1.0 million, interest charges to be calculated based on the Bloomberg Short-Term Bank Yield Index plus 1.65% and certain financial covenants. As part of the amendments, the Company drew an additional $16.3 million in proceeds under the Facility.

The total amount outstanding under the PNC Facility as of December 31, 2023 was $81.3 million at an interest rate of 7.19%. No amounts were drawn on the PNC Line of Credit as of December 31, 2023.

2023 Sale of Class C Equity

On April 27, 2023, AON LLC and the AON Class C Preferred Investor entered into a Unit Purchase Agreement, which they subsequently amended and restated on June 7, 2023 (as amended, the “Unit Purchase Agreement”), which provides for an investment of at least $65.0 million with an option to increase the investment to $75.0 million in connection with the issuance of AON Class C Convertible Preferred Units (“AON Class C Units”) to the AON Class C Preferred Investor.

Pursuant to the Unit Purchase Agreement, on June 7, 2023, the AON Class C Preferred Investor purchased, and AON LLC issued and sold to the AON Class C Preferred Investor, 2,459 AON Class C Units at an aggregate purchase price of $65.0 million. Under the Unit Purchase Agreement, the AON Class C Preferred Investor has an option to purchase an additional 378 AON LLC Class C Units until the closing of the Business Combination (the “Closing”), at a purchase price of $26,432 per Unit. This option was not exercised and expired as of the Closing of the Business Combination. In connection with the Class C Unit sale, AON LLC amended and restated its operating agreement, to among other things, authorize 2,837 AON LLC Class C Units of which 2,459 were outstanding as of June 30, 2023 to the AON Class C Preferred Investor. The AON LLC Class C Units were reclassified into AON LLC Series A Preferred Units as of September 20, 2023, the Closing Date. Concurrently, New AON issued a number of shares of New AON Series A Preferred Stock equal to the number of AON Series A Preferred Units held by the AON Class C Preferred Investor to AEA Growth Management LP, the parent of AON Class C Preferred Investor (“AEA Growth”) in exchange for all the shares of common stock held by AEA Growth in the AON Class C Preferred Investor. Promptly after the First Step, the AON Class C Preferred Investor merged with and into New AON whereby the separate existence of the AON Class C Preferred Investor ceased and New AON held all the AON Series A Preferred Units.

2023 Debt Financing Activity

On June 30, 2023, AON entered into Amendment No. 7 to its PNC Loan Facility which primarily extended the maturity date of the Facility from April 30, 2024 to June 30, 2026.

On December 31, 2023, AON entered into Amendment No. 3 to its Line of Credit agreement to modify certain definitions such as “change in control”. In addition, this also amended certain debt covenants, such as the EBITDA thresholds.

2024 Debt Financing Activity

On January 16, 2024, AON entered into Amendment 8 to its PNC Loan Facility in order to modify the agreement to reflect that transfers of AON LLC units between AON LLC members to AON Inc. or the holder of a majority of AON Inc.’s Series A Preferred Stock, do not trigger a change of control, as defined therein, consistent with the intention of the parties to the PNC Loan Facility. In addition, Amendment 8 also amended the delinquency ratio threshold used to calculate certain debt covenants.

On September 11 2024, the Company also entered into Amendment No. 9 (“Amendment 9”) to its PNC Loan Facility to modify certain definitions and expand upon “Unlisted Accounts” which allowed collections received into unlisted accounts to be eligible receivables of pool balance at the end of every month up to a certain threshold. The effective date of Amendment 9 was September 11, 2024.

On November 12, 2024, the Company and AEA AON Aggregator LLC (the “Investor”), an affiliate of AEA Growth, entered into a securities purchase agreement (the “Securities Purchase Agreement”) and closed on the sale of 8,500,000 newly issued shares of Class A Common Stock at a price of $6.00 per share (the “Equity Financing”). The gross proceeds of the offering were $51,000,000 before deducting reimbursable fees and expenses of counsel to the Investor. The Company intends to use the proceeds of the financing for acquisition of physician practices, other capital expenditures and general corporate purposes.

Please also see FN 17 Subsequent Events for discussion of further amendments and extension to the PNC Loan Facility.

Cash Flows

Historical information regarding sources of cash and capital expenditures in recent periods and analysis of those sources and uses is provided below.

Cash flows for the years ended December 31, 2024 and 2023 were as follows:

	Year Ended December 31,		Change	
(dollars in thousands)	2024	2023	$	%
Net cash used in operations	$ (4,943)	$ (18,118)	$ 13,175	(72.7) %
Net cash used in investing activities	(2,411)	(35,534)	33,123	(93.2) %
Net cash provided by financing activities	41,664	55,265	(13,601)	(24.6 %)

Cash flows from operating activities

The primary sources and uses of our operating cash flow are operating income or operating losses, net of any non-cash items such as stock-based compensation, and depreciation and amortization. The timing of collections of accounts receivable and the payment of accounts payable, and other working capital items can also impact and cause fluctuations in our operating cash flow. Cash used in operating activities decreased by $13.2 million during the twelve month period ended December 31, 2024 compared to the twelve month period ended December 31, 2023, primarily due to:

The comparative provision of $44.0 million of cash from a decrease in net loss during the year ended December 31, 2024, net of changes in adjustments to reconcile net loss to net cash used in operating activities, when compared to the year-ended December 31, 2024; net of

$15.3 million of cash used to fund deferred compensation for physicians in connection with acquisition activities, net of amortization of related deferred compensation;

The comparative usage of cash of $7.7 million in connection with growth in accounts receivable;

The comparative usage of cash of $1.1 million from accounts payable, inventory and other receivables, the changes of which are primarily associated with the timing of vendor payments for drug purchases, increases or decreases in drug inventories, and receipt of drug rebates and;

Other changes in working capital.

Cash flows from investing activities

Net cash used in investing activities was $2.4 million for the year ended December 31, 2024 compared to $35.5 million for the comparable period in 2023. The $33.1 million decrease in cash used was primarily attributable to the following:

During the year ended December 31, 2024 the Company reduced its holdings of marketable securities which provided net cash of $26.1 million, $20.7 million of which was used for purchases of property, plant and equipment, and $6.7 million was used for the acquisition of physician practices.

Net cash used during the year ended December 31, 2023 was primarily comprised of $25.1 million of net cash used to purchase marketable securities, as well as $11.6 million of cash used for the net purchase of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities was $41.7 million for the year ended December 31, 2024 compared to $55.3 million for the comparable period in 2023. The $13.6 million decrease in cash flows from financing activities was primarily due to less cash raised by the Company in connection with equity issuance activity. In 2023 the Company received proceeds of $65.0 million from the issuance of redeemable, convertible Class C Units. In 2024 the Company received proceeds of $50.0 million from the issuance of Class A Common Stock. Other significant financing activities include $9.5 million of Class A and Class A-1 preferred distributions in 2023, $3.5 million of repayments on long-term debt in 2024, and $3.3 million of payments of tax withholdings related to RSU settlements in 2024.

Off Balance Sheet Arrangements

As of the date of this Annual Report on Form 10-K, AON does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term “off-balance sheet arrangement” generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with AON is a party, under which it has any obligation arising under a guarantee contract, derivative instrument or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

AON does not engage in off-balance sheet financing arrangements.

Material Cash Requirements

Based on the Company’s borrowings under the long-term debt arrangement as of December 31, 2024, the Company expects future cash outflows related to interest expense (based on Secured Overnight Financing Rate, “SOFR” plus 1%, of 6.20% as of December 31, 2024) of $4.5 million in 2025.

The Company also expects a cash outflow of $81.3 million related to the repayment of principal when the PNC Loan Facility matures in January of 2028.

The Company expects the following cash flows related to operating leases with third parties: $8.2 million in 2025, $9.2 million in 2026, $8.1 million in 2027, $6.4 million in 2028, $5.6 million in 2029, and $23.2 million thereafter.

The Company expects the following cash flows related to operating leases with related parties: $2.6 million in 2025, $2.7 million in 2026, $2.5 million in 2027, $1.8 million in 2028, $1.5 million in 2029, and $0.6 million thereafter.

Cash outflows related to certain vendor contracts with committed expenditures are expected to total approximately $34.8 million in 2025.

The Company does not have any significant supply or other arrangements which result in material cash requirements other than as described above.

Critical Accounting Policies and Estimates

The accompanying consolidated financial statements have been prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Revenue Recognition

Revenue is recognized under Accounting Standards Update (“ASU”) 2014-09 Revenue from Contracts with Customers (“Topic 606”). The Company determines the transaction price based upon standard charges for goods and services with anticipated consideration due from patients, third-party payors (including health insurers and government agencies) and others. The Company’s revenue is primarily derived from patient service revenues, which encompass oncology services provided during patient encounters and shipments of pharmacy prescriptions. Performance obligations for the Company’s services provided to patients and most procedures, are satisfied over the time of visit which is the same day services are performed. Performance obligations relating to pharmacy revenue are considered fully satisfied at a point in time upon the customer receiving delivery of the prescription. Accordingly, the Company does not anticipate a significant amount of revenue from performance obligations satisfied (or partially satisfied) in previous periods.

As services are performed and prescriptions are shipped, timely billing occurs for services rendered and prescriptions shipped less discounts provided to uninsured patients and contractual adjustments to third-party payors based upon prospectively determined rates and discounted charges. Payment is requested at the time of service for self-paying patients and for patients covered by third-party payors that are responsible for paying deductibles and coinsurance.

The Company monitors revenue and receivables to prepare estimated contractual allowances for the anticipated differences between billed and reimbursed amounts. Payments from third-party payors and Government programs including Medicare and Medicaid may be subject to audit and other retrospective adjustments. Such amounts are considered on an estimated basis when net patient revenue is recorded and are adjusted as final adjustments are determined.

The Company has a system and estimation process for recording Medicare net patient service revenue and estimated recoupments as it relates to value-based care ("VBC") revenue included in patient service revenue on the Consolidated Statements of Operations and Comprehensive Income (Loss). The Company's VBC revenue is primarily generated through its participation in the Enhancing Oncology Model ("EOM") which is an episode-based payment model to promote high-quality cancer care. Participants enter six-month episode periods, and the Company bills a monthly fee during the six-month period based on a fixed rate per participant per month and the total number of participants. Certain quality and compliance metrics are tracked as part of the program and submitted to CMS at the end of the episode period which may result in recoupment of funds. The Company estimates the recoupment amount by developing a recoupment percentage for each period based on historical known recoupment from CMS and applies the recoupment percentage against total fees for the period. Based on the estimate, the Company accrues a liability representing the expected final recoupments based on historical settlement trends.

Accounts Receivable

Accounts receivable from patients are carried at the original charge for the services provided, and an adjustment is made to the receivable in a contra account based on the historical collection rate for the provider and payor combination. This adjustment takes into consideration any allowance for doubtful accounts. Management determines the allowance for uncollectible accounts based on historical experience.

Business Combinations

The Company evaluates acquired practices in accordance with ASU 2017-01, Business Combinations (Topic 805) — Clarifying the Definition of a Business. This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. Because substantially all of the value of each acquired practice did not relate to a similar group of assets and as each acquired practice contained both inputs and processes necessary to provide economic benefits to the Company, it was determined that each acquisition represents a business combination. Therefore, the transactions have been accounted for using the acquisition method of accounting, which requires, with limited exceptions, that assets acquired, and liabilities assumed be recognized at their estimated fair values as of the acquisition date. Any excess of the consideration transferred over the estimated fair values of the net assets acquired is recorded as goodwill. Transaction costs related to business combinations are expensed in the period in which they are incurred.

Professional Liability

The Company maintains an insurance policy for exposure to professional malpractice insurance risk beyond selected retention levels. Reserves are established for estimates of the loss that will ultimately be incurred on claims that have been reported but not paid and claims that have been incurred but not reported. These reserves are established based on consultation with a third-party actuary. The actuarial valuations consider a number of factors, including historical claims payment patterns, changes in case reserves and the assumed rate of increase in healthcare costs. Management believes the use of actuarial methods to account for these reserves provides a consistent and effective way to measure these subjective accruals. However, due to the sensitive nature of this estimation technique, recorded reserves could differ from ultimate costs related to these claims due to changes in claims reporting, claims payment and settlement practices and differences in assumed future cost increases. Accrued unpaid claims and expenses that are expected to be paid within the next twelve months are classified as current liabilities and included in accrued other. All other accrued unpaid claims and expenses are classified as long-term liabilities and included in other long-term liabilities. Insurance recoveries associated with the unpaid claims are classified as long-term assets included in other assets.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is considered a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, and is therefore exempted from providing the information otherwise required under this item.

Item 8. Financial Statements and Supplementary Data

The following Consolidated Financial Statements and related footnote disclosures, together with the report thereon of PricewaterhouseCoopers, LLP (PCAOB ID 238), are included in this Form 10-K on the pages set forth below:

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of American Oncology Network, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of American Oncology Network, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income (loss), of mezzanine and stockholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.
We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion
Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Patient Services Accounts Receivable - Allowance for Contractual Adjustments

As described in Note 2 to the consolidated financial statements, the Company's revenue is primarily derived from patient service revenues, which encompass oncology services provided during patient visits and shipments of pharmacy prescriptions. Performance obligations for the Company's services provided to patients and most procedures are satisfied over the time of visit which is the same day services are performed. Patient service revenue is presented net of the estimated provision for contractual adjustments and uncollectible amounts. As disclosed by management, as services are performed and prescriptions are shipped, timely billing occurs for services rendered and prescriptions shipped less discounts provided to uninsured patients and contractual adjustments to third-party and governmental payors, representing the amount expected to be collected, based upon prospectively determined rates and discounted charges. Management monitors revenue and receivables to prepare estimated contractual allowances for the anticipated differences between billed and reimbursed amounts. Payments from third-party payors and Government programs including Medicare and Medicaid may be subject to audit and other retrospective adjustments. Such amounts are considered on an estimated basis when net patient revenue is recorded and are adjusted as final adjustments are determined. As of December 31, 2024, the patient accounts receivable, net balance was $129.2 million, of which a majority relates to patient services accounts receivable.

The principal considerations for our determination that performing procedures relating to the valuation of patient services accounts receivable – allowance for contractual adjustments is a critical audit matter are (i) the significant judgment by management when developing the estimated allowance to adjust the patient services accounts receivable to the amount expected to be collected in the future under the terms of third-party and governmental payor contracts and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the valuation of patient services accounts receivable. As disclosed by management, a material weakness existed related to this matter.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, developing an independent estimate of the amounts expected to be collected and comparing the independent estimate to management’s estimate to evaluate the reasonableness of management’s estimate. Developing an independent estimate involved (i) evaluating the historical accuracy of management’s December 31, 2023 estimate by comparing it to subsequent cash collections; (ii) evaluating the reasonableness of the December 31, 2024 accounts receivable estimate by considering subsequent cash collections; (iii) testing, on a sample basis, the completeness and accuracy of the historical billing and collection data provided by management, used as an input in developing the independent estimate; and (iv) for accounts receivable without cash collected subsequent to December 31, 2024, estimating collections based on the Company’s historical collection patterns.

/s/ PricewaterhouseCoopers LLP

Nashville, Tennessee
March 27, 2025
We have served as the Company’s or its predecessor's auditor since 2020.

American Oncology Network, Inc.
Consolidated Balance Sheets
($ in thousands, except share and per share data)

	As of December 31, 2024	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 62,849	$ 28,539
Short-term marketable securities	9,791	35,389
Patient accounts receivable, net	129,233	129,151
Inventories	60,712	44,569
Other receivables	58,196	34,274
Prepaid expenses and other current assets	8,494	4,277
Current portion of notes receivable - related parties	2,197	1,604
Total current assets	331,472	277,803
Property and equipment, net	48,374	40,439
Operating lease right-of-use assets, net (1)	50,157	43,349
Notes receivable - related parties	1,365	1,150
Other assets	25,584	7,588
Goodwill	10,900	1,050
Intangibles	2,476	180
Deferred tax asset, net	-	2,894
Total assets	$ 470,328	$ 374,453
Liabilities, Mezzanine Equity, and Stockholders' Equity		
Current liabilities		
Accounts payable (2)	$ 170,736	$ 127,645
Accrued compensation related costs	16,725	11,410
Accrued other	17,694	22,327
Income tax payable	734	971
Current portion of operating lease liabilities (3)	7,214	6,692
Current portion of long-term debt	3,744	-
Total current liabilities	216,847	169,045
Long-term debt, net	87,123	80,641
Long-term operating lease liabilities (4)	48,018	39,803
Other long-term liabilities	10,333	14,251
Total liabilities	362,321	303,740
Mezzanine equity		
Series A convertible preferred stock; $0.0001 par value; 25,000,000 shares authorized; 6,651,610 issued and outstanding at December 31, 2024, and December 31, 2023, with an aggregate liquidation preference of $73,558,553 and $68,009,015 at December 31, 2024 and December 31, 2023, respectively.	64,986	64,986
Redeemable noncontrolling interest	87,652	167,025
Stockholders' equity		
Class A Common Stock; $0.0001 par value; 200,000,000 shared authorized; 30,192,847 and 9,517,816 share issued and outstanding at December 31, 2024 and December 31, 2023, respectively.	2	1
Class B Common Stock; $0.0001 par value; 100,000,000 shared authorized; 14,867,850 and 25,109,551 share issued and outstanding at December 31, 2024 and December 31, 2023, respectively.	2	3
Additional paid-in capital	56,292	-
Treasury stock, at cost, 122,743 shares at December 31, 2024 and 14,729 shares at December 31, 2023.	(368)	-
Accumulated other comprehensive income (loss)	28	81
Retained earnings (deficit)	(102,171)	(161,812)
Total AON stockholders' equity	(46,215)	(161,727)
Noncontrolling interest	1,584	429
Total equity	$ (44,631)	$ (161,298)
Total liabilities, mezzanine equity, noncontrolling interest, and stockholders' equity	$ 470,328	$ 374,453

(1) Includes related party operating right-of-use assets, net of $9,396 and $10,931 at December 31, 2024 and 2023, respectively
(2) Includes amounts due to related party of $155,903 and $120,857 at December 31, 2024 and 2023, respectively
(3) Includes related party current portion of operating lease liabilities of $661 and $1,888 at December 31, 2024 and 2023, respectively
(4) Includes related party long-term operating lease liabilities of $8,177 and $9,472 at December 31, 2024 and 2023, respectively

The accompanying notes are an integral part of these consolidated financial statements.

American Oncology Network, Inc.

Consolidated Statements of Operations and Comprehensive Income (Loss)

($ in thousands, except share and per share data)

	Year Ended December 31,	
	2024	2023
Revenue		
Patient service revenue, net	$ 1,743,978	$ 1,265,719
Other revenue	15,506	13,466
Total revenue	1,759,484	1,279,185
Costs and expenses		
Cost of revenue (1) (2)	1,641,638	1,196,389
General and administrative expenses	133,937	100,714
Transaction expenses	1,338	31,236
Total costs and expenses	1,776,913	1,328,339
Income (loss) from operations	(17,429)	(49,154)
Other income (expense)		
Interest expense	(7,057)	(6,417)
Interest income	3,199	1,326
Other (expense) income, net	(3,326)	(8,262)
Income (loss) before income taxes, equity loss in affiliate, and noncontrolling interest	(24,613)	(62,507)
Income tax expense	2,498	384
Income (loss) before equity loss in affiliate and noncontrolling interest	(27,111)	(62,891)
Equity in income (loss) of affiliate	153	(259)
Net income (loss) before noncontrolling interest	(26,958)	(63,150)
Net income attributable to noncontrolling interest	775	321
Net income (loss) before redeemable noncontrolling interest	(27,733)	(63,471)
Net income (loss) and noncontrolling interest attributable to Legacy AON Stockholders prior to the reverse recapitalization	-	(27,080)
Net income (loss) attributable to redeemable noncontrolling interest	(23,760)	(30,849)
Net loss attributable to AON Inc.	$ (3,973)	$ (5,542)
Series A Preferred Cumulative Dividends	(5,550)	(1,493)
Series A Preferred Deemed Dividends	-	(2,089)
Net loss attributable to Class A Common Stockholders	$ (9,523)	$ (9,124)
Reallocation of net loss attributable to Class A Common Stockholders as a result of the impact and conversion of dilutive securities	(23,760)	-
Net loss attributable to Class A Common Stockholders for diluted loss per share	$ (33,283)	$ (9,124)
Loss per share of Class A Common Stock:		
Basic	$ (0.69)	$ (1.36)
Diluted	$ (0.89)	$ (1.36)
Weighted average shares of Class A Common Stock Outstanding:		
Basic	13,717,309	6,685,515
Diluted	37,504,811	6,685,515
Other comprehensive income (loss):		

Unrealized gains (losses) on marketable securities	(184)	510
Other comprehensive gain (loss)	(184)	510
Comprehensive income (loss)	$ (27,917)	$ (62,961)
Other comprehensive income (loss) attributable to Legacy AON Stockholders	—	(26,901)
Other comprehensive loss attributable to redeemable noncontrolling interests	(23,891)	(30,580)
Total comprehensive loss attributable to Class A Common Stockholders	$ (4,026)	$ (5,480)

(1) Includes related party inventory expense of $1,478,301 and $1,056,343 for the years ended December 31, 2024 and 2023, respectively.
(2) Includes related party rent of $2,637 and $2,716 for the years ended December 31, 2024 and 2023, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

American Oncology Network, Inc.
Consolidated Statements of Mezzanine and Stockholders' Equity
($ in thousands, except share and per share data)

	Mezzanine Equity - Class C Units exchanged for Series A Preferred Stock [2]		NCI[1]	Class A Common Stock		Class B Common Stock		Class A Units		Class A-1 Units		Class B Units		Class B-1 Units						
In thousands (including share and per share data)	**Stock**	**$**		**Stock**	**$**	**Stock**	**$**	**Units**	**$**	**Units**	**$**	**Units**	**$**	**Units**	**$**	**APIC[1]**	**AOCI[1]**	**Noncontrolling Interest**	**Retained Earnings (Deficit)**	**Total Equity (Deficit)**
Balances at December 31, 2022	-	-	-	-	-	-	-	19,495	7,725	1,843	28,500	4,703	80	-	-	-	(117)	- $	25,828	62,016
Activity prior to reverse recapitalization																				
Issuance of Class C Units, net of offering costs	6,500	62,897	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	- $	-
Class A and A-1 preferred returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,174) $	(8,174)
Issuance of additional Class A-1 Units pursuant to the Anti-Dilution Feature	-	-	-	-	-	-	-	-	-	1,157	9,725	-	-	-	-	-	-	-	- $	9,725
Tax distributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,306) $	(1,306)
Capital contribution from noncontrolling interest member	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134	- $	134
Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179	-	- $	179
Equity based compensation	-	-	-	-	-	-	-	-	-	-	-	911	10	1,047	4,864	-	-	-	- $	4,874
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(27,055) $	(27,081)
Reverse Recapitalization, net	152	2,089	36,872	6,693	1	25,110	3	(19,495)	(7,725)	(3,000)	(38,225)	(5,614)	(90)	(1,047)	(4,864)	17,601	(42)	-	(2,089) $	(35,430)
Activity after reverse recapitalization																				
Other comprehensive income	-	-	268	-	-	-	-	-	-	-	-	-	-	-	-	-	61	-	- $	61
Equity based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 $	2
743(b) tax adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(254) $	(254)
Repurchases of Class A Common Stock	-	-	-	(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(89) $	(89)
Net loss after the reverse recapitalization	-	-	(30,848)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	321	(5,543) $	(5,222)
Fair value adjustment to redeemable noncontrolling interest	-	-	160,733	-	-	-	-	-	-	-	-	-	-	-	-	(17,601)	-	-	(143,132) $	(160,733)
Balances at December 31, 2023	6,651,610 $	64,986 $	167,025	6,678,441 $	1	25,109,551 $	3	- $	- $	- $	-	- $	-	-	- $	- $	81 $	429 $	(161,812) $	(161,298)

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	Mezzanine Equity - Class C Units exchanged for Series A Preferred Stock [2]		NCI[1]	Class A Common Stock		Class B Common Stock							
In thousands (including share and per share data)	**Stock**	**$**		**Stock**	**$**	**Stock**	**$**	**APIC[1]**	**Treasury Stock**	**AOCI[1]**	**Noncontrolling Interest**	**Retained Earnings (Deficit)**	**Total Equity (Deficit)**
Balances at December 31, 2023	6,651,610 $	64,986 $	167,025	6,678,441 $	1	25,109,551 $	3 $	-	$	81 $	429 $	(161,812) $	(161,298)
Other comprehensive income	-	-	(131)	-	-	-	-	-	-	(53)	-	- $	(53)
Equity based compensation & NCI rebalancing	-	-	4,223	2,236,349	-	-	-	10,201	-	-	-	- $	10,201
Repurchases of Class A Common Stock	-	-	(660)	(132,901)	-	(170,118)	-	660	(368)	-	-	- $	292
Capital contribution from noncontrolling interest member	-	-	-	-	-	-	-	-	-	-	380	- $	380
Net loss	-	-	(23,760)	-	-	-	-	-	-	-	775	(3,973) $	(3,198)
Tender Offer	-	-	(19,870)	5,407,155	1	(5,407,155)	(1)	19,870	-	-	-	- $	19,870
Issuance of Class A Common Stock	-	-	21,686	8,500,000	-	-	-	28,313	-	-	-	- $	28,313
Redemptions of Class B Common Stock to Class A Common Stock			(16,262)	4,664,428	-	(4,664,428)	-	16,263	-	-	-	- $	16,263
Fair value adjustment to redeemable noncontrolling interest	-	-	(44,599)	-	-	-	-	(19,015)	-	-	-	63,614 $	44,599
Balances at December 31, 2024	6,651,610 $	64,986 $	87,652	27,353,472 $	2	14,867,850 $	2 $	56,292 $	(368) $	28 $	1,584 $	(102,171) $	(44,631)

[1] The acronyms in the tables above are defined as follows:
APIC - Accumulated paid in capital
AOCI - Accumulated other comprehensive income
NCI - Mezzanine equity classified noncontrolling interest

[2] This activity reflects the issuance of the AON LLC Class C Units, the conversion of AON LLC Class C Units to AON LLC Series A Preferred Units, and the exchange of AON LLC Series A Preferred Units for Series A Preferred Stock, in accordance with the Business Combination. Refer to Note - 1 for the description of the Business Combination and Note 12 for the summary of equity instruments.

The accompanying notes are an integral part of these consolidated financial statements.

American Oncology Network, Inc.
Consolidated Statements of Cash Flows
($ in thousands, except share and per share data)

	Year Ended December 31,	
	2024	**2023**
Cash flows from operating activities		
Net Loss	$ (26,958)	$ (63,150)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation and amortization	10,516	8,450
Amortization of debt issuance costs	609	787
Amortization of postcombination compensation	1,661	-
Deferred income taxes	2,734	384
Amortization of operating right-of-use assets (1)	8,855	8,289
(Gain) Loss on change in fair value of derivatives	(243)	10,204
Equity-based compensation and NCI rebalancing	14,422	4,874
Equity in (income) loss of affiliate	(153)	259
Loss (gain) on sale and abandonment of property and equipment	4,496	(289)
Bargain purchase gain on acquisition of physician practice	(514)	-
Changes in operating assets and liabilities, net of reverse recapitalization:		
Patient accounts receivable, net	(771)	6,947
Inventories (2)	(13,671)	(8,090)
Prepaid expenses and other current assets	(3,957)	(1,607)
Other receivables	(20,739)	(5,759)
Other assets	(13,126)	(2,649)
Accounts payable (3)	39,490	20,067
Accrued compensation related costs	8,029	3,944
Accrued other	(6,112)	5,495
Operating lease liabilities (4)	(6,925)	(7,754)
Other long-term liabilities	(2,586)	1,480
Net cash used in operating activities	(4,943)	(18,118)
Cash flows from investing activities		
Purchases of property and equipment	(20,954)	(12,283)
Proceeds from disposals of property and equipment	218	704
Purchases of marketable securities	(28,636)	(67,395)
Proceeds from sales of marketable securities	54,736	42,320
Acquisition of physician practices	(6,712)	-
Issuance of notes receivable - related parties	(1,925)	(55)
Collections on notes receivable - related parties	862	1,175
Net cash used in investing activities	(2,411)	(35,534)
Cash flows from financing activities		
Repayments of long-term debt	(3,498)	-
Proceeds from reverse recapitalization	-	1,493
Repurchases of Class A Common Stock	(368)	(89)
Payment of tax withholding obligation on net RSU settlements	(3,258)	-
Class A and A-1 preferred returns and tax distributions	-	(9,480)
Repayments on finance leases	(1,212)	(593)
Issuance of redeemable convertible Class C Units	-	64,996
Issuance of Class A Common Stock (5)	50,000	-
Cash paid for debt financing costs	-	(446)
Series A Preferred Stock offering costs	-	(750)
Contribution from noncontrolling interest	-	134
Net cash provided by financing activities	41,664	55,265
Net increase (decrease) in cash and cash equivalents	34,310	1,613
Cash and cash equivalents		
Beginning of period	28,539	26,926
End of period	$ 62,849	$ 28,539
Supplemental consolidated cash flow information		
Cash paid for interest	5,743	5,847
Supplemental noncash investing and financing activities		
Unpaid offering costs relating to the reverse recapitalization	$ -	$ 2,745
Right-of-use assets and lease liabilities removed in termination of lease	$ -	$ 2,128
Promissory note issued in connection with acquisition of physician practices	(6,550)	-
Promissory note issued in connection with asset acquisition	(1,848)	-
Noncash consideration paid by assumption of note for purchase of physician practice	(4,530)	-
Deemed dividend for Series A Preferred Stock extinguishment	$ -	$ 2,089
Changes in accounts payable for capital additions to property and equipment	$ -	$ 1,131
Other	(380)	-
Forgiveness on note receivable related-party	255	-

(1) Includes related party amortization of operating right-of-use assets of $1,990 and $2,146 for the years ended December 31, 2024 and 2023, respectively.
(2) Includes changes in related party balances of ($6,110) and $(7,688) for the years ended December 31, 2024 and 2023, respectively.
(3) Includes changes in related party balances of $35,046 and $18,744 for the years ended December 31, 2024 and 2023, respectively.
(4) Includes changes in related party balances of ($2,522) and ($2,381) for the years ended December 31, 2024 and 2023, respectively.
(5) Net of $1,000 of issuance costs.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Business

American Oncology Network, Inc. (“AON”, “New AON”, “AON Inc.”, or the “Company”), through its subsidiary companies and variable interest entities (together, “its subsidiaries”), is an alliance of physicians and seasoned healthcare leaders who provide comprehensive oncology services across 37 oncology practices located in twenty states (Arizona, Arkansas, Florida, Georgia, Hawaii, Iowa, Idaho, Indiana, Louisiana, Maryland, Missouri, Michigan, North Carolina, Nevada, Nebraska, Ohio, South Carolina, Texas, Virginia, Washington, and the District of Columbia). The Company also provides expertise in drug procurement and payor contracting, along with practice diversification through centralized laboratory and pathology services, as well as specialty pharmacy services, clinical research, radiation oncology, and imaging. During the years ended December 31, 2024 and 2023 the Company entered into affiliation agreements with or acquired the following oncology practices.

December 31, 2023	December 31, 2024
State	State
Texas[(a)]	Maryland[(a)]
Florida[(a)]	Texas[(a)]
Arizona[(a)]	Hawaii[(b)]
	Georgia[(b)]

(a) The Company entered into affiliation agreements with the physicians for these respective practices. The Company evaluated each of the affiliation agreements and determined that the transactions did not represent a business combination.
(b) The Company completed acquisitions which were accounted for as business combinations with the physicians for these respective practices (See Note 5 for further discussion).

The operations of the practices that were acquired have been included in the Company’s consolidated financial statements since the date of acquisition.

Business Combination Agreements

Digital Transformation Opportunities Corp. (“DTOC”), American Oncology Network, LLC (“AON LLC”), GEF AON Holdings Corp. (“AON Class C Preferred Investor”), and DTOC Merger Sub, Inc., a direct, wholly owned subsidiary of DTOC (“Merger Sub”) entered into a Business Combination Agreement (the “Business Combination Agreement”), dated as of June 14, 2023 (which further amended and restated the Business Combination Agreement entered into by DTOC and AON LLC as of October 5, 2022, and amended and restated on January 6, 2023, and April 27, 2023), pursuant to which, among other transactions, on September 20, 2023 (the “Closing Date”), DTOC and AON LLC undertook a series of transactions (the “Business Combination”) resulting in the organization of the combined post-business combination company as an umbrella partnership C corporation, in which substantially all of the assets and the business of the combined company are held by AON LLC, and DTOC became a member of AON LLC. In connection with the closing of the Business Combination (“the Closing”), DTOC changed its name to “American Oncology Network, Inc.”. The Business Combination was completed on September 20, 2023.

As a result of, and in connection with, the Closing, among other things, (i) AON LLC amended and restated its operating agreement (the “Amended and Restated AON LLC Agreement”) to reclassify its existing Class A units, Class A-1 units and Class B units into a single class of AON LLC common units (“AON LLC Common Units”) that can be exchanged on a one-to-one basis for shares of New AON Class A common stock (“New AON Class A Common Stock”) and its existing AON LLC Class C units into AON LLC Series A preferred units (AON LLC Series A Preferred Units”); (ii) AON LLC converted profit pool units of certain of AON LLC’s subsidiaries into an equal number of AON LLC Common Units and shares of New AON Class B common stock (“New AON Class B Common Stock”), which together are exchangeable into shares of New AON Class A Common Stock (together with the New AON Class B Common Stock, the “New AON Common Stock”); (iii) New AON amended and

restated its charter (the “Charter”) to provide for (a) the conversion of all existing shares of DTOC Class B common stock into shares of New AON Class A Common Stock on a one-to-one basis, (b) amendment of the terms
of New AON Class B Common Stock to provide holders voting rights but no economic rights and (c) designation of a new series of New AON preferred stock as Series A convertible preferred stock (the “New AON Series A
Preferred Stock” or “Series A Preferred Stock") with such rights and preferences as provided for in the certificate of designation of the New Aon Series A Preferred Stock (the “New AON Series A Certificate of Designation”); and (iv) among other things, (a) AON LLC issued common units to New AON in exchange for a combination of cash and shares of New AON Class B Common Stock and warrants to acquire shares of New AON Class B Common Stock (the “Class B Prefunded Warrants”), (b) New AON was admitted as a member of AON LLC, (c) AON LLC distributed shares of New AON Class B common stock or Class B Prefunded Warrants, as applicable, to AON LLC equity holders, (d) New AON reserved a specified number of additional shares of New AON Class A Common Stock after the Closing for issuance to eligible participants, (e) Merger Sub merged with and into the AON Class C Preferred Investor whereby the separate existence of Merger Sub ceased and New AON issued a number of shares of New AON Series A Preferred Stock equal to the number of AON LLC Series A preferred units held by the AON Class C Preferred Investor to AEA Growth Management LP, the parent of AON Class C Preferred Investor (“AEA Growth”) in exchange for all the shares of common stock held by AEA Growth in the AON Class C Preferred Investor (the “First Step”), (f) promptly after the First Step, the AON Class C Preferred Investor merged with and into New AON whereby the separate existence of the AON Class C Preferred Investor ceased and New AON held all the AON LLC Series A preferred units and (g) from and after the Closing (but subject to lock-up restrictions), the AON LLC common equity holders (other than New AON), referred to herein as “Legacy AON Stockholders” (former AON LLC Class A, Class A-1, and Class B unit holders), will have the right (but not the obligation) to exchange AON LLC Common Units together with an equal number of shares of New AON Class B Common Stock (whether held directly or indirectly through Class B Prefunded Warrants) for shares of New AON Class A Common Stock.

In addition, in connection with the Closing, DTOC completed the offer to the holders of AON LLC Class B-1 units to exchange their AON LLC Class B-1 units for such number of newly issued shares of New AON Class A Common Stock equal to the ratio set forth in the Business Combination Agreement (such offer, the “Exchange Offer”). DTOC and AON LLC solicited consents from the holders of AON LLC Class B-1 units to make certain amendments to the terms of the awards and the unit grant agreements pursuant to which the AON LLC Class B-1 units were granted, which provided for the automatic exchange, as of immediately prior to the adoption of the Amended and Restated AON LLC Agreement, of all outstanding AON LLC Class B-1 units into shares of New AON Class A Common Stock (collectively, the “Proposed Amendments”). The requisite number of holders of Class B-1 units provided their consent to the Proposed Amendments, and as a result, in connection with the Closing, all AON LLC Class B-1 units were exchanged for an aggregate of 1,047,343 shares of New AON Class A Common Stock.

Upon the consummation of the Business Combination, the outstanding membership units in AON LLC and the outstanding shares in AON Inc. (New AON) are as follows:

- AON LLC Common Units held by the Legacy AON Stockholders - 28,109,796
- AON LLC Common Units held by New AON - 9,532,354
- AON LLC Series A Preferred Units held by New AON - 6,651,610
- Class A Common Stock held by the former AON LLC Class B-1 unit holders - 1,047,343
- Class A Common Stock held by the DTOC unredeemed stockholders - 147,511
- Class A Common Stock held by the DTOC Sponsor and their permitted transferees - 5,498,125[a]
- Class B Common Stock held by Legacy AON Stockholders - 25,109,551[b]
- New AON Series A Preferred Stock held by AEA Growth Management LP - 6,651,610

[a] Sponsor Earnout Shares of 2,839,375 are subject to vesting and forfeiture provisions and are not outstanding for GAAP purposes as of the Closing Date.

[b] Certain Legacy AON Stockholders hold 3,000,245 Class B Prefunded Warrants, which underlying shares of Class B common stock are not outstanding as of the Closing Date.

Accounting Treatment for the Business Combination

As AON LLC does not meet any of the characteristics of a VIE under ASC 810, the Business Combination was evaluated under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, *Business Combinations*. Notwithstanding the legal form of the Business Combination pursuant to the Business Combination Agreement, the Business Combination was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, DTOC was treated as the acquired company and AON LLC was considered the acquirer for financial statement reporting purposes. AON LLC was determined to be the accounting acquirer based on, in summary, an evaluation of the following primary facts and circumstances:

- AON LLC's directors will represent a majority of the board seats for New AON's board of directors;
- AON LLC's senior management will be the senior management of the combined company;
- AON LLC's operations comprising the ongoing operations of the post-combination company; and
- AON LLC's relative size (i.e., assets, revenues, and earnings) is significantly larger compared to DTOC.

Accordingly, for accounting purposes, the financial statements of the post-combination entity will represent a continuation of the financial statements of AON LLC with the acquisition being treated as the equivalent of AON LLC issuing stock for the net assets of DTOC, accompanied by a recapitalization. The net assets of DTOC are stated at historical cost, with no goodwill or other intangible assets recorded. Refer to Note 3 for additional information.

Accounting for the Earnout Shares

Following the Closing and for five years thereafter, the DTOC Sponsor agreed to subject 35%, or 2,839,375 shares of New AON Class A common stock held by it as of the Closing (the "Sponsor Earnout Shares") to the following vesting and forfeiture provisions:

- the Sponsor Earnout Shares will vest when the volume-weighted average price of the New AON Class A common stock equals or exceeds $13.50 per share for any 20 trading days within any 30 trading day period beginning after the Closing and ending 60 months following the Closing;
- the Sponsor Earnout Shares will be released immediately upon the consummation of a change of control transaction within the 60-month period following the Closing; and
- if the Sponsor Earnout Shares are not released pursuant to the foregoing provisions on or before the date that is 60 months after the Closing, then the Sponsor Earnout Shares will be forfeited immediately following such date.

As the Business Combination was accounted for as a reverse recapitalization, the issuance of the Sponsor Earnout Shares to the Company's existing stockholders will be accounted for as an equity transaction. The accounting for the Sponsor Earnout Shares was evaluated under ASC Topic 480, *Distinguishing Liabilities from Equity*, and ASC Subtopic 815-40, *Derivatives and Hedging — Contracts in Entity's Own Equity*, to determine if the Sponsor Earnout Shares should be classified as a liability or within equity. As part of that analysis, it was determined that the Sponsor Earnout Shares are freestanding, do not meet the criteria within ASC 480 to be classified as a liability, and meet the criteria in ASC 815-40 to be considered indexed to the post-combination entity's common stock and classified within equity.

Warrants

As of the Closing Date, New AON assumed the outstanding warrants (Public Warrants and Private Placement Warrants) that were issued by DTOC as part of DTOC's IPO. Further, New AON issued the Class B Prefunded

Warrants to former Class A-1 unit holders, in lieu of New AON Class B Common Stock. The accounting treatment for the Public Warrants, the Private Placement Warrants, and the Class B Prefunded Warrants, collectively referred to as “the Warrants”, is disclosed in Note 2.

Public Warrants

As of the Closing Date, New AON assumed 8,337,500 public warrants (the “Public Warrants”) issued by DTOC in its IPO. Each whole warrant entitles the holder to purchase one share of New AON Class A Common Stock at a price of $11.50 per share, subject to adjustment. The warrants will become exercisable on the later of 12 months from the closing of the DTOC Initial Public Offering or 30 days after the completion of its initial business combination and will expire five years after the Closing of the Business Combination, or earlier upon redemption or liquidation.

Private Warrants

As of the Closing Date, New AON assumed 6,113,333 Private Placement Warrants held by the DTOC Sponsor (the “Private Placement Warrants” or “Private Warrants”). The Private Placement Warrants will be non-redeemable in certain circumstances so long as they are held by the Sponsor or its permitted transferees. The Private Placement Warrants may also be exercised by the Sponsor and its permitted transferees for cash or on a cashless basis. Otherwise, the Private Placement Warrants have terms and provisions that are identical to those of the Public Warrants, including as to exercise price, exercisability, and exercise period.

Class B Prefunded Warrants

As of the Closing Date, New AON issued 3,000,245 of Class B Prefunded Warrants to former AON Class A-1 unitholders. Because the Class B Warrants are prefunded, there was not any cash consideration exchanged as part of the Class B Warrant issuance. Each Class B Prefunded Warrant entitles the holder to purchase one share of New AON Class B common stock at a price of $0.01 per share. The exercise term of the Class B Warrant shall continue indefinitely so long as the holder of the Class B Warrant is also the holder of an AON LLC Common Unit, provided that the number of shares of Common Stock that this Warrant is exercisable for shall not exceed the number of AON LLC Common Units held by holder.

Transaction Expenses

In connection with the Reverse Recapitalization, AON LLC and New AON incurred costs of $1.3 million and $31.9 million during the years ended December 31, 2024 and 2023, respectively. Of the total costs incurred during the year ended December 31, 2023, $31.1 million were reported as transaction expenses in the consolidated statements of operations and comprehensive loss and $0.8 million were reported as a reduction of Series A Preferred Stock presented as mezzanine equity on the consolidated balance sheets.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

For the year ended December 31, 2024, these consolidated financial statements reflect the consolidated results of operations, comprehensive income (loss), cash flows and changes in stockholder’s equity of AON Inc. and its consolidated subsidiaries. For the year ended December 31, 2023, these consolidated financial statements reflect the consolidated results of operations, comprehensive income (loss), cash flows and changes in equity of AON LLC and its wholly-owned subsidiaries for the period of January 1, 2023 through September 20, 2023, the Closing Date of the Reverse Recapitalization, and the consolidated results of operations, comprehensive income (loss), cash flows and changes in stockholders’ equity of AON Inc. and its consolidated subsidiaries, including AON LLC, for the period of September 21, 2023 through December 31, 2024. The consolidated balance sheet at December 31, 2023 presents the financial condition of AON Inc. and its consolidated subsidiaries, including AON LLC, and reflects the initial recording of the assets and liabilities of AON Inc. at their historical cost (see Note 3). All intercompany balances and transactions of AON LLC prior to the Reverse Recapitalization have been eliminated. All intercompany balances and transactions of AON Inc. after the Reverse Recapitalization have been eliminated.

In accordance with ASC 805, *Business Combinations,* the historical equity of AON LLC has been recasted in all periods up to the Closing Date, to reflect the number of shares of New AON's Class A Common Stock and Class B Common Stock issued to Legacy AON Stockholders in connection with the Reverse Recapitalization. The Company recasted the units outstanding related to the historical AON LLC Class A, Class A-1, and Class B units prior to the Reverse Recapitalization ("Historical AON LLC Equity") as common equity of New AON, equal to the Per Company Class Unit Exchange Ratio, pursuant to the Business Combination Agreement.

The Per Company Unit Exchange Ratio at which AON LLC Class A units and Class A-1 units were reclassified is equal to 2,524 AON Common Units. The Per Company Unit Exchange Ratio at which AON LLC Class B units were reclassified varied depending on participation threshold, and is equal to 2,524, 2,453, or 1,976, AON Common Units. The Per Company Unit Exchange Ratio at which Class C units were reclassified is equal to 2,705 AON LLC Series A Preferred Units.

The consolidated financial statements and related notes thereto give effect to the conversion for all periods presented, without any change to par value or per unit amounts. The consolidated financial statements do not necessarily represent the capital structure of New AON had the Reverse Recapitalization occurred in prior periods. The Company has not made retroactive adjustments related to the historical book values of Historical AON LLC Equity as the adjustments were considered immaterial.

For the year ended December 31, 2024, $-4.0 million of the consolidated net loss of AON LLC were attributable to the Class A Common Stockholders, and reflects the Class A Common Stockholders' absorption of 35.7% of the consolidated net loss of AON LLC. For the year ended December 31, 2024, $-23.8 million of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 64.3% of the consolidated net losses of AON LLC.

For the year ended December 31, 2023, $5.5 million of the consolidated net loss of AON LLC were attributable to the Class A Common Stockholders, and reflects the Class A Common Stockholders' absorption of 19.2% of the consolidated net loss of AON LLC for the period of September 21, 2023 through December 31, 2023. For the year ended December 31, 2023, $30.8 million of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 80.8% of the consolidated net losses of AON LLC for the period of September 21, 2023 through December 31, 2023.

For the year ended December 31, 2023, $27.1 million of the consolidated net losses of AON LLC were attributable to the Legacy AON Stockholders, to reflect their absorption of 100% of the consolidated net losses of AON LLC pertaining to the days prior to the Reverse Recapitalization. For the year ended December 30, 2022 and December 31, 2021, net income and loss of $2.6 million and $0.1 million, respectively, were attributable to the Legacy AON Stockholders to reflect their absorption of 100% of AON LLC's net income and loss pertaining to the periods prior to the Reverse Recapitalization.

Principles of Consolidation

For the period of January 1, 2024 through December 31, 2024, the condensed consolidated financial statements include the accounts of the Company, American Oncology Network, LLC ("AON LLC"), and its wholly owned subsidiary American Oncology Management Company, LLC ("AOMC"), and its consolidated variable interest entities ("VIEs") American Oncology Partners, P.A. ("AON Partners"), American Oncology Partners of Maryland, P.A. ("Partners of Maryland"), AON Central Services, LLC ("AON Central Services"), and Meaningful Insights Biotech Analytics, LLC ("MIBA"). All intercompany accounts and transactions between the entities have been eliminated in consolidation.

The accounting treatment of the Business Combination was a Reverse Recapitalization.

For the periods prior to the Reverse Recapitalization, the consolidated financial statements of the Company comprise the accounts of AON LLC and its wholly-owned subsidiaries. All intercompany accounts and transactions among AON LLC and its consolidated subsidiaries were eliminated.

The Company accounts for American Oncology Network, LLC, AON Partners, Partners of Maryland, AON Central Services, and MIBA in accordance with Financial Accounting Standards Board ("FASB") ASC 810. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a VIE. A VIE is broadly defined as an entity that has any of the following three characteristics: (i) the equity investment at risk is insufficient to finance the entity's activities without additional subordinated financial support; (ii) substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights; or (iii) the equity investors as a group lack any of the following, the power through voting or similar rights to direct the activities of the entity that most significantly impact the entity's economic performance, the obligation to absorb the expected losses of the entity, or the right to receive the expected residual returns of the entity. The Company consolidates a VIE if it has both the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and an obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. Management performs ongoing reassessments of whether changes in the facts and circumstances regarding the Company's involvement with a VIE will cause the consolidation conclusion to change. Changes in consolidation status are applied prospectively, if any.

AON LLC has contractual relationships with AON Partners, Partners of Maryland and AON Central Services and the physician owners through management service agreements ("MSAs") and other contractual agreements to provide all practice management services outside of medical services provided by the physicians. In addition, despite not being required by the contractual relationships, AON LLC regularly provides funding to support AON Partners and Partners of Maryland's operations and acquisitions of physician practices. AON Central Services was formed July 15, 2022 and, effective January 1, 2023, entered into an agreement with AOMC to provide qualified non-clinical and non-medical employees to AOMC to support the operation of the physician practices. MIBA was established during the first quarter of 2023 for the purpose of developing intellectual property to synergize the collection, de-identification, and dissemination of the Company's patient data for sale to external parties for research, development, and clinical decisions. In May 2023, the Company contributed $0.2 million for a 56% interest in the equity of MIBA. As of September 30, 2024, MIBA had no significant operating activity. The Company concluded that AON LLC had a controlling financial interest in MIBA and has consolidated the entity since inception and recorded the noncontrolling interest in equity.

The Company has concluded that AON Partners, Partners of Maryland, AON Central Services, and MIBA are all VIEs in which AON LLC has the characteristics of a controlling financial interest and is deemed to be the primary beneficiary. The variable interest subjects AON LLC to all potential losses in the entities and, therefore, requires AON LLC, and in turn AON Inc., to consolidate the results of AON Partners, Partners of Maryland, AON Central Services, and MIBA in its condensed consolidated financial statements.

Refer to Note 4 for further information on the VIEs.

Significant Accounting Policies

Accounting Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Segments

The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The CODM is the highest level of management responsible for assessing the Company's overall performance, and making operational decisions such as resource allocations related to operations, prioritization and delegations of authority. The CODM has determined that the Company operates in a single operating and reportable segment and manages segment profit (loss) based upon consolidated net income (loss). The CODM considers variances in our consolidated net income compared to budget and forecast when making decisions about reinvesting profits into the segment or for other purposes, including acquisitions. The measure of segment assets is reported on the consolidated balance sheet as total consolidated assets that are all located within the United States. The CODM reviews consolidated expense information as part of the evaluation of segment performance. There are no other significant segment expenses beyond what is presented on the face of the income statement. See the Consolidated Financial Statements for the Company's segment revenue, significant segment expenses, other segment expenses and net income.

Revenue Recognition

Revenue is recognized under Accounting Standards Update ("ASU") 2014-09 *Revenue from Contracts with Customers* ("Topic 606"). Patient service revenue is presented net of the estimated provision for contractual adjustments and uncollectible amounts. The Company determines the transaction price based upon standard charges for goods and services with anticipated consideration due from patients, third-party payors (including health insurers and government agencies) and others. The Company's revenue is primarily derived from patient service revenues, which encompass oncology services provided during patient visits and shipments of pharmacy prescriptions. Performance obligations for the Company's services provided to patients and procedures, are satisfied over the time of visit which is the same day services are performed. Performance obligations relating to pharmacy revenue are considered fully satisfied at a point in time upon the customer receiving delivery of the prescription. Accordingly, the Company does not anticipate a significant amount of revenue from performance obligations satisfied (or partially satisfied) in previous periods, and any such revenue recognized during the years ended December 31, 2024, and 2023 was immaterial. Additionally, the Company does not expect to recognize material revenue in the future related to performance obligations that are unsatisfied (or partially satisfied) as of December 31, 2024. Approximately $1,190.3 million, and $933.9 million of the Company's revenues are generated from services performed during patient visits with the remainder primarily generated from shipments of pharmacy prescriptions for the years ended December 31, 2024, and 2023, respectively.

As services are performed and prescriptions are shipped, timely billing occurs for services rendered and prescriptions shipped less discounts provided to uninsured patients and contractual adjustments to third-party payors based upon prospectively determined rates and discounted charges. Payment is requested at the time of service for self-paying patients and for patients covered by third-party payors that are responsible for paying deductibles and coinsurance.

The Company monitors revenue and receivables to prepare estimated contractual allowances for the anticipated differences between billed and reimbursed amounts. Payments from third-party payors and Government programs including Medicare and Medicaid may be subject to audit and other retrospective adjustments. Such amounts are considered on an estimated basis when net patient revenue is recorded and are adjusted as final adjustments are determined. For the years ended December 31, 2024, and 2023 such resulting historic adjustments have been immaterial to the consolidated financial statements.

In assessing who is the principal in providing patient services and pharmacy prescriptions, the Company considered who controls the provision of services and prescriptions. The Company has determined they are acting as a principal in these relationships.

The Company contracts with third-party healthcare organizations to provide professional services ("PSA") including direct patient care, overseeing medical directorships, procurement and other administrative support. Performance obligations are satisfied over a period of time, typically daily, and are often dependent on the achievement of metrics such as relative value units or hours worked.

Data information and analytical tools are licensed to third-party customers through the Company's joint venture Meaningful Insights Business Analytics ("MIBA"). Revenue is recognized based on satisfaction of project milestones and delivery of data to customers.

PSA and MIBA revenues are included in Other Revenue on the Consolidated Statements of Operations and Comprehensive Loss.

Short-term Marketable Securities

Investments in marketable securities consist of corporate bonds and U.S. Treasury securities.

Management determines the appropriate classification of investments at the time of purchase and reevaluates such determination at each balance sheet date. Marketable securities are classified as available-for-sale and are carried at fair value in the consolidated balance sheets. The marketable securities are classified as short-term based on management's intent to convert such securities within one year and the ability to convert them within two to three business days.

Certain of our available-for-sale securities are debt securities. For an available-for-sale debt security with an amortized cost that exceeds its fair value, the Company first determines if it intends to sell or will more-likely-than-not be required to sell the security before the expected recovery of its amortized cost. If it intends to sell or will more-likely-than-not be required to sell the security, then the Company recognizes the impairment as a credit loss in the consolidated statements of operations and comprehensive loss by writing down the security's amortized cost to its fair value. If it does not intend to sell or it is not more-likely-than-not that it will be required to sell the security before the expected recovery of its amortized cost, the Company recognizes the portion of the impairment that is due to a credit loss, if any, in the consolidated statements of operations and comprehensive loss through an allowance. The portion of the impairment that is due to factors other than a credit loss is recognized in other comprehensive income (loss) in the consolidated statements of operations and comprehensive loss as an unrealized loss.

Equity Investment in Affiliate

In January 2023, the Company contributed noncash consideration, with a fair value of approximately $2.3 million, in return for a 49% equity interest in OCP Management Arizona, LLP. Investments in entities over which the Company has the ability to exercise significant influence but does not control the entity are accounted for using the equity method. Equity method investments are included with other assets in the consolidated balance sheets. The carrying amount of the investment is adjusted to reflect the Company's proportionate share of the net earnings or losses and reduced by any dividends received. The Company's share of income or loss related to this investment is reported as an equity in loss of affiliate in the consolidated statements of operations and comprehensive (income) loss. The Company divested its relationship with OCP Management Arizona, LLP during the twelve months ended December 31, 2024 and recorded a small gain reported as equity in income (loss) of affiliate in the consolidated statements of operations and comprehensive (income) loss.

Noncontrolling Interests

The Company consolidates the results of entities in which it has a controlling financial interest. Refer to Note 18 for additional considerations and presentation for noncontrolling interest.

Mezzanine Equity

New AON Series A Preferred Stock is redeemable for cash or the value of the property, rights or securities to be paid or distributed in the event of a Deemed Liquidation Event (which is outside of the Company's control). As a result, Management has determined that the New AON Series A Preferred Stock should be classified as mezzanine equity. As of December 31, 2024, the Preferred Stock are recorded at their initial carrying value, net of offering costs of $0.8 million. The Series A Preferred Stock are not being accreted to redemption value, as the redemption is not probable. The Series A Preferred Stock are classified outside of stockholders' equity on the consolidated balance sheets. Refer to Note 18 for mezzanine equity presentation considerations for redeemable noncontrolling interest.

Treasury Stock

We account for treasury stock purchased under the cost method and include treasury stock as a component of accumulated paid in capital. Treasury stock purchased with intent to retire (whether or not the retirement is actually accomplished) is charged to common stock. The Company repurchased 14,729 shares of class A common stock at the spot rate as of each transaction date for a total cost of less than $0.1 million for the year ended December 31, 2023. For the twelve months ended December 31, 2024 the Company repurchased an additional 126,728 shares of Class A common stock at the spot rate as of each transaction date for a total cost of less than $0.4 million. To date, the Company has repurchased a total of 141,457 shares.

Business Combinations

The Company evaluates acquired practices in accordance with ASU 2017-01*, Business Combinations (Topic 805)-Clarifying the Definition of a Business*. This standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. Because substantially all of the value of each acquired practice did not relate to a similar group of assets and as each acquired practice contained both inputs and processes necessary to provide economic benefits to the Company, it was determined that each acquisition represents a business combination. Therefore, the transactions have been accounted for using the acquisition method of accounting, which requires, with limited exceptions, that assets acquired, and liabilities assumed be recognized at their estimated fair values as of the acquisition date. Any excess of the consideration transferred over the estimated fair values of the net assets acquired is recorded as goodwill. Transaction costs related to business combinations are expensed in the period in which they are incurred.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include cash or deposits with financial institutions and deposits in highly liquid money market securities. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation up to certain defined limits. Bank deposits at times may exceed federally insured limits. The Company has not experienced any losses in these accounts.

Accounts Receivable

Accounts receivable from patients are carried at the original charge for the services provided, and an adjustment is made to the receivable in a contra account based on the historical collection rate for the provider and payor combination. This adjustment takes into consideration any allowance for doubtful accounts. Management determines the allowance for uncollectible accounts based on historical experience.

As of December 31, 2024 and 2023, the accounts receivable, net balances were $129.2 million and $129.2 million, respectively.

Inventories

Inventories, consisting of pharmaceuticals finished goods, are valued at the lower of cost or net realizable value, with cost being determined on a first-in, first-out basis. Obsolescence for inventories is estimated based on expiration dates and slow-moving inventory. No obsolescence allowances have been recorded as of December 31, 2024 and 2023. If the Company determines that an item is obsolete, or the expected net realizable value upon sale is lower than the currently recorded cost, a write-down is recorded and charged to cost of revenue to reduce the inventory to its net realizable value and a new cost basis is established. The majority of the Company's inventories are purchased from a related party (See Note 14).

Other Receivables

Other receivables consist primarily of rebates on drug purchases made in the current period which are offered as an incentive by the distributor and/or manufacturer and are not yet paid as of year-end.

Other Assets

Other assets primarily consists of consideration recorded as a result of the Company's business combinations that is being amortized over time, ranging from three to twelve years.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. A summary of the lives used for computing depreciation is as follows:

Leasehold improvements	1 - 15 years
Furniture, fixtures and equipment	7 years
Medical equipment	5 - 10 years
Computer equipment	5 years
Signs	7 years
Automobiles	5 years
Software	7 years

Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the related lease, which may include one or more option renewal periods. Maintenance and repairs that do not improve service potential or extend economic life are expensed as incurred. Expenditures for major improvements and additions are capitalized. Capitalized software primarily represents costs incurred through third-party vendors in the development and deployment of applications for internal use. Perpetual license fees for software applications are also capitalized and amortized over time. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. In assessing long-lived assets for impairment, assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. Recoverability is measured by a comparison of the carrying amount of an asset group to the undiscounted future net cash flows expected to be generated by the asset group. If estimated future undiscounted cash flows are not sufficient to recover the carrying value of the assets, impairment is measured by comparing the carrying amount of the assets to the estimated fair value, obtained through appraisal or market quotations, or discounted future net cash flow estimates. The Company did not recognize any long-lived asset impairments during 2024 and 2023.

Goodwill and Intangible Assets

Goodwill and indefinite-lived identifiable intangible assets

Goodwill represents the fair value of acquired businesses in excess of the fair value of the individually identified net assets acquired. Goodwill is not amortized but is tested for impairment annually or whenever indications of impairment exist. Impairment exists when the carrying amount, including goodwill, of the reporting unit exceeds its fair value, resulting in an impairment charge for this excess. The Company can elect to qualitatively assess goodwill for impairment if it is more likely than not that the fair value of its reporting unit exceeds its carrying value. When performing a qualitative assessment, the Company considers relevant events or circumstances that affect the fair value or carrying amount of a reporting unit. If goodwill is more likely than not impaired, the Company must then complete a quantitative analysis. When performing a quantitative impairment test, the Company utilizes the market approach in estimating the fair values of its reporting unit. If the carrying value of a reporting unit exceeds its fair value, an impairment charge is recognized equal to the difference between the carrying amount of the reporting unit and its fair value, not to exceed the carrying value of goodwill of the reporting unit. The Company has determined that it has only one reporting unit for purposes of evaluating goodwill impairment. The Company's annual impairment testing date is October 1.

Other indefinite-lived intangible assets consist of a certificate of need acquired in an asset acquisition and is not subject to amortization. The Company has concluded that the certificate of need has an indefinite life because there are no legal, regulatory, contractual, economic or other factors that would limit the useful life, and the Company intends to renew and operate the certificate of need indefinitely. Indefinite-lived intangible assets are reviewed annually for impairment or more frequently if circumstances indicate impairment may have occurred.

Finite-lived identifiable intangible assets

Finite-lived intangible assets consist of trade names acquired in business combinations and are recorded at fair value. Finite-lived intangible assets are amortized using the straight-line method over the estimated economic life of the assets, which best reflects the pattern of use. Trade names are amortized over an estimated useful life of ten years. The Company's finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets or asset groups may not be recoverable. If the expected undiscounted future cash flows are less than the carrying amount of such assets or asset groups, the Company recognizes an impairment loss to the extent the carrying amount exceeds its estimated fair value

Leases

The Company's lease portfolio primarily consists of office and equipment leases for its practice facilities. The Company evaluates whether a contract is or contains a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of identified property or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: 1) there is an identified asset in the contract that is land or a depreciable asset (i.e., property, plant, and equipment); and 2) the customer has the right to control the use of the identified asset. ASC 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As the Company's operating leases do not generally provide an implicit rate, the incremental borrowing rate is used based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate for a lease is the rate of interest the Company would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The lease term for all of the Company's operating leases include the noncancellable period of the lease plus any additional periods covered by either a lessee option to extend (or not to terminate) the lease that the lessee is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor. Lease payments included in the measurement of the operating lease right-of-use ("ROU") assets and lease liabilities are comprised of fixed payments (including in-substance fixed payments), variable payments that depend on an index or rate, and the exercise price of a lessee option to purchase the underlying asset if the lessee is reasonably certain to exercise.

The Company elected not to recognize operating lease ROU assets and lease liabilities for all short-term leases (leases with an initial lease term of 12 months or less). The Company recognizes the lease payments associated with short-term leases as an expense over the lease term.

The operating lease ROU assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. The operating lease ROU assets are subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The operating lease liabilities are initially measured at the present value of the unpaid lease payments at the lease commencement date.

Income Taxes

The Company accounts for its income taxes using the asset and liability method whereby deferred tax assets and liabilities are determined based on temporary differences between the basis used for financial reporting and income tax reporting purposes. Deferred income taxes are provided based on the enacted tax rates in effect at the time such temporary differences are expected to reverse. A valuation allowance is provided for deferred tax assets if it is more likely than not that the Company will not realize those tax assets through future operations.

The Company is a member of American Oncology Network, LLC, which is treated as a partnership for U.S. federal and certain state and local income taxes. As a partnership, American Oncology Network, LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by American Oncology Network, LLC is passed through to and included in the taxable income of its members, including the Company, in accordance with the partnership agreement. The Company is subject to U.S. federal income taxes, in addition to state and local income taxes with respect to the allocable share of any taxable income of American Oncology Network, LLC. Additionally, other corporate entities within the Company's structure are subject to income taxes.

Accounting for uncertainty in income taxes prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents, and accounts receivable. Although certain cash accounts exceed the federally insured deposit amount, management has not previously experienced nonperformance by any financial institution.

Equity-Based Compensation

The Company issues stock-based awards to employees and directors in the form of stock options and restricted stock units. The Company measures and recognizes compensation expense for its stock-based awards granted to its employees and directors based on the estimated grant date fair value in accordance with ASC 718, Compensation-Stock Compensation, and determines the fair value of restricted stock units based on the fair value of its common stock. The Company measures all share-based options granted to employees and directors based on the fair value on the date of grant using the Black-Scholes option-pricing model. The fair value of stock options is determined by the Company's stock price, historical stock price volatility, the expected term of the award, risk-free interest rates and expected dividends. Compensation expense of those awards is recognized over the requisite service period, which is generally the vesting period of the respective award. The Company records the expense for awards with service-based conditions using the straight-line method over the requisite service period, net of any actual forfeitures. For awards with performance conditions, the number of restricted stock units expected to vest may change over time depending upon the performance level expected to be achieved. The Company classifies share-based compensation expense in its consolidated statements of operations and comprehensive (income) loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

After consummation of the Business Combination, the Company issued an equity incentive plan ("2023 Incentive Equity Plan"). The purpose of the 2023 Incentive Equity Plan is to attract and retain personnel for positions with the Company, to provide additional incentive to employees, directors, and consultants, and to promote the success of the Company's business. The Plan permits the grant of Incentive Stock Options ("ISO") to any ISO Employee and the grant of Non statutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and Performance Awards to any Service Provider. As of December 31, 2024, 5,145,521 awards have been granted from the 2023 Incentive Equity Plan.

Debt Issuance Costs

Debt issuance costs consist of legal fees and other professional services and are capitalized. Debt issuance costs are presented in the consolidated balance sheets as a direct deduction from the carrying value of the associated debt liability and amortized to interest expense in the consolidated statements of operations and comprehensive loss. The costs related to the term loans are amortized using the straight-line method, which approximates the effective interest method, over the terms of the related debt. The amortization related to the debt issuance costs included in interest expense within the accompanying consolidated statements of operations and comprehensive loss was $0.6 million in 2024 and $0.8 million in 2023.

Offering Costs

The Company defers specific incremental costs directly attributable to proposed offerings of securities. These costs consist of legal, accounting, and other similar expenses incurred through the balance sheet date that are directly related to a potential offering. If the offering is completed, these costs will be charged against the gross proceeds of the offering. These offering costs will be allocated to the separable financial instruments issued in the transaction on a relative fair value basis of the securities issued, compared to total proceeds received. Offering costs associated with any instruments classified as liabilities will be expensed as incurred, presented as non-operating expenses in the consolidated statements of operations and comprehensive loss.

During the year ended December 31, 2024, the Company incurred additional $1.0 million of offering costs which were recorded as on offset to the net proceeds of the Class A Common Stock Financing in equity on the consolidated balance sheet as of December 31, 2024. During the year ended December 31, 2023, the Company incurred deferred offering costs of approximately $0.8 million which were recorded as an offset to the net proceeds of the AON LLC Class C Units (discussed below) in mezzanine equity on the consolidated balance sheets as of December 31, 2023.

On June 7, 2023, AON LLC issued Redeemable Convertible Preferred Class C Units ("Class C Units" or "AON LLC Class C Units") for net proceeds of approximately $64.5 million ($65.0 million in gross proceeds, net of $0.5 million in offering costs). The Company determined that an additional $0.3 million of costs incurred through June 7, 2023 related to the process of raising the proceeds generated by the issuance of the Class C Units. Accordingly, these deferred offering costs have been reclassified from other assets to mezzanine equity, for a total of $0.8 million in Class C Unit offering costs. The Class C Units were subsequently converted to AON LLC Series A Preferred Units upon the Closing of the Business Combination, which were subsequently exchanged for Series A Preferred Stock.

Professional Liability

The Company maintains insurance policies for exposure to professional malpractice insurance risk. The limits of malpractice insurance provide each physician/advanced practice provider with a dedicated $1.0 million limit per claim and a $3.0 million limit in the aggregate per policy period – on a first dollar basis, as no deductible applies. The policy further then extends coverage to the Company, by providing a $2.0 million limit per claim and a $4.0 million limit in the aggregate per policy period - on a first dollar basis, additionally, as no deductible applies. Reserves are established for estimates of the loss that will ultimately be incurred on claims that have been reported but not paid and claims that have been incurred but not reported. These reserves are established based on consultation with a third-party actuary. The actuarial valuations consider a number of factors, including historical claims payment patterns, changes in case reserves and the assumed rate of increase in healthcare costs. Management believes the use of actuarial methods to account for these reserves provides a consistent and effective way to measure these subjective accruals. However, due to the sensitive nature of this estimation technique, recorded reserves could differ from ultimate costs related to these claims due to changes in claims reporting, claims payment and settlement practices and differences in assumed future cost increases. All accrued unpaid claims and expenses and the associated insurance recoveries are classified as short-term and long-term liabilities and assets based on when they are expected to be paid or collected.

Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date.

Accounting guidance establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1	Inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.
Level 2	Inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities being measured within the fair value hierarchy.

Our financial instruments include cash, short-term marketable securities, accounts receivable, notes receivable, accounts payable, accrued expenses, long-term debt and contractual agreements that resulted in derivative liabilities. Our nonfinancial assets such as property and equipment are not measured at fair value on a recurring basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence that impairment may exist.

The carrying amounts of cash, accounts receivable, accounts payable, notes receivable, and accrued expenses approximate their fair value because of the short-term maturity and highly liquid nature of these instruments. We determine the fair value of long-term debt and marketable securities based on various factors including maturity schedules and current market rates.

See Note 6 for a discussion of the Company's Level 1 and Level 2 Marketable Securities as of December 31, 2024 and 2023. See below for a discussion of the Company's Level 1 and Level 3 warrant liabilities as of December 31, 2024. As of December 31, 2024 and 2023, there were no Level 3 financial instruments. There were no transfers between any levels of the hierarchy during any periods presented.

Warrant Liabilities

The Company evaluated the Public Warrants and Private Placement Warrants and the Class B Prefunded Warrants, collectively referred to herein as "Warrants", in accordance with ASC 815-40, "Derivatives and Hedging —- Contracts in Entity's Own Equity", and concluded that a provision in the warrant agreements related to potential net cash settlement of the warrants upon an exchange or tender offer that may not result in a change in control of the entity precludes the warrants from being accounted for as components of equity. As the Warrants meet the definition of a derivative as contemplated in ASC 815, the Warrants are recorded as current liabilities within accrued other on the consolidated balance sheets and measured at fair value at inception and at each reporting date in accordance with ASC 820, "Fair Value Measurement", with changes in fair value recognized in other income (expense), net on the consolidated statements of operations and comprehensive loss in the period of change.

As of December 31, 2024, the Public Warrants were trading separately from the Class A Common Stock and the quoted market price was used to establish fair value. As such, the Public Warrants fair value was determined using a Level 1 input. The fair value of the Public Warrants is $2.1 million and recorded in accrued other on the consolidated balance sheets.

Management has utilized the public warrant price to value the private warrants and believes the public and private warrants have materially consistent fair values given the existence of the make-whole redemption feature. As of December 31, 2024, a valuation of the private warrants was performed which confirmed the private warrant value was materially consistent with the public warrants. The details of this valuation are included in the paragraph below.

The fair value of the Private Placement warrants was determined using Level 3 inputs. As of December 31, 2024, the fair value of the Private Placement Warrants was estimated to be $1.5 million and recorded in accrued other on the consolidated balance sheets. The fair value was estimated at December 31, 2024, using the Black-Scholes Option Pricing model using the following assumptions:

Expected annual dividend yield – 0.0%
Expected volatility – 30.00%
Risk-free rate of return – 4.28%
Expected Option Term – 5 years

The AON Class B Prefunded Warrants are exercisable into one share of New AON Class B Common Stock. A share of New AON Class B Common Stock, together with an AON LLC Common Unit, may be exchanged for one share of New AON Class A Common Stock. Considering New AON Class B Common Stock has no economic rights and limited liquidity or value if the holder does not also possess an AON LLC Common Unit, and because the AON Class B Prefunded Warrants are exercisable into New AON Class B Common Stock, the Company has estimated fair value of the Class B Prefunded Warrants to be immaterial.

Net Income (Loss) Per Share

The Company recast Historical AON LLC Equity as AON Inc. common equity for all periods prior to the Reverse Recapitalization, refer to Note 2. However, as 100% of the net losses of AON LLC prior to the Reverse Recapitalization were absorbed by the Legacy AON Stockholders, basic and diluted income (loss) per share for the year ended December 31, 2023 represents only the period from September 21, 2023 to December 31, 2023, the period where the Company had income (loss) attributable to Class A Common Stockholders. Class B Common Stock does not have economic rights in AON Inc., including rights to dividends or distributions upon liquidation, and as a result, is not considered a participating security for basic and diluted income (loss) per share. As such, basic and diluted income (loss) per share of Class B Common Stock has not been presented.

As discussed in Note 1, the Company has issued and outstanding Sponsor Earnouts, which are subject to forfeiture if the achievement of certain stock price thresholds are not met. In accordance with ASC Topic 260, “Earnings Per Share,” the Sponsor Earnouts are excluded from weighted-average shares outstanding to calculate basic income (loss) per share as they are considered contingently issuable shares due to their potential forfeiture. Sponsor Earnouts will be included in weighted-average shares outstanding to calculate basic income (loss) per share as of the date of their stock price thresholds are met and they are no longer subject to forfeiture.

Basic and diluted income (loss) per share is computed by use of the two-class method as a result of outstanding Series A Preferred Stock, which accrue dividends at the annual rate of 8% of the original price per share, participate with common stock on all other dividends, and accordingly have participation rights in undistributed earnings as if all such earnings had been distributed during the period (see Note 16). Under such method income available to common stockholders is computed by deducting both dividends declared or, if not declared, accumulated on Series A Preferred Stock from net income. Loss attributable to common stockholders is computed by increasing net loss by such dividends. Since the participating Series A Preferred Stock has no contractual obligation to share in the losses of the Company, there is no loss allocation between Class A Common Stock and Series A Preferred Stock.

Basic income (loss) per share is based on the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted income (loss) per share is based on the weighted-average number of shares of Class A Common Stock used for the basic income (loss) per share calculation, adjusted for the dilutive effect of the Public and Private Warrants, Restricted Stock Units, Stock Options, and Sponsor Earnout, if any, using the "treasury stock" method and the convertible Series A Preferred Stock and, exchangeable Class B Common Stock and Class B Prefunded Warrants, if any, using the "if-converted" method. Net income (loss) for diluted loss per share is adjusted for the Company's share of AON LLC's consolidated net income (loss), net of AON Inc. taxes, after giving effect to the Class B Common Stock and Class B Prefunded Warrants that are exchanged into potential shares of Class A Common Stock, Public and Private Warrants that are liability classified, and Series A Preferred Stock, to the extent it is dilutive.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *''Financial instruments-Credit Losses''* ("ASU 2016- 13"). ASU 2016-13 requires entities to report ''expected'' credit losses on financial instruments and other commitments to extend credit rather than the current ''incurred loss'' model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU will also require enhanced disclosures relating to significant estimates and judgments used in estimating credit losses, as well as the credit quality. ASU 2016-13 is effective for the Company for annual reporting periods beginning after December 15, 2022. ASU 2016-13 was adopted by the Company effective January 1, 2023 with no material impact on the Company's consolidated financial statements and related disclosures.

In October 2021, the FASB issued ASU 2021-08, "*Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers",* which provides that an acquirer must recognize, and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606. The guidance is effective for the Company for annual reporting periods beginning after December 15, 2022, with early adoption permitted. The adoption of ASU 2021-08 did not have a material impact on the Company's consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting-Improvements to Reportable Segment Disclosures"*. This update enhances disclosure requirements through enhanced disclosures about significant reportable segment expenses and other categories used by the Chief Operating Decision Maker. This update is applicable to all public entities and is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal periods commencing after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied retrospectively for all periods presented in the financial statements. The Company adopted this ASU in the year ended December 31, 2024. The CODM has determined that the Company operates in a single operating and reportable segment and manages segment profit (loss) based upon consolidated net income (loss). The impact of adoption on the Company's consolidated financial statement was disclosure of the segment measure of profit (loss) and the measure of segment assets reported on the consolidated balance sheet as total consolidated assets used by the CODM to assess segment performance and allocate resources.

Recently Issued Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes-Improvements to Income Tax Disclosures,* an update which enhances income tax disclosures. This guidance requires disaggregated information about an entity's effective tax rate reconciliation as well as information on income taxes paid. This update is applicable to all public entities and is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this update should be applied prospectively; however, retrospective application is permitted. The Company is currently evaluating the impact the new accounting guidance will have on the disclosures within its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The new standard requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of the ASU on its consolidated financial statements.

3. Reverse Recapitalization

As discussed in Note 1, AON LLC merged with DTOC, with AON LLC surviving the Merger. AON LLC is governed by a board of managers composed of three (3) persons that were designated by New AON and two (2) persons that were designated by holders of a majority of the AON LLC Common Units, held by members of AON LLC other than New AON. Management determined AON LLC was not a variable interest entity (Refer to Note 2), and as result, identified AON LLC as the accounting acquirer of the Merger in accordance ASC Topic 805. Management concluded that AON LLC was the accounting acquirer due to (i) the Legacy AON Shareholders, defined as the former AON Class A, Class A-1, and Class B unit holders, receiving the largest portion of the voting rights in the combined company, New AON, (ii) significantly all of the Legacy AON Shareholders retained their equity interest as stockholders in New AON, (iii) AON LLC's operations prior to the Reverse Recapitalization comprising the only ongoing operations of New AON, (iv) the Legacy AON Shareholders have the right to appoint a majority of the directors of New AON, (v) the executive management of AON LLC will become the executive management of New AON and (vi) AON LLC is significantly larger than DTOC in terms of revenue, total assets, and employees. Therefore, the Merger was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with ASC 805. DTOC was treated as the "acquired" company for financial reporting purposes, and for accounting purposes, the Reverse Recapitalization was treated as the equivalent of AON LLC issuing stock for the net assets of DTOC, accompanied by a recapitalization. The net assets of DTOC were recorded at historical cost on the condensed consolidated balance sheet as of September 20, 2023, the Closing Date of the Reverse Recapitalization, with no goodwill or other intangible assets recorded. For additional information on the capitalization of New AON and AON LLC immediately following the Closing of the Reverse Recapitalization, see Note 1.

The following table provides the historical cost of assets and liabilities of AON Inc. as of September 20, 2023.

	As of September 20, 2023	
Cash and Cash Equivalents	$	1,493
Current Liabilities		(13,295)
Long Term Liabilities		(6,791)
Total Net Liabilities	$	(18,593)

The Company recorded a Day 1 expense as of the Closing of the Business Combination equal to $18.2 million. Of that total amount, $13.0 million was recorded in transaction expenses on the consolidated statement of operations and comprehensive loss. The remaining $5.2 million was recorded in other income (expense) net on the consolidated statement of operations and comprehensive loss. This amount represented the loss on the issuance of Public and Private Warrants, as of the Closing, net of cash received. The Company also recorded a $4.3 million gain in other income (expense), net related to the change in the fair value of the Public and Private Warrants during the period of September 21, 2023 through September 30, 2023.

4. Variable Interest Entities

AOMC is a wholly owned subsidiary of AON LLC and neither AOMC nor AON LLC has ownership interest in AON Partners and Partners of Maryland. Both AON Partners and Partners of Maryland are fully owned by physicians. AON LLC operates its physician practices through the MSAs and other contractual agreements between AOMC, AON Partners, and Partners of Maryland. The responsibilities of AOMC include, but are not limited to, negotiating provider and payor contracts, employment and compensation decisions, billing and collections, furnishing all supplies and equipment necessary for the respective practice's operations as well as, necessary real estate, contracting on behalf of AON Partners and Partners of Maryland, entering into leases, holding a power of attorney to perform the above activities, preparing, maintaining and administering all accounting records (including financial reporting), expense payment, and maintenance of all information systems/software. AON LLC is paid a management fee to compensate AOMC for the services provided. AON Central Services is 80% physician owned and 20% owned by AON LLC. AOMC entered into an agreement with AON Central Services, effective January 1, 2023, to provide qualified non-clinical and non-medical employees to AOMC to support the operation of the physician practices. AOMC pays a monthly management fee to AON Central Services equal to the aggregate cost of compensation, benefits and all other costs related to these employees. AON LLC invested $0.2 million in MIBA, a newly formed LLC, during the second quarter of 2023 in exchange for 56% equity ownership. The Company evaluated AON LLC's relationship with MIBA under the VIE model and determined it was a VIE and the Company is the primary beneficiary based on its financial controlling interest.

Based on various quantitative and qualitative factors, including assessment of certain services performed and relationships held above, management has determined that AON Partners, Partners of Maryland, AON Central Services, and MIBA are all variable interest entities and AOMC is the primary beneficiary who holds the decision-making rights over the activities that most significantly impact the economic performance of AON Partners, Partners of Maryland, AON Central Services, and MIBA through the MSAs and other contractual agreements. Accordingly, the results of AON Partners, Partners of Maryland, AON Central Services, and MIBA have been consolidated with the Company for the years ended December 31, 2024 and 2023.

The assets of AON Partners, Partners of Maryland, AON Central Services, and MIBA as of December 31, 2024 and 2023, are as follows:

	As of December 31, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	$ 41,595	$ 26,574
Accounts receivable	129,233	129,151
Inventories	60,712	44,569
Prepaid expenses and other current assets	5,738	895
Other receivables	58,321	33,809
Other assets	22,411	2,091
Goodwill	9,850	—
Intangibles, net	2,476	180
Total assets	$ 330,336	$ 237,269

The liabilities of AON Partners, Partners of Maryland, AON Central Services, and MIBA as of December 31, 2024 and 2023, are as follows:

	As of December 31, 2024	As of December 31, 2023
Liabilities		
Accounts payable	$ 160,378	$ 122,324
Accrued compensation and benefits	43,219	21,380
Accrued other	11,339	16,723
Other long-term liabilities	551	273
Due to AON LLC and subsidiaries, net	143,470	117,194
Total liabilities	$ 358,957	$ 277,894

All intercompany transactions and balances with the VIEs are eliminated in consolidation.

5. Business Combinations

2024 Acquisitions

During 2024, the Company closed on two business combinations (the “Transactions”), allowing the Company to expand its domestic reach related to its comprehensive oncology and practice management services.

For the acquisition of the clinical practices, the Company applied the acquisition method of accounting, where the total purchase price was allocated, or preliminarily allocated, to the tangible and intangible assets acquired and liabilities assumed, based on their fair values as of the acquisition dates.

Central Georgia Practice Acquisition

On April 1, 2024 ("Central Georgia Acquisition Date"), AOMC acquired certain non-clinical assets of Central Georgia Cancer Care, P.C., (the “Central Georgia Practice” or “CGCC”) from the CGCC Shareholders. In addition, AOP acquired certain clinical assets of the Central Georgia Practice from the CGCC Shareholders. In conjunction with the acquisition, AOP entered into Physician Employment Agreements with the selling CGCC Shareholders covering an initial period of five years. Intangible assets were recognized pursuant to the acquisition in the form of trade names of $1.3 million with an amortization period of 10 years. The Company transferred total consideration of $13.5 million.

The Central Georgia Practice Acquisition was determined to constitute a business combination in accordance with ASC 805.

Hawaii Practice Acquisition

On April 1, 2024 ("Hawaii Acquisition Date"), AOMC acquired certain non-clinical assets of Hawaii Cancer Care, Inc. (the “Hawaii Practice” or “HCC”) from the HCC Shareholders. In addition, American Oncology Partners of Hawaii, LLC (“AOPH”), a wholly owned subsidiary of AOP, acquired certain clinical assets of the Hawaii Practice from the HCC Shareholders. In conjunction with the acquisition, AOP entered into Physician Employment Agreements with the HCC Shareholders. Intangible assets were recognized pursuant to the acquisition in the form of trade names of $0.5 million with an amortization period of 10 years. The Company transferred total consideration of $4.5 million.

The Hawaii Practice Acquisition was determined to constitute a business combination in accordance with ASC 805.

In connection with each of the Transactions, the Company acquired 100% of both the clinical and nonclinical assets of the respective seller. The clinical assets, acquired by AON Partners, primarily consist of medical supplies and drugs. Nonclinical assets, acquired by AOMC, primarily consist of tangible fixed assets and equipment. The following table summarizes the net assets acquired and consideration transferred recognized on the respective acquisition dates.

	Central Georgia	Hawaii
Consideration		
Cash	$ 6,912	$ —
Seller note	6,550	—
Debt assumed	$ —	$ (4,530)
Fair value of consideration transferred	13,462	(4,530)
Estimated fair values of identifiable assets acquired and liabilities assumed:		
Cash	$ —	$ 200
Patient accounts receivable	—	2,492
Inventories	2,312	159
Prepaid expenses and other current assets	—	58
Property and equipment	—	223
Other assets	—	202
Intangible assets - trade names	1,300	520
Right of use asset - operating	3,159	2,711
Goodwill	9,850	—
Total assets acquired	$ 16,621	$ 6,565
Account Payable	—	1,453
Accrued compensation related costs	—	544
Accrued other	—	733
Income taxes payable	—	452
Operating lease liability - current portion	189	375
Deferred income taxes	—	159
Note payable	—	4,530
Operating lease liability - long-term	2,970	2,335
Total liabilities acquired	3,159	10,581
Net assets (liabilities) acquired	$ 13,462	$ (4,016)
Bargain purchase gain	$ —	$ (514)

At the time of each acquisition, the Company developed an estimate of fair values of assets for the purpose of allocating the estimated purchase price. In developing these estimates, Management utilized a specialist and determined the applicable fair values for any acquired intangible assets utilizing the relief-from-royalty method, a commonly accepted valuation technique which is an application of the income approach. This method employs various assumptions such as discount rates, forecasted revenues and growth rates. These fair value measurements were based on significant inputs not observable in the market and thus represent Level 3 fair value measurements.

During the fourth quarter of 2024, the Company recorded a measurement period adjustment for HCC to reflect refinements in fair value estimates which decreased the bargain purchase gain by \$0.5 million and patient accounts receivable balances by \$0.7 million and deferred income taxes by \$0.2 million. The purchase price allocations are considered final. Transaction expenses related to the above acquisitions were not material.

Goodwill reflects the expected synergies and other benefits that the Company believes will result from the combination of the Central Georgia Practice and expanded market opportunities along with the value of the assembled workforce. The goodwill is expected to be tax deductible. A bargain purchase gain of $0.5 million for the Hawaii Practice Acquisition was recorded within Other (expense) income, net in the consolidated statement of operations and comprehensive income (loss). The bargain purchase gain was driven by the asset purchase agreement containing certain provisions requiring repayment of the assumed debt, cash paid, and seller note by the HCC Shareholders and the in-substance service period.

As the business combinations occurred on April 1, 2024, the following table presents revenue for the years ended December 31, 2024 and 2023, as if the 2024 acquisitions had occurred as of January 1, 2023. Prior to the acquisition date, it would not be practicable to present financial results of the acquired businesses prepared on a basis that would be comparable to us as financial statements were not prepared in accordance with GAAP for all periods presented. Accordingly, the required pro-forma financial disclosures related to net income are not presented herein.

Pro Forma (unaudited)

	Twelve Months Ended December 31,	
	2024	**2023**
Revenue	$ 1,788,369	$ 1,394,726

From the dates of acquisition through December 31, 2024, revenue attributable to the 2024 acquired businesses was $126.6 million. Net income (loss) has not been included as the Company recognizes expenses on the cash basis of accounting at the practice level.

2023 Acquisitions

The Company did not have any ASC 805 acquisitions during the year ended December 31, 2023.

6. Marketable Securities

The following table summarizes the Company's marketable securities financial assets that are measured at fair value on a recurring basis:

	As of December 31, 2024			
	Amortized Cost	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Estimated Fair Value**
Cash equivalents (1)				
Level 1:				
Overnight repurchase agreements (2)	$ 62,729	$ -	$ -	$ 62,729
Money market funds	382	-	-	382
Level 1 total	63,111	$ —	$ —	63,111
Marketable securities				
Level 2:				
U.S. Treasury securities	9,786	5	—	9,791
Level 2 total	9,786	5	—	9,791
Total	$ 72,897	$ 5	$ —	$ 72,902

	As of December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents (1)				
Level 1:				
Overnight repurchase agreements (2)	$ 28,593	$ -	$ -	$ 28,593
Money market funds	$ 723	$ -	$ -	$ 723
Level 1 total	29,316	—	—	29,316
Marketable securities				
Level 2:				
Corporate bonds	13,678	191	(9)	13,860
U.S. Treasury securities	21,318	211		21,529
Level 2 total	34,996	402	(9)	35,389
Total	$ 64,312	$ 402	$ (9)	$ 64,705

(1) Included in cash and cash equivalents in the consolidated balance sheets at December 31, 2024 and 2023.
(2) Cash equivalents as of December 31, 2024 included overnight repurchase agreements in which cash from the Company's main operating checking account is invested overnight in highly liquid, short-term investments sponsored by a large financial institution.

The Company uses quoted prices in active markets for identical assets to determine the fair value of its Level 1 investments. The fair value of the Company’s Level 2 investments is determined using pricing based on quoted market prices or alternative market observable inputs.

The fair value of the Company’s marketable securities as of December 31, 2024, by remaining contractual maturities, consisted of U.S. Treasuries of $9,791 all due within one year or less.

7. Inventories

Inventory consisted of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
Intravenous drugs	$ 39,786	$ 32,388
Oral pharmaceuticals	20,926	12,181
Total inventories	$ 60,712	$ 44,569

8. Other Receivables (Short-term)

Other receivables consisted of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
Rebates receivable	$ 50,038	$ 33,708
Other	8,158	566
Total other receivables	$ 58,196	$ 34,274

9. Other Assets (Long-term)

Other receivables consisted of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
Physician deferred compensation	$ 20,827	$ -
Insurance recovery receivable	3,921	2,830
Equity investment in OCP Management Arizona, LLC	-	1,754
Other	836	3,004
Total other assets	$ 25,584	$ 7,588

10. Property and Equipment, net

Property and equipment, net consisted of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
Leasehold improvements	$ 35,553	$ 32,490
Furniture, fixtures and equipment	2,997	2,607
Medical equipment	10,460	8,566
Computer equipment	3,933	3,285
Signs	313	153
Automobiles	101	59
Software	8,487	7,829
Construction-in-progress	9,077	2,985
Finance Right of Use Assets	7,242	7,100
Property and equipment, gross	78,163	65,074
Accumulated depreciation and amortization	(29,789)	(24,635)
Property and equipment, net	$ 48,374	$ 40,439

For the years ended December 31, 2024 and 2023, depreciation expense was approximately $8.1 million and $7.2 million, respectively, and is included in general and administrative expenses in the consolidated statements of operations and comprehensive loss.

Construction-in-progress consists primarily of capital expenditures on new physician practice facilities which have not yet been opened and improvements to existing practice facilities which are not complete at year-end.

11. Accrued Other

Accrued other consisted of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
Refund liability	$ 8,576	$ 15,078
Warrant Liability	3,613	-
Excise taxes payable	-	2,700
Current portion of finance lease liabilities	1,268	1,189
Other	4,237	3,360
Total accrued other	$ 17,694	$ 22,327

12. Long-term Debt

Debt consisted of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
PNC Facility	$ 81,250	$ 81,250
Notes Payable - Acquisitions	9,617	—
Total	90,867	81,250
Unamortized debt issuance costs	—	(609)
Less current portion	(3,744)	—
Total debt	$ 87,123	$ 80,641

Credit Facilities

On April 30, 2021, the Company entered into a Loan Facility with PNC ("PNC Loan Facility") collateralized by the Company's assets and outstanding patient accounts receivable. The PNC Loan Facility is guaranteed on a limited basis by the Company and stockholder of AON Partners and Partners of Maryland. $34.6 million of proceeds from the PNC Loan Facility was used to pay off the Company's previous term loans and revolver with Truist Bank. The remaining funds were made available for working capital and acquisition of additional physician practices.

The PNC Loan Facility is interest-only with total principal due at maturity on April 30, 2024. Interest originally accrued at one-month LIBOR or an alternate base rate plus 1.45%. The maximum balance of the PNC Loan Facility ("Borrowing Base") is limited to the lesser of the Facility Limit ($65.0 million) or the fair value of the Company's patient accounts receivable. The Company must maintain a balance of the lesser of the Borrowing Base or 65% of the Facility Limit in the first year and 75% of the Facility Limit in subsequent years ("minimum funding threshold"). The Company can repay the PNC Loan Facility up to the minimum funding threshold at any time without penalty. In accordance with the PNC Loan Facility, the Company pledged $10.0 million of collateral as restricted cash to be released quarterly in increments of $2.5 million. The restricted cash was fully released as of December 31, 2024 and 2023.

On April 30, 2021, the Company entered into a $5.0 million revolving line of credit agreement ("PNC Line of Credit"). The PNC Line of Credit has an expiration date of April 30, 2024 and originally bore interest at a rate per annum equal to the sum of the daily LIBOR rate plus 1.65% or an alternate base rate plus 0.65% and is due on the first day of each month beginning June 1, 2021. Any outstanding principal and accrued interest will be due on the expiration date. Beginning July 1, 2021, quarterly bank fees equal to 1.65% per day per annum are due in arrears and will continue on the first day of each quarter thereafter. All debt related to the PNC Line of Credit is collateralized by the Company's assets. As of December 31, 2024 and 2023, no draws had been made on the PNC Line of Credit. The Company is also subject to a 0.20% unused line fee calculated per annum on the unused balance of the PNC Line of Credit.

On July 29, 2021, the Company amended the PNC Loan Facility increasing the Facility Limit to $75.0 million. On February 14, 2022, the Company further amended the PNC Loan Facility and Line of Credit agreements. The primary changes included an increase of the Facility limit from $75.0 million to $125.0 million, an increase of the PNC Line of Credit availability from $5.0 million to $10.0 million, interest charges to be calculated based on the Bloomberg Short-Term Bank Yield Index plus 1.65% and certain financial covenants. As part of the amendment, the Company drew an additional $16.3 million in proceeds under the Loan Facility. On August 15, 2022, the PNC Loan Facility and Line of Credit agreements were amended again to reduce the availability under the PNC Line of Credit from $10.0 million to $1.0 million.

Effective November 23, 2022, the Company entered into Waiver and Amendment No. 6 ("Waiver and Amendment") under its PNC Loan Facility as the Company was not in compliance with the Delinquency Ratio financial covenant for the period ending October 31, 2022 and the requirement to provide certain annual financial statements. The Waiver and Amendment waives each event of default and also revised future delinquency percentages and financial statement requirements.

On June 30, 2023, the Company entered into Amendment No. 7 (“Amendment 7”) to its PNC Loan Facility which extended the maturity date from April 30, 2024 to June 30, 2026. In connection with Amendment 7, the Company paid additional debt issuance costs of $0.4 million which will be amortized over the revised remaining life of the Loan Facility. In addition, Amendment 7 revised the definition of the minimum funding threshold to limit the threshold multiplier to 65% of the Facility Limit.

On January 16, 2024, the Company entered into Amendment No. 3 (“Amendment 3”) to its PNC Line of Credit to modify certain definitions such as “change in control”. In addition, the Amendment 3 also amended certain debt covenants, such as EBITDA thresholds. The effective date of Amendment 3 is December 31, 2023.

On September 11, 2024, the Company also entered into Amendment No. 9 (“Amendment 9”) to its PNC Loan Facility to modify certain definitions and expand upon “Unlisted Accounts” which allowed collections received into unlisted accounts to be eligible receivables of pool balance at the end of every month up to a certain threshold. The effective date of Amendment 9 was September 11, 2024.

Refer to FN 22 Subsequent Events for additional information on Company’s Loan Agreement.

The PNC Loan Facility and PNC Line of Credit nonfinancial covenants include restrictions related to unpermitted property liens and the requirement of audited financial statements. Both agreements also contain several financial covenants, including the following ratios: accounts receivable default, delinquency, dilution, days sales outstanding, leverage, and fixed charge coverage. As of December 31, 2024, the Company was in compliance with all financial and nonfinancial debt covenants as required by both loan agreements.

Notes Payable

As a result of the acquisition of HCC, the Company assumed a note payable with a face value of $4.7 million and fair value of $4.5 million. A payment of $1.0 million was made upon closing of the acquisition on April 1, 2024 with the remaining payments being due in 18 monthly installments of $0.2 million representing principal and interest at the Company’s variable cost of borrowing. As of December 31, 2024, $1.9 million of the note is included within current portion of long-term debt on the consolidated balance sheet.

Additionally, the Company entered into a note to the CGCC Shareholders with a face value of $6.4 million and fair value of $6.5 million. The note is payable in 60 installments of $0.1 million and bears interest at the Company’s variable cost of borrowing. As of December 31, 2024, $1.3 million of the note is included within current portion of long-term debt on the consolidated balance sheets and $4.4 million is included within long-term debt, net.

13. Income Taxes

The income tax expense (benefit) in 2024 and 2023 consisted of the following:

	Year Ended December 31,	
	2024	2023
Current		
Federal	$ (294)	$ —
State	58	—
	(236)	—
Deferred		
Federal	1,868	400
State	866	(16)
	2,734	384
Total income tax expense (benefit)	$ 2,498	$ 384

The differences between the federal tax rate and the Company's effective tax rate for the years ended December 31, 2024 and 2023 are as follows:

	Year Ended December 31,	
	2024	2023
Federal statutory income tax rate	21.00 %	21.00 %
State taxes, net of federal benefit	3.18	1.01
State rate change	-1.61	-0.05
Revisions to prior years' estimates	2.54	-0.38
Nontaxable passthrough LLC income	-9.94	-10.41
Change in valuation allowance	-25.67	-6.93
Other	0.30	0.00
Transaction related expenses	0.30	-4.57
Revaluation of warrants	-0.25	-0.29
Effective tax rate	(10.15)%	(0.62)%

The Company is a member of American Oncology Network, LLC, which is treated as a partnership for U.S. federal and certain state and local income taxes. As a partnership, American Oncology Network, LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by American Oncology Network, LLC is passed through to and included in the taxable income of its members, including the Company, in accordance with the partnership agreement.

The Company is subject to U.S. federal income taxes, as well as certain state and local income taxes, on its allocable share of taxable income of American Oncology Network, LLC. Additionally, other corporate entities within the Company's structure are subject to income taxes. These corporate entities continue to generate losses and continue to maintain a valuation allowance against their net deferred tax assets.

Components of the net deferred tax assets and liabilities at December 31, 2024 and 2023 are as follows:

	As of December 31	
	2024	**2023**
Deferred tax assets		
Investment in partnership	$ 16,026	$ 9,337
Net operating loss carryforwards	13,680	10,092
Accrued expenses	224	160
Start-up costs	1,242	748
Interest expense limitation carryforward	341	—
Stock compensation	1,098	—
Gross deferred tax assets	32,611	20,337
Valuation allowance	(32,611)	(17,443)
Net deferred tax assets (after valuation allowance)	—	2,894

As of December 31, 2024, the Company had federal and state net operating loss ("NOL") carryforwards of $53.4 million and $57.5 million, respectively. As of December 31, 2023, the Company had federal and state net operating loss ("NOL") carryforwards of $40.0 million and $38.6 million, respectively.The federal NOL carryforwards can be carried forward indefinitely and the state NOL carryforwards begin to expire in 2028.

During the years ended December 31, 2024 and 2023, the Company recorded an increase in the valuation allowance of $15.2 million and $11.6 million, respectively. The increase is primarily related to basis adjustments made to the Company's investment in the American Oncology Network, LLC partnership and operating results (losses incurred) of the Company in 2024. As a result of its 2024 loss incurred, the Company has shifted into a three-year cumulative loss position at each of its separate legal entities. As of December 31, 2024, the Company has recorded a full valuation allowance against its net deferred tax assets at each of its corporate entities. The Company will continue to monitor the realizability of its deferred tax assets and consider multiple factors, including recent operating results, existing taxable temporary differences, future taxable income projections and tax planning strategies. The Company intends to maintain a valuation allowance on its net deferred tax assets until there is sufficient positive evidence to support the reversal of all or some portion of the valuation allowance. The release of all, or a portion of, the valuation allowance would result in the recognition of certain deferred tax assets and a decrease to income tax expense for the period the release is recorded.

As of December 31, 2024 and 2023, there are no liabilities related to uncertain tax positions. The Company recognizes interest and penalties related to unrecognized tax liabilities as a component of income tax expense, if any. The Company recognized no material interest and penalties during the years ended December 31, 2024 and 2023 and had no accrued interest or penalties as of December 31, 2024 and 2023.

The Company files income tax returns in the U.S. Federal jurisdiction and various state and local jurisdictions. The U.S. Federal and state and local tax returns are subject to examination for years 2019 and later. The federal income tax return of an affiliate entity included within the Company's structure is currently under examination by the Internal Revenue Service (IRS). The IRS is exam has not identified any issues to date. Management believes that the Company's tax positions are supportable and intends to defend its positions and, therefore, no additional income tax accruals have been made. However, the outcomes of tax examinations are inherently uncertain, and the Company could be required to make adjustments to its tax provisions in future periods.

14. Leases

The Company currently leases office facilities and equipment for its practices under noncancelable operating and finance lease agreements expiring on various dates through 2038. Certain of the leases contain renewal options which are exercisable at the Company's discretion. These renewal options are considered in determining the lease term if it is reasonably certain that the Company will exercise such options. Additionally, the Company leases certain other office and medical equipment under month-to-month lease agreements.

Right-of-use assets and lease liabilities consist of the following at December 31, 2024 and 2023:

	As of December 31, 2024	As of December 31, 2023
Assets		
Operating lease right-of-use assets, net	$ 50,157	$ 43,349
Finance lease right-of-use assets, net (included in property and equipment, net)	4,764	5,794
Total right-of-use assets	$ 54,921	$ 49,143
Liabilities		
Current		
Current portion of operating lease liabilities	$ 7,214	$ 6,692
Current portion of finance lease liabilities (included in accrued other)	1,268	1,189
Total current lease liabilities	8,482	7,881
Long-term		
Long-term operating lease liabilities	48,018	39,803
Long-term finance lease liabilities (included in other long-term liabilities)	3,377	4,548
Total lease liabilities	$ 59,877	$ 52,232

The components of lease costs recognized in the consolidated statements of operations and comprehensive loss consist of the following for the years ended December 31, 2024 and 2023 and are included in selling, general, and administrative expenses unless otherwise noted:

	Years Ended December 31,	
	2024	2023
Operating lease costs	$ 12,334	$ 11,193
Finance lease costs		
Amortization of finance lease right-of-use assets	1,149	538
Interest on finance lease liabilities (included in interest expense)	325	135
Variable lease costs	2,707	2,303
Total lease costs	$ 16,515	$ 14,169

The following table reconciles the undiscounted cash flows expected to be paid in each of the next five years and thereafter recorded in the consolidated balance sheets for operating and finance leases as of December 31, 2024:

	Operating Lease	Finance Leases
2025	$ 10,746	$ 1,523
2026	11,930	1,285
2027	10,597	1,220
2028	8,273	948
2029	7,118	166
Thereafter	23,728	97
Total lease payments	72,392	5,239
Less: amount representing interest	(17,160)	(594)
Present value of lease liabilities	55,232	4,645
Less: current portion of lease liabilities	(7,214)	(1,268)
Long-term lease liabilities, net of current portion	$ 48,018	$ 3,377

The weighted-average remaining lease term as of December 31, 2024 and 2023 was 7.15 years and 6.93 years for operating leases and 3.88 years and 4.76 years for finance leases, respectively. The weighted-average discount rate as of December 31, 2024 and 2023 was 6.95% and 6.64% for operating leases and 6.43% and 6.30% for finance leases, respectively.

The cash paid for amounts included in the measurement of lease liabilities for the years ended December 31, 2024 and 2023 is as follows:

	Years Ended December 31,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 9,404	$ 10,574
Operating cash flows from finance leases	325	135
Financing cash flows from finance leases	1,212	593
ROU assets obtained in exchange for new operating lease liabilities	15,662	9,959
ROU assets obtained in exchange for new finance lease liabilities	120	4,290

15. Related Parties

Transactions Notes Receivable

The Company enters into promissory notes with physicians of the Company. The notes receivable balances are satisfied through cash payments or settlements through the physicians' compensation as part of their employee agreement. The notes receivable are amortized over a 60-month period as a reduction of compensation. The notes bear interest at the Company's incremental borrowing rate (6.20% at December 31, 2024 and 7.18% at December 31, 2023, respectively).

	As of December 31, 2024	As of December 31, 2023	Original Principal	Issue Date	Maturity Date
Notes receivable					
Note 2*	$ 100	$ 656	$ 5,355	5/1/2019	4/30/2024
Note 3	-	17	491	6/1/2019	5/31/2024
Note 8	1,587	2,081	2,816	5/1/2020	5/1/2025
Note 10	743	-	310	7/12/2024	7/12/2029
Note 11	510	-	250	9/20/2024	9/20/2029
Note 12	92	-	100	10/1/2024	10/1/2027
Note 13	242	-	250	10/14/2024	10/14/2031
Note 14	288	-	300	10/31/2024	9/30/2026
Total notes receivables	$ 3,562	$ 2,754			
Less: Current portion of notes receivable	$ (2,197)	$ (1,604)			
Notes receivable, less current portion	$ 1,365	$ 1,150			

*The Company is in the process of extending maturity date for this note.

Leases
The Company has operating leases for ten of the office facilities owned by employees of the Company. Total cash was approximately $2.4 million, and $2.7 million paid for leases to related parties for the years ended December 31, 2024 and 2023, respectively.

Inventory Purchases/Concentration Risk
The Company purchases the majority of pharmaceuticals inventory from a subsidiary under common control of a Legacy AON Stockholder. During the years ended December 31, 2024 and 2023, the Company purchased from the related party approximately $1,493.6 million and $1,064.0 million respectively. These purchases were approximately 91% and 89% as a percentage of cost of revenue for the years ended December 31, 2024 and 2023 respectively. At December 31, 2024 and 2023, the Company had $156.0 million and $120.9 million, respectively, included in accounts payable for invoices from the related party, representing 91% and 95% of accounts payable at each period-end, respectively.

16. Equity-Based Compensation

The Company maintains a single equity incentive plan, the “2023 Incentive Equity Plan”, which was adopted by the Board of Directors and approved by stockholders in connection with the Business Combination. A total of 5,300,000 shares were authorized under the 2023 Incentive Equity Plan. The number of shares of common stock available for issuance under the 2023 Incentive Equity Plan will be increased annually on the first day of each fiscal year during the term of the 2023 Incentive Equity Plan by an amount equal to the lesser of (a) 5% of the shares of common stock outstanding on the final day of the immediately preceding calendar year or (b) such smaller number of shares as determined by the Company’s board of directors. At December 31, 2024, 751,028 shares were available for grant under the 2023 Incentive Equity Plan. The purpose of the 2023 Incentive Equity Plan is to attract and retain personnel for positions with the Company, to provide additional incentive to employees, directors, and consultants, and to promote the success of the Company’s business. The Plan permits the grant of Incentive Stock Options (“ISO”) to any ISO Employee and the grant of Non statutory stock options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, and Performance Awards to any Service Provider.

Restricted Stock Units

A summary of the RSU activity during the twelve month period ending December 31, 2024 is as follows:

	Twelve Months Ended December 31, 2024	
	Restricted Stock Units	**Weighted Average Grant Date Fair Value**
Outstanding as of December 31, 2023	—	$ —
Granted	4,760,521	$ 4.82
Vested	(2,398,005)	$ 5.47
Forfeited/Cancelled	(36,729)	$ —
Outstanding as of December 31, 2024	2,325,787	$ 4.15

The Company recognized $17.7 million in stock-based compensation expense related to outstanding RSUs during the twelve months ended December 31, 2024. The amount comprises of $12.2 million recorded in APIC, $2.2 million related to Non-controlling interest and $3.3 million expense related to payment of tax withholding obligation on net RSU settlements

As of December 31, 2024, there was approximately $4.9 million of total unrecognized compensation expense related to RSUs, which is expected to be recognized over a weighted-average period of approximately 1.47 years.

The fair value of the RSUs is determined on the date of the grant based on the market price of the Company’s common stock on that date. Each RSU represents the right to receive one share of the Company’s common stock, upon vesting. Portions of the RSUs granted vest immediately with others vesting over one to four years following the grant date, subject to the individual’s continued service to the Company through the applicable vesting date, some may also require the satisfaction of certain performance conditions, and all are subject to the terms and conditions on the Company’s form of RSU agreement under the 2023 Incentive Equity Plan. For awards with performance conditions, the number of restricted stock units expected to vest may change over time depending upon the performance level expected to be achieved.

Stock Options

A summary of the Stock Option activity during the twelve month period ending December 31, 2024 is as follows:

	Twelve Months Ended December 31, 2024			
	Stock Options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)
Unexercised Options Outstanding as of December 31, 2023	—	$ —	—	$ —
Granted	385,000	5.43	4.9	146
Options Exercised	—	—	—	—
Forfeited/Cancelled	—	—	—	—
Unexercised Options Outstanding as of December 31, 2024	385,000	5.43	4.9	146
Exercisable at December 31, 2024	17,091	$ 5.23	4.9	$ 8

The Company estimates the fair value of time-based and performance-based stock options on the grant date using the Black-Scholes option pricing model. The estimated fair value of these employee stock options is amortized on a straight-line basis over the requisite service period of the awards. The fair value of time-based and performance-based stock options was estimated using the following weighted-average assumptions:

	Year Ended December 31, 2024
Risk-free interest rate	4.15 %
Expected volatility	57.72 %
Expected term (in years)	3.65
Expected dividend yield	— %

Risk-Free Interest Rate. The Company bases the risk-free interest rate assumption for equity awards on the rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued.

Expected Volatility. The expected volatility of stock options is estimated based on the average historical volatilities of common stock of comparable publicly traded companies and the Company's own volatility. The comparable companies are chosen based on their size and stage in the life cycle. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

Expected Term. The Company's limited option exercise history does not provide a reasonable basis for estimating expected term, therefore the Company has estimated the expected life of its stock options using the simplified method, whereby the expected life equals the average of the vesting term and the original contractual term of the option.

Expected Dividend Yield. The Company’s expected dividend yield assumption is zero as it has never paid dividends and has no present intention to do so in the future.

The Company recognized $0.1 million in stock-based compensation expense related to Stock Options during the twelve months ended December 31, 2024.

As of December 31, 2024, there was approximately $0.5 million of total unrecognized compensation expense related to Stock Options, which is expected to be recognized over a weighted-average period of approximately 4.9 years.

17. Equity

Prior Period Presentation

For periods prior to the Reverse Recapitalization, AON LLC had equity and stock-based compensation described below authorized, issued and outstanding. As discussed in Note 1, upon the Closing of the Business Combination, Legacy AON Stockholders received Class A Common Stock, Class B Common Stock, or Class B Prefunded Warrants and AON LLC reclassified their existing Class A, Class A-1, and Class B Units into AON LLC Common Units, pursuant to the terms of the Business Combination Agreement.

The Company recasted Historical AON LLC Equity outstanding for the periods prior to the Reverse Recapitalization, equal to the Per Company Unit Exchange Ratio, pursuant to the Business Combination, that was applied to the Class A, Class A-1, and Class B Units. The historical AON LLC units disclosed in this note give effect to the conversion for all periods presented, as follows.

Class A Units

AON LLC had authorized 19,495,376 units of Class A Units, of which 19,495,376 units were issued and were outstanding as of December 31, 2022.

Class A-1 Units

AON LLC had authorized 3,000,245 units of Class A-1 Units, of which 1,842,520 units were issued and were outstanding as of December 31, 2022.

Class B Units (Profit Interest)

The Class B units were issued through the 2017 Profits Interest Plan adopted by the Company in October 2017. The Class B Units represented a non-voting equity interest in AON LLC that entitled the holder to appreciation in the equity value of AON LLC arising after the date of grant and after such time as an applicable hurdle amount is met. AON LLC recognized the cost of services received in exchange for Class B Units based on the grant-date fair value. That cost was recognized over the period during which the service provider is required to provide service in exchange for the award over the requisite service period or based on performance. AON LLC used the Black-Scholes-Merton pricing model to estimate the fair value of profits interest unit awards. On an as converted basis, as of December 31, 2022, AON LLC issued 5,614,176 Class B Units, of which 4,703,628 were vested and outstanding; the remaining 910,548 of Class B units vested upon consummation of the Business Combination.

The following table summarizes the changes to AON LLC's Class A, Class A-1, and Class B Units for the year ended December 31, 2023.

in thousands, except for share and per share amounts	Years Ended December 31,	
	2023	
Class A Units, value		
Beginning of Period	$	7,725
Issuance of Units		—
Impact of the Reverse Recapitalization		(7,725)
End of Period	$	—
Class A Units, units		
Beginning of Period		19,495,376
Issuance of Units		—
Impact of the Reverse Recapitalization		(19,495,376)
End of Period		—

in thousands, except for share and per share amounts	Years Ended December 31,	
	2023	
Class A-1 Units, value		
Beginning of Period	$	28,500
Issuance of Units		9,725
Impact of the Reverse Recapitalization		(38,225)
End of Period	$	—
Class A-1 Units, units		
Beginning of Period		1,842,520
Issuance of Units		1,157,725
Impact of the Reverse Recapitalization		(3,000,245)
End of Period		—

in thousands, except for share and per share amounts	Years Ended December 31,	
	2023	
Class B Units, value		
Beginning of Period	$	80
Equity based compensation		10
Impact of the Reverse Recapitalization		(90)
End of Period	$	—
Class B Units, units		
Beginning of Period		4,703,628
Units Vested		910,548
Impact of the Reverse Recapitalization		(5,614,176)
End of Period		—

Class B-1 Units

In June and July of 2023, the Company granted a total of 415 AON LLC Class B-1 Units to certain employees under the 2017 Profits Interest Plan (the "Plan"). The Class B-1 Units vested upon the consummation of the Business Combination, therefore, $4.9 million of expense has been recognized in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2023. Upon the closing of the Business Combination, the vested Class B-1 Units were reclassified to AON LLC Common Units and exchanged for newly issued shares of Class A Common Stock equal to the Per Company Unit Exchange Ratio, pursuant to the Business Combination Agreement, which resulted in the issuance of 1,047,343 shares of New AON Class A Common Stock.

Mezzanine Equity Class C Units

As described in Note 1, the AON LLC Class C Units were converted into AON LLC Series A Preferred Units as of the Closing Date. Concurrently, New AON issued a number of shares of New AON Series A Preferred Stock equal to the number of AON LLC Series A Preferred Units held by the AON Class C Preferred Investor to AEA Growth Management LP, the parent of AON Class C Preferred Investor ("AEA Growth") in exchange for all the shares of common stock held by AEA Growth in the AON Class C Preferred Investor. Promptly after the First Step, the AON Class C Preferred Investor merged with and into New AON whereby the separate existence of the AON Class C Preferred Investor ceased and New AON held all the AON LLC Series A Preferred Units. On an as converted basis, as of September 20, 2023, 6,651,610 Series A Preferred Stock were issued to AEA Growth Management LP.

The AON LLC Class C Units were contingently redeemable convertible preferred units and classified as mezzanine equity on the consolidated balance sheet as of June 30, 2023 because the units were redeemable five years from the issuance date, at the option of the holder. As of June 30, 2023, the AON LLC Class C Units were recorded at their initial carrying value, net of offering costs. The Class C Units were not being accreted to redemption value, as the redemption was not probable due to the removal of the redemption right pursuant to the Business Combination. See discussion below.

The Class C Units had the same rights as the Series A Preferred Stock issued by the Company to AEA Growth Management LP, the parent of the AON Class C Preferred Investor, with the exception of the "AON LLC Class C Unit Redemption Right" and the "Class C Option to Purchase Additional Shares", discussed below. Further, the Class C Units did not contain a mandatory conversion feature that allowed AON LLC to force the Class C Investor to convert the Class C Units into another equity unit in AON LLC and the Class C Units did not have a one time conversion price adjustment.

Class C Unit Redemption Right

After the fifth anniversary of the Effective Date (June 7, 2028), the holders of a majority of the Class C Units had the right to cause the Company to redeem all of the Class C Units. The redemption price per Class C Unit was equal to the greater of (i) the Class C Liquidation Preference and (ii) the Fair Market Value of a Class C Unit (the "Class C Redemption Price"). The Class C Liquidation Preference is defined as an amount equal to the sum of (a) the Class C Preferred Return of such Class C Member and (b) the amount of such Class C Member's Net Invested Capital Contributions of $65.0 million. The Class C Unit Preferred Return is defined as the cumulative, semiannually-compounded return of 8% per annum based on the original Net Invested Capital Contributions of $65.0 million. The Class C Unit Redemption Right was removed as of the Closing of the Business Combination.

Class C Unit Option to Purchase Additional Units

In accordance with the terms of the Amended and Restated Class C Convertible Preferred Unit Purchase Agreement dated June 7, 2023, the Class C Preferred Investor had an option to purchase an additional 378 AON Class C Units until the Closing of the Business Combination at a purchase price of $26,423 per Unit ("Option Feature"). The Company determined that this Option Feature was required to be accounted for as a derivative in accordance with ASC 815. The fair value of the derivative was estimated to be $1.4 million as of June 30, 2023.

The Class C Preferred Investor did not exercise this option prior to the Closing of the Business Combination. As a result, the Company recognized a gain of $1.4 million in other (expense) income, net in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2023. The Class C Unit Option expired as of the Closing of the Business Combination.

Series A Preferred Stock (Mezzanine Equity)

New AON Series A Preferred Stock is redeemable for cash or the value of the property, rights or securities to be paid or distributed in the event of a Deemed Liquidation Event (which outside of the Company's control). As a result, the Company has determined that the New AON Series A Preferred Stock should be classified as mezzanine equity. At the closing of the Business Combination, the Company exchanged existing AON LLC Class C Units for Series A Preferred Stock in the Company. Based on the qualitative changes to the instrument, this exchange is considered an extinguishment for accounting purposes, with the Company recording a deemed dividend of $2.1 million to account for the difference between the carrying value of the Class C Units and the fair value of the Series A Preferred Stock at the transaction date. This amount is reflected in the consolidated statements of mezzanine and stockholders' equity as part of the reverse recapitalization, net. See further discussion on the PIK Dividend discussed below. The Series A Preferred Stock are not being accreted to redemption value, as the Series A Preferred Stock are not redeemable, nor are they probable of becoming redeemable.

Dividends

The Series A Preferred Stock accrue dividends at a cumulative, semiannually-compounded return of 8% per annum based on the original Net Invested Capital Contributions from the Class C Units of $65.0 million. These dividends may be paid in cash or accumulate into the Accrued Value at the option of New AON. The accrual shall be calculated on June 30 and December 31 and with respect to the semiannually-compounded return, no interest is required to be paid on any present or future Series A Preferred Stock accrued dividends. The Series A Preferred Stock also participate in distributions with the Class A Common stockholders.

On September 20, 2023, the Company issued 6,651,610 Series A Preferred Stock to AEA Growth Management LP. The number of Series A Preferred Stock shares issued at the Closing of the Business Combination was equal to the aggregate Class C Liquidation Preference pursuant to the Business Combination Agreement. As a result, the issuance of the Series A Preferred Stock effectively included an in-kind payout ("PIK") of the accrued dividend since the calculation of the amount issued was based on the Class C Liquidation Preference. As of the Closing, the Company recorded a dividend of 151,610 Series A Preferred Stock PIK shares with respect to the accrued dividends on the Series A Preferred Stock (the "PIK Dividend").

Voting

The holders of the Preferred Stock are entitled to elect and appoint one of the directors ("Series A Director") to the Board of Directors. All other directors are appointed by the Class A and Class B Common stockholders. There are no restrictions on which matters the Series A Preferred stockholders are entitled to vote. The Series A Preferred stockholders are entitled to the number of votes equal to the number of shares of Common Stock into which the Series A Preferred Stock would be convertible on the record date of the vote.

Conversion Rights

The Series A Preferred Stock is convertible, at the option of the holder, at any time, and without the payment of additional consideration by the holder, into such number of fully-paid Class A Common Stock as is determined by dividing the Accrued Value by the Conversion Price in effect at the time of conversion ("Conversion Ratio"). The Accrued Value is the Original Issue Price (which is $10.00 per share of Preferred Stock, as adjusted for any stock split, stock dividend, combination, or other recapitalization) plus any unpaid dividends, compounded semi-annually. The Conversion Price is initially $10.00 per Preferred Share subject to adjustment for dilutive issuances of additional shares, dividends to common stockholders, stock splits, mergers, and a five-year anniversary special adjustment based on the volume weighted average price of the common stock. These dividends may be paid in cash or accumulate into the Accrued Value, at the option of New AON, on June 30 and December 31 of each year. The Conversion Rights shall terminate at the close of business on the day prior to the date of a Change of Control.

If at any time on or after the 30th day after the five-year anniversary of the issue date, any of the Series A Preferred Stock remain outstanding and the 30-Day VWAP of the Common Stock is less than $10.00 (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification), then the Conversion Price shall be adjusted to the greater of (x) the 30-Day VWAP on such date of determination and (y) $5.00 (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification).

New AON also has the right on or after the third-year anniversary of the date of issuance to cause all (but not less than all) of the outstanding shares of Series A Preferred Stock to be converted into shares of Class A Common Stock for each share of Series A Preferred Stock at the Conversion Ratio detailed above. The Company may only convert shares of Series A Preferred Stock into shares of Common Stock if the 30-Day VWAP of the Common Stock immediately prior to the Company Conversion Date is greater than $16.00 (as adjusted for any stock split, stock dividend, combination, or other recapitalization).

Liquidation Preferences

In the event of voluntary or involuntary liquidation, dissolution or winding up of the Company or an Initial Public Offering (IPO) or Exit Event, the Series A Preferred Stock have preferential liquidation rights. If a Deemed Liquidation Event were to occur, each Series A Preferred stockholder is entitled to be paid out of the assets of the Company available for distribution, equal to the greater of the following:

(i) The Original Issue Price of $10 per Series A Preferred Stock multiplied by the Applicable Percentage plus any Accrued Dividends on such share of Series A Preferred Stock; or

(ii) Such amount per share as would have been payable had all shares of Series A Preferred Stock been converted into Common Stock immediately prior to such Deemed Liquidation Event.

The Series A Preferred Stock Applicable Percentage is defined as a percentage equal to (a) one hundred twenty-five percent (125%) if an Exit Event, dissolution, liquidation, or winding-up occurs prior to June 7, 2024, (b) one hundred twenty percent (120%) if an Exit Event, dissolution, liquidation, or winding up occurs after June 7, 2024, but prior to June 7, 2025, (c) one hundred fifteen percent (115%) if an Exit Event, dissolution, liquidation, or winding-up occurs after June 7, 2025, but prior to June 7, 2026, (d) one hundred ten percent (110%) if an Exit Event, dissolution, liquidation, or winding up occurs after June 7, 2026, but prior to June 7, 2027, (e) one hundred five percent (105%) if an Exit Event, dissolution, liquidation, or winding-up occurs after June 7, 2027, but prior to June 7, 2028, (f) one hundred percent (100%) if an Exit Event, dissolution, liquidation, or winding-up occurs after June 7, 2028.

Distributions to Class A and Class A-1 Members

On March 4, 2020, the AON LLC entered into the Second Amended and Restated Limited Liability Agreement ("Second Operating Agreement") which established another class of equity, Class A-1 Units. The Second Operating Agreement provided, among other things, that the Class A and A-1 Units would receive a cumulative, annually-compounded, preferred return of 8.0% and 4.0%, respectively, on capital contributions when and if distributions are declared by the Board of the Company.

Prior to the issuance of the Class C Units on June 7, 2023 as discussed above, the Class A and A-1 unitholders were paid a cash distribution of $4.0 million and $4.1 million, respectively, representing the cumulative accrued preferred return to June 7, 2023.

On June 7, 2023, in connection with the issuance of the Class C Units, AON LLC entered into the Third Amended and Restated Limited Liability Agreement ("Third Operating Agreement") which, among other things, eliminated any provisions for future preferred returns on Class A and A-1 units.

Class A-1 Anti-Dilution Feature

Prior to the Closing, in the event AON LLC, prior to a Qualified IPO, issued additional membership equity (“Additional Issuance”) at a valuation that represents a purchase price that is less than the New Unit Purchase Price, as defined, AON LLC was obligated to issue additional Class A-1 Units, for no consideration, such that the Class A-1 unitholder maintains the same percentage ownership as prior to the Additional Issuance (“Anti-Dilution Feature”).

The Company determined that the Anti-Dilution Feature met the definition of a derivative in accordance with ASC 815. The total loss on derivatives for the year ended December 31, 2023 relating to this feature is $9.8 million, and was recorded in other (expense) income, net in the consolidated statements of operations and comprehensive loss.

As a result of the Anti-Dilution Feature, upon the issuance of the Class C Units on June 7, 2023 and the Closing of the Business Combination on September 20, 2023, the Company issued an additional 174 and 284 Class A-1 Units, that were subsequently converted into 439,176 and 718,549 AON Common Units using the Per Company Unit Exchange Ratio, pursuant to the Business Combination Agreement. The total fair value of the issuance of additional Class A-1 shares on June 7, 2023 and September 20, 2023 was $2.5 million and $7.2 million, respectively, for a cumulative $9.7 million recorded as Class A-1 member equity in the consolidated statements of mezzanine and stockholders’ equity. Upon the Closing of the Business Combination, the Class A-1 Anti-dilution Feature was eliminated and the derivative liability was fully extinguished.

Third Party Tender Offer

On October 4, 2024, affiliates of AEA Growth (collectively the “Bidders” or “AEA Parties”) closed on a tender offer to purchase for cash, i) 5,407,155 AON LLC Common Units from holders of such AON LLC Common Units and ii) 2,809,338 shares of New AON Class A Common Stock from holders of such New AON Class A Common Stock (the “Third Party Tender Offer”). Each AON LLC Common Unit and share of New AON Class A Common Stock was purchased by the Bidders for $4.00 less certain fees and expenses. Following the closing of the Third Party Tender Offer, the Bidders converted the 5,407,155 AON LLC Common Units into an equal number of shares of Class A Common Stock of the Company.

Neither AON Inc. nor AON LLC was a Bidder in the Third Party Tender Offer. AON Inc. and AON LLC assisted with facilitating documentation between the Bidders and participants in the Third Party Tender Offer in order to maintain an orderly process between the participants in the Third Party Tender Offer and the Bidders.
The Company and AEA Growth entered into a Stockholders Agreement on July 19, 2024 that provides for certain customary shareholder protections in the event that AEA Parties collectively and beneficially own at least 40% of outstanding voting power of the Company. Upon closing of the Third Party Tender Offer, the AEA Parties owned approximately 30% of the outstanding voting power of the Company.

Class A Common Stock Financing

On November 12, 2024, the Company and AEA AON Aggregator LLC (the “Investor”), an affiliate of AEA Growth, entered into a securities purchase agreement (the “Securities Purchase Agreement”) and closed on the sale of 8,500,000 newly issued shares of Class A Common Stock at a price of $6.00 per share (the “Equity Financing”). The gross proceeds of the offering were $51,000,000 before deducting reimbursable fees and expenses of counsel to the Investor. The Company intends to use the proceeds of the financing for acquisition of physician practices, other capital expenditures and general corporate purposes.

In connection with the Equity Financing, the Company granted a right of first offer to the Investor, pursuant to which Investor shall have the right to purchase up to that portion of any new securities, or instruments convertible into or exercisable for securities (the “New Securities”) issued by the Company, subject to certain customary exceptions, in order for Investor to maintain its pro rata percentage ownership of the Company on a fully diluted basis. In addition, subject to certain customary exceptions, in the event that the Company issues New Securities on or prior to November 12, 2025 on terms that are more favorable to an investor than the Investor's terms in the Equity Financing, then the Investor may elect to amend and/or restate the Securities Purchase Agreement or any related transaction document to reflect the favorable terms of the instrument(s) evidencing the New Securities. In addition, the Company granted Investor the right to designate one member on the Company's Board of Directors, so long as Investor beneficially owns at least 10% of the Company's outstanding voting power (the "Board Right"). The Board Right is in addition to Investor's right, as the holder of a majority-in-interest of the Series A Preferred Stock, to designate the Preferred Director (as defined in the Company's Certificate of Designation for its Series A Preferred Stock).

In connection with the execution of the Securities Purchase Agreement, the Company and the Investor entered into a joinder to that certain Registration Rights Agreement, dated as of September 20, 2023 (the "Registration Rights Agreement"). The Company and the Investor, as the holder of a majority-in-interest of the Registerable Securities (as defined in the Registration Rights Agreement) entered into an amendment to the Registration Rights Agreement (the "Registration Rights Agreement Amendment"), which provides that for so long as the Company is eligible to suspend its duty to file reports under section 15(d) of the Exchange Act, the Company shall not be obligated to file or maintain effective any registration statement that would have been required under the Registration Rights Agreement.

The Securities Purchase Agreement and Registration Rights Agreement Amendment are subject to, and qualified in their entirety by, the full text of such documents, where applicable, which are incorporated herein by reference.

The Securities Purchase Agreement contains certain representations and warranties, covenants and indemnities customary for similar transactions. The representations, warranties and covenants contained in the Securities Purchase Agreement were made solely for the benefit of the parties to the Securities Purchase Agreement and may be subject to limitations agreed upon by the contracting parties.

The 8,500,000 shares of Class A Common Stock that are subject to the Securities Purchase Agreement were sold and have been issued without registration under the Securities Act, in reliance on the exemptions provided by Section 4(a)(2) of the Securities Act as a transaction not involving a public offering and Rule 506 promulgated under the Securities Act as sales to accredited investors, and in reliance on similar exemptions under applicable state laws.

18. Net Loss per Share

The following table sets forth the computation of basic and diluted net loss per share of Class A Common Stock. Class B Common Stock does not have economic rights in AON Inc., including rights to dividends or distributions upon liquidation, and as a result, is not considered a participating security for basic and diluted loss per share. As such, basic and diluted loss per share of Class B Common Stock has not been presented. Series A Preferred Stock are considered participating securities for basic and diluted loss per share, but do not participate in losses. As such, basic and diluted loss per share is computed using the two-class method. For additional information, see Notes 1 and 2.

Basic loss per share is based on the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted loss per share is based on the weighted-average number of shares of Class A Common Stock used for the basic loss per share calculation, adjusted for the dilutive effect of Public and Private Warrants, Restricted Stock Units, Stock Options, and Sponsor Earnouts, if any, using the "treasury stock" method and the convertible Series A Preferred Stock, Class B Common Stock, and Class B Prefunded Warrants, if any, using the "if-converted" method. Net loss for diluted loss per share is adjusted for the Company's share of AON LLC's consolidated net loss, net of AON Inc. taxes, after giving effect to Class B Common Stock and Class B Prefunded Warrants that are exchanged into potential shares of Class A Common Stock, Public and Private Warrants that are liability classified, and Series A Preferred Stock that accrue dividends, to the extent it is dilutive.

$ in thousands, except share and per share data	Year Ended December 31,	
	2024	2023
Net loss attributable to AON Inc.	$ (3,973)	$ (5,542)
Less: Series A Preferred Cumulative Dividends	(5,550)	(1,493)
Less: Series A Preferred Deemed Dividend	—	(2,089)
Net loss attributable to Class A Common Stockholders	$ (9,523)	$ (9,124)
Less: Reallocation of net loss attributable to Class A Common Stockholders as a result of the impact and conversion of Class B Common Stock	(19,770)	—
Less: Reallocation of net loss attributable to Class A Common Stockholders as a result of the impact and conversion of Class B Prefunded Warrants	(3,990)	
Net loss attributable to Class A Common Stockholders for diluted loss per share	$ (33,283)	$ (9,124)
Weighted-average shares for basic loss per share	13,717,309	6,685,515
Effect of dilutive securities:		
Class B Common Stock	20,787,257	—
Class B Prefunded warrants	3,000,245	—
Weighted average shares for diluted loss per share	$ 37,504,811	$ 6,685,515
Basic loss per share of Class A Common Stock	$ (0.69)	$ (1.36)
Dilutive loss per share of Class A Common Stock	$ (0.89)	$ (1.36)

Net loss attributable to AON Inc. for basic loss per share is allocated based on the controlling interest ownership in AON Inc. For dilutive loss per share, the NCI, which represents the Class B Common Stock and Class B Prefunded warrants, is converted into Class A Common Stock, therefore eliminating the NCI. As a result, net loss previously attributable to AON LLC is reallocated to the controlling interest, AON Inc. This reallocation of loss from AON LLC to AON Inc. adds incremental loss to the numerator of the dilutive net loss per share calculation, which ultimately yields dilutive EPS, despite basic already being in a net loss position. The following table details the securities that have been excluded from the calculation of weighted-average shares for diluted loss per share for the period presented as they were anti-dilutive. Note that the Sponsor Earnouts are excluded from the calculation of weighted-average shares for diluted loss per share as the contingency had not been met as of the period end.

	2024	2023
Series A Preferred Stock	7,720,899	6,651,610
Class B Common Stock	—	25,109,551
Class B Prefunded Warrants	—	3,000,245
Public and Private Warrants	14,450,833	14,450,833
Restricted Stock Units	1,949,301	—
Options	385,000	—

19. Redeemable Noncontrolling Interest

Legacy AON Stockholders own 17,868,095 AON LLC Common Units, equal to a 39.5% of the economic interest in AON LLC as of December 31, 2024. Legacy AON Stockholders also own 14,867,850 shares of Class B Common Stock and 3,000,245 of Class B Prefunded Warrants, which, together with the AON LLC Common Units, may be redeemed at the option of each Legacy AON Stockholder on a one-for-one basis for shares of Class A Common Stock or the cash equivalent thereof (based on the market price of the shares of Class A Common Stock at the time of redemption) as determined by New AON. If New AON elects the redemption to be settled in cash, the cash used to settle the redemption must be funded through a private or public offering of Class A Common Stock no later than ten (10) business days after the redemption notice date. Upon the redemption of the AON LLC Common Units and Class B Common Stock for shares of Class A Common Stock or the equivalent thereof, all redeemed shares of Class B Common Stock will be cancelled. The redemption value is determined based on a five-day volume weighted average price (”VWAP”) of the Class A common shares, subject to customary conversion rate adjustments for share splits, share dividends, and similar events affecting Class A Common Stock. After each redemption, AON LLC equity attributable to New AON and the Legacy AON Shareholders is adjusted to reflect New AON’s and the Legacy AON Shareholders’ ownership in AON LLC.

When applying SEC guidance concerning mezzanine classification, the Company understands that due to the NCI holders having control of the Board, if there is a sequence of remotely possible events that could trigger a redemption, this requires the instrument to be classified as temporary equity, without any regard to probability. Accordingly, though the redemption would require such a remotely possible sequence of events, and such remote sequence of events would also require, in management’s view, the Company to take extraordinary actions in order to allow such sequence of events to be remotely possible, the noncontrolling interest is currently classified as temporary equity. In the event that the controlling shareholders control redemption of the shares, the noncontrolling interest will be presented as permanent equity.

The redeemable noncontrolling interest is recognized at the greater of (1) its initial fair value plus accumulated earnings/(losses) associated with the noncontrolling interest or (2) the redemption value as of the balance sheet date. At December 31, 2024, the redeemable noncontrolling interest was recorded based on its redemption value of $87.7 million represented a decrease of $79.4 million from its redemption value as of December 31, 2023. This measurement adjustment decreased additional paid in capital by $19.0 million and increased retained earnings (deficit) by $63.6 million. Each time a change of interest occurs, AON LLC equity attributable to AON Inc. and the Legacy AON Shareholders is rebalanced to reflect the changes in AON Inc.’s and the Legacy AON Shareholder’s ownership in AON LLC that occurred throughout the period.

The following table summarizes the economic ownership of AON LLC, for the year ended December 31, 2024.

	Year ended December 31, 2024		
	AON LLC Units		
	AON Inc.	Legacy AON Stockholders	Total
Beginning of Period	13,330,051	28,109,796	41,439,847
Additional Common Units Issued	10,736,349	—	10,736,349
Accrual of Series A Preferred Units	1,069,290	—	1,069,290
Repurchases of Common Units	(132,902)	(170,118)	(303,020)
Redemption of Common Units	10,071,583	(10,071,583)	—
Total Common Units as of December 31, 2024	35,074,371	17,868,095	52,942,466
End of Period	35,074,371	17,868,095	52,942,466
Allocation of income to controlling and noncontrolling interests	46.0 %	54.0 %	100.0 %
Allocation of losses to controlling and noncontrolling interests[1]	35.7 %	64.3 %	100.0 %

[1] As discussed in Note 15, Series A Preferred Stock units are included in the ownership basis of AON Inc. on an accrued basis and considered participating securities for basic and diluted loss per share, but do not participate in losses. As a result, the consolidated net loss of AON LLC, during the year ended December 31, 2024, were allocated to the NCI to reflect the absorption of the Legacy AON Stockholders to a portion of the consolidated net loss of AON LLC. Net losses were not attributed to Series A Preferred Stock.

20. Commitments and Contingencies

Contingencies

The Company, through its arrangements with certain contracts, is subject to the Medicare and Medicaid fraud and abuse laws which prohibit, among other things, any false claims, or any bribe, kick- back or rebate in return for the referral of Medicare and Medicaid patients. Violation of these prohibitions may result in civil and criminal penalties and exclusion from participation in the Medicare and Medicaid programs. Management has implemented policies and procedures they believe will assure that the Company is in substantial compliance with these laws. From time to time, the Company may receive requests for information from government agencies pursuant to their regulatory or investigational authority. Such requests can include subpoenas or demand letters for documents to assist the government in audits or investigations. Management believes that the outcome of any of these investigations would not have a material adverse effect on the Company.

Laws and regulations governing the Medicare program are complex and subject to interpretation. The Company believes that it is complying in all material respects with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing that would have a material effect on the Company's consolidated financial statements. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare Program.

The Company and its affiliates are subject to various legal proceedings and claims arising in the normal course of their business. In the opinion of management, the amount of the ultimate liability, if any, with respect to these lawsuits and claims will not have a material effect on the consolidated financial statements of the Company.

21. Professional Liability Insurance

The Company has purchased claims-made professional liability insurance coverage through December 31, 2024 and 2023, covering up to $1.0 million per incident and $3.0 million in annual aggregate for each physician and covering up to $2.0 million per incident and $4.0 million in the aggregate at the entity level. The policy does not require a deductible per incident. As of December 31, 2024 and 2023, the gross malpractice insurance recovery balance was $3.9 million and $2.8 million, respectively, and the malpractice insurance reserve liability balance totaled $5.9 million and $4.7 million, respectively. The Company has a net retail liability of approximately $2.1 million and $1.9 million, respectively, for claims arising from incidents prior to December 31, 2024 and 2023 that are not yet reported as of December 31, 2024 and 2023.

22. Subsequent Events

On January 2, 2025, the Company completed the acquisition of certain non-clinical and clinical assets of Fort Wayne Medical and Oncology and Hematology, Inc. from the Shareholders to expand its domestic reach related to its comprehensive oncology and practice management services. In conjunction with the acquisition, the Company entered into Physician Employment Agreements with the Shareholders. The purchase price for the transaction is $35.9 million, subject to customary closing adjustments. The purchase will be settled in $21.0 million of cash, a note to the seller with a principal amount of $7.2 million, and $7.7 million in restricted stock units expected to vest over three years. The acquisition is expected to be accounted for as a business combination using the acquisition method, and the results of the acquired business will be included in the Company's results of operations from the acquisition date. Due to the proximity of the closing date to the filing of this report, the Company has not completed its valuation analysis and related calculations in sufficient detail necessary to arrive at the fair values of the net assets acquired, along with the determination of any goodwill to be recognized on the transaction.

On January 31, 2025, the Company entered into Fourth Amendment to Loan Agreement which extended the maturity date from June 30, 2026 to January 31, 2028. In addition to maturity extension, this amendment revised interest rate calculation to be based off of Secured Overnight Financing Rate "SOFR". In connection with this amendment, Company paid additional debt issuance costs of $0.4 million which will be amortized over the revised remaining life of the Loan Facility. In addition, this amendment revised certain definitions such as EBITDA, Fixed Charges, Fixed Charge Coverage Ratio, and Maintenance Capital Expenditures.

m 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures

Not applicable.

m 9A. Controls and Procedures

ınagement's Evaluation of our Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, mean controls and other procedures of a company that are designed to ensure that 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. Disclosure controls include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company on the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including, our principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2024, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were not effective due to the material weaknesses described below in the subsection titled "*Management's Annual Report on Internal Control over Financial Reporting."*.

Management's Annual Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Rule 13a-15(f) under the Exchange Act, internal control over financial reporting is a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board of directors, management and other personnel, 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. It includes those policies and procedures that:

a) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of a company are being made only in accordance with authorizations of management and the board of directors of the Company; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management has used the criteria established in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), or COSO, to evaluate the effectiveness of the Company's internal control over financial reporting. Management has selected the COSO 2013 framework for its evaluation as it is a control framework recognized by the SEC and the Public Company Accounting Oversight Board, that is free from bias, permits reasonably consistent qualitative and quantitative measurement of the Company's internal controls, is sufficiently complete so that relevant controls are not omitted, and is relevant to an evaluation of internal controls over financial reporting. Management conducted an evaluation of internal controls based on the COSO 2013 framework. The evaluation included a full scale, documented risk assessment, based on the principles described in the framework, and included identification of key controls. Management completed documentation of its testing to verify the effectiveness of the key controls. Based on the evaluation, management concluded that our internal control over financial reporting was not effective as of December 31, 2024 based on the material weaknesses identified below.

Discussion of Previously Reported Material Weaknesses

A material weakness is a deficiency, or combination of deficiencies, in our internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements would not be prevented or detected on a timely basis.

We previously identified material weaknesses in our internal control over financial reporting. We have concluded that these material weaknesses continue to exist as of December 31, 2024.

The material weaknesses that AON identified were as follows:

- The Company did not design and maintain an effective control environment commensurate with its financial reporting requirements. Specifically, the Company lacked a sufficient complement of resources with (i) an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately, and (ii) an appropriate level of knowledge and experience to establish effective processes and controls. Additionally, the lack of a sufficient complement of resources resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of its financial reporting objectives, as demonstrated by, among other things, insufficient segregation of duties in its finance and accounting functions.

- The Company did not effectively design and maintain effective controls in response to the risks of material misstatement. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting.

These material weaknesses contributed to the following additional material weaknesses:

- The Company did not design and maintain effective controls to identify, analyze, account for and disclose non-routine, unusual or complex transactions. Specifically, the Company did not design and maintain controls to account for its business combinations, asset acquisitions, clinical trial agreements, and related party transactions.

- The Company did not design and maintain effective controls related to the period-end financial reporting process, including designing and maintaining formal accounting policies, procedures and controls to achieve complete and accurate financial accounting, reporting and disclosures. Additionally, the Company did not design and maintain controls over the preparation and review of account reconciliations and journal entries, including maintaining appropriate segregation of duties.

- The Company did not design and maintain effective controls to achieve complete, accurate, and timely accounting of accrued liabilities.

- The Company did not design and maintain effective controls to achieve complete, accurate, and timely accounting of revenue and accounts receivable. Specifically, the Company did not design and maintain controls over the inputs, assumptions, and calculations to develop our contractual allowances.

- The Company did not design and maintain effective information technology (“IT”) general controls for information systems that are relevant to the preparation of its financial statements. Specifically, the Company did not design and maintain: (i) program change management controls to ensure that program and data changes are identified, tested, authorized, and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and to adequately restrict user and privileged access to appropriate personnel; (iii) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored; and (iv) program development controls to ensure that new software development is tested, authorized and implemented appropriately.

mediation Activities

The Company is in the process of designing and implementing measures designed to improve our internal control over financial reporting and remediate the control deficiencies which led to the material weaknesses. The Company's remediation measures are ongoing and include the following:

- The Company enhanced the technical capabilities of its accounting department via the hiring of an SEC Reporting Manager and intends to seek additional opportunities to further expand its full-time accounting leadership team going forward. Furthermore, the Company will continue to leverage third-party consultants for its technical accounting needs whenever specific technical accounting competencies are required;

- Management continues to enhance its review process for unusual, non-routine or complex transactions;

- During 2023, management collaborated with outside consultants possessing significant financial reporting and internal control expertise to perform an extensive review of the design of the Company's internal controls over financial reporting. This review included a control design gap analysis and the development of corresponding remediation plans for control design gaps identified. These control design gaps and corresponding remediation plans included, but were not limited to, the following: improvements to the financial close and reporting process, accounting for contractual allowances related to revenue recognition, the identification of related party transactions, and the timely development of quality estimates related to accrued liabilities;

- Management is gaining a better understanding of system functionality through the review of permissions and profiles to be executed during the periodic user access reviews to be conducted going forward for each IT application that is significant to the Company's financial reporting objectives, and intends subsequently reconfigure profiles with appropriate permissions to better align with job responsibilities and enforce segregation of duties;

- The Company enhanced its financial close process by introducing additional layers of independent reviews by appropriately qualified individuals and improving the precision and timeliness of reviews applied to various period-end activities and financial result analyses, including journal entries and account reconciliations. Additionally, the Company is developing evidence of review standards to be consistently applied to its various period-end control activities going forward, thereby requiring control owners to formally document the operation of these controls; and

- The Company continues to design and implement a broad suite of ITGCs over change management, the review and update of user access rights and privileges, controls over batch jobs and data backups, and program development approvals and testing. The Company intends to continue improving its ITGC environment by more uniformly applying password parameter requirements across its base of IT applications that are significant to its financial reporting objectives, as well as by enhancing the precision of its periodic user access reviews for these systems.

AON has begun the process to remediate its identified material weaknesses as detailed above. While significant progress has been made to enhance our internal control over financial reporting, we are still in the process of implementing, documenting and testing these processes, procedures and controls.

Notwithstanding the material weaknesses, management has concluded that the financial statements included elsewhere in this Annual Report present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

estation Report of the Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm because the Company is not an accelerated filer and not a large accelerated filer.

anges in Internal Control

There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The following table provides information regarding our executive officers and members of our board of directors (the “Board”) (ages as of the date of this report):

	Name	Age	Position
Executive Officers	Todd Schonherz	55	Chief Executive Officer; Class III Director
	David Afshar	53	Chief Financial Officer
	Stephen “Fred” Divers, MD	52	Chief Medical Officer; Class II Director
Directors	Bradley M. Fluegel	63	Class III Director
	Ravi Sarin	43	Class III Director
	James Stith	41	Class I Director
	William J. Valle	64	Class I Director

Todd Schonherz has over 30 years of healthcare experience and has served as our Chief Executive Officer since the closing of the Business Combination in September 2023. Mr. Schonherz has served as the Chief Executive Officer of American Oncology Network, LLC (“AON LLC”) since 2021 and was previously President & Chief Operating Officer of AON LLC since its inception in 2017 to 2021. Previously, he was Chief Operating Officer of Florida Cancer Specialists (“FCS”). Prior to his role as COO of FCS in 2011, Mr. Schonherz was Senior Vice President and Chief Information Officer for US Oncology from 1999 to 2010. Mr. Schonherz’ consulting and management experience in healthcare information technology includes positions with Datamedic Corporation (acquired by VitalWorks and later Amicas Corporation), Multum Corporation (acquired by Cerner Corporation), and MedE America (acquired by WebMD and later HLTH Corporation). Mr. Schonherz received a bachelor’s degree in health policy and administration from Pennsylvania State University. Mr. Schonherz has presented at national industry conferences including multiple Community Oncology Alliance (“COA”) conferences as well as national and regional information technology conferences. We believe Mr. Schonherz’s 30 years of healthcare experience gives him a thorough understanding of all aspects of our business and operations and qualifies him to serve our Board of Directors.

David Afshar has served as our Chief Financial Officer since June 2024. Prior to joining AON, Mr. Afshar was the Chief Financial Officer of US Heart and Vascular from July 2023 through February 2024. Prior to that, Mr. Afshar was the Chief Financial Officer of Aveanna Healthcare Holdings Inc. from February 2018 through July 2023. Prior to that, Mr. Afshar served from 2010 to 2018 as chief financial officer of ApolloMD. Mr. Afshar has also served as an inspections leader with the Public Company Accounting Oversight Board, where he led inspections of “Big Four” audit firms. In addition, Mr. Afshar has served as chief accounting officer and interim chief financial officer with Regency Hospital Company, a long-term acute care provider. Mr. Afshar received his Bachelor of Sciences degree in accounting from the University of Maryland and started his career with Ernst & Young, where he spent the majority of his time in the health sciences practice and served as a senior manager.

Stephen “Fred” Divers, MD has served as our Chief Medical Officer since the closing of the Business Combination in September 2023 and has been AON LLC’s Chief Medical Officer since 2022. In addition, since 2018, Dr. Divers is a Medical Oncologist with Genesis Cancer and Blood Institute, one of the first practices to join the AON network. In July 2020, Mr. Divers was named Advisory Board Chairman. Dr. Divers has provided physician leadership as a member of several national committees and currently serves on the Board of Directors for COA. He attended medical school at the Louisiana State University School of Medicine. He completed his residency at the University of North Carolina and a fellowship at the University of Alabama at Birmingham Cancer Center. We believe that Dr. Diver’s experience as an executive and his breadth of knowledge and valuable understanding of oncology care qualifies him to serve on our Board of Directors.

Bradley M. Fluegel has served on our Board of Directors since the closing of the Business Combination in September 2023, and prior to that, served on the board of directors of Digital Transformation Opportunities Corp. since its initial public offering. Mr. Fluegel currently advises several technology-enabled healthcare companies including Interwell Health Inc., Galileo Inc., Hims Inc., Pager Inc., and VillageMD Chicago, LLC. From October 2012 to January 2018, Mr. Fluegel was the Senior Vice President, Chief Healthcare Commercial Market Development Officer and Chief Strategy and Business Development Officer for Walgreens Company. Prior to Walgreens, Mr. Fluegel served as an executive in residence at Health Evolution Partners from April 2011 to September 2012, Executive Vice President and Chief Strategy and External Affairs Officer of Anthem Inc. from October 2007 to December 2010, Senior Vice President of National Accounts and Vice President of Enterprise Strategy at Aetna Inc. from March 2005 to September 2007, and Chief Executive Officer for Reden & Anders (Optum Consulting) from October 2002 to February 2005. Mr. Fluegel currently serves on the board of directors of MJHS in New York City, Performant Financial Corporation, AdhereHealth LLC, Premera Blue Cross, and NeuroMetrix. Mr. Fluegel also previously served on the board of directors of Fitbit, Alight Solutions, and Itamar Medical. Mr. Fluegel earned a MPP from Harvard University's Kennedy School of Government and a BBA from the University of Washington. Mr. Fluegel also serves as a lecturer at the University of Pennsylvania's Wharton School of Business. We believe Mr. Fluegel's public company experience and expertise in accounting matters is valuable to the Company.

Ravi Sarin has served on our Board of Directors since the closing of the Business Combination in September 2023. Mr. Sarin is Co-Head and Founding Partner of AEA Growth since 2021. Mr. Sarin is also the Founder and Managing Partner of ROCA Partners, a growth equity investment firm focused on tech-enabled services, software and healthcare services companies, which he founded in 2015. Previously, he was a Principal in the Private Equity Group at Ares Management from 2009 to 2015. At Ares, Mr. Sarin helped lead investments in healthcare services among other sectors. Prior to Ares, Mr. Sarin was a private equity investor at Bain Capital and a consultant at Bain & Company. Mr. Sarin currently serves on the boards of directors of several companies including AS Software, Bespoke Partners, Cenegenics and Commonwealth Pain & Spine and previously served on the board of directors of a number of companies including Floor & Decor, Jacuzzi Brands, Ob Hospitalist Group, Oceans Healthcare, Riviera Partners, True Blue Car Wash and Unified Women's Healthcare. Mr. Sarin also previously served on the board of directors of The Oncology Institute. Mr. Sarin received a B.S. in Electrical Engineering and a M.S. in Management Science & Engineering from Stanford University and an M.B.A. from Harvard Business School. Mr. Sarin was selected to serve on our Board of Directors due to his experience working with and serving as a director of a number of healthcare services companies.

James Stith has served on our Board of Directors since the closing of the Business Combination in September 2023, and has served as a Director on AON LLC's Board of Managers since June 2023. Since 2021, Mr. Stith has served as a Partner at AEA Growth Management LP ("AEA Growth"), a private equity growth fund managed by AEA Investors LP, a global investment firm. From 2016 to 2021, Mr. Stith served as Co-founder and Partner at ROCA Partners, a growth equity investment firm. Prior to ROCA Partners, Mr. Stith served as an M&A executive at IAC/InterActiveCorp (a publicly-traded portfolio of consumer media and technology companies), a private equity investor at Ares Management (a global alternative investment manager), and an investment banker at Lehman Brothers (a former global financial services firm). Mr. Stith holds a B.A. in Economics and International Relations from the University of Pennsylvania. We believe Mr. Stith's extensive experience in growth equity and healthcare investing qualifies him to serve on our Board of Directors.

William J. Valle has served on our Board of Directors since April 19, 2024. Mr. Valle served as Chief Executive Officer and a board member of Fresenius Medical Care, a leading provider of dialysis products and comprehensive chronic kidney disease care, from 2017 to 2023. Mr. Valle was also previously the President and Chief Executive Officer of Strategic Advisory Services at Innovative Health Strategies, LLC. Mr. Valle is currently on the Board of Directors of TriSalus Life Sciences, Inc. (Nasdaq: TLSI), biotechnology company focused on developings treatments for liver and pancreatic cancer. Mr. Valle has also served on the board of directors of multiple healthcare companies, including Interwell Health and Sound Physicians. We believe Mr. Valle's experience as a board member for multiple healthcare companies and as a healthcare executive qualifies him to serve on our Board of Directors and is valuable to the Company.

Family Relationships

There are no family relationships between any director, executive officer, or person nominated or chosen to be a director or officer.

Code of Ethics

The Board has adopted a Code of Conduct and Ethics that applies to all of its employees, officers and directors, including its principal executive officer, principal financial officer, controller and other executive and senior financial officers. The full text of AON's Code of Conduct and Ethics is posted on the Corporate Governance portion of AON's website. When applicable, AON will post amendments to its Code of Business Conduct and Ethics or waivers of its Code of Business Conduct and Ethics for directors and officers on the same website.

Clawback Policy

The SEC adopted final rules implementing the incentive-based compensation recovery provisions of the Dodd-Frank Act, and the Nasdaq Stock Market LLC ("Nasdaq") has adopted listing standards consistent with the SEC rules. In compliance with those standards, we have adopted an incentive compensation recoupment policy, or "clawback" policy, which applies to our executive officers, within the meaning of Section 10D of the Exchange Act and Rule 10D-1 promulgated thereunder, who were employed by the Company during the applicable recovery period. Under the policy, in the event that the financial results upon which a cash or equity-based incentive award was predicated become the subject of a financial restatement that is required because of material non-compliance with financial reporting requirements, the Compensation Committee will conduct a review of awards covered by the policy and recoup any erroneously awarded incentive-based compensation to ensure that the ultimate payout gives retroactive effect to the financial results as restated. The Company may not indemnify any such covered officer against the loss of such recovered compensation. Our clawback policy is incorporated by reference to this Annual Report on Form 10-K as Exhibit 97.

Board Composition

AON's business and affairs are managed under the direction of its Board.

The AON Board is divided into three classes, designated as Class I, Class II and Class III. The Class I directors will hold office for a term expiring at the 2027 annual meeting of stockholders; the Class II directors will hold office for a term expiring at 2025 annual meeting of stockholders; and the Class III directors will hold office for a term expiring at the 2026 annual meeting of stockholders. At each annual meeting of the stockholders of AON, director nominees will be elected by plurality vote of all votes cast at such meeting to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election. Currently, there are two Class II director vacancies.

Director Independence

Although our common stock is not listed on the Nasdaq Stock Market, we follow the rules of Nasdaq in determining whether our each of our directors are independent. Our Board has determined that Bradley M. Fluegel, Ravi Sarin, James Stith, and William J. Valle are independent.

Committees of the AON Board of Directors

The AON Board has an audit committee, compensation committee and nominating and corporate governance committee. The composition and responsibilities of each of the committees of the AON Board is described below. Members will serve on these committees until their resignation or until as otherwise determined by the AON Board. The AON Board may from time to time establish other committees. AON's Chief Executive Officer and other executive officers will regularly report to the non-executive directors and each standing committee to ensure effective and efficient oversight of its activities and to assist in proper risk management and the ongoing evaluation of management controls.

Audit Committee

Bradley Fluegel, James Stith and Ravi Sarin serve as members of our audit committee (the "Audit Committee"). All the directors on the Audit Committee must be independent. Our board of directors has determined that each of Bradley Fluegel, James Stith and Ravi Sarin are independent under Nasdaq standards and applicable SEC rules. Bradley Fluegel serves as the Chairman of the Audit Committee. Each member of the Audit Committee is financially literate and our board of directors has determined that Bradley Fluegel qualifies as an "audit committee financial expert" as defined in applicable SEC rules. The Audit Committee is responsible for, among other things:

- overseeing and monitoring the quality and integrity of financial statements and the performance of our internal audit function;

- selecting a qualified firm to serve as the independent registered public accounting firm to audit AON's financial statements;
- helping to ensure the independence and evaluating and overseeing the performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and the independent registered public accounting firm, AON's interim and year-end financial statements;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing and overseeing AON's policies on risk assessment and risk management, including enterprise risk management;
- reviewing the adequacy and effectiveness of accounting principles, accounting policies, internal financial and accounting control policies and procedures and AON's disclosure controls and procedures and ensuring compliance with legal and regulatory requirements; and
- approving or, as required, pre-approving, all audit and all permissible non-audit services, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

The AON Board has adopted a written charter for the Audit Committee which is available on the investor relations section of AON's website.

Compensation Committee

James Stith, Bradley Fluegel, and Ravi Sarin serve as members of our compensation committee (the "Compensation Committee"). We have a Compensation Committee composed entirely of independent directors. Our Board of Directors has determined that each of James Stith, Bradley Fluegel, and Ravi Sarin are independent. James Stith serves as Chairman of the Compensation Committee. AON's Compensation Committee is responsible for, among other things:

- reviewing, approving and determining the compensation of AON's executive officers;
- reviewing, approving and determining compensation and benefits, including equity awards, to directors for service on the AON Board or any committee thereof;
- administering AON's equity compensation plans;
- reviewing, approving and, in certain situations, making recommendations to the AON Board regarding incentive compensation and equity compensation plans; and
- establishing and reviewing general policies relating to compensation and benefits of AON's employees.

The AON Board has adopted a written charter for the Compensation Committee, which is available on the investor relations section of AON's website.

Nominating and Corporate Governance Committee

Ravi Sarin, Bradley Fluegel and James Stith serve as members of our Nominating and Corporate Governance Committee. We have a nominating and corporate governance committee composed entirely of independent directors. Our Board of Directors has determined that each of Ravi Sarin, Bradley Fluegel and James Stith are independent. Ravi Sarin serves as Chairman of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for, among other things:

- identifying, evaluating and selecting, or making recommendations to the AON Board regarding, nominees for election to the AON Board and its committees consistent with criteria approved by the AON Board;
- evaluating the performance of the AON Board, individual directors and management of AON;
- considering, and making recommendations to the AON Board regarding the composition of the AON Board and its committees;

- reviewing developments in corporate governance practices;
- evaluating the adequacy of the corporate governance practices and reporting;
- reviewing related party transactions; and
- developing, and making recommendations to the AON Board regarding, corporate governance guidelines and matters.

The AON Board has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on the investor relations section of AON’s website.

Compensation Committee Interlocks and Insider Participation

None of the AON officers currently serves, and in the past year has not served, (i) as a member of the compensation committee or the board of directors of another entity, one of whose officers served on Company’s compensation committee, or (ii) as a member of the compensation committee of another entity, one of whose officers served on the Company Board.

Role of the AON Board in Risk Oversight

The AON Board has extensive involvement in the oversight of risk management related to AON and its business as a whole, including its strategy, business performance, capital structure, management selection, compensation programs, shareholder engagement, corporate reputation, ESG matters, and ethical business practices. The AON Board will discharge various aspects of its oversight responsibilities through its standing committees, which in turn will report to it regularly regarding their activities. The Audit Committee will represent the AON Board by periodically reviewing our accounting, reporting and financial practices, including the integrity of AON’s financial statements and the surveillance of administrative and financial controls, as well as enterprise risk management, cyber risk and review of related party transactions.

Through its regular meetings with management, including the finance, legal, internal audit and information technology functions, the audit committee will review and discuss all significant areas of our business and summarize for the AON Board all areas of risk and the appropriate mitigating factors. The governance committee will provide oversight over compliance with legal and regulatory requirements, ethics and whistleblower matters. The Compensation Committee will review the Company’s incentive compensation arrangements to determine whether they encourage excessive risk-taking and discuss with management the relationship between risk management policies and practices and compensation. The Nominating and Corporate Governance Committee will assist the AON Board in the discharge of its responsibilities relating to the evaluation of nominations for director elections and re-elections. In addition, the AON Board will receive periodic detailed operating performance reviews from management.

Insider Trading Policy

The Board has adopted an insider trading policy (the “Insider Trading Policy”) that governs the purchase, sale, or disposition of the Company’s securities the handling of material nonpublic information and confidential information about the Company and the companies with which the Company engages in transactions or does business. A copy of the Company’s Insider Trading Policy is filed herewith as Exhibit 19.

Hedging Policy

The Company has established a policy broadly prohibiting our employees and directors from engaging in hedging activities (or activities that are designed to hedge) with respect to securities of the Company (including prepaid variable forward contracts, equity swaps, collars, and exchange funds).

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our officers and directors, and persons who beneficially own more than ten percent (10%) of our common stock, to file reports of ownership and changes of ownership of such securities with the SEC. All reports were timely filed during the fiscal year ended December 31, 2024.

Item 11. Executive Compensation

Executive and Director Compensation of AON

As a "smaller reporting company," as such term is defined in the rules promulgated under the Securities Act of 1933 (the "Securities Act"), we are permitted to limit reporting of executive compensation to our principal executive officer and our two other most highly compensated executive officers.

Our executive compensation program is designed to attract, motivate and retain high quality leadership and incentivize our executive officers to achieve performance goals over the short-and long-term, which also aligns the interests of our executive officers with those of our stockholders.

Our named executive officers (or "NEOs") for the fiscal year ended December 31, 2024, which consist of our principal executive officer and our two other most highly compensated executive officers were:

- Todd Schonherz, Chief Executive Officer and Director;
- David Afshar, Chief Financial Officer; and
- Stephen "Fred" Divers, M.D., Chief Medical Officer and Director.

Name and Principal Position	Year	Salary	Bonus	Non-Equity Incentive Plan Compensation	Stock Awards	Other Compensation	Total
Todd Schonherz, Chief Executive Officer (1)	2024	$ 740,577	$ 1,275,000	$ —	$ 183,787	$ 31,463	$2,230,827
	2023	$ 718,932	$ 1,500,000	$ —		$ 30,559	$ 2,249,491
David Afshar, Chief Financial Officer (2)	2024	$ 265,954	$ 50,000	$ —	$ 91,894	$ —	$ $407,848
Stephen "Fred" Divers, M.D., Chief Medical Officer (3)	2024	$ 550,000	$ —	$ 1,031,470	$ 251,041	$ —	$1,832,511
	2023	$ 458,300	$ 200,000	$ 1,041,953	$ —	$ —	$ 1,700,253
David Gould, Former Chief Financial Officer (4)	2024	$ 149,331	$ 585,000	$ —	$ —	$ —	$734,331
	2023	$ 367,860	$ 1,365,000	$ —	$ —	$ —	$ 1,732,860

(1) For fiscal year 2024 and 2023, other compensation for Mr. Schonherz includes $16,800 for an automobile allowance.

(2) Mr. Afshar was appointed interim Chief Financial Officer on May 17, 2024 and Chief Financial Officer and Chief Operating Officer on June 3, 2024

(3) Reported amount consists of performance payment paid to Dr. Divers in connection with his performance as a practicing physician.

(4) As of May 17, 2024, Mr. Gould was no longer Chief Financial Officer.

Narrative Disclosure to Summary Compensation Table

The following describes the material elements of our compensation program for the fiscal year ended December 31, 2024 as applicable to our NEOs and reflected in the Summary Compensation Table above.

Base Salary

Base salaries for our executive officers were established primarily based on individual negotiations with the executive officers when they joined us. In determining compensation for our executive officers, we considered salaries provided to executive officers of similarly situated companies in the healthcare industry, each executive officer's anticipated role criticality relative to others at the Company and our determination of the essential need to attract and retain these executive officers.

Employee Benefits and Perquisites

We provide health, dental, vision, life and disability insurance benefits to our NEOs, on the same terms and conditions as provided to our other employees. We provide an automobile allowance to select executive officers as well as small incidental reimbursements for certain personal expenses such as travel costs and mobile devices.

Retirement Benefits

401(k) Plan. We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Internal Revenue Code (the "Code") limits, which are updated annually. Contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions.

Employees are immediately and fully vested in their own contributions. The Company may elect to make matching or other contributions into participant's individual accounts. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made, and contributions and earnings on those amounts are not taxable to the employees until withdrawn or distributed from the 401(k) plan.

Employment Agreements

On April 1, 2021, we entered into an employment agreement with Mr. Schonherz (the "Schonherz Employment Agreement"), pursuant to which he agreed to serve as our Chief Executive Officer. The Schonherz Employment Agreement has an initial term through March 31, 2026 and automatically renews for one-year periods thereafter, unless terminated in advance by either party in accordance with the terms of the agreement. Pursuant to the Schonherz Employment Agreement, Mr. Schonherz is entitled to receive an annual base salary of $675,000 per year (the "Base Salary"). Mr. Schonherz's Base Salary is increased on an annual basis in the amount of three percent of the previous calendar year's Base Salary on January 1 of each year during the term and any renewal term under the Schonherz Employment Agreement.
The Schonherz Employment Agreement also provides that Mr. Schonherz is eligible for an annual cash bonus based upon achievement of annual performance goals for Mr. Schonherz and/or the Company determined by the Board each year. Mr. Schonherz's annual fully-earned bonus opportunity is equal to a minimum of $275,000 for 2021 and will be determined by the Board for subsequent years.

We do not have an employment agreement with Dr. Divers in connection with his employment.

On June 1, 2024, Mr. Afshar and the Company entered into an employment agreement and severance benefits agreement (the "Afshar Employment Agreement") providing an annual base salary of $475,000, a one-time sign on bonus payment of $50,000, and a potential annual bonus up to $237,500 at the discretion of the Compensation Committee. The Afshar Employment Agreement provides that Mr. Afshar shall receive an equity grant of 150,000 shares of the Company's Class A common stock in the form of Restricted Stock Units, pursuant to the terms of the American Oncology Network, Inc. 2023 Incentive Equity Plan, subject to vesting. The Afshar Employment Agreement also provides that Mr. Afshar is eligible for an additional payment of $1,000,000 in the event that a change in control occurs prior to June 1, 2026, or $1,500,000 in the event that a change in control occurs on or after June 1, 2026.

Outstanding Equity Awards at Fiscal Year-End 2024

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2024

The following table sets forth information regarding all outstanding equity awards held by the NEOs at December 31, 2024. The exercise price of the options is set at the closing price of our stock at the date prior to or as of the date of grant. Outstanding options have been approved by our Compensation Committee and our Board.

	Stock Awards							
Name	**Number of Shares or Units of Stock That Have Not Vested** (#)		**Market Value of Shares or Units of Stock That Have Not Vested ($)**		**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**		**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**	
Todd Schonherz	—	—	—	—	—	251,250	—	1,271,325
David Afshar,	—	—	—	—	—	125,625	—	635,663
Stephen “Fred” Divers	—	—	—	—	—	59,900	—	303,094
David Gould	—	—	—	—	—	—	—	—

Potential Payments Upon Termination or Change in Control

Todd Schonherz
Under the terms of his employment agreement, if Mr. Schonherz’s employment is terminated by AON without cause or by Mr. Schonherz for good reason (as such terms are defined in the Schonherz Employment Agreement), then Mr. Schonherz will become eligible to receive the following benefits for a period of twelve (12) months after the effective date of his termination or until he obtains and commences other employment, whichever occurs first:

- monthly payments equal to (a) his monthly base salary in effect immediately prior to termination, plus (b) an amount equal to one-twelfth of his performance bonus which was paid or is to be paid to him under the Schonherz Employment Agreement for prior calendar year; and
- monthly insurance stipend payments equal to aggregate insurance premiums paid by AON to provide health, dental, vision, and disability insurance benefits for him of the effective date of termination, calculated as a monthly amount.

Stephen “Fred” Divers
No payments are due to Dr. Divers upon a termination or change in control.

David Afshar
Under the terms of his employment agreement, upon (i) a termination without cause, (ii) a non-renewal of Mr. Afshar’s employment agreement, or (iii) a mutual agreement to terminate Mr. Afshar’s employment, Mr. Afshar is entitled to twelve (12) months of base salary.

Director Compensation

The following table details the total compensation earned by our non-employee directors during the year ended December 31, 2024.

Name	**Fees Earned or Paid in Cash ($)**		**Restricted Stock Awards ($) (1)**		**Option Awards ($) (2)**		**Non-Equity Incentive Plan Compensation ($)**		**All Other Compensation ($) (3)**		**Total ($)**	
Bradley M. Fluegel	$ —	$ 71,875	$ —	$ 2,931	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 74,806
Ravi Sarin	—	—	—	—	—	—	—	—	—	—	—	—

James Stith	—	—	—	—	—	—	—	—	—	—	—	—
William J. Valle	$ —	$ 27,500	$ —	$ 3,167	$ —	$ —	$ —	$ —	$ —	$ 38,387	$ —	$ 69,054

EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2024, about the securities issued, or authorized for future issuance, under our equity compensation plan.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	—	—	748,013
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	748,013

Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters

The table below sets forth information regarding the beneficial ownership of AON common stock as of February 28, 2025, a recent practicable date prior to the date of this Annual Report on Form 10-K for:

- each person known who is the beneficial owner of more than five percent (5%) of the outstanding shares of AON Class A Common Stock, Class B Common Stock and Series A Preferred Stock;
- each member of the Board and each of AON's NEOs (including former executive officer David Gould), who is an NEO of AON as of the end of the last fiscal year;
- all current executive officers and directors of the Company, as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security or the right to acquire such power within 60 days.

As of February 28, 2025 were (i) 31,466,057 shares of AON Class A Common Stock issued and outstanding, which includes 2,839,375 of the shares of AON Class A Common Stock (the "Sponsor Earnout Shares") held by Digital Transformation Sponsor LLC (the "Sponsor"), (ii) 14,867,850shares of AON Class B Common Stock issued and outstanding, which excludes 3,000,245 Class B Warrants and (iii) 6,651,610 shares of Series A Preferred Stock issued and outstanding, which votes on an as-converted basis would be convertible into 7,825,568 shares of Class A Common Stock.

Unless otherwise indicated, the Company believes that all persons named below have sole voting and investment power with respect to the voting securities indicated in the table below and the corresponding footnotes as being beneficially owned by them.

	Number of shares of AON Class A Common Stock	% of Class A Common Stock	Number of shares of AON Class B Common Stock	% of Class B Common Stock	Voting Power (5)	% Voting Power (4)
AON Directors and Named Executive Officers (1):						
Todd Schonherz	54,090	*	869,459	5.9 %	923,549	1.7%
David Afshar	24,375	*	—	0	24,375	*
Stephen “Fred” Divers, MD	73,099	*	63,857	*%	136,956	*
David Gould	—	—	—	—	—	—
James Stith	—	—	—	—	—	—
Bradley Fluegel	25,000	*	—	—	—	*
Ravi Sarin	—	—	—	—	—	—
William J. Valle	—	—	—	—	—	—
All Directors and Executive Officers as a group (seven individuals)	176,564	*	933,316	6.3	1,109,880	7.5
AON Five Percent Holders:						
Digital Transformation Sponsor LLC (2)	14,225,833	67.8	—	0	14,225,833	23.6
AEA AON Funds (3)	21,893,245	40.4 %	—	— %	21,893,245	40.4 %

* Less than 1%

(1) Unless otherwise noted, the business address of each of the directors and officers will be c/o American Oncology Network, Inc., 14543 Global Parkway, Suite 110, Fort Myers, FL 33913

(2) The shares reported above are held in the name of the Sponsor. The amount disclosed includes 6,113,333 shares issuable upon exercise of private placement warrants and includes 2,839,375 shares that are subject to earnout. The Sponsor is managed by Kevin Nazemi, and Mr. Nazemi has sole voting and dispositive power with respect to the shares held of record by the Sponsor and thus is the beneficial owner of the shares owned by the Sponsor. The business address of the Sponsor is 10250 Constellation Blvd, Suite 23126 Los Angeles, CA 90067.

(3)) The shares reported as beneficially owned consist of (i) 11,309,338 shares of Class A Common Stock held by AEA AON Aggregator LLC, (ii) 4,400,158 shares of Series A Preferred Stock held by AEA AON Aggregator LLC, and (iii) shares of 5,407,155 shares of Class A Common Stock held by AEA AON Purchaser LLC (together with AEA AON Aggregator LLC, the “AEA SPVs”). The 4,400,158 shares of Series A Preferred Stock held by AEA AON Aggregator LLC are convertible into 5,177,887 shares of Class A Common Stock, without regard to that certain Conversion Restriction Agreement dated October 12, 2023, which is terminated as of the filing of this Annual Report on Form 10-K. The sole member of AEA AON Purchaser LLC is AEA AON Aggregator LLC. The manager of AEA AON Aggregator LLC is AEA Growth Equity GP LLC. The sole member of AEA Growth Equity GP LLC is AEA Management UGP LLC. Brian Hoesterey is a managing member of AEA Management UGP LLC. As a result, Mr. Hoesterey may be deemed to share voting and dispositive power with respect to the shares held of record by the AEA SPVs. Mr. Hoesterey expressly disclaims beneficial ownership of the shares held by the AEA SPVs. Mr. Sarin and Mr. Stith, each a member of the AON board of directors, are officers of AEA Growth Equity GP LLC but do not hold voting or dispositive power over the shares held by the AEA SPVs. The address for the AEA SPVs is 520 Madison Avenue, 40th Floor, New York, New York 10022.

(4) Voting power and percentage voting power represents the voting power with respect to the Class A Common Stock, Class B Common Stock and Series A Preferred Stock on an aggregate basis.

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

Related Party Policy

AON has a formal written policy that sets forth the following policies and procedures for the review and approval or ratification of related party transactions. A "Related Party Transaction" is a transaction, arrangement or relationship in which AON or any of its subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any related party had, has or will have a direct or indirect material interest. A "Related Party" means:

- any person who is, or at any time during the applicable period was, one of AON's officers or one of AON's directors;
- any person who is known by AON to be the beneficial owner of more than five percent (5%) of its voting stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in- law or brother-in-law of a director, officer or a beneficial owner of more than five percent (5%) of its voting stock, and any person (other than a tenant or employee) sharing the household of such director, officer or beneficial owner of more than five percent (5%) of its voting stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a ten percent (10%) or greater beneficial ownership interest.

AON enacted policies and procedures designed to minimize potential conflicts of interest arising from any dealings it may have with its affiliates and to provide appropriate procedures for the disclosure of any real or potential conflicts of interest that may exist from time to time. Specifically, pursuant to its charter, the Audit Committee has the responsibility to review related party transactions.

Except as set forth below, since January 1, 2024, we did not engage in any related party transactions that are required to be reported under the provisions of Item 404 of Regulation S-K.

Stockholders' Agreement

On July 19, the Company and AEA Growth entered into a Stockholders Agreement that provides for certain customary shareholder protection in the event that AEA Parties collectively and beneficially own at least 40% of outstanding voting power of the Company (the "Stockholders Agreement Effectiveness Date").
The shareholder protections include the following:

(i) Independent Board Members and Corporate Governance: Designation of two directors (the "Independent Directors") for whom the AEA Parties have agreed to vote in director elections for election to the Company's board of directors (the "Board"), including (i) at least one independent director by mutual agreement of the other then-sitting independent directors and (ii) one minority independent director (the "Minority Independent Director"), and maintenance of the Nominating and Governance Committee of the Board, which shall be comprised of at least two independent directors.

(ii) Co-sale right: In the event the AEA Parties propose to sell more than 10% of the Company's outstanding equity securities, the other shareholders of the Company have the right to participate in such sale, subject to certain exceptions (such sale a "Co-Sale Transaction").

(iii) Minority Independent Director Consent: For two years following the Stockholders Agreement Effectiveness Date, without the consent of the Minority Independent Director, the Company shall not (i) amend its charter, bylaws or organization documents of any of the Company's subsidiaries that would adversely affect the rights of the minority stockholders in a disproportionate manner, nor (ii) enter into any transaction with the AEA Parties, other than (x) a Co-Sale Transaction, (y) any transaction expressly permitted under the Stockholders Agreement, and (z) standard employee benefits and director and officer indemnification agreements.

(iv) AEA Parties Standstill: The AEA Parties agree to refrain from taking any action that would directly or indirectly cause its ownership of the Company to exceed 80% of the Company's outstanding voting power, without the consent in writing of the Minority Independent Director.

The Stockholder Agreement terminates upon the earliest of (i) the consummation of a short-form merger pursuant to Section 253 of the Delaware General Corporation Law, (ii) the date that the AEA Parties cease to beneficially own, directly or indirectly, at least 25% of the outstanding voting securities of the Company, and (iii) the time at which none of the Company's securities are owned by any person or entity other than the AEA Parties.

Class A Common Stock Financing

On November 12, 2024, the Company and AEA AON Aggregator LLC (the "Investor"), an affiliate of AEA Growth, entered into a securities purchase agreement (the "Securities Purchase Agreement") and closed on the sale of 8,500,000 newly issued shares of Class A Common Stock at a price of $6.00 per share (the "Equity Financing"). The gross proceeds of the offering were $51,000,000 before deducting reimbursable fees and expenses of counsel to the Investor. The Company intends to use the proceeds of the financing for acquisition of physician practices, other capital expenditures and general corporate purposes.

In connection with the Equity Financing, the Company granted a right of first offer to the Investor, pursuant to which Investor shall have the right to purchase up to that portion of any new securities, or instruments convertible into or exercisable for securities (the "New Securities") issued by the Company, subject to certain customary exceptions, in order for Investor to maintain its pro rata percentage ownership of the Company on a fully diluted basis. In addition, subject to certain customary exceptions, in the event that the Company issues New Securities on or prior to November 12, 2025 on terms that are more favorable to an investor than the Investor's terms in the Equity Financing, then the Investor may elect to amend and/or restate the Securities Purchase Agreement or any related transaction document to reflect the favorable terms of the instrument(s) evidencing the New Securities. In addition, the Company granted Investor the right to designate one member on the Company's Board of Directors, so long as Investor beneficially owns at least 10% of the Company's outstanding voting power (the "Board Right"). The Board Right is in addition to Investor's right, as the holder of a majority-in-interest of the Series A Preferred Stock, to designate the Preferred Director (as defined in the Company's Certificate of Designation for its Series A Preferred Stock).

In connection with the execution of the Securities Purchase Agreement, the Company and the Investor entered into a joinder to that certain Registration Rights Agreement, dated as of September 20, 2023 (the "Registration Rights Agreement"). The Company and the Investor, as the holder of a majority-in-interest of the Registerable Securities (as defined in the Registration Rights Agreement) entered into an amendment to the Registration Rights Agreement (the "Registration Rights Agreement Amendment"), which provides that for so long as the Company is eligible to suspend its duty to file reports under section 15(d) of the Exchange Act, the Company shall not be obligated to file or maintain effective any registration statement that would have been required under the Registration Rights Agreement.

Item 14. Principal Accounting Fees and Services

The following table summarizes the fees of PricewaterhouseCoopers LLP, our independent registered public accounting firm, billed to us for the years ended December 31, 2024 and 2023:

	Year Ended December 31,	
Fee Category	**2024**	**2023**
Audit Fees (1)	$ 3,639,369	$ 5,173,618
Audit Related Fees (2)	—	—
Tax Fees (3)	711,304	733,270
All Other Fees (4)	2,000	2,000
Total Fees	$ 4,352,673	$ 5,908,888

(1) Audit fees consist of fees for professional services rendered for the audits of the Company's consolidated financial statements included in its annual report on Form 10-K for fiscal year 2024 and professional services rendered for the audit of the Company's consolidated financial statements for the fiscal year 2023 and for the review of the Company's interim condensed consolidated financial statements. These fees also include additional services required related to our business combination transaction.

(2) Audit-related fees consist of fees for assurance and related services that traditionally are performed by independent registered accounting firm that are reasonably related to the performance of the audit or review of the financial statements. Audit-related fees in the above table include attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.

(3) Tax fees consist of services rendered for the purpose of tax compliance, tax advice, and tax planning.

(4) All other fees include any miscellaneous fees for services rendered which are not included in any of the above categories

Audit Committee Pre-Approval Policy and Procedures

Our audit committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by our audit committee, or the engagement is entered into pursuant to the pre-approval procedure described below.

From time to time, our audit committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval details the particular service or type of services to be provided and is also generally subject to a maximum dollar amount. The audit committee has also given authority to the audit committee chairperson to pre-approve certain services as necessary from time to time up to certain thresholds.

During 2024 and 2023, no services were provided to us by PwC other than in accordance with the pre-approval policies and procedures described above.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(1) Financial Statements: The Consolidated Financial Statements of American Oncology Network, Inc. are set forth in Part II, Item 8 of this Form 10-K.

(2) Financial Statement Schedules: Not applicable.

(3) Exhibits: The exhibits listed in the accompanying Exhibit Index are filed, furnished, or incorporated by reference as part of this Form 10-K.

Certain of the agreements listed as exhibits to this Form 10-K (including the exhibits to such agreements), which have been filed to provide investors with information regarding their terms, contain various representations, warranties, and covenants of American Oncology Network, Inc. and the other parties thereto. They are not intended to provide factual information about any of the parties thereto or any subsidiaries of the parties thereto. The assertions embodied in those representations, warranties, and covenants were made for purposes of each of the agreements, solely for the benefit of the parties thereto. In addition, certain representations and warranties were made as of a specific date, may be subject to a contractual standard of materiality different from what a security holder might view as material, or may have been made for purposes of allocating contractual risk among the parties rather than establishing matters as facts. Investors should not view the representations, warranties, and covenants in the agreements (or any description thereof) as disclosures with respect to the actual state of facts concerning the business, operations, or condition of any of the parties to the agreements (or their subsidiaries) and should not rely on them as such. In addition, information in any such representations, warranties, or covenants may change after the dates covered by such provisions, which subsequent information may or may not be fully reflected in the public disclosures of the parties. In any event, investors should read the agreements together with the other information concerning American Oncology Network, Inc. contained in reports and statements that we file with the SEC.

EXHIBIT INDEX

2.1†	Third Amended and Restated Business Combination Agreement, dated as of June 14, 2023, by and between Digital Transformation Opportunities Corp., American Oncology Network, LLC, GEF AON Holdings Corp. and DTOC Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed on June 14, 2023).
3.1†	American Oncology Network, LLC Fourth Amended and Restated Limited Liability Company Agreement (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on September 26, 2023).
3.2	Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed September 26, 2023).
3.3	Amended and Restated Bylaws of American Oncology Network, Inc. (incorporated by reference to Exhibit 3.3 to the Current Report on Form 8-K filed on September 26, 2023).
3.4	Certificate of Designations of Series A Preferred Stock of American Oncology Network, Inc. (incorporated by reference to Exhibit 3.4 on Form 8-K filed on September 26, 2023).
4.1	Form of Class B Warrant (incorporated by reference to Exhibit 4.2 to the registration statement on Form S-1, filed with the SEC on October 13, 2023).
4.2	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.4 to the registration statement on Form S-1, filed with the SEC on March 1, 2021).
4.3	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.2 to the registration statement on Form S-1, filed with the SEC on March 1, 2021).
4.4	Warrant Agreement, dated March 9, 2021, between Continental Stock Transfer & Trust Company and Digital Transformation Opportunities Corp. (incorporated by reference to Exhibit 4.1 to the registration statement on Form S-1, filed with the SEC on March 12, 2021).
4.5*	Description of Securities
10.1	Amended and Restated Sponsor Support Agreement dated as of January 6, 2023 by and among AON, New AON and the Sponsor Supporting Shareholders. (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed January 6, 2023).
10.2	Amended & Restated Registration Rights Agreement dated as of September 20, 2023, by and New AON, the Sponsor and certain key stockholders of New AON. (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed September 26, 2023).
10.3	Private Placement Warrant Purchase Agreement, dated March 9, 2021, between Digital Transformation Opportunities Corp. and Digital Transformation Sponsor LLC (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed March 12, 2021).
10.4	Master Services Agreement Between American Oncology Management Company, LLC and American Oncology Partners, P.A., dated July 1, 2018 (incorporated by reference to Exhibit 10.13 of the Company's Registration Statement on Form S-4/A filed July 14, 2023).
10.5	Master Services Agreement Between American Oncology Management Company, LLC and American Oncology Partners of Maryland, P.A., dated January 1, 2020 (incorporated by reference to Exhibit 10.14 of the Company's Registration Statement on Form S-4/A filed July 14, 2023).
10.6	American Oncology Network, Inc. 2023 Incentive Equity Plan (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed on September 26, 2023).
10.7	Class A Common Stock Purchase Agreement, dated November 12, 2024 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed November 13, 2024).).
10.8	Amendment No. 1 to the Amended and Restated Registration Rights Agreement (incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed November 13, 2024).).
10.9	Stockholders Agreement (incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q filed November 13, 2024).).
10.10	David Afshar Employment and Severance Benefits Agreement, dated June 1, 2024 (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed August 14, 2024).
19	Insider Trading Policy
21.1	Subsidiaries of American Oncology Network (incorporated by reference to Exhibit 21.1 to the Current Report on Form 8-K filed on September 26, 2023).
31.1*	Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2*	Certification of Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer (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 Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97*	Executive Compensation Clawback Policy
99.1	Form of Indemnification Agreement (incorporated by reference to Exhibit 99.1 to the registration statement on Form S-1, filed with the SEC on October 13, 2023
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 Linkbase Document.*
104	Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit)

** Filed herewith*
*** Furnished herewith*
† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

Item 16. Form 10-K Summary

None.

Signatures

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

Dated: March 28, 2025

AMERICAN ONCOLOGY NETWORK, INC.

By:	/s/ Todd Schonherz
Name:	Todd Schonherz
Title:	Chief Executive Officer

We, the undersigned officers and directors of American Oncology Network, Inc. hereby severally constitute and appoint Todd Schonherz and David Afshar, and each of them singly, our true and lawful attorneys, with full power to them and each of them singly, to sign for us in our names in the capacities indicated below, all amendments to this report, and generally to do all.to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange things in our names and on our behalf in such capacities to enable American Oncology Network, Inc Commission.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Todd Schonherz Todd Schonherz	Chief Executive Officer	March 28, 2025
/s/ David Afshar David Afshar	Chief Financial Officer	March 28, 2025
/s/ Fred Divers, MD Stephen “Fred” Divers, MD	Chief Medical Officer and Director	March 28, 2025
/s/ Bradley Fluegel Bradley Fluegel	Director	March 28, 2025
/s/ James Stith James Stith	Director	March 28, 2025
/s/ William J. Valle William J. Valle	Director	March 28, 2025
/s/ Ravi Sarin Ravi Sarin	Director	March 28, 2025

DESCRIPTION OF SECURITIES

Capital Stock

The following summary of the material terms of the securities of AON. This summary is not intended to be a complete summary of the rights and preferences of such securities. We urge you to read our Charter in its entirety for a complete description of the rights and preferences of our securities.

Authorized and Outstanding Stock

Our charter authorizes the issuance of 325,000,000 shares of capital stock, consisting of 300,000,000 shares of common stock, consisting of (i) 200,000,000 shares of Class A Common Stock, $0.0001 par value per share and (ii) 100,000,000 shares of Class B Common Stock, $0.0001 par value per share and (b) 25,000,000 shares of preferred stock, par value $0.0001 per share.

Common Stock

AON Class A Common Stock

Voting Power

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, under the Charter, each holder of AON Class A Common Stock will be entitled to one vote for each share of Class A Common Stock held of record as of the applicable record date by such holder on all matters on which stockholders generally are entitled to vote. The holders of AON Class A Common Stock and AON Class B Common Stock, voting together as a single class, shall have the exclusive right to vote for the election of directors (other than with respect to the Preferred Director) and on all matters properly submitted to a vote of stockholders, unless otherwise required by Delaware law or the Charter (as it may be amended from time to time). Notwithstanding the foregoing, except as otherwise required by law or the Charter (including any preferred stock designation), holders of shares of any series of common stock shall not be entitled to vote on any amendment to the Charter (including any amendment to any preferred stock designation) that relates solely to the terms of one or more outstanding series of preferred stock or other series of common stock if the holders of such affected series of preferred stock or common stock, as applicable, are entitled exclusively, either separately or together with the holders of one or more other such series, to vote thereon.

Dividends

Subject to the rights, if any, of the holders of any outstanding shares of preferred stock, under the Charter, holders of AON Class A Common Stock will be entitled to receive such dividends and other distributions, if any, as may be declared from time to time by the AON Board in its discretion out of funds legally available therefor and shall share ratably (based on the number of shares of AON Class A Common Stock held) in such dividends and distributions.

Liquidation, Dissolution and Winding Up

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of AON under the Charter, or any liquidation event, after payment or provision for payment of the debts and other liabilities of AON and of the preferential and other amounts, if any, to which the holders of preferred stock having a preference over the AON Class B Common Stock, the holders of shares of AON Class B Common Stock shall be entitled to receive $0.0001 per share, and upon receiving such amount, such holders of shares of AON Class B Common Stock, as such, shall not be entitled to receive any other assets or funds of AON. Thereafter, the holders of all outstanding shares of AON Class A Common Stock shall be entitled to receive the remaining assets of AON available for distribution ratably in proportion to the number of shares held by each such stockholder.

Preemptive or Other Rights

Under the Charter, holders of AON Class A Common Stock will have no preemptive or other subscription rights and there will be no sinking fund or redemption provisions applicable to AON Class A Common Stock.

AON Class B Common Stock

Voting Power

Except as otherwise required by law or as otherwise provided in any certificate of designation for any series of preferred stock, under the Charter, the holders of AON Class B Common Stock will be entitled, as applicable, to one (1) vote per share held of record as of the applicable record date by such holder on all matters on which stockholders generally or holders of Class B Common Stock as a separate class are entitled to vote (whether voting separately as a class or together with one or more classes of AON's capital stock). The holders of AON Class A Common Stock and AON Class B Common Stock, voting together as a single class, shall have the exclusive right to vote for the election of directors and on all matters properly submitted to a vote of stockholders, unless otherwise required by Delaware law or the Charter (as it may be amended from time to time). Notwithstanding the foregoing, except as otherwise required by law or the Charter (including any preferred stock designation), holders of shares of any series of common stock shall not be entitled to vote on any amendment to the Charter (including any amendment to any preferred stock designation) that relates solely to the terms of one or more outstanding series of preferred stock or other series of common stock if the holders of such affected series of preferred stock or common stock, as applicable, are entitled exclusively, either separately or together with the holders of one or more other such series, to vote thereon.

Dividends

Holders of AON Class B Common Stock will not be entitled to receive dividends and other distributions.

Liquidation, Dissolution and Winding Up

In the event of the voluntary or involuntary liquidation, dissolution or winding-up of AON under the Charter, the holders of AON Class B Common Stock will be entitled to receive $0.0001 per share, and upon receiving such amount, such holders of shares of Class B Common Stock, as such, shall not be entitled to receive any other assets or funds of AON.

Preemptive or Other Rights

Under the Charter, holders of AON Class B Common Stock will have no preemptive or other subscription rights and there will be no sinking fund or redemption provisions applicable to AON Class B Common Stock.

Restrictions on Transfers

Holders of AON Class B Common Stock may transfer or assign shares of Class B Common Stock only to a permitted transferee of such holders under the AON Amended and Restated LLC Agreement, and only if the transferor also simultaneously transfers an equal number of such transferor's common units to such permitted transferee in compliance with the transfer restrictions in the AON Amended and Restated LLC Agreement.

Cancellation and Conversion

Holders of AON Class B Common Stock (other than AON) will have the right to require AON to redeem all or a portion of their common units, together with the cancellation of an equal number of shares of AON Class B Common Stock, for (i) an equal number of shares of AON Class A Common Stock, provided however that, a holder of common units may not exchange their common units for AON Class A Common Stock that would result in such holder owning more than 4.99% of the outstanding AON Class A Common Stock immediately after such redemption (the "Beneficial Ownership Limitation") and no more than 4.99% of the voting power of AON when combined with any securities of AON or any securities convertible into AON; provided however, that upon notice to the AON, the holder may increase or decrease the Beneficial Ownership Limitation, provided that any increase or decrease in the Beneficial Ownership Limitation will not be effective until 61 days following notice of such change from the holder to AON or (ii) at AON's election and solely in connection with AON's completion of a substantially concurrent public offering or private sale of shares of AON Class A Common Stock within ten business days of the delivery of a redemption notice to AON, a corresponding amount of cash, in each case contributed to AON by AON. In lieu of a redemption, AON may elect to effect a direct exchange of cash or shares of AON Class A Common Stock for common units (rather than contributing the share or cash amounts, as applicable, to AON for purposes of AON redeeming the redeemed units from the redeeming equityholder). As the AON equityholders cause their common units to be redeemed or exchanged, holding other assumptions constant, AON's membership interest in AON will correspondingly increase, the number of shares of AON Class A Common Stock outstanding will increase, and the number of shares of AON Class B Common Stock (whether held directly or indirectly through Class B Prefunded Warrants) will decrease.

AON Series A Preferred Stock

Dividends

The AON Series A Preferred Stock accrues dividends at the annual rate of 8.0% of the original price per share, plus the amount of previously accrued, but unpaid dividends, compounded semi-annually, and participates with the AON Common Stock on all other dividends (the "Accrued Dividends" which, together with the aggregate investment by the AON Class C Preferred Investor, will be referred to as the "Accrued Value"). The Accrued Dividends may be paid in cash or accumulate and compound into Accrued Value.

Liquidation Rights and Preference

Upon any liquidation, winding-up or dissolution or deemed liquidation event, the holders of AON Series A Preferred Stock will be entitled to receive out of the available proceeds, before any distribution is made to holders of AON Common Stock or any other junior securities, an amount per share equal to the greater of (i) the original price per share multiplied by the Applicable Percentage (as defined below) plus any Accrued Dividends on such share of AON Series A Preferred Stock (including all dividends that have previously accreted to Accrued Value, as described above) or (ii) such amount per share as would have been payable had all shares of AON Series A Preferred Stock been converted into AON Common Stock immediately prior to the liquidation event, winding up or dissolution. After the payment in full to the holders of AON Series A Preferred Stock of the amounts provided for above, the holders of shares of AON Series A Preferred Stock as such shall have no right or claim to any remaining assets of the Company in respect of their ownership of AON Series A Preferred Stock. "Applicable Percentage" means a percentage equal to (a) one hundred twenty five percent (125%) if a liquidation, winding-up or dissolution of AON or any Deemed Liquidation Event (as defined in the Certificate of Designation) occurs prior to June 7, 2024, (b) one hundred twenty percent (120%) if a liquidation, winding-up or dissolution of AON or any Deemed Liquidation Event occurs after June 7, 2024, but on or prior to June 7, 2025, (c) one hundred fifteen percent (115%) if a liquidation, winding-up or dissolution of AON or any Deemed Liquidation Event occurs after June 7, 2025, but on or prior to June 7, 2026, (d) one hundred ten percent (110%) if a liquidation, winding-up or dissolution of AON or any Deemed Liquidation Event after June 7, 2026, but on or prior to June 7, 2027, (e) one hundred five percent (105%) if a liquidation, winding-up or dissolution of AON or any Deemed Liquidation Event occurs after June 7, 2027, but on or prior to June 7, 2028, (f) one hundred percent (100%) if a liquidation, winding-up or dissolution of AON or any Deemed Liquidation Event occurs after June 7, 2028.

Voting

The AON Series A Preferred Stock votes together with the AON Common Stock on an as- converted basis, except as required by law and as noted below under "Protective Provisions." Each holder of AON Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of AON Common Stock into which the shares of AON Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter or, if no record date is established, at the date such vote or consent is taken. The holders of the AON Series A Preferred Stock are also entitled to elect one director the AON Board (the "Preferred Director"), as long as the holders hold 5% or more of the voting power of all then-outstanding shares of capital stock of AON entitled to vote generally at an election of directors. The Preferred Director may be removed without cause by, and only by, the affirmative vote of such holders and will be a Class I director.

Protective Provisions

For as long as 50% of the shares of AON Series A Preferred Stock issued and outstanding as of the Issue Date are outstanding, AON shall not, without the affirmative vote or action by written consent of holders of a majority of the then-outstanding shares of AON Series A Preferred Stock (the "Requisite Holders"), voting together as a separate class, take any of the following actions: (i) amend, alter, or repeal any provision of the certificate of incorporation of AON, the AON Series A Certificate of Designations, bylaws of AON, the operating agreement of AON or the certificate of formation of AON in a manner that either adversely affects the rights, privileges or preferences (economic or otherwise) of the AON Series A Preferred Stock or materially modifies the rights, privileges, or preferences (economic or otherwise) of any class or series of equity security of AON; (ii) amend, alter, or changes the rights, preferences or privileges of the preferred stock of AON; (iii) reclassify, alter or amend any Junior Stock (as defined in the AON Series A Certificate of Designations) in a manner which renders such Junior Stock senior to or on parity with the AON Series A Preferred Stock or Parity Stock (as defined in the AON Series A Certificate of Designations) in a manner which renders such Parity Stock senior to the AON Series A Preferred Stock; (iv) issue or obligate itself to issue any AON shares which are senior to or pari passu with (or any equity security or debt instrument that is exercisable for or convertible into equity securities of AON that are senior to or pari passu with) the AON Series A Preferred Stock as to liquidation preferences, redemption, distributions, dividend rights or rights upon the liquidation, winding-up or dissolution of the AON or AON; (v) incur or refinance any indebtedness that either (1) results in AON having a ratio of total leverage (calculated as its net debt) to its trailing twelve-month Adjusted EBITDA (as defined in the AON Series A Certificate of Designations) at any time following the incurrence of such indebtedness that is more than three times, (2) provides for security over AON's assets that is broader than outstanding indebtedness at the Issue Date, or (3) has materially more restrictive covenants than indebtedness outstanding as of the Issue Date; (vi) make any redemption, repurchase, dividend, or distribution (other than tax distributions) on any equity securities, or permit any of its subsidiaries to take any such action, other than redemptions of or dividends or distributions on the AON Series A Preferred Stock, and repurchases of equity securities from former service providers in connection with the cessation of such service at no greater than the original purchase price; (vii) with respect to AON or AON or any of their subsidiaries (other than subsidiaries with de minimis assets and operations), (1) initiate or commence an insolvency proceeding, including any state or federal insolvency proceeding, (2) effectuate an assignment for the benefit of creditors, or (3) elect to dissolve, liquidate or otherwise wind-up affairs; (viii) enter into any transaction between AON or any of its subsidiaries on one hand, and any member of the board of directors, executive officer or member of senior management of AON or any of its subsidiaries, or securityholder of AON or any of its subsidiaries, or their affiliates, on the other hand, other than ordinary course equity compensation grants; (ix) change the tax classifications of AON or any of its subsidiaries; (x) increase or decrease the authorized number of directors constituting the AON Board; or (xi) remove the then-serving AON chief executive officer from the AON Board or approve the proposed replacement of the then-current AON chief executive officer on the AON Board

Conversion

Each share of AON Series A Preferred Stock will be convertible at the holder's option into shares of AON Common Stock at an initial conversion ratio determined by dividing the Accrued Value of such shares of AON Series A Preferred Stock by the conversion price per share, which will initially be based on the deemed original purchase price per share of each share of AON Series A Preferred Stock and subject to adjustment in accordance with the terms of the AON Series A Certificate of Designations. No fractional shares of AON Common Stock or securities representing fractional shares of AON Common Stock will be issued upon conversion or in respect of dividend payments made in AON Common Stock on the AON Series A Preferred Stock. Instead, the number of shares of AON Common Stock to be issued to any particular holder of AON Series A Preferred Stock upon conversion will be rounded up to the next whole share.

Mandatory Conversion

At any time three years after the Closing, if the 30-Day VWAP of the AON Class A Common Stock is greater than $16.00, then AON may, at its option, elect to cause all (but not less than all) of the outstanding shares of AON Series A Preferred Stock to be converted into AON Class A Common Stock at the conversion ratio then in effect, with such adjustment or cash payment for fractional shares as AON may elect.

Public Stockholders' Warrants

Redeemable Warrants

Each whole warrant entitles the registered holder to purchase one share of AON Class A Common Stock at a price of $11.50 per share, subject to adjustment as discussed below, at any time commencing on the later of 30 days after the completion of the Business Combination. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of AON Class A Common Stock. The warrants will expire at 5:00 p.m., New York City time, on the fifth anniversary of the completion of the Business Combination, or earlier upon redemption or liquidation.

AON will not be obligated to deliver any shares of AON Class A Common Stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act covering the issuance of the shares of AON Class A Common Stock issuable upon exercise of the warrants is then effective and a prospectus relating thereto is current, subject to AON satisfying AON's obligations described below with respect to registration, or a valid exemption from registration is available, including in connection with a cashless exercise permitted as a result of a notice of redemption described below under *"Redemption of warrants when the price per share of AON Class A Common Stock equals or exceeds $10.00."* No warrant will be exercisable for cash or on a cashless basis, and AON will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption is available. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In the event that a warrant is not exercisable, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the share of AON Class A Common Stock underlying such unit.

No public warrants will be exercisable for cash unless AON has an effective and current registration statement covering the warrant shares issuable upon exercise of the warrants and a current prospectus relating to such warrant shares. Notwithstanding the foregoing, if a registration statement covering the issuance of the warrant shares issuable upon exercise of the public warrants is not effective within 60 days from the Closing, warrant holders may, until such time as there is an effective registration statement and during any period when AON shall have failed to maintain an effective registration statement or a current prospectus, exercise warrants on a cashless basis pursuant to an available exemption from registration under the Securities Act. If an exemption from registration is not available, holders will not be able to exercise their warrants on a cashless basis. In no event will AON be required to net cash settle any warrant, or issue securities or other compensation in exchange for the warrants in the event that AON is unable to register or qualify the shares underlying the warrants under the Securities Act or applicable state securities laws.

Redemption of warrants when the price per share of AON Class A Common Stock equals or exceeds $18.00

Once the warrants become exercisable, AON may redeem the warrants (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder (the "30-day redemption period");
- if, and only if, the last reported sale price of AON's Class A Common Stock for any 20-trading days within a 30-trading day period ending on the third trading day prior to the date on which AON send the notice of redemption to the warrant holders (which AON refers to as the "Reference Value") equals or exceeds $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant).

AON will not redeem the warrants as described above unless a registration statement under the Securities Act covering the issuance of the shares of AON Class A Common Stock issuable upon exercise of the warrants is then effective and a current prospectus relating to those shares of AON Class A Common Stock is available throughout the 30-day redemption period. If and when the warrants become redeemable by us, AON may exercise AON's redemption right even if AON are unable to register or qualify the underlying securities for sale under applicable state securities laws.

AON has established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and AON issue a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the AON Class A Common Stock may fall below the $18.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as well as the $11.50 (for whole shares) warrant exercise price after the redemption notice is issued).

Redemption of warrants when the price per share of AON Class A Common Stock equals or exceeds $10.00

Once the warrants become exercisable, AON may redeem the outstanding warrants:

- in whole and not in part;

- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption to each warrant holder provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" of AON Class A Common Stock except as otherwise described below;
- if, and only if, the Reference Value equals or exceeds $10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant); and
- if the Reference Value is less than $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant), the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

Holders may elect to exercise their warrants on a cashless basis at any time after AON has given the notice of redemption and prior to the applicable redemption date. The numbers in the table below represent the number of shares of AON Class A Common Stock that a warrant holder will receive upon such cashless exercise in connection with a redemption by us pursuant to this redemption feature, based on the "fair market value" of AON Class A Common Stock on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for $0.10 per warrant), determined for these purposes based on volume weighted average price of AON Class A Common Stock during the ten trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. AON will provide AON's warrant holders with the final fair market value no later than one business day after the ten-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant or the exercise price of a warrant is adjusted as set forth under the heading "— *Anti-dilution Adjustments*" below. If the number of shares issuable upon exercise of a warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, *multiplied by* a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant. If the exercise price of a warrant is adjusted, (a) in the case of an adjustment pursuant to the fifth paragraph under the heading "— *Anti-dilution Adjustments*" below, the adjusted share prices in the column headings will equal the unadjusted share price *multiplied by* a fraction, the numerator of which is the higher of the Market Value and the Newly Issued Price as set forth under the heading "— *Anti-dilution Adjustments*" and the denominator of which is $10.00 and (b) in the case of an adjustment pursuant to the second paragraph under the heading "— *Anti-dilution Adjustments*" below, the adjusted share prices in the column headings will equal the unadjusted share price less the decrease in the exercise price of a warrant pursuant to such exercise price adjustment.

	Fair Market Value of AON Class A Common Stock								
Redemption Date (period to expiration of warrants)	**≤10.00**	**11.00**	**12.00**	**13.00**	**14.00**	**15.00**	**16.00**	**17.00**	**≥18.00**
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361

54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361

Redemption Date (period to expiration of warrants)	Fair Market Value of AON Class A Common Stock								
	≤10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	≥18.00
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date (calculated for purposes of the table as the period to expiration of the warrants) may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of shares of AON Class A Common Stock to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume weighted average price of AON Class A Common Stock during the ten trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 shares of AON Class A Common Stock for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of AON Class A Common Stock during the ten trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 shares of AON Class A Common Stock for each whole warrant. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 shares of AON Class A Common Stock per warrant (subject to adjustment). Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature, since they will not be exercisable for any shares of AON Class A Common Stock.

This redemption feature differs from the typical warrant redemption features used in some other blank check offerings, which typically only provide for a redemption of warrants for cash (other than the Private Placement Warrants) when the trading price for the AON Class A Common Stock exceeds $18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the shares of AON Class A Common Stock are trading at or above $10.00 per share, which may be at a time when the trading price of AON Class A Common Stock is below the exercise price of the warrants. AON has established this redemption feature to provide us with the flexibility to redeem the warrants without the warrants having to reach the $18.00 per share threshold set forth above under *"— Redemption of warrants when the price per share of AON Class A Common Stock equals or exceeds $18.00."* Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their warrants based on an option pricing model with a fixed volatility input. This redemption right provides us with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to AON's capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. AON will be required to pay the applicable redemption price to warrant holders if AON choose to exercise this redemption right and it will allow us to AON proceed with a redemption of the warrants if AON determine it is in AON's best interest to do so. As such, AON would redeem the warrants in this manner when AON believes it is in AON's best interest to update AON's capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, AON can redeem the warrants when the shares of AON Class A Common Stock are trading at a price starting at $10.00, which is below the exercise price of $11.50, because it will provide certainty with respect to AON capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If AON chooses to redeem the warrants when the shares of AON Class A Common Stock are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer shares of AON Class A Common Stock than they would have received if they had chosen to exercise their warrants for shares of AON Class A Common Stock if and when such shares of AON Class A Common Stock were trading at a price higher than the exercise price of $11.50.

No fractional shares of AON Class A Common Stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, AON will round down to the nearest whole number of the number of shares of AON Class A Common Stock to be issued to the holder.

Redemption Procedures.

A holder of a warrant may notify AON in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of AON Class A Common Stock issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments

If the number of issued and outstanding shares of AON Class A Common Stock is increased by a stock dividend payable in shares of AON Class A Common Stock, or by a split-up of shares of AON Class A Common Stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of AON Class A Common Stock issuable on exercise of each warrant will be increased in proportion to such increase in the issued and outstanding shares of AON Class A Common Stock. A rights offering made to all or substantially all holders of AON Class A Common Stock entitling holders to purchase shares of AON Class A Common Stock at a price less than the "historical fair market value" (as defined below) will be deemed a share dividend of a number of shares of AON Class A Common Stock equal to the product of (1) the number of shares of AON Class A Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for shares of AON Class A Common Stock) and (2) one minus the quotient of (x) the price per share of AON Class A Common Stock paid in such rights offering divided by (y) the historical fair market value. For these purposes, (1) if the rights offering is for securities convertible into or exercisable for shares of AON Class A Common Stock, in determining the price payable for AON Class A Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (2) "historical fair market value" means the volume weighted average price of AON Class A Common Stock during the ten-trading day period ending on the trading day prior to the first date on which the shares of AON Class A Common Stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if AON, at any time while the warrants are outstanding and unexpired, pay to all or substantially all of the holders of AON Class A Common Stock a dividend or make a distribution in cash, securities or other assets to the holders of AON Class A Common Stock on account of such shares of AON Class A Common Stock (or other securities into which the warrants are convertible), other than (a) as described above, (b) certain ordinary cash dividends, (c) to satisfy the redemption rights of the holders of DTOC Class A Common Stock in connection with the Business Combination, or (d) in connection with the redemption of DTOC's public shares upon our failure to complete the Business Combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of AON Class A Common Stock in respect of such event.

If the number of issued and outstanding shares of AON Class A Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of AON Class A Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of AON Class A Common Stock issuable on exercise of each warrant will be decreased in proportion to such decrease in issued and outstanding shares of AON Class A Common Stock.

Whenever the number of shares of AON Class A Common Stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of AON Class A Common Stock purchasable upon the exercise of the warrants immediately prior to such adjustment and (y) the denominator of which will be the number of shares of AON Class A Common Stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the issued and outstanding shares of AON Class A Common Stock (other than those described above or that solely affects the par value of such shares of AON Class A Common Stock), or in the case of any merger or consolidation of us with or into another corporation (other than a merger or consolidation in which we are the continuing corporation and that does not result in any reclassification or reorganization of the issued and outstanding shares of AON Class A Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of AON as an entirety or substantially as an entirety in connection with which AON is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the shares of AON Class A Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares, stock or other equity securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such merger or consolidation, then the kind and amount of securities, cash or other assets for which each warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such merger or consolidation that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders (other than a tender, exchange or redemption offer made by AON in connection with redemption rights held by stockholders of the company as provided for in the current charter or as a result of the redemption of shares of AON Class A Common Stock by AON if a proposed initial business combination is presented to the stockholders of AON for approval) under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding shares of AON Class A Common Stock, the holder of a warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a stockholder if such warrant holder had exercised the warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the shares of AON Class A Common Stock held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the warrant agreement. Additionally, if less than 70% of the consideration receivable by the holders of AON Class A Common Stock in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within 30 days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the per share consideration minus Black-Scholes Warrant Value (as defined in the warrant agreement) of the warrant. The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants in order to determine and realize the option value component of the warrant. This formula is to compensate the warrant holder for the loss of the option value portion of the warrant due to the requirement that the warrant holder exercise the warrant within 30 days of the event. The Black-Scholes model is an accepted pricing model for estimating fair market value where no quoted market price for an instrument is available.

The warrants will be issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that (a) the terms of the warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake, including to conform the provisions of the warrant agreement to the description of the terms of the warrants and the warrant agreement, or defective provision or (ii) adding or changing any provisions with respect to matters or questions arising under the warrant agreement as the parties to the warrant agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the warrants and (b) all other modifications or amendments require the vote or written consent of at least 50% of the then outstanding public warrants and, solely with respect to any amendment to the terms of the private placement warrants or any provision of the warrant agreement with respect to the Private Placement Warrants, at least 50% of the then outstanding Private Placement Warrants. You should review a copy of the warrant agreement for a complete description of the terms and conditions applicable to the warrants.

The warrant holders do not have the rights or privileges of holders of AON Class A Common Stock and any voting rights until they exercise their warrants and receive shares of AON Class A Common Stock. After the issuance of shares of AON Class A Common Stock upon exercise of the warrants, each holder will be entitled to one (1) vote for each share held of record on all matters to be voted on by holders of AON Class A Common Stock.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares of AON Class A Common Stock to be issued to the warrant holder.

Private Placement Warrants

The private placement warrants (including the AON Class A Common Stock issuable upon exercise of the private placement warrants) will not be transferable, assignable or salable until thirty (30) days after the Business Combination (except in limited circumstances) and they will not be redeemable by AON for cash so long as they are held by the Sponsor, members of the Sponsor or their permitted transferees.

The initial purchasers of the private placement warrants, or their permitted transferees, have the option to exercise the private placement warrants on a cashless basis. Except as described in this section, the private placement warrants have terms and provisions that are identical to those of the warrants sold in the Business Combination, including that they may be redeemed for shares of AON Class A Common Stock. If the private placement warrants are held by holders other than the Sponsor or their permitted transferees, the private placement warrants will be redeemable by AON and exercisable by the holders on the same basis as the warrants included in the units being sold in the Business Combination.

Class B Prefunded Warrants

A Class B Prefunded Warrant was issued to any holder of AON membership units who have elected to receive such warrant to purchase AON Class B Common Stock in lieu of shares of AON Class B Common Stock that such holder would otherwise be entitled to receive as consideration in connection with the Business Combination. The Class B Prefunded Warrant has an initial exercise price per share equal to $0.01 per share of AON Class B Common Stock. The Class B Prefunded Warrant is exercisable at any time upon issuance. The exercise price and number of shares of AON Class B Common Stock issuable upon exercise is subject to appropriate adjustment in the event of stock dividends. A holder of the Class B Prefunded Warrant (together with its affiliates) may not exercise any portion of the Class B Prefunded Warrant to the extent that the holder would own more than 4.99% of the outstanding AON Class B Common Stock (the “Beneficial Ownership Limitation”) immediately after exercise or more than 4.99% of the voting power of AON when combined with any securities of AON or any securities convertible into AON. Notwithstanding the foregoing, upon notice to the AON, such holder may increase or decrease the Beneficial Ownership Limitation, provided that any increase or decrease in the Beneficial Ownership Limitation will not be effective until 61 days following notice of such change from the holder to AON.

In the event of a fundamental transaction (which includes any reorganization, recapitalization or reclassification of our Class B Common Stock, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding Class B Common Stock, or any person or group becoming the beneficial owner of 50% of the voting power represented by AON common stock), the holders of the Class B Prefunded Warrants will be entitled to receive upon exercise of the Class B Prefunded Warrants the kind and amount of securities, cash or other property that such holders would have been entitled to receive had they exercised the Class B Prefunded Warrants immediately prior to such fundamental transaction.

Certain Anti-Takeover Provisions of Delaware Law, the Charter and Amended and Restated Bylaws

Provisions of the DGCL and the Charter and Amended and Restated Bylaws could make it more difficult to acquire the post-combination company by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of the post-combination company to first negotiate with the board of directors. We believe that the benefits of these provisions outweigh the disadvantages of discouraging certain takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms and enhance the ability of the AON Board to maximize stockholder value. However, these provisions may delay, deter or prevent a merger or acquisition of us that a stockholder might consider is in its best interest, including those attempts that might result in a premium over the prevailing market price of the AON common stock.

In addition, the Charter provides for certain other provisions that may have an anti-takeover effect:

- There is no cumulative voting with respect to the election of directors.
- The AON Board is divided into three staggered classes of directors. At each annual meeting of its stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring, as follows:
- the Class I director, whose terms will expire at the annual meeting of stockholders to be held in 2024, is James Stith, and there is one vacancy;
- the Class II directors, whose terms will expire at the annual meeting of stockholders to be held in 2025, is Fred" Divers and there are two vacancies; and
- the Class III directors, whose terms will expire at the annual meeting of stockholders to be held in 2026, will be Todd Schnoherz, Bradley Fluegel, and Ravi Sarin.
- The AON Board is empowered to appoint a director to fill a vacancy created by the expansion of the AON Board or the resignation, death, or removal of a director in certain circumstances. AON intends to fill the vacancies prior to the next annual meeting of stockholders.
- A prohibition on stockholders calling a special meeting and the requirement that from and after the Closing, a meeting of the stockholders may only be called by the AON Board acting pursuant to a resolution adopted by a majority of the authorized directors of the AON Board, by our Chief Executive Officer or by our Chairman, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors.
- Subject to any limitations imposed by the listing standards of Nasdaq (or another securities exchange on which AON equity securities are then listed for trading), the authorized but unissued common stock and preferred stock will be available for future issuances without stockholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

- AON is subject to the provisions of Section 203 of the DGCL, which we refer to as “Section 203,” regulating corporate takeovers. Section 203 prevents certain Delaware corporations, under certain circumstances, from engaging in a “business combination” with (a) a stockholder who owns 15% or more of our outstanding voting stock (otherwise known as an “interested stockholder”);
- an affiliate of an interested stockholder or (c) an associate of an interested stockholder, in each case, for three years following the date that such stockholder became an interested stockholder. A “business combination” includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 do not apply if:
- the AON Board approves the transaction that made the stockholder an “interested stockholder,” prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of AON voting stock outstanding at the time the transaction commenced, other than statutorily excluded shares of common stock; or
- on or subsequent to the date of the transaction, the business combination is approved by the AON Board and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Advance notice requirements for stockholder proposals and director nominations

The proposed Amended and Restated Bylaws provide that stockholders seeking to bring business before the annual meeting of the stockholders, or to nominate candidates for election as directors at the annual meeting of the stockholders AON must provide timely notice of their intent in writing. To be timely, a stockholder’s notice will need to be received by the company secretary at our principal executive offices not later than the close of business on the ninetieth (90th) nor earlier than the close of business on the one hundred twentieth (120th) day prior to the anniversary date of the immediately preceding annual meeting of the stockholders. Pursuant to Rule 14a-8 of the Exchange Act, proposals seeking inclusion in our annual proxy statement must comply with the notice periods contained therein. The proposed Amended and Restated Bylaws also specify certain requirements as to the form and content of a stockholders’ meeting.

These provisions may preclude AON stockholders from bringing matters before our annual meeting of the stockholders or from making nominations for directors at our annual meeting of the stockholders.

Exclusive Forum

Our charter provides that, unless AON consents to the selection of an alternative forum, any (a) derivative action or proceeding brought on behalf of AON, (b) action asserting a claim of breach of a duty (including any fiduciary duty) owed by any current or former director, officer, stockholder, employee or agent of AON to AON or its stockholders, (c) action asserting a claim against AON or its directors, officers or employees governed by the internal affairs doctrine shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or (d) action asserting a claim against AON or any current or former director, officer, employee or agent of AON arising pursuant to any provision of the DGCL or the Charter or the Amended and Restated Bylaws. Additionally, the Charter also provides that, to the fullest extent permitted by law, unless AON otherwise consents in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of AON shall be deemed to have notice of and consented to the forum provisions in the Amended and Restated Bylaws. This exclusive forum provision will not apply to claims under the Exchange Act, but will apply to other state and federal law claims including actions arising under the Securities Act. Section 22 of the Securities Act, however, creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act, and investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors and stockholders of corporations for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our charter includes a provision that eliminates, to the fullest extent permitted by the DGCL (as currently in effect or as it may in the future be amended), the personal liability of AON's directors for damages for any breach of fiduciary duty as a director.

Our charter provides that, to the fullest extent permitted by the DGCL (as currently in effect or as it may in the future be amended), AON must indemnify and hold harmless and advance expenses to any of its directors and officers who is involved in any action, suit or proceeding by reason of the fact that he or she is or was a director or officer of AON or, while serving as a director or officer of AON, is or was serving at the request of AON as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity. AON also is expressly authorized to carry directors' and officers' liability insurance providing indemnification for AON's directors, officers, and certain employees for some liabilities. AON believes that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability, advancement and indemnification provisions in the Charter and the proposed Amended and Restated Bylaws may discourage stockholders from bringing lawsuits against AON's directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against AON's directors and officers, even though such an action, if successful, might otherwise benefit AON and its stockholders. In addition, your investment in AON may be adversely affected to the extent that AON pays the costs of settlement and damage awards against directors and officer pursuant to these indemnification provisions.

Transfer Agent and Warrant Agent

Continental Stock Transfer & Trust Company is the transfer agent for AON Class A Common Stock, AON Class B Common Stock and AON Series A Preferred Stock and the warrant agent for AON warrants.

Listing of Securities

AON Class A Common Stock and AON warrants are listed on the Nasdaq under the symbol "AONC" and "AONCW," respectively.

CLASS A COMMON STOCK PURCHASE AGREEMENT

This CLASS A COMMON STOCK PURCHASE AGREEMENT (collectively, with all Exhibits hereto, this "***Agreement***") is entered into as of November 12, 2024 (the "***Effective Date***"), by and between AEA AON Aggregator LLC (the "***Buyer***") and American Oncology Network, Inc., a Delaware corporation (the "***Company***"). The Buyer and the Company are collectively referred to herein as the "***Parties***," and each individually as a "***Party***."

Article I – DEFINITIONS

I.1 **Definitions**. As used in this Agreement, the following terms have the following meanings (unless otherwise expressly provided herein):

(a) "***Actions***" means any pending or threatened claim, cause of action, demand, litigation, action, suit, arbitration, proceeding, right in action, mediation, judgment, order, settlement agreement, search warrant, civil investigative demand, or subpoena, whether known or unknown, that may be alleged or brought by any Person, Governmental Authority or any administrative, arbitration, or governmental proceeding, investigation, audit or inquiry of any nature, civil, criminal, administrative, regulatory or otherwise.

(b) "***Affiliate***" means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "***control***" (including the terms "controlled by" and "under common control with") used in the preceding sentence shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the work activities, management or policies of a Person, whether through ownership of securities, the election or appointment of board members, by contract or otherwise.

(c) "***Affiliated Group***" means any affiliated group within the meaning of Section 1504(a) of the Code, or any similar group defined under a similar provision of state, local or foreign Law.

(d) "***Annual Financial Statements***" has the meaning set forth in Section 3.5.

(e) "***Author***" has the meaning set for the in Section 3.21(b)

(f) "***Balance Sheet Date***" has the meaning set forth in Section 3.5.

(g) "***BIS***" has the meaning set forth in Section 3.26.

(h) "***Board***" has the meaning set forth in Section 3.4(c).

(i) "***Business Plan***" has the meaning set forth in Section 3.28.

(j) "***Businesses***" means, collectively, the businesses operated by the Company Entities.

(k) "***Buyer***" has the meaning set forth in the preamble.

(l) "***Buyer Indemnified Parties***" has the meaning set forth in Section 6.2.

(m) "***CARES Act***" means the Coronavirus Aid, Relief, and Economic Security Act and any other COVID-19 or pandemic-related funding, stimulus, advance, deferral or loan program, and all regulations and guidance issued by any Governmental Authority with respect thereto, in each case as in effect from time to time, including subsequent legislation in effect as of the date of this Agreement amending paragraph 36 of Section 7(a) of the Small Business Act.

(n) "***Certificate of Incorporation***" means, collectively, the Company's Second Amended and Restated Certificate of Incorporation and the Certificate of Designations of the Preferred Stock.

(o) "***Claim Information***" has the meaning set forth in Section 6.3.

(p) "***Class A Common Stock***" means the Class A Common Stock of the Company, par value $0.0001 per share.

(q) "***Class B Common Stock***" means the Class B Common Stock of the Company, par value $0.0001 per share.

(r) "***Closing***" has the meaning set forth in Section 2.2.

(s) "***COBRA***" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(t) "***Code***" means the Internal Revenue Code of 1986, as amended.

(u) "***Company***" has the meaning set forth in the introductory paragraph.

(v) "***Company Entities***" means the Company and each Subsidiary of the Company.

(w) "***Company Indemnified Parties***" has the meaning set forth in Section 6.1.

(x) "***Company IP***" means all Intellectual Property, proprietary software and other intangible personal property that are owned or purported to be owned by the Company Entities and used in or held for the benefit of the Businesses, including all Intellectual Property, software and other intangible personal property, and all tangible embodiments thereof, and, all trade names used by the Company Entities.

(y) "***Company Registered IP***" has the meaning set forth in Section 3.21(a).

(z) "***Confidential Information***" has the meaning set forth in Section 3.21(f).

(aa) "***Consent***" means, with respect to any Person, any written notice, estoppel, qualification, amendment, modification, extension, approval, authorization, permission or waiver of, or registration, declaration or other action, communication or filing with or exemption by, such Person.

(ab) "***Contract***" means all legally binding written contracts, leases, mortgages, licenses, instruments, notes, commitments, undertakings, indentures and other agreements relating to the operation of the Businesses to which a Company Entity is a party or by which it or any of the Company Entities are bound, including agreements with payers, physicians and other providers, agreements with health maintenance organizations, independent practice associations, preferred provider organizations and other managed care plans and alternative delivery systems, joint venture and partnership agreements, management, employment, retirement, retention and severance agreements, vendor agreements, real and personal property leases and schedules, maintenance agreements and schedules, agreements with municipalities and labor organizations, and bonds, mortgages and other loan agreements.

(ac) "***Cost Reports***" means all cost and other reports filed pursuant to the requirements of Government Reimbursement Programs, and similar or successor programs with or for the benefit of Governmental Authorities for payment or reimbursement of amounts due from them.

(ad) "***D&O Policy***" has the meaning set forth in Section 3.16(a).

(ae) "***Employee Benefit Plans***" means, collectively, each "employee pension benefit plan" and "employee welfare benefit plan" as those terms are defined in Section 3(3) of ERISA (whether or not subject to ERISA), stock option or equity-based compensation, employee stock ownership, employment, deferred compensation, severance pay, leave, vacation, bonus or other incentive agreement, arrangement, plan or policy, currently maintained by, sponsored in whole or in part by, or contributed to by any Company Entity for the benefit of any current or former employees of the Businesses and their respective dependents, spouses, or other beneficiaries and any current or former service providers of the Businesses.

(af) "***Encumbrances***" means liabilities, levies, claims, charges, assessments, mortgages, security interests, liens, pledges, conditional sales agreements, title retention contracts, easements, restrictions, rights of first refusal, options to purchase and other encumbrances (including limitations on pledging or mortgaging any of the Shares) and Contracts to create in the future any such Encumbrance or suffer any of the foregoing, except for any encumbrances created by the execution of this Agreement or the Side Letter.

(ag) "***Environmental Laws***" has the meaning set forth in Section 3.15(a).

(ah) "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

(ai) "***ERISA Affiliate***" means each trade or business (whether or not incorporated) which, together with any Company Entity, is treated as a single employer for any purpose under (i) Section 414(b), (c), (m) or (o) of the Code, or (ii) Section 302 or Title IV of ERISA.

(aj) "***FCPA***" has the meaning set forth in Section 3.25.

(ak) "***Financial Statements***" has the meaning set forth in Section 3.5.

(al) "***GAAP***" means U.S. generally accepted accounting principles, as in effect from time to time.

(am) "***Governing Documents***" means, for the entity in question, that entity's Articles of Incorporation, Certificate of Formation, Certificate of Limited Partnership, other filings with the applicable Secretary of State, Bylaws, Partnership Agreement, Limited Liability Company Agreement or other similar documents for the governance of the entity.

(an) "***Government Reimbursement Programs***" shall mean any programs funded or administered by a Governmental Authority, or contractor(s) thereof, for the purposes of paying for health care services. Such programs shall include, but not be limited to, Medicare, Medicaid, TRICARE, the Civilian Health and Medical Program of the Department of Veterans Affairs, programs administered by the U.S. Department of Labor Employment Standards Administration's Office of Workers' Compensation Programs (e.g., administration of claims pursuant to the Black Lung Benefits Act), and similar or successor programs with or for the benefit of designated federal or state residents.

(ao) "***Governmental Authority***" means any executive, legislative or judicial agency, authority, board, body, commission, court, department, instrumentality or office of any federal, state, city, county, district, municipality, foreign or other government or quasi-government unit or political subdivision.

(ap) "***Hazardous Materials***" has the meaning set forth in Section 3.15(a).

(aq) "***Healthcare Laws***" means all relevant state and federal civil or criminal healthcare Laws applicable to the Businesses, including Medicaid (Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396w-5), Medicare (Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll), the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn), the civil False Claims Act (31 U.S.C. § 3729 et seq.), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the Civil Money Penalties Law (42 U.S.C. § 1320a-7a; 42 U.S.C. § 1320c-8(a)), the Anti-Kickback Act of 1986 (41 U.S.C. §§ 51-58), HIPAA, the exclusion Laws (42 U.S.C. § 1320a-7), or the regulations promulgated pursuant to such Laws, and comparable state Laws, all Laws or precedent relating to the corporate practice of a learned or licensed healthcare profession; all Laws concerning the splitting or sharing of healthcare professional fees; all Laws regarding health record documentation or related record retention requirements, prior authorizations and pre-certifications, or medical necessity; all Laws regarding healthcare professional or entity licensure, qualifications, accreditations, or scope of practice requirements, including the practice of telehealth and healthcare professional supervision.

(ar) "***Healthcare Professional***" has the meaning set forth in Section 3.6(b).

(as) "***HHS***" means the U.S. Department of Health and Human Services.

(at) "***HIPAA***" means the Health Insurance Portability and Accountability Act of 1996 as amended by HITECH Act, altogether with their implementing regulations at 45 C.F.R. Parts 160, 162 and 164.

(au) "***HITECH Act***" means the Health Information Technology for Economic and Clinical Health Act of 2009.

(av) "***ICT Infrastructure***" means the information and communications technology infrastructure and systems (including software, hardware, firmware, networks, and the Company websites) that is used in the Businesses.

(aw) "***Indemnified Parties***" has the meaning set forth in Section 6.2.

(ax) "***Indemnifying Party***" has the meaning set forth in Section 6.3.

(ay) "***Insurance Policies***" has the meaning set forth in Section 3.16(b).

(az) "***Intellectual Property***" means all intellectual property and similar proprietary rights and related priority rights protected, created or arising in any jurisdiction throughout the world, including all rights in, arising out of, or associated therewith any of the following: (i) trademarks, service marks, trade names, logos, and similar indicia of source of origin, all registrations and applications for registration thereof, and the goodwill connected with the use of and symbolized by the foregoing; (ii) works of authorship, copyrights and all registrations and applications for registration thereof; (iii) trade secrets, confidential and proprietary information and know-how; (iv) inventions, discoveries, patents, utility models and all registrations and applications for registration thereof (including provisional applications); (v) internet domain name registrations; and (vi) moral and economic rights of authors and investors, however denominated and where available as a matter of law, together with all rights to sue or make any claims for any past, present, or future infringement, misappropriation or unauthorized use of any of the foregoing rights, and the right to all income, royalties, damages and other payments that are now or may hereafter become due or payable with respect to any of the foregoing rights, including damages for past, present or future infringement, misappropriation or unauthorized use thereof.

(ba) "***Interim Financial Statements***" has the meaning set forth in Section 3.5.

(bb) "***IRS***" means the Internal Revenue Service.

(bc) *"**Key Employee**"* means any executive-level employee (including division director and vice president-level positions) as well as any employee or consultant who either alone or in concert with others develops, invents, programs or designs any Company IP.

(bd) "***Knowledge***" of the Company (and any similar expression, including the expression "***the Company's Knowledge***") means, as to a particular matter, the actual knowledge after reasonable investigation and assuming such knowledge as the individual would have as a result of the reasonable performance of his or her duties in the ordinary course of the Chief Executive Officer, President, Chief Financial Officer, and any other person who reports directly to the Board of Directors or the Chief Executive Officer.

(be) "***Law***" means, with respect to any Person, all statutes, ordinances, by-laws, codes, rules, regulations, restrictions, orders, judgments, writs, injunctions, decrees, determinations or awards of any Governmental Authority having jurisdiction over such Person or any of such Person's assets or businesses, including, but not limited to Healthcare Laws.

(bf) "***Leased Real Property***" has the meaning set forth in Section 3.13(b).

(bg) "***Losses***" has the meaning set forth in Section 6.1.

(bh) "***Material Adverse Change***" means any fact, circumstance, condition, change, event or occurrence that is discovered and disclosed that has a material adverse effect on the financial condition, business, prospects or results of operations of the Businesses, or the ability of the Company to consummate the transactions contemplated hereby.

(bi) "***Material Contracts***" has the meaning set forth in Section 3.12(a).

(bj) "***OFAC***" has the meaning set forth in Section 3.26.

(bk) "***Permits***" means each license, permit, right, franchise, concession, certificate, authorization, consent, certificate of need or other approval of a Governmental Authority owned or held by the Company or relating to the ownership or operations of the Businesses, including applications for, and pending, Permits.

(bl) “***Permitted Encumbrances***” means (i) those that do not, individually or in the aggregate, materially impair the usefulness or value of the Company Entities, (ii) those for taxes, assessments and governmental charges or levies not yet due or payable or that are being contested in good faith and for which adequate reserves have been established, (iii) restrictions, covenants and easements of record that do not materially interfere with the use of the Leased Real Property for the business being conducted thereon, (iv) mechanic’s, materialman’s and similar statutory liens for sums not yet due and payable or that are being contested in good faith, (v) those related to the Material Contracts, (vi) leases that have been disclosed to the Buyer, (vii) zoning regulations and other Laws affecting the Leased Real Property, (viii) matters arising as a result of the acts or omissions of the Buyer or any of its Affiliates, agents, employees, contractors or representatives, (ix) standard printed exceptions customarily set forth in title reports, title commitments or title policies and, (x) with respect to the Owned Real Property, (A) any easements, rights of way, and use, occupancy and similar restrictions and other similar encumbrances that would be shown by a current title report, title commitment or title policy; and (B) any condition that is shown by a current survey or physical inspection which is not individually or in the aggregate material to the present use of the Owned Real Property, and (xi) all matters of record.

(bm) “***Person***” means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

(bn) “***Personal Information***” means Protected Health Information, Social Security Numbers, financial account numbers, driver’s license numbers or state identification numbers, or other “personal information” or similar terms such as “personally identifiable information,” as defined by applicable Laws.

(bo) “***Personnel Agreements***” has the meaning set forth in Section 3.21(b).

(bp) “***Preferred Stock***” means the Series A Preferred Stock of the Company, par value $0.0001 per share.

(bq) “***PREP Act***” has the meaning set forth in Section 3.10(e).

(br) “***Privacy Laws***” means all Laws, to the extent not preempted by HIPAA, that govern the privacy, security, or confidentiality of Personal Information, medical records, or other records generated in the course of providing or paying for health care services. Without limiting the generality of the foregoing, “Privacy Laws” also includes the Fair Credit Reporting Act, 15 U.S.C. § 1681 et. seq., as amended, the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., as amended, the Telephone Consumer Protection Act, 47 U.S.C. § 227, as amended, the Telemarketing and Consumer Fraud and Abuse Prevention Act, 15 U.S.C. §§ 6101-6108, as amended, all state law equivalents of and implementing regulations or rulemaking concerning such Laws and all state Personal Information breach notification laws.

(bs) “***Protected Health Information***” has the meaning set forth at 45 C.F.R. § 160.103.

(bt) “***Real Property Leases***” has the meaning set forth in Section 3.13(b).

(bu) "***Registration Rights Agreement Amendment***" means that certain Amendment No. 1 to Amended and Restated Registration Rights Agreement, by and between the Company and the Buyer, in substantially the form attached hereto as Exhibit A.

(bv) "***Registration Rights Agreement Joinder***" means that certain Joinder to that certain Amended and Restated Registration Rights Agreement, dated as of September 20, 2023, by and among the Company, the Buyer, and the other parties thereto, in substantially the form attached hereto as Exhibit B.

(bw) "***Representatives***" means, with respect to any Person, the officers, directors, principals, employees, agents, auditors, accountants, attorneys, consultants, advisors, bankers and other representatives of such Person.

(bx) "***Sanctioned Person***" has the meaning set forth in Section 3.26.

(by) "***Sanctions***" has the meaning set forth in Section 3.26.

(bz) "***SDN List***" has the meaning set forth in Section 3.26.

(ca) "***Securities Act***" means the Securities Act of 1933, as amended.

(cb) "***Shares***" has the meaning set forth in Section 2.1.

(cc) "***Side Letter***" means the Amended and Restated Side Letter Agreement, by and between the Company and the Buyer, in substantially the form attached hereto as Exhibit C.

(cd) "***State Department***" has the meaning set forth in Section 3.26.

(ce) "***Stock Plan***" has the meaning set forth in Section 3.4(c).

(cf) "***Subsidiary***" means, with respect to any Person, any business entity of which (i) if the business entity is a corporation, a majority of the total voting power of shares of capital stock or other equity securities 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, or (ii) if the business entity is a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof or the power to elect or appoint a majority of the managers or other governing body thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity.

(cg) "***Tax***" (and, with correlative meaning, "***Taxes***") means: (i) all federal, state, local, non-U.S. and other taxes, charges and assessments, including income, earnings, profits, gross receipts, franchise, capital stock, net worth, sales, use, value added, occupancy, general property, real property, personal property, intangible property, escheat, unclaimed property, transfer, fuel, excise, parking, payroll, withholding, unemployment compensation, workers' compensation, social security, retirement, pension plan or other tax of any nature; and (ii) any deficiencies, or other additions to tax, interest, fines or penalties imposed with respect to any of the foregoing, whether disputed or not, and including any obligations to indemnify or otherwise assume, succeed to, or be liable for the liability for Taxes of any other Person by Contract, Law or otherwise.

(ch) "***Tax Returns***" means all returns and reports, amended returns, information returns, statements, declarations, estimates, schedules, notices, notifications, forms, elections, certificates or other documents with respect to the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of, or compliance with, any Tax.

(ci) "***Taxing Authority***" means the IRS or any governmental agency, board, bureau, body, department or authority having or purporting to exercise jurisdiction with respect to any Tax.

(cj) "***Third Party Claim***" has the meaning set forth in Section 6.3.

(ck) "***Third Party Payor***" means Government Reimbursement Programs and any other publicly or privately owned organization or entity authorized to provide health insurance or reimburse for the provision of health care services (including, without limitation, property, casualty, or life insurance covering health benefits), any health maintenance organization, independent practice association, managed care network, accountable care organization or any employer authorized under Law to self-insure its workers' compensation risk and that pays for or reimburses at least some of the health care expenses of its beneficiaries or workers.

(cl) "***Transaction Documents***" means, collectively, this Agreement and all ancillary agreements contemplated herein or otherwise necessary to effect the transactions contemplated hereby, including, without limitation, the Registrations Rights Agreement Amendment and the Side Letter.

(cm) "***Transfer Taxes***" has the meaning set forth in Section 4.7.

(cn) "***U.S. Person***" has the meaning set forth in Section 3.26.

Article II – TRANSACTIONS AT THE CLOSING

II.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, the Buyer agrees to purchase, and the Company agrees to sell and issue to the Buyer, at the Closing (as defined below) 8,500,000 shares of Class A Common Stock at a purchase price of $6.00 per share, for an aggregate purchase price of $51,000,000. The shares of Class A Common Stock issued to the Buyer pursuant to this Agreement shall be referred to in this Agreement as the "***Shares***."

II.2 Closing. The purchase and sale of the Shares shall take place remotely via the exchange of documents and signatures, on the Effective Date at such time as is mutually agreed upon, orally or in writing, by the Company and the Buyer (which time and place are designated as the "***Closing***"). At the Closing, the Company shall deliver to the Buyer evidence representing the Shares being purchased by the Buyer at the Closing against payment of the purchase price therefor by wire transfer to a bank account designated by the Company.

Article III – REPRESENTATIONS AND WARRANTIES OF THE COMPANY ENTITIES

As of the Effective Date, when read in light of the Disclosure Schedule attached hereto as Exhibit D, the Company represents and warrants to the Buyer with respect to the Company Entities and the Businesses the following:

III.1 Capacity, Authority and Consents.

(a) Each Company Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation or incorporation, each of which is listed on Schedule 3.1(a). Except with respect to the Company Entities, the Company does not own, directly or indirectly, any equity or voting interest in any Person and does not have any agreement or commitment to acquire any such interest.

(b) The Company has all requisite power and authority to enter into the transactions under this Agreement and the other Transaction Documents, to perform its obligations hereunder, and each Company Entity has the requisite power and authority to own, lease and operate its properties, and to conduct its business as now being conducted.

(c) The execution, delivery and performance of this Agreement and all other Transaction Documents to which the Company is or will become a party and the actions to be taken by the Company in connection with the consummation of the transactions contemplated herein:

(i) are within its power, are not in contravention of applicable Law or the terms of their respective Governing Documents and have been duly authorized by all appropriate action;

(ii) except as set forth in Schedule 3.1(c)(ii), do not require any Consent of (A) any Governmental Authority or (B) any third party;

(iii) except as set forth in Schedule 3.1(c)(iii), will not result in any material breach or contravention of, nor permit the acceleration of the maturity of or the termination of, payment of any penalty or constitute a default under, any Contract or any material indenture or mortgage to the Company to which they are a party or otherwise bound;

(iv) will not result in the creation or imposition of any Encumbrance on any Shares; and

(v) will not violate any Law to which any Company Entity is subject.

III.2 Binding Agreement. This Agreement and all other Transaction Documents to which the Company is or will become a party is and will constitute the valid and legally binding obligations of the Company, and is and will be enforceable against the Company in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

III.3 Title to Shares. The Shares, will be, upon issuance thereof, free and clear of all Encumbrances.

III.4 Capitalization.

(a) The authorized capital of the Company consists, immediately prior to the Closing, of:

(i) 200,000,000 shares of Class A Common Stock, 21,423,876 shares of which are issued and outstanding immediately prior to the Closing;

(ii) 100,000,000 shares of Class B Common Stock, 14,867,850 shares of which are issued and outstanding immediately prior to the Closing, and 3,000245 pre-funded warrants to purchase an equal number of shares of Class B Common stock issued and outstanding immediately prior to the Closing;

(iii) 25,000,000 shares of Preferred Stock, 10,000,000 of which have been designated Series A Preferred Stock, 6,651,610 shares of which are issued and outstanding immediately prior to the Closing;

(iv) warrants to purchase 14,450,795 shares of Class A Common Stock at an exercise price of $11.50 per share, all of which are issued and outstanding immediately prior to the Closing.

(b) All of the outstanding shares of capital stock have been duly authorized, are fully paid and nonassessable and were issued in compliance with all applicable federal and state securities laws. The Company holds no capital stock in its treasury.

(c) The Company has reserved 5,889,711 shares of Class A Common Stock for issuance to officers, directors, employees and consultants of the Company pursuant to its 2023 Incentive Equity Plan duly adopted by the Board of Directors of the Company (the "***Board***") and approved by the Company stockholders (the "***Stock Plan***"). Of such reserved shares of Class A Common Stock, (i) 2,363,791 shares have been issued pursuant to restricted stock purchase agreements, the vesting of restricted stock unit awards and/or the exercise of options and are currently outstanding (and included as outstanding in Section 3.4(a)), (ii) options to purchase 0 shares have been granted and are currently outstanding, (iii) 2,382,730 shares are reserved for issuance upon vesting of outstanding restricted stock unit awards, and (iv) 1,143,190 shares remain available for issuance to officers, directors, employees and consultants pursuant to the Stock Plan, all of which remain uncommitted and unallocated. The Stock Plan is subject to an increase of up to 5% of the total number of shares of all classes of common stock of the Company outstanding on the last day of the immediately preceding Fiscal Year.

(d) Except for the securities and rights described in Sections 3.4(a)(ii), 3.4(a)(iii) and 3.4(c) of this Agreement, there are no outstanding options, warrants, rights (including conversion or preemptive rights and rights of first refusal or similar rights) or agreements, orally or in writing, to purchase or acquire from the Company any shares of Class A Common Stock, Class B Common Stock or Preferred Stock, or any securities convertible into or exchangeable for shares of Class A Common Stock, Class B Common Stock or Preferred Stock.

(e) The Company has obtained valid waivers of any rights by other parties to purchase any of the Shares covered by this Agreement.

III.5 Financial Statements. The Company's Annual Report on Form 10-K for the period ended December 31, 2023, as filed with the SEC on March 28, 2024, as amended on by the Form 10-K/A filed with the SEC on April 29, 2024, contains the complete and accurate copies of the audited balance sheets and statements of operations with respect to the Company Entities as of and for the fiscal year ended December 31, 2023 (the "***Annual Financial Statements***") and attached as Schedule 3.5 is substantially complete and accurate copies of the unaudited interim balance sheets and statements of operations with respect to the Company Entities as of and for the nine months ended September 30, 2024 (the "***Balance Sheet Date***") (the "***Interim Financial Statements***" and, together with the Annual Financial Statements, the "***Financial Statements***"), which Financial Statements are maintained on an accrual basis. The condensed consolidated financial statements filed with the Company's Quarterly Report on Form 10-Q, anticipated to be filed on or about November 14, 2024, shall reflect no material changes to the assets, liabilities, financial condition or operating results of the Company set forth in the Interim Financial Statements. Except as set forth on Schedule 3.5, the Financial Statements present fairly in all material respects the financial condition and results of operations of the Company Entities as of the dates and for the periods indicated therein in accordance with GAAP. Except as set forth on Schedule 3.5, there are no obligations or liabilities, whether absolute, accrued, contingent or otherwise, of the Company Entities that are required in accordance with GAAP to be reflected or disclosed in the Financial Statements except for obligations or liabilities (a) reflected or disclosed in the Financial Statements or (b) incurred in the ordinary course of business since the Balance Sheet Date, none of which have had a Material Adverse Change. The Company has established and maintains systems of internal accounting controls that are designed 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. The Company maintains and, for all periods covered by the Financial Statements, has maintained books and records of the Company in the ordinary course of business that are, to the Company's Knowledge, accurate and complete in all material respects and reflect the revenues, expenses, assets and liabilities of the Company and its Subsidiaries in all material respects. Except as set forth on Schedule 3.5, neither the Company nor the Company's independent auditors have identified or been made aware of (after reasonable inquiry) any (i) "significant deficiency" in the internal controls over financial reporting of the Company, (ii) "material weakness" in the internal controls over financial reporting of the Company or (iii) fraud, whether or not material, that involves management or other employees of the Company who have a significant role in the internal controls over financial reporting of the Company.

III.6 Licenses and Accreditations.

(a) The Company Entities hold all Permits necessary for the lawful conduct of the Business. All such Permits (i) have been issued or given to the Company Entities and no other Person and (ii) are in good standing and full force and effect. Each of the Company Entities is operating in material compliance with each such issued Permit, and to the Company's Knowledge, there is no basis for any Governmental Authority or other Person to allege that any of the Company Entities is not currently, operating in material compliance with any such Permit, or to take any action to revoke, involuntarily deactivate, withdraw, terminate or suspend any such Permit.

(b) To the Company's Knowledge, each healthcare professional employed by the Company Entities who is required by applicable Law to have a license or certification in order to provide services to or on behalf of the Company Entities (each, a "***Healthcare Professional***") is and, to the Company's Knowledge, has been since January 1, 2021, to the extent that Healthcare Professional provided any health care services to or on behalf of the Company Entities during that time, duly licensed and certified in each applicable jurisdiction as required by applicable Law. To the Company's Knowledge, each Healthcare Professional's license or certification is in good standing with the applicable licensing Governmental Authority, and no action is pending or, to the Company's Knowledge, threatened that would terminate or suspend any Healthcare Professional's license. To the Company's Knowledge, each Healthcare Professional is and has been since January 1, 2021 (to the extent that Healthcare Professional provided any health care services to or on behalf of the Company Entities during that time), duly certified to participate in, and has participated in, Medicare, applicable Medicaid programs, and all other Third Party Payor programs in which the applicable Company Entity has participated. To the Company's Knowledge, each Healthcare Professional currently providing services for the Company Entities is credentialed, privileged, in good standing on the medical staff at each facility at which he or she performs services on behalf of the Company Entities, and, to the Company's Knowledge, no reason or condition exists that would materially impact any such Healthcare Professional's credentialing and medical staff privileges.

III.7 **Compliance with Other Instruments**. The Company is not in violation or default, and no default is pending or anticipated, under any note, indenture, mortgage, or credit facility, lease, agreement, contract or purchase order to which it is a party or by which it is bound that is required to be listed on the Disclosure Schedule. The execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated by the Transaction Documents will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, a default under any such note, indenture, mortgage, lease, agreement, contract or purchase order.

III.8 **Compliance with Laws**. The Company Entities are and, since January 1, 2021 have been, in material compliance with all applicable Laws. Except as set forth on Schedule 3.8, since January 1, 2021, no Company Entity has been cited, fined or otherwise notified in writing of any material failure to comply with any Law that has not been paid or cured and, to the Company's Knowledge there is no basis for any Governmental Authority or other Person to allege that the Company Entities have materially failed to comply with any Law since January 1, 2021.

III.9 **Regulatory Compliance**. Except as set forth on Schedule 3.9:

(a) Since January 1, 2021, to the Company's Knowledge, the Company Entities are and have been in compliance in all material respects with all applicable Laws (other than Environmental Laws), including the applicable Healthcare Laws. Since January 1, 2021, Company Entities have not received notice or other communication from any Person of any inquiry, proceeding or investigation by any Governmental Authority alleging or based upon a material violation of any Healthcare Laws by any Company Entity or that involves services furnished or claims submitted by, or on behalf of, the Company Entities.

(b) Since January 1, 2021, to the Company's Knowledge, all billing and claims submission practices of the Company Entities with respect to Third-Party Payors have been in compliance in all material respects with all applicable Healthcare Laws. To the Company's Knowledge, since January 1, 2021, neither the Company Entities nor their respective directors, officers, or employees have submitted or caused to be submitted for payment or reimbursement any false, fraudulent or otherwise improper claims either directly or indirectly to any patient or Third Party Payor, or unlawfully retained any payment or reimbursement in excess of amounts allowed by applicable Healthcare Laws or the policies of such Third Party Payors. Except as set forth in Schedule 3.9(b), since January 1, 2021, no Governmental Authority, Third Party Payor or other Person has conducted, or has given the Company Entities or their respective directors, officers or employees any written notice that it intends to conduct, any audit or other review of the Company Entities with regard to the participation by the Company

Entities in, the provision of services under, or submission of claims to any Third Party Payor, that has resulted in, or would reasonably be expected to result in, any material liability to the Company Entities for any reimbursement, penalty or interest with respect to payments received by the Company Entities. Since January 1, 2021, other than claims disputes in the ordinary course of business, the Company Entities do not have any reimbursement or payment rate appeals, disputes, recoupment Actions, or contested positions currently pending before any Governmental Authority or Third Party Payor.

(c) Without limiting the generality of the foregoing, no Company Entity or, to the Company's Knowledge, any Representative thereof, has, since January 1, 2021, directly or indirectly offered, paid, solicited or received, or made arrangements to offer, pay, solicit or receive, any remuneration, in cash or in kind, to or from any past, present, or potential customers, past, present, or potential suppliers, patients, Healthcare Professionals, medical staff members, contractors, referral sources, or Third Party Payors in violation of any applicable Healthcare Law.

III.10 **<u>Compliance Program</u>**. Each Company Entity has a corporate compliance program that includes the implementation of policies, procedures, and training programs, and other compliance activities designed for its employees and agents to comply with all applicable Healthcare Laws. Since January 1, 2021, each Company Entity has conducted its operations in accordance with the applicable compliance programs in all material respects during the applicable period for which such compliance program was in effect.

(a) No Company Entity or, to the Company's Knowledge, any Representative thereof, has, since January 1, 2021, made or is in the process of making a voluntary self-disclosure under the Self-Referral Disclosure Protocol established by the Secretary of HHS pursuant to Section 6409 of the Patient Protection and Affordable Care Act, or under the self-disclosure protocol established and maintained by the HHS Office of the Inspector General, or any United States Attorney, the U.S. Department of Justice, a state Medicaid program or fraud unit, a state Attorney General, or other Governmental Authority. No Company Entity is currently considering any such self-disclosure, and to the Company's Knowledge, no Company Entity has an obligation to make any such self-disclosure in lieu of repayment under Section 6402(a) of the Patient Protection and Affordable Care Act.

(b) No Company Entity or, to the Company's Knowledge, any Representative thereof is or has since January 1, 2021 been (i) a party to a Corporate Integrity Agreement with the HHS Office of Inspector General or a deferred prosecution agreement, consent decree or other settlement agreement with any other Governmental Authority; (ii) subject to any reporting obligations pursuant to any Corporate Integrity Agreement, deferred prosecution agreement, consent decree or other settlement agreement entered into with any Governmental Authority.

(c) No Company Entity or, to the Company's Knowledge, any Representative thereof has: (i) been debarred, suspended or excluded from participation in the Medicare, Medicaid or any other Government Reimbursement Program; (ii) been charged with or convicted of a criminal offense related to any Healthcare Law or been convicted of a criminal offense relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of a health care item or service, or in connection with a program operated by or financed in whole or in part by any Government Reimbursement Program or Governmental Authority.

(d) No Company Entity is subject to (i) any financial solvency requirements, including but not limited to maintaining tangible net equity, working capital, cash to claims ratio, medical loss ratio or other financial reserve levels and solvency requirements, (ii) any restrictions on the payment of dividends or other distributions on its shares of capital stock, or (iii) any restrictions on borrowing funds or incurring debts and on co-signing, guaranteeing, or assuming any loans or debts of another Company Entity, except for such requirements, conditions, or restrictions applicable to Company Entity under the Health Care Laws or other Laws of general application.

(e) No Company Entity has taken advantage of any limited liability under the Public Readiness and Emergency Preparedness Act (the "***PREP Act***") to address alleged claims for damages arising from its distribution or use of "covered countermeasures," as defined in the PREP Act, during the outbreak of COVID-19.

III.11 HIPAA and Privacy Laws.

(a) Since January 1, 2021, each Company Entity is and has been in material compliance with HIPAA and applicable Privacy Laws.

(b) Since January 1, 2021, when functioning either as a "Covered Entity" or as a "Business Associate" (each as defined in 45 C.F.R. § 160.103), each Company Entity has executed valid "business associate agreement" (as described in 45 C.F.R. §§ 164.502(e) and 164.504(e)) with each: (x) agent or contractor of such Company Entity that is a "Business Associate" or Business Associate of such Company Entity; and (y) Covered Entity for which such Company Entity performs functions or activities that renders such Company Entity a Business Associate or Subcontractor (as defined by 45 C.F.R. § 160.103). No Company Entity or, to the Company's Knowledge, any of their respective Business Associates, has materially breached any such business associate agreement.

(c) Since January 1, 2021, no Company Entity has received any written or oral communication from any Governmental Authority alleging material non-compliance by such Company Entity or any Business Associate, agent or subcontractor of such Company Entity with respect to either HIPAA or a Privacy Law. There is no ongoing or, to the Company's Knowledge, imminently threatened litigation, enforcement proceeding, or to the Company's Knowledge, any investigation by any Governmental Authority with respect to the HIPAA or Privacy Law compliance of any Company Entity or any Business Associate, agent or subcontractor of any Company Entity.

(d) Since January 1, 2021, no Company Entity has experienced any: (i) breach of privacy, security, or confidentiality with respect to Personal Information that required notification to affected data subjects or Governmental Authorities under applicable Privacy Laws; (ii) Breach of Unsecured Protected Health Information, as "Breach" and "Unsecured Protected Health Information" are defined by HIPAA that required notification to affected data subjects, customers or Governmental Authorities under HIPAA; or (iii) any Security Incident as "Security Incident" is defined by HIPAA that required notification to customers under HIPAA.

III.12 Material Contracts.

(a) Schedule 3.12(a) sets forth a complete and accurate list of all Contracts in effect as the Effective Date, as applicable, including all amendments and supplements thereto, to which there is any obligation or liability remaining and a Company Entity is a party or by which a Company Entity is bound, meeting any of the descriptions set forth below (collectively, the "***Material Contracts***"):

(i) each Contract that involves aggregate payments or consideration (contingent or otherwise) payable (A) by any Company Entity of more than $500,000 or

(B) to any Company Entity of more than $500,000, in each case, in the calendar year ended December 31, 2021 or any subsequent calendar year;

(ii) each Contract relating to indebtedness (A) with a principal amount (including the amount of any undrawn but available commitments thereunder) in excess of $500,000 or (B) for borrowed money, and any pledge agreements, security agreements or other collateral agreements in which with respect to any Company Entity granted to any Person a security interest in or Encumbrance on any of the property or assets of with respect to any Company Entity;

(iii) each Contract that is a purchase and sale or similar agreement for the acquisition of any person or any business unit thereof or the disposition of any material assets of any Company Entity pursuant to which there are any material ongoing obligations;

(iv) each lease, rental or occupancy agreement, license, installment and conditional sale agreement and each other Contract with outstanding material obligations that provides for the ownership of, leasing of, occupancy of, title to, use of, or any leasehold or other interest in any real or personal property involving payments of at least $500,000 in the aggregate during the remaining term of such Contract, other than sales or purchase agreements in the ordinary course of business and sales of obsolete equipment;

(v) each joint venture Contract, agreement establishing an entity that is a partnership, limited liability company agreement or similar Contract (other than Contracts between wholly-owned Subsidiaries of the Company) that is material to the business of the Company Entities, taken as a whole;

(vi) each Contract prohibiting or restricting in any material respect the ability of any Company Entity to engage in any business, to solicit any potential customer, to operate in any geographical area or to compete with any Person, in each case, in any material respect, other than customary non-disclosure provisions or non-solicitation and no-hire provisions for employment entered into in the ordinary course of business;

(vii) each license or other agreement (excluding (A) non-disclosure agreements, (B) non-exclusive Intellectual Property licenses incidental to employee, consultant, contractor, other service provider, marketing, printing or advertising Contracts, and (C) licenses to open source code, in each case, entered into in the ordinary course of business) under which the Company or any of its Subsidiaries (I) is a licensee with respect to any item of Intellectual Property (excluding non-exclusive licenses in respect of commercially available, unmodified, “off-the-shelf” software or software-as-a-service involving payments of not more than $500,000 in any year, or granted by a customer under a customer agreement in the ordinary course of business for the purpose of allowing the Company to provide services to such customer), (II) is a licensor or otherwise grants to a third party any rights to use any item of Intellectual Property, or (III) entered into to settle or resolve any Intellectual Property-related dispute, including settlement agreements, covenants not to sue, consent agreements, and co-existence agreements, in each case involving an amount in controversy of at least $500,000;

(viii) each Contract for the development of Intellectual Property by a third party that is material to the business of any Company Entity (other than pursuant to the Company's standard form employee invention assignment or consulting or independent contractor agreements, copies of which have been provided to Buyer);

(ix) each Contract with any service provider of the Company or other Person that (A) provides for severance, termination payment, notice of termination, or similar compensation or benefit; (B) provides for the payment or accelerated vesting of any compensation or benefits in connection with the consummation of the transactions contemplated hereby, alone or in combination with any other event, including any retention, change of control, transaction or similar payments; (C) otherwise restricts the ability of the Company or any of its Subsidiaries to terminate employment or engagement of such individual at any time for any reason or no reason without penalty or liability; or (D) that provides for annual compensation in excess of $200,000, in each case of clauses (A) through (C), other than as required by Law;

(x) each collective bargaining agreement or other Contract with a Company Entity, on the one hand, and any labor union, labor organization or works council representing employees of any Company Entity, on the other hand;

(xi) each Contract that is a settlement, conciliation or similar agreement with any Governmental Authority or pursuant to which the Company or any of its Subsidiaries will have any outstanding obligation in excess of $500,000 after the date hereof;

(xii) each sales commission, revenue sharing, distributor, reseller, referral or brokerage Contract or other similar Contract that involves (A) annual payments to any Company Entity in excess of $500,000, (B) annual payments by any Company Entity in excess of $250,000 or (C) is not cancellable on 30 calendar days' notice without payment or penalty;

(xiii) any Contract with a Governmental Authority that involves aggregate payments or consideration (contingent or otherwise) payable (A) by any Company Entity of more than $500,000 or (B) to the Company Entity of more than $500,000, in each case, in the calendar year ended December 31, 2021 or any subsequent calendar year;

(xiv) each Contract requiring capital expenditures of any Company Entity after the date hereof in an amount in excess of $500,000 in the aggregate;

(xv) each Contract with any Affiliate of any Company Entity or family member thereof (other than (1) employment agreements, (2) confidentiality, (3) invention assignment agreements, (4) standard director and officer indemnification agreements, (5) equity or incentive equity documents and (6) practice agreements with local management services organizations; and

(xvi) any commitment to enter into agreement of the type described in clauses (i) through (xv) of this Section 3.12.

(b) Except as set forth on Schedule 3.12(b), the Material Contracts constitute valid and legally binding obligations of the parties thereto and are enforceable in accordance with their terms, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally, and except as enforceability may be subject to general principles of equity, and no event, act or omission has occurred or failed to occur which, with or without the giving of notice, the lapse of time or both would constitute a material breach or default under any Material Contract by any Company Entity or, to the Company's Knowledge, any counterparty thereto, and each Material Contract is in full force and effect. The Company Entities have provided the Buyer with full and complete copies of the Material Contracts.

III.13 Real Property.

(a) No Company Entity owns any land, buildings or other real property.

(b) Schedule 3.13(b) sets forth an accurate and complete list of all the real property leased by the Company Entities (together with all buildings, improvements and fixtures thereon, leased by any Company Entity, the "***Leased Real Property***"). Schedule 3.13(b) also identifies each lease related to such Leased Real Property (the "***Real Property Leases***"). The Real Property Leases are in full force and effect, subject to any limitations resulting from moratorium or similar Laws, and the applicable Company Entity has, to such Company Entity's knowledge, a valid and enforceable leasehold interest in all Leased Real Property, in each case free and clear of all Encumbrances, other than Permitted Encumbrances. The Company has made available to the Buyer complete and accurate copies of each Real Property Lease, and none of such Real Property Leases have been modified in any material respect, except to the extent that such modifications are disclosed by the copies made available to the Buyer. Neither the Company nor the applicable Company Entity is in breach in any material respects of any of the Real Property Leases and, to the Company's Knowledge, no other party to any such Real Property Leases is in material breach thereof. All of the Leased Real Property is in good operating condition and repair, subject to ordinary wear and tear (consistent with the age of such items) and is sufficient to operate in all material respects the business of the applicable Company Entity as presently operated on such Leased Real Property. To the Company's Knowledge, no condition exists that would materially interfere with the quiet enjoyment and use of the Leased Real Property and there are presently and validly in effect all material Permits and other material authorizations necessary for the use and operation of the Leased Real Property by the applicable Company Entities as the Leased Real Property is presently being operated.

(c) The Company Entities have not received any written notice of any material uncured current violations, citations, summonses, subpoenas, compliance orders, directives, suits, other legal processes, or other written notice of potential material liability under applicable zoning, building, fire and other similar applicable laws and regulations or any easements, covenants, conditions or restrictions relating to any Leased Real Property.

III.14 Title to Properties. A Company Entity has valid title to, or a valid leasehold interest in (or other right to use), all of the tangible personal property shown to be owned by one of the Company Entities as of the Balance Sheet Date, and as of the Closing, will be held free and clear of all Encumbrances, except for Permitted Encumbrances or assets disposed of in the ordinary course of business since the Balance Sheet Date.

III.15 Environmental Laws.

(a) Except as disclosed on Schedule 3.15(a), to the Company's Knowledge, no Hazardous Materials, toxic substances or related materials have been generated, released, discharged, stored, handled or disposed of on, under, in, about or from the real property by any Company Entity, except in compliance in all material respects with all federal, state and local Laws pertaining to pollution or the protection of health, safety, the environment or natural resources or relating to Hazardous Materials (collectively, "***Environmental Laws***"). The term "***Hazardous Materials***" shall mean any substance, material or waste which is or becomes regulated by any Governmental Authority or for which liability or standards of care are imposed under any Environmental Law, including any material or substance which is (i) petroleum or a petroleum product, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) biomedical materials and/or waste, including the Medical Waste Tracking Act of 1988, 42 U.S.C. §6992, et seq., and the National Institute for Occupational Self-Safety and Health Infections Waste Disposal Guidelines, Publication No. 88-119 of HHS, (v) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq. (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317), (vi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (vii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601).

(b) Except as disclosed on Schedule 3.15(b), to the Company's Knowledge, each Company Entity has complied in all material respects with all Environmental Laws, including those respecting the generation, handling, storage and disposition of Hazardous Materials. No Company Entity has received any written communication, notice, citation, claim, request for information or demand, whether from a Governmental Authority or any other Person, that alleges that any facility at which employees perform services on behalf of the Company Entities is not in material compliance with all Environmental Laws.

III.16 Insurance.

(a) The Company has in place from financially sound and reputable insurers directors and officers liability insurance (the "***D&O Policy***") in an amount and on terms and conditions as would be reasonable and customary for companies like the Company.

(b) Schedule 3.16 sets forth a true, correct and complete list and description of all material insurance policies, including all self-funded plans or trusts, maintained by the Company Entities (collectively, including the D&O Policy, the "***Insurance Policies***"). The Insurance Policies are in full force and effect, and no Company Entity is in material default with respect to its obligations under any Insurance Policy, no event has occurred which, with or without notice or the lapse of time, would constitute such a breach or default or would permit termination or modification under any Insurance Policy, and no Company Entity has received any written notice of cancellation or non-renewal, of any Insurance Policy. All premiums due and payable in respect of the Insurance Policies have been paid.

III.17 Employee Benefit Plans.

(a) Schedule 3.17(a) sets forth a complete and correct list of every material Employee Benefit Plan. No Company Entity or any ERISA Affiliate thereof maintains, sponsors or contributes to, or has an obligation to contribute to (i) any "multiemployer plan" (as defined in ERISA

Sections 4001(a)(3) and 3(37)(A)), or any employee pension benefit plan subject to Title IV of ERISA or the minimum funding requirements of Section 412 or 430 of the Code.

(b) To the Company's Knowledge, except as disclosed on Schedule 3.17(b), all Employee Benefit Plans and the related trusts comply, and have been established, administered and maintained, in all material respects, with (i) their terms, (ii) the applicable provisions of ERISA, (iii) all applicable provisions of the Code relating to qualification and tax exemption under Code Sections 401(a) and 501(a) or otherwise applicable to secure tax-qualified treatment, and (iv) all applicable Laws. Except as disclosed on Schedule 3.17(b), no Employee Benefit Plan is subject to any audit, investigation or examination by any Governmental Authority (including the IRS, Department of Labor and Pension Benefit Guaranty Corporation). Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code or otherwise for favorable tax treatment has (i) received a favorable determination, opinion or advisory letter from the IRS that is currently in effect and (ii) to the Knowledge of Company, nothing has occurred since the date of such letter that would reasonably be expected to adversely affect the qualified status of any such Employee Benefit Plan.

(c) The Company does not maintain or sponsor any multiple employer welfare arrangement (MEWA) and has no obligation to provide any post-ownership or post-termination health or life insurance or other welfare-type benefits other than as required under COBRA or similar state law.

(d) The execution of the agreement and the consummation of the transactions contemplated thereby will not result in any payment or benefit becoming due, increase or result in the acceleration of any payment, funding or vesting of any compensation or benefit, give rise to any payment that would not be deductible by reason of Section 280G of the Code or could constitute an "excess parachute payment" under Section 280G of the Code, or limit or restrict the right of the Company to merge, amend or terminate any employee benefit plan.

III.18 Employee Relations.

(a) There is no pending, or to the Company's Knowledge, threatened employee strike, work stoppage, work slowdown, lock-out or labor dispute concerning any employees, representatives or agents of the Company Entities. There are no labor unions, collective bargaining agreements, or other agreements with any labor union, works council, or other labor organization representing any employees, representatives or agents of the Company Entities.

(b) Except as disclosed on Schedule 3.18(b), each Company Entity is, and for the past two (2) years has been, in material compliance with all applicable Laws respecting employment and employment practices and terms and conditions of employment concerning any employees, representatives or agents of the Company Entities, including all Laws which relate to traditional labor, labor relations and collective bargaining, terms and conditions of employment, wages and wage payments, hours and employee record keeping, fair employment practices, equal employment opportunity practices (such as discrimination in employment, disability rights or benefits, and reasonable accommodations), employee leave issues, immigration (including applicable I-9 Laws), occupational safety and health, plant closings, withholding of Taxes, workers' compensation, and unemployment insurance. Except as set forth on Schedule 3.18(b), there are no pending or, to the Company's Knowledge, threatened claims or investigations in respect of any such Laws in respect of the employees, representatives or agents of the Company Entities (including any employment discrimination charge or employment-related multi-claimant or class action claims).

(c) No material employee layoff, facility closure or shutdown, reduction-in-force, furlough, temporary layoff, material work schedule change, or material reduction in hours, salary or wages affecting employees of any Company Entity has occurred in the last twelve months or is currently contemplated, planned or announced.

III.19 Litigation and Proceedings. Schedule 3.19 sets forth a complete and accurate list of all Actions with respect to the Company Entities that are pending or, to the Company's Knowledge, threatened against any Company Entity, or any governing persons thereof in their capacities as such, with respect to the Company Entities, at law or in equity, or before or by (or on behalf of) any Governmental Authority that (a) would reasonably be expected to involve an amount in controversy of at least $300,000 or (b) would reasonably be expected to result in a Material Adverse Change. There is no Action pending or, to the Company's Knowledge threatened, against any Company Entity, or any governing Persons thereof, at law or in equity, or before or by any Governmental Authority, which seeks to prevent or delay consummation of the transactions contemplated herein, seeks damages in connection with transactions contemplated herein or would impair the ability of the Company to perform its obligations under this Agreement.

III.20 Reimbursement Matters.

(a) Each Company Entity, as applicable, is certified to participate in the Government Reimbursement Programs with valid and current provider or supplier agreements under such Programs. Except as set forth on Schedule 3.20(a), each Company Entity is in compliance in all material respects with the terms and conditions of participation in the Government Reimbursement Programs and are not subject to any pending or, to the Company's Knowledge, threatened Actions with respect to participation in such programs, other than routine audits. Except as set forth on Schedule 3.20(a), since January 1, 2021, no audits, coding validation review or program integrity review, credentialing or privileging review or other audits or reviews other than in the ordinary course have been conducted by any Government Reimbursement Program or Third Party Payor, and no such reviews, other than those conducted in the ordinary course, are scheduled, pending (for which the Company Entity, as applicable, has received written notice) or, to the Company's Knowledge, threatened against or affecting the Company Entity, as applicable.

(b) Since January 1, 2021, each Company Entity has filed all Cost Reports in respect of the Businesses, and such reports accurately reflect, in all respects, the information to be included thereon, and have been audited (with Notices of Program Reimbursement issued). Except as set forth on Schedule 3.20(b), there are no pending material Actions, adjustments or audits relating to such Cost Reports. To the Company's Knowledge, no Company Entity is subject to any pending but unassessed Government Reimbursement Program claim payment adjustments arising from the Businesses, except to the extent such Company Entity has established reserves for such adjustments in accordance with such Company Entity's accounting policy for establishing any such reserves and that are reflected on the Financial Statements.

(c) Except as set forth in Schedule 3.20(c), all amounts shown as due from any Company Entity in the Cost Reports either were remitted with such Cost Reports or will be remitted when required by Law, and all amounts shown in any Notices of Program Reimbursement as due have been or prior to Closing will be paid when required by Law. Except as set forth in as set forth in Schedule 3.20(c), no Company Entity has received any overpayments from, nor to the Company's Knowledge does any Company Entity owe any outstanding refunds, overpayments, discounts or adjustments to, any Government Reimbursement Program or Third Party Payor, aside from refunds, overpayments, discounts, and adjustments that occur in the ordinary course or that otherwise are not material in amount (or exceed amounts in excess of $100,000). Other than as set forth in Schedule 3.20(c), there are no pending or, to the Company's Knowledge, threatened Actions, appeals, adjustments, challenges, audits, investigations, litigation or written notices of intent to audit any Company Entity with respect to any Cost Reports or any billing required to be filed with respect to any Government Reimbursement Program where the amount in dispute is in excess of $10,000. Other than in connection with the adjudication of billings made in the ordinary course, no Company Entity has received any written notice from any Governmental Authority or any Government Reimbursement Program of any threatened or pending material (individually or in the aggregate), recoupment, or set-off under any Government Reimbursement Program. To the Company's Knowledge, no Company Entity is currently subject to, or since January 1, 2021 has been subjected to, any material pre-payment integrity review by any Government Reimbursement Program arising from or relating to the Business.

III.21 Intellectual Property.

(a) Schedule 3.21 sets forth a true, correct and complete list of all: (i) Intellectual Property that is currently registered, issued or subject to a pending application for registration or issuance before any Governmental Authority (collectively, "***Company Registered IP***"), (ii) material unregistered trademarks and (iii) material proprietary software, in each case of clauses (i)-(iii) above that is owned or purported to be owned (whether exclusively, jointly with any other Person, or otherwise) by any Company Entity and included in the Company IP. Each item of Company Registered IP is valid (or in the case of applications, applied for), subsisting, and enforceable. All registration, maintenance and renewal fees in connection with such Company Registered IP that are or shall be due for payment on or before the Closing have been or shall be timely paid and all documents, recordations and certificates in connection with such Company Registered IP that are or shall be due for filing on or before the Closing have been or shall be timely filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of prosecuting, maintaining and perfecting such Company Registered IP and recording the applicable Company Entity's ownership interests therein. A Company Entity is the record owner of all Company Registered IP.

(b) No Company Entity has jointly developed any Company IP with any other Person with respect to which such other Person has retained any rights in the developed subject matter. Without limiting the generality of the foregoing, each founder, consultant, advisor, employee and independent contractor who independently or jointly contributed to or participated in the conception, reduction to practice, creation or development of any Company Intellectual Property for or on behalf of a Company Entity (each an "***Author***"), has either (i) delivered to a Company Entity "work-for-hire" agreement under which the applicable Company Entity is deemed to be the owner or author of all Company IP created or developed by such Author, or (ii) assigned to that Company Entity, either via operation of law or through a valid, enforceable written agreement (A) all such Author's rights, title and interest in and to the resulting Intellectual Property, (B) a valid and enforceable waiver of all non-assignable rights in and to such Intellectual Property, and (C) customary confidentiality provisions protecting the rights of that Company Entity in trade secrets and other Company proprietary information (such agreements "***Personnel Agreements***"). The Company Entities are in compliance in all material respects with the provisions of the Personnel Agreements. To the Company's Knowledge, it will not be necessary to use any inventions of any of its employees or consultants (or persons it currently intends to hire) made prior to their employment by the Company, including prior employees or consultants, or academic or medical institutions with which any of them may be affiliated now or may have been affiliated in the past.

(c) The Intellectual Property used by the Company Entities and the operation of the Businesses has not and does not infringe (directly or indirectly, including via contribution or inducement), misappropriate or otherwise violate the Intellectual Property of any third party. No Company Entity has been sued in any Action or received any written charge, complaint, demand, notice or other communication alleging any such infringement, misappropriation or other violation.

(d) To the Company's Knowledge, there is no unauthorized use, unauthorized disclosure, infringement, misappropriation or other violation of any Company IP by any third party. No Company Entity has brought any Action against any other Person or sent any notices to any other Person regarding the unauthorized use, unauthorized disclosure, infringement, misappropriation or other violation of any Company IP by such Person. The Company Entities use their respective best efforts to protect and maintain the Company IP. No Company IP is subject to any Action, settlement agreement or right that restricts in any manner the use, transfer or license thereof by any Company Entity, or that may affect the validity, use or enforceability of any Company IP.

(e) None of the execution and performance of this Agreement and the consummation of the transactions contemplated hereby will with or without notice or lapse of time, result in or give any other Person the right or option to cause or declare: (i) a loss of, or Encumbrance on, any Company IP or any other Intellectual Property owned by, or licensed to, any Company Entity; (ii) any grant, assignment, or transfer to any third Person of any license, right, or interest in, to, under, or with respect to any Company IP or any other Intellectual Property owned by, or licensed to, any Company Entity; (iii) any Company Entity being bound by or subject to any exclusivity obligations, non-compete or other restriction on the operation or scope of their respective businesses or any most-favored-nations obligations; (iv) an obligation for any Company Entity to offer any discount or be bound by any "most favored pricing" terms under any Contract to which that Company Entity is a party or bound; (v) any Company Entity being obligated to pay any royalties or other material amounts to any third party in excess of those payable by any of them, respectively, in the absence of this Agreement the transactions contemplated hereby; or (vi) any termination of, or other material impact to, any Company IP.

(f) Each Company Entity have taken all commercially reasonable steps to protect and preserve the confidentiality of all confidential or non-public information of any Company Entity (including trade secrets) as well as any confidential information provided by any third party to any Company Entity (collectively, "***Confidential Information***"). To the Company's Knowledge, no Company Entity has experienced any breach of security or other unauthorized access by third parties to any Confidential Information, including Personal Information in that Company Entity's possession, custody or control. The Company is and has been since January 1, 2021, in compliance in all material respects with (i) all applicable laws relating to privacy, data security, telephone and text message communications, and marketing by email or other channels, including the applicable requirements of HIPAA, (ii) the Company's privacy policies and public written statements regarding the Company's privacy or data security practices, and (iii) the requirements of any contract codes of conduct or industry standards, by which the Company is bound.

(g) The ICT Infrastructure (including its operation and maintenance and any amendments or modifications thereto) will not be adversely affected by the transactions contemplated hereby, and the ICT Infrastructure will continue to be available for use by the Company Entities immediately following the consummation of the transactions contemplated hereby and thereafter on substantially the same terms and conditions as prevailed immediately before the Closing, without further action or payment. No Company Entity has experienced any circumstances, and to the Company's Knowledge no circumstances exist that are likely or expected to give rise to, any disruption in or to the operation of the Businesses as a result of: (A) any substandard performance or defect in any part of the ICT Infrastructure or (B) a breach of security in relation to the ICT Infrastructure. The ICT Infrastructure that is currently used in the Businesses constitutes all the information and communications technology and other systems infrastructure reasonably necessary for the immediate and anticipated needs of such Businesses. The ICT Infrastructure is in good working order and functions in accordance with all applicable documentation and specifications.

III.22 Tax Matters.

(a) Each of the Company Entities has (i) timely filed with the appropriate Taxing Authority all income and other material Tax Returns that are required to be filed by it in accordance with all applicable Laws and all such Tax Returns are true, correct and complete in all material respects, (ii) timely paid to the appropriate Taxing Authority all material amounts of Taxes due and payable, whether or not such Taxes are shown as due and payable on any Tax Return, and (iii) correctly withheld and timely paid over to the appropriate Taxing Authority all material amounts of Taxes that it is required to withhold from amounts paid or owing to any employee, independent contract, creditor, stockholder, member, or other Person.

(a) The unpaid Taxes not yet due and payable owed by or with respect to, as the case may be, each Company Entity: (i) did not, as of the Balance Sheet Date, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the Financial Statements, and (ii) do not exceed that reserve as adjusted for the passage of time through the Effective Date in accordance with the past custom and practice of any Company Entity in filing its Tax Returns. Since the Balance Sheet Date, no Company Entity has incurred any material liability for Taxes outside the ordinary course of business and all Taxes not yet due and payable for a taxable period (or portion thereof) ending on the Effective Date have been accrued, adequately disclosed and fully provided for in accordance with GAAP on the Financial Statements provided to the Buyer.

(b) No Company Entity (i) has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to any Tax assessment or deficiency, which waiver or extension has continuing effect; or (ii) is currently the beneficiary of any extension of time within which to file any Tax Return (other than extensions obtained in the ordinary course of business).

(c) No Taxing Authority has asserted in writing that any Company Entity is responsible for the payment of any additional Taxes for any period. There have been no examinations or audits of any Tax Returns or reports of, or relating to, any Company Entity by any Taxing Authority.

(d) There are no Encumbrances for Taxes upon any of the assets or properties of any Company Entity, except for Permitted Encumbrances.

(e) No Company Entity is a party to any Tax allocation or Tax sharing agreement (other than any such agreement entered into in the ordinary course of business the primary purpose of which is not related to Taxes). Except as set forth on Schedule 3.22(e), no Company Entity has (i) been a member of an Affiliated Group filing a consolidated federal Tax Return, other than an Affiliated Group the common parent of which is the Company, or (ii) has liability for Taxes of any other Person under Treasury Regulations Section 1.1502-6 (or any similar provision of non-U.S., state, or local law), as a transferee or successor, by Contract or otherwise (other than pursuant to any agreement entered into in the ordinary course of business the primary purpose of which is not related to Taxes).

(f) All assets of the Company and its subsidiaries that are "Section 197 intangibles," within the meaning of Section 197(d) of the Code were created after August 10, 1993, and are not subject to the anti-churning rules under Section 197(f)(9) of the Code and Section 1.197-2(h) of the Treasury Regulations.

(g) The Company Entities use the accrual method of accounting for Tax purposes. No Company Entity will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) beginning after the Effective Date as a result of any: (i) "closing agreement" as described in Section 7121 of the Code (or any corresponding provision of applicable income Tax Law); (ii) installment sale or open transaction disposition made on or prior to the Effective Date; (iii) deferred revenue or prepaid amount received on or prior to the Effective Date; (iv) "intercompany transaction" or "excess loss account" described in the Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of any other Tax Law) entered into or existing, respectively, on or prior to the Effective Date; (v) change in method of accounting for a taxable period ending on or prior to the Effective Date; (vi) election pursuant to Section 965 or Section 59A of the Code; or (vii) income inclusion pursuant to Section 951 or Section 951A of the Code with respect to a taxable period (or portion thereof) ending on or prior to the Effective Date.

(h) No Company Entity has been the "distributing corporation" (within the meaning of Section 355(a)(1) of the Code) or the "controlled corporation" (within the meaning of Section 355(a)(1) of the Code) (i) within the three (3)-year period ending as of the Effective Date or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of transactions" (within the meaning of Section 355(e) of the Code) in conjunction with this Agreement.

(i) The Company is, and has always been from the date of its formation, properly treated as a corporation taxed under Subchapter C of the Code for U.S. federal and all other applicable income Tax purposes. Each other Company Entity is a partnership or disregarded as an entity separate from its owner for U.S. federal and all other applicable income Tax purposes, except American Oncology Partners, PA and American Oncology Partners of Maryland, PA, which are variable interest entities of the Company and are corporations for U.S. federal and all other applicable income Tax purposes. No Company Entity has any liability on account of an "imputed underpayment" of Taxes within the meaning of Section 6225 of the Code.

(j) Other than Company Entities that are classified as "disregarded entities" in accordance with Section 301.7701-3(b)(1)(ii) of the Treasury Regulations, each Company Entity is a "United States person" as defined in Section 7701(a)(30) of the Code. No Company Entity is a resident of, engaged in a trade or business in, or otherwise subject to Tax in any country outside the United States. No Company Entity has been a shareholder of (i) a "controlled foreign corporation" as defined in Section 957 of the Code (or any similar provision of state, local or foreign Law), or (ii) a "passive foreign investment company" within the meaning of Section 1297 of the Code. None of the equity interests of the Company has ever been a United States real property interest within the meaning of Section 897(c)(1) of the Code.

(k) No Company Entity has deferred any payroll Taxes or availed itself of any of the Tax deferral, credits or benefits pursuant to the CARES Act, the Presidential Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster, as issued on August 8, 2020, or any similar applicable federal, state, local or non-U.S. Law.

(l) No Company Entity (i) has elected to have the provisions of Chapter 63 of the Code, as amended by the Bipartisan Budget Act of 2015, apply to it with respect to any Tax year beginning prior to January 1, 2018, or (ii) made, or currently has in effect, an election under applicable state or local income Tax Law pursuant to which the entity will incur or otherwise be liable for any state or local income Taxes that would have been borne (in whole or in part) by the direct or indirect equity owners of such entity had no such election been made.

(m) No material property or obligation of any Company Entity, including uncashed checks to vendors, customers, or employees, non-refunded overpayments or unclaimed subscription balances, is escheatable to any state or municipality under any applicable escheatment laws, as of the date hereof or that may at any time after the date hereof become escheatable to any state or municipality under any applicable escheatment legal requirements.

(n) None of the Company Entities have engaged in a "listed transaction" as defined in Section 6707A(c) of the Code or Treasury Regulations Section 1.6011-4(b).

(o) Each Company Entity has properly remitted to the appropriate state Taxing Authority all material sales and use Taxes that were required to be collected or otherwise remitted by such Company Entity.

(p) No claim has ever been made by a Taxing Authority in a jurisdiction where a Company Entity does not file Tax Returns that such Company Entity is or may be subject to taxation by that jurisdiction. No Company Entity has a permanent establishment or otherwise maintains an office or fixed place of business in any country other than in the country in which it is organized.

(q) No Company Entity is or has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

III.23 Affiliate Transactions. Except as set forth on Schedule 3.23: (a) no officer, director, owner or Affiliate of the Company or any of its Subsidiaries or, to the Knowledge of the Company, any individual in such officer's, director's or owner's immediate family is a party to any Material Contract (other than (a) employment agreements, offer letters, consulting agreements, membership interest or stockholder agreements and option agreements, contracting agreements, fringe benefits and other compensation paid to directors, officers, employees and other service providers, (b) reimbursements of expenses incurred in the ordinary course of their employment or service which are not material in amount or significance, (c) any indemnification agreements with any directors or officers, (d) Employee Benefit Plans listed on Schedule 3.17(a) (and amounts paid pursuant to such plans) with the Company or any of its Subsidiaries or has any material interest in any material property used by the Company or any of its Subsidiaries.

III.24 Absence of Changes. Except as expressly contemplated by this Agreement, as disclosed on the Financial Statements or as set forth on Schedule 3.24, no Company Entity has, since the Balance Sheet Date:

(a) amended or restated, or approved the amendment or restatement of, the Governing Documents of such Company Entity;

(b) made or changed any tax election, entered into any closing agreement or any settlement or compromise of any tax liability, amended any Tax Return, or affirmatively surrendered any right to claim a tax refund;

(c) settled or compromised any material pending or threatened Action that would result in a material obligation on the Buyer or its Affiliates, other than any settlement or compromise that such Company Entity reasonably determines to be a favorable outcome;

(d) made any material capital expenditure or commitment for additions to property, plant or equipment for any purpose outside of the ordinary course of business;

(e) sold, transferred, leased, optioned or otherwise disposed of any material assets, except in the ordinary course of business;

(f) granted or incurred any obligation for any material increase in the compensation or benefits of any employee or service provider of the Company Entities (including any material increase pursuant to any bonus, pension, profit sharing, retirement, severance or other plan or commitment), except in the ordinary course of business or as may be required under applicable Law or the terms of an existing Employee Benefit Plan;

(g) received any written notice from any Governmental Authority of any material liability, potential liability or claimed liability based on any violation of Law;

(h) suffered any material damage, destruction or loss with respect to or affecting the any facility at which employees, representatives or agents of the Company Entities perform services on behalf of the Company Entities;

(i) instituted any material change in any Company Entity's accounting practices or methods, cash management policies, depreciation or amortization policies, or method of purchase, sale, lease, management, marketing or operation with respect to the Businesses;

(j) issued, created, incurred or assumed any third-party indebtedness in excess of $500,000 or guaranty of indebtedness or forgiven, cancelled, waived or released any indebtedness owed to any Company Entity;

(k) received notice, written or otherwise, of any resignation or termination of employment of any Key Employee of the Company; or

(l) agreed or committed to take any of the actions referred to in this Section 3.24.

III.25 Anti-Corruption and Anti-Bribery Laws. The Company Entities, subject to applicable statutes of limitation, have at all times been, and is currently, in compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "***FCPA***"), the U.K. Bribery Act 2010, and any other applicable anti bribery or anti-corruption law. Neither any Company Entity, nor any of its respective directors, officers, employees or, to the Company's Knowledge, any agents acting on the Company's behalf have, directly or indirectly, made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the FCPA), foreign political party or official thereof or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party or candidate, (ii) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign governmental authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist the Company or any of its affiliates in obtaining or retaining business for with, or directing business to, any Person. Neither any Company Entity, nor any of its respective directors, officers, employees or, to the Company's Knowledge, any agents acting on the Company's behalf have made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation. Each Company Entity has maintained, and has caused each of its subsidiaries and affiliates to maintain, systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) and policies to ensure compliance with the FCPA, the U.K. Bribery Act 2010 and any other applicable anti bribery or anti-corruption law, and to ensure that all books and records of the Company Entity accurately and fairly reflect, in reasonable detail, all transactions and dispositions of funds and assets. Neither any Company Entity, nor, to the Company's Knowledge, any of its respective directors, officers', directors or employees are the subject of any allegation, voluntary disclosure, to the Company's Knowledge, investigation, prosecution or other enforcement action related to the FCPA or any other applicable anti-corruption laws.

III.26 Compliance with Sanctions and Anti-Money Laundering Laws. Neither any Company Entity nor any of its respective directors, officers, employees, or, to the Company's Knowledge, any agents acting on the Company's behalf is a Sanctioned Person (as defined below). The Company Entities, and to the Company's Knowledge, their affiliates and the directors, officers, employees, and agents are in compliance with, and have not previously violated, any of the Sanctions (as defined below), the U.S. Bank Secrecy Act, as amended by the USA Patriot Act of 2001, and the U.S. Money Laundering Control Act of 1986, as amended through the date hereof, to the extent applicable to the Company Entities, and all other applicable anti-money laundering and economic sanctions laws and regulations of the United States or any other applicable jurisdiction. For the purposes of this paragraph: (i) "***Sanctions***" means any of the laws, executive orders, regulations and rules related to sanctions programs administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("***OFAC***"), the Bureau of Industry and Security of the U.S. Department of Commerce ("***BIS***") or the U.S. Department of State ("***State Department***"). (ii) "***Sanctioned Person***" means any government, country, corporation or other entity, group or individual with whom or which the Sanctions prohibit or restrict a U.S. Person from engaging in transactions, and includes without limitation any individual or corporation or other entity that appears on the OFAC list of Specially Designated Nationals and Blocked Persons (the "***SDN List***") and other lists maintained by OFAC, the BIS Entity List, Denied Persons List and Unverified List, and the sanctions lists maintained by the State Department, as each such list may be amended from time to time. (iii) "***U.S. Person***" means any U.S. citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person (individual or entity) in the United States, and, with respect to OFAC's sanctions programs relating to Cuba and Iran, also includes any corporation or other entity that is owned or controlled by one of the foregoing, without regard to where it is organized or doing business.

III.27 No Brokerage. Except as set forth on Schedule 3.27, no Company Entity has retained any broker or finder, or made any statement or representation to any Person that would entitle such Person to, or agreed to pay, any broker's, finder's or similar fees or commissions in connection with the transactions contemplated by this Agreement or any other Transaction Document.

III.28 Available Information. The Company Entities have made available to the Buyer all the information that the Buyer has requested for deciding whether to acquire the Shares, including its proposed business plan and strategy (the "***Business Plan***"). No representation or warranty of the Company contained in this Agreement and no certificate furnished or to be furnished to Buyers at the Closing contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The Business Plan was prepared in good faith.

Article IV – REPRESENTATIONS AND WARRANTIES OF THE BUYER

As of the Effective Date, the Buyer represents and warrants to the Company the following:

IV.1 Capacity, Authority and Consents.

(a) The Buyer is duly organized, validly existing and in good standing under the Laws of the state of its formation or incorporation. The Buyer has all requisite power and authority to enter into the transactions under this Agreement and the other Transaction Documents, to perform its obligations hereunder, to own, lease and operate its properties, and to conduct its business as now being conducted. The Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the conduct of its business or the ownership, leasing, holding or use of its properties makes such qualification necessary or advisable.

(b) The execution, delivery and performance of this Agreement and all other Transaction Documents to which the Buyer is or will become a party and the actions to be taken by the Buyer in connection with the consummation of the transactions contemplated herein:

(i) are within the powers of the Buyer, are not in contravention of applicable Law or the terms of the Buyer's Governing Documents and have been duly authorized by all appropriate action;

(ii) except as set forth on Schedule 4.1(b)(ii), do not require any Consent of (A) any Governmental Authority or (B) any third party;

(iii) except as set forth in Schedule 4.1(b)(iii), will not result in any material breach or contravention of, nor permit the acceleration of the maturity of or termination of, payment of any penalty or constitute a default under, the terms of any material indenture, mortgage or other Contract to which the Buyer is a party or otherwise bound; and

(iv) will not violate any Law to which the Buyer is subject.

IV.2 Binding Agreement. This Agreement and each other Transaction Document to which the Buyer is or will become a party is and will constitute the valid and legally binding obligations of the Buyer, and is and will be enforceable against the Buyer in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

IV.3 Litigation and Proceedings. There are no Actions pending or, to the Buyer's knowledge, threatened against the Buyer, or any governing Persons thereof, at law or in equity, or before or by any Governmental Authority, that if adversely determined could be reasonably expected to materially impair the Buyer's ability to fulfill its obligations under this Agreement.

IV.4 **No Brokerage**. Except as set forth on Schedule 4.4, neither the Buyer nor any of its Affiliates has retained any broker or finder, or made any statement or representation to any Person that would entitle such Person to, or agreed to pay, any broker's, finder's or similar fees or commissions in connection with the transactions contemplated by this Agreement or any other Transaction Document.

IV.5 **Securities Laws Representations**. In connection with the transfer of the Shares to the Buyer, the Buyer represents and warrants that:

(a) The Buyer is accepting transfer of the Shares for investment for the Buyer's own account only and not with a view to, or for resale in connection with, any "distribution" of the Shares within the meaning of the Securities Act.

(b) The Buyer understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the Buyer's investment intent as expressed herein.

(c) The Buyer understands that the Shares are "restricted securities" under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Buyer must hold the Shares indefinitely unless it is registered with the Securities and Exchange Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Buyer acknowledges that the Company has no obligation to register or qualify the Shares for resale. The Buyer further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares, and requirements relating to the Company which are outside of the Buyer's control, and which the Company is under no obligation and may not be able to satisfy.

(d) The Buyer will not sell, transfer, pledge or otherwise dispose of any Shares received by the Buyer unless and until (A) such Shares are subsequently registered under the Securities Act and any applicable state securities laws, or (B) (y) an exemption from such registration is available thereunder, and (z) the Buyer has notified the Company of the proposed transfer and has furnished the Company with an opinion of counsel in a form reasonably satisfactory to the Company that such transfer will not require registration of such Shares under the Securities Act. The Buyer understands that the Company is not obligated, and does not intend, to register any such Shares either under the Securities Act or any state securities laws. The Buyer authorizes the Company to issue stop transfer instructions to its transfer agent, or, so long as the Company may act as its own transfer agent, to make a stop transfer notation in its appropriate records, in order to ensure the Buyer's compliance with this provision.

(e) Buyer is a sophisticated investor with sufficient knowledge, sophistication and experience in business, including transactions involving private investments, to properly evaluate the risks and merits of its purchase of the Shares. Buyer has determined based on its own independent review and such professional advice as it deems appropriate that its purchase of the Shares (i) are fully consistent with its financial needs, objectives and condition, (ii) comply and are fully consistent with all investment policies, guidelines and other restrictions applicable to Buyer, (iii) if applicable, do not and will not violate or constitute a default under Buyer's charter, bylaws or other constituent document, or under any law, rule, regulation, agreement or other obligation by which such Buyer is bound and (iv) are a fit, proper and suitable investment for Buyer, notwithstanding the substantial risks inherent in investing in or holding the Shares.

(f) Buyer did not learn of the investment in the Shares as a result of any general or public solicitation or general advertising, or publicly disseminated advertisements or sales literature, including (a) any advertisement, article, notice or other communication published in any newspaper, magazine, website, or similar media, or broadcast over television or radio, or (b) any seminar or meeting to which Buyer was invited by any of the foregoing means of communications.

IV.6 Acknowledgements.

(a) The Buyer acknowledges (for itself and on behalf of its Affiliates) that: (i) it and its representatives have had an opportunity to meet with representatives of the Company Entities to discuss the businesses, operations, assets, properties, liabilities, and condition (financial and otherwise) of the Company Entities; (ii) the Company and its Representatives have not made, and are not making, any representations or warranties whatsoever regarding the subject matter of this Agreement, express or implied, except for those representations and warranties expressly set forth in this Agreement, any certificate delivered pursuant hereto, or in any other Transaction Document; and (iii) the Buyer is not relying and has not relied on any other representations or warranties whatsoever regarding the subject matter of this Agreement, express or implied.

(b) In connection with the Buyer's investigation of the Company Entities, the Buyer has received from or on behalf of the Company Entities certain future business plans and strategies. The Buyer acknowledges that (i) there are uncertainties inherent in attempting to make such plans and (ii) the Buyer is familiar with such uncertainties and that, subject to the express representations and warranties of the Company Entities set forth herein, the Buyer has made its own evaluation and determination related to such plans. The Parties agree that no provision of this Agreement is intended to eliminate the Buyer's remedies with respect to any actual and intentional fraud, willful misconduct or criminal acts of the Company.

IV.7 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and similar taxes and fees ("***Transfer Taxes***") incurred in connection with this Agreement shall be borne by the Company. Any party required under applicable law to file any Tax Return or other document with respect to such Transfer Taxes shall file such tax return (and the other parties shall cooperate with respect thereto as necessary, and the Company shall reimburse any other party filing such tax return pursuant to this Section 4.7 for such Transfer Taxes).

Article V – CLOSING CONDITIONS

V.1 Conditions to the Buyer's Obligations at Closing. The obligations of the Buyer to purchase Shares at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

(a) Representations and Warranties. The representations and warranties of the Company contained in Article III shall be true and correct in all respects as of the Closing.

(b) Performance. The Company shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by the Company in all respects on or before the Closing.

(c) Compliance Certificate. The Chief Executive Officer or President of the Company shall deliver to the Buyer a certificate certifying that the conditions specified in Sections 5.1(a) and 5.1(b) have been fulfilled.

(d) Secretary's Certificate. The Secretary of the Company shall have delivered to the Buyer a certificate certifying the Certificate of Incorporation and Bylaws of the Company as in effect at the Closing and the resolutions of the Board approving the Transaction Documents and the transactions contemplated under the Transaction Documents.

(e) Qualifications. All Permits, if any, that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of the Closing.

(f) Board of Directors. As of the Closing, the authorized size of the Board shall be seven, and the Board shall be comprised of Stephen Divers, Bradley M. Fluegel, Ravi Sarin, Todd Schonherz, James Stith, William J. Valle and one vacancy.

(g) Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incidental thereto shall be reasonably satisfactory in form and substance to the Buyer, and the Buyer shall have received all such counterpart original and certified or other copies of such documents as reasonably requested. Such documents may include good standing certificates.

(h) Registration Rights Agreement. The Registration Rights Agreement Joinder and the Registration Rights Agreement Amendment shall have been executed by the Company and delivered to the Buyer.

(i) Side Letter. The Side Letter shall have been executed by the Company and delivered to the Buyer.

V.2 Conditions to the Company's Obligations at Closing The obligations of the Company to sell Shares to the Buyer at the Closing are subject to the fulfillment, on or before the Closing, of each of the following conditions, unless otherwise waived:

(a) Representations and Warranties. The representations and warranties of the Buyer contained in Article IV shall be true and correct in all respects as of the Closing.

(a) Performance. The Buyer shall have performed and complied with all covenants, agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by them on or before the Closing.

(b) Qualifications. All Permits if any, that are required in connection with the lawful issuance and sale of the Shares pursuant to this Agreement shall be obtained and effective as of the Closing.

(c) Registration Rights Agreement. The Registration Rights Agreement Joinder and the Registration Rights Agreement Amendment shall have been executed by the Buyer and delivered to the Company.

Article VI – INDEMNIFICATION

VI.1 Indemnification by the Buyer. Subject to the terms and conditions of this Agreement, from and after the Closing, the Buyer shall defend, indemnify and hold harmless the Company (and its respective Affiliates, and its respective officers, directors, employees, counsel, agents, successors and assigns) (collectively, the "***Company Indemnified Parties***") from and against any and all actual losses, damages, liabilities, obligations, fees, fines, amounts paid in settlement, demands, deficiencies, claims, interest, awards, judgments, penalties, costs and expenses (including reasonable attorneys' fees, costs and other out-of-pocket expenses incurred in investigating or defending the foregoing) (hereinafter collectively, "***Losses***") to the extent arising out of or resulting from:

(a) any breach of representation or warranty by the Buyer under this Agreement;

(b) any breach by the Buyer of, or any failure by the Buyer to perform, any covenant or agreement of, or required to be performed by, the Buyer under this Agreement; or

(c) any actual and intentional fraud, willful misconduct or criminal acts of the Buyer.

VI.2 **<u>Indemnification by the Company</u>**. Subject to the terms and conditions of this Agreement, from and after the Closing, the Company shall defend, indemnify and hold harmless the Buyer (and its respective Affiliates, and its respective officers, directors, employees, counsel, agents, successors and assigns) (collectively, the "***Buyer Indemnified Parties***" and collectively with the Company Indemnified Parties, the "***Indemnified Parties***") from and against any and all actual Losses to the extent arising out of or resulting from:

(a) any breach of representation or warranty by the Company under this Agreement;

(b) any breach by the Company of, or any failure by the Company to perform, any covenant or agreement of, or required to be performed by, the Company under this Agreement; or

(c) any actual and intentional fraud, willful misconduct or criminal acts of the Company.

VI.3 **<u>Third Party Claims</u>**. An Indemnified Party seeking indemnity as set forth in this <u>Article VI</u> as a result of a claim or liability that is asserted in writing by a third party against the Company Indemnified Party (a "***Third Party Claim***") shall notify the Person against whom the indemnity is sought (the "***Indemnifying Party***") in writing of the Third Party Claim within thirty (30) business days after receipt of such written assertion of a claim or liability describing in reasonable detail to the extent such information is known at the time (a) the facts giving rise to any claim for indemnification hereunder, (b) the amount or method of computation of the amount of such claim, (c) each individual item of Loss included in the amount so stated, to the extent known, and (d) the nature of the breach of representation, warranty, covenant or agreement with respect to which such Indemnified Party claims to be entitled to indemnification hereunder (all of the foregoing, the "***Claim Information***"), and shall provide any other information with respect thereto as the Indemnifying Party may reasonably request. The failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this <u>Article VI</u> except to the extent that the Indemnifying Party is materially prejudiced by such failure; *provided, however*, that the Indemnifying Party shall in no event be liable in respect of any Loss, claim or liability from and after the expiration of six (6) months after the date the Indemnified Party receives written assertion of such Loss, claim or liability, unless the Claim Information in respect of such Loss, claim or liability has been provided to the Indemnifying Party pursuant to this <u>Section 6.3</u>. The Indemnifying Party shall have the right to defend any such Third Party Claim and control the defense of such Third Party Claim; *provided, however*, that the Indemnified Party shall have the right to reasonably approve counsel selected by the Indemnifying Party, and if the Indemnifying Party, within ten (10) business days after notice of such Third Party Claim, fails to take appropriate steps to defend such Third Party Claim or the Third Party Claim relates to Taxes, the Indemnified Party will (upon further notice to the Indemnifying

Party) have the right to control the defense of such Third Party Claim on behalf of and for the account and at the risk and expense of the Indemnifying Party. If the Indemnifying Party assumes the defense of such Third Party Claim, the Indemnified Party shall have the right to employ separate counsel and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party; *provided* that if in the reasonable opinion of counsel for the Indemnified Party, there is a conflict of interest between the Indemnified Party and the Indemnifying Party, the Indemnifying Party shall be responsible for the reasonable fees and expenses of one counsel to such Indemnified Party in connection with such defense. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party all witnesses, pertinent records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as is reasonably required by the Indemnifying Party. If the Indemnifying Party assumes the defense of any Third Party Claim, the Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise, or offer to settle or compromise, any Third Party Claim if the terms of such settlement do not contain a complete release of the Indemnified Party(ies) in connection with such Third Party Claim or (i) would result in the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party, (ii) would result in a finding or admission of wrongdoing or violation of Law by the Indemnified Party, (iii) would result in any monetary liability of the Indemnified Party that will not be paid or reimbursed by the Indemnifying Party, or (iv) has a material adverse effect on any ongoing business of the Indemnified Party. Whether or not the Indemnifying Party assumes the defense of a Third Party Claim, the Indemnified Party shall not admit any liability with respect to, or settle, compromise or discharge, or offer to settle, compromise or discharge, such Third Party Claim without the Indemnifying Party's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

VI.4 **Direct Claims**. If an Indemnified Party becomes aware of any breach of the representations or warranties of the Indemnifying Party hereunder or any other basis for indemnification under this Article VI, the Indemnified Party shall notify the Indemnifying Party in writing of the same within thirty (30) business days after becoming aware of such breach or claim, with such notice containing the Claim Information, and shall provide any other information with respect thereto as the Indemnifying Party may reasonably request. The Indemnified Party shall reasonably cooperate and assist the Indemnifying Party in determining the validity of any claim for indemnity by the Indemnified Party and in otherwise resolving such matters. Such assistance and cooperation shall include providing reasonable access to and copies of information, records and documents relating to such matters, furnishing employees to assist in the investigation, defense and resolution of such matters and providing legal and business assistance with respect to such matters. Should the Indemnified Party fail to notify the Indemnifying Party within the time frame required above, the Indemnified Party nonetheless shall be entitled to indemnification by the Indemnifying Party to the extent that the Indemnifying Party has not established that it has been materially prejudiced by the failure to receive timely notice.

VI.5 **Scope of Liability**. Except in the case of matters relating to fraud, willful misconduct, gross negligence, or criminal acts or equitable relief (including the enforcement of any covenant requiring performance following the Closing), from and after the Closing, the sole and exclusive remedy of any Indemnified Party for any breach of any representation, warranty, covenant or other claim arising out of or relating to this Agreement and/or the transactions contemplated hereby is set forth in this Article VI.

Article VII – GENERAL PROVISIONS

VII.1 Additional Assurances. Each of the Parties shall, and shall cause its respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such additional further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement. In addition and without limiting the generality of the preceding sentence, from time to time after the Closing, the Buyer and the Company shall each execute and deliver, or cause to be executed and delivered, such other reasonable instruments of conveyance and transfer, and take such other reasonable actions as any Party may reasonably request, to more effectively convey and transfer full right, title and interest to, vest in, and place the Buyer in legal and actual possession of the Shares, including, in the case of the Company, executing and delivering to the Buyer such assignments, deeds, bills of sale, consents and other instruments as the Buyer or its counsel may reasonably request as necessary or desirable for such purpose.

VII.2 Choice of Law; Venue. All Actions (in contract or tort) arising out of or relating to this Agreement, the negotiation, execution or performance of this Agreement, the transactions contemplated hereby, any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (including its statutes of limitations), without regard to conflicts of law principles. The venue of all disputes, claims, and lawsuits arising hereunder shall lie in the state and federal courts located in the State of Delaware. Each Party hereby waives, and agrees not to assert, any defense in any Action arising out of or relating to this Agreement or the transactions contemplated hereby that such Party is not subject thereto or that such Action may not be brought or is not maintainable in such courts or that this Agreement may not be enforced in or by such courts or that such Party's property is exempt or immune from execution or that such Action is brought in an inconvenient forum or that the venue of such Action is improper.

VII.3 Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, INVOLVING OR RELATING TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER AMONG THEM RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

VII.4 Benefit, Assignment and Third Party Beneficiaries. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective legal representatives, successors and assigns; *provided*, *however*, that the Company may not assign this Agreement without the prior written consent of the Buyer; *provided, further*, that, other than in connection with a distribution of the Shares (or any securities issued or issuable on conversion or exchange thereof) to Buyer's equity holders, the Buyer may not assign this Agreement without the prior written consent of the Company. This Agreement is intended solely for the benefit of the Parties and is not intended to, and shall not, create any enforceable third party beneficiary rights. Nothing in this Section 7.4 shall relieve Buyer of its obligations hereunder, including without limitation its obligation to consummate the transactions contemplated hereby, pay all amounts due hereunder and satisfy its indemnification obligations hereunder.

VII.5 **Cost of Transaction**. The Company, at the direction of the Buyer, will pay those reasonable transaction expenses, including legal fees, advisory fees, and debt fees incurred by the Buyer in connection with the preparation, negotiation and execution of this Agreement and the Transaction Documents, and the performance and consummation of the transactions contemplated hereby and thereby.

VII.6 **Public Announcements**. No Party shall release, publish or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of the other Parties, except for information and filings (a) reasonably necessary to be directed to Governmental Authorities to fully and lawfully effect the transactions herein contemplated or (b) required under Law or the rules of any stock exchange applicable to a Party or its Affiliates, in which case, the Party issuing such information or announcement shall provide written notice and a copy of such required information disclosure or announcement to the other Parties not less than two (2) business days prior to the date of such disclosure or announcement. Nothing in this Section 7.6 shall prevent the Buyer from disclosing the transactions herein contemplated to the limited partners or potential limited partners of the Buyer or their Affiliates.

VII.7 **Waiver of Breach**. Except as may be provided to the contrary elsewhere herein, no delay or omission by any Party to exercise any right or power under this Agreement or pursuant to Law shall impair such right or power or be construed as a waiver thereof. The waiver by any Party of any representation, warranty, covenant or condition, breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof. Any agreement on the part of either Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such Party.

VII.8 **Notice**. Any notice, demand or communication required, permitted or desired to be given hereunder shall be deemed effectively given when personally delivered with signed receipt, when delivered by electronic mail with electronic confirmation of delivery (unless not delivered on a business day or delivered after 5:00 p.m. Eastern Time on a business day, in which case such delivery shall be deemed effective on the next succeeding business day), when delivered by overnight courier with signed receipt, or when delivered by registered United States mail, with postage prepaid and return receipt requested, addressed to the addresses below or to such other address as any Party may designate, with copies thereof to the respective counsel thereof as notified by such Party.

Buyer: c/o AEA Growth Management LP
520 Madison Avenue 40th Floor
New York, NY 10022
Attention: General Counsel
Email: compliance@aeainvestors.com

With copies (which shall not constitute notice) to:

Cooley LLP
3175 Hanover Street
Palo Alto, CA 94304
Attention: Sepideh Mousakhani and Milson Yu

Email: smousakhani@cooley.com; myu@cooley.com

Company: American Oncology Network, Inc.
14543 Global Pkwy, Suite 110
Fort Myers, FL 33913
Attention: Todd Schonherz, Chief Executive Officer
E-mail: todd.schonherz@aoncology.com

With copies (which shall not constitute notice) to:

Dentons US LLP
1221 Avenue of the Americas
New York, NY 10020
Attention: Brian Lee
Email: brian.lee@dentons.com

VII.9 **Severability**. In the event any provision (or portion thereof) of this Agreement, or the application of any such provision (or portion thereof) to any Person or circumstance, is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

VII.10 **Interpretation**. In the interpretation of this Agreement, except where the context otherwise requires, (a) "including" or "include" does not denote or imply any limitation, (b) "or" has the inclusive meaning "and/or," (c) "and/or" means "or" and is used for emphasis only, (d) "$" refers to United States dollars, (e) the singular includes the plural, and vice versa, and each gender includes each other gender, (f) the table of contents, captions and headings are only for reference and shall not affect in any way the meaning or interpretation of this Agreement, (g) "Section" refers to a section of this Agreement, unless otherwise stated in this Agreement, (h) "Exhibit" refers to an exhibit to this Agreement (which is incorporated herein by reference), unless otherwise stated in this Agreement, (i) "Schedule" refers to a section of the Disclosure Schedule attached as Exhibit D hereto and incorporates any attachments thereto (which are incorporated herein by reference), unless otherwise stated in this Agreement, (j) all references to times are times in Eastern Time, (k) "day" refers to a calendar day unless expressly identified as a "business day," which means any day that is not a Saturday, Sunday, or official federal holiday in the United States, (l) any capitalized terms used in any Schedule or Exhibit, but not otherwise defined therein, shall have the meaning as defined herein, (m) any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein, (n) references to a Person are also to its permitted successors and assigns and (o) the terms "hereof", "hereunder" and "herein" and words of similar import shall be construed to refer to this Agreement as a whole (including all Exhibits hereto) and not to any particular provision of this Agreement.

VII.11 **Entire Agreement, Amendments and Counterparts**. This Agreement and the other Transaction Documents supersede all previous Contracts, statements, representations, warranties, covenants, agreements or prior written material between the Parties regarding the subject matter hereof and thereof and constitute the entire agreement existing between or among the Parties respecting the subject matter hereof and thereof, and no Party shall be entitled to benefits other than those specified herein and therein. As between or among the Parties, no oral statements, representations, warranties, covenants, agreements or prior written material not specifically incorporated herein shall be of any force and effect, and neither Party is relying on any such oral statements, representations, warranties, covenants, agreements or prior written material. All prior statements, representations, warranties, covenants, agreements or material, whether written or oral, not expressly incorporated herein are superseded and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all Parties. This Agreement may be executed in counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Signatures received via facsimile or other electronic transmission shall be accepted as originals. Notwithstanding any oral agreement or course of conduct of the Parties or their Representatives to the contrary, no Party shall be under any legal obligation to enter into or complete the transactions contemplated hereby unless and until this Agreement shall have been executed and delivered, or caused to be delivered, by each Party. This Agreement may not be amended except by an instrument in writing signed on behalf of each Party.

VII.12 **Enforcement**. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each Party shall be entitled to specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, without proof of actual damages (and each Party waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which such Party is entitled at law or in equity. Each Party hereby further waives (i) any defense in any Action for specific performance that a remedy at law would be adequate, and (ii) any requirement under any Law to post security or bond as a prerequisite to obtaining equitable relief.

VII.13 **Personal Liability**. This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect equity holder of any Party or any officer, director, employee, investor or other Representative of any Party.

VII.14 **Disclosure Generally**. The fact that any item of information is disclosed in any Schedule shall not be construed to mean that such information is required to be disclosed by this Agreement. Such information and the dollar thresholds set forth herein shall not be used as a basis for interpreting the terms “material” or “Material Adverse Change” or other similar terms in this Agreement.

VII.15 **Time of Essence**. Time is of the essence with regard to all dates and time periods set forth or referred to in this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Class A Common Stock Purchase Agreement to be executed by their authorized officers as of the Effective Date.

COMPANY:

American Oncology Network, Inc.

By: /s/ Todd Schonherz
Name: Todd Schonherz
Title: Chief Executive Officer

IN WITNESS WHEREOF, the Parties have caused this Class A Common Stock Purchase Agreement to be executed by their authorized officers as of the Effective Date.

BUYER:

AEA AON Aggregator LLC

By: AEA Growth Equity GP LLC
Its: Manager

By: /s/ James Stith
Name: James Stith
Title: Vice President

AMENDMENT NO. 1
TO
AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

This AMENDMENT NO. 1 TO AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "**Amendment**") is dated as of November 12, 2024, by and among American Oncology Network, Inc., a Delaware corporation (the "**Company**"), AEA Growth Equity Fund LP and AEA Growth Equity Fund (Parallel) LP (collectively, "**AEA Growth**"), AEA AON Purchaser LLC ("**Purchaser**") and AEA AON Aggregator LLC ("**Aggregator**"). Terms used but not otherwise defined herein shall have the respective meanings ascribed to them in that certain Amended and Restated Registration Rights Agreement dated as of September 20, 2023 (the "**Registration Rights Agreement**").

WHEREAS, Aggregator is party to the Registration Rights Agreement pursuant to that certain Joinder, dated November 12, 2024;

WHEREAS, Purchaser and Aggregator are, collectively, the holder of a majority-in-interest of the Registrable Securities as of the date hereof;

WHEREAS, pursuant to Section 7.7 of the Registration Rights Agreement, the Holders of a majority-in-interest of the Registrable Securities (which majority-in-interest must include AEA) (the "***Requisite Holders***"), with the consent of the Company, may amend and modify the Registration Rights Agreement; and

WHEREAS, the undersigned constitute the Requisite Holders; and

WHEREAS, the Company and the Aggregator are parties to that certain Class A Common Stock Purchase Agreement, dated on or about the date hereof (the "**Purchase Agreement**"), under which the obligations of the Company and Aggregator are conditioned upon the execution and delivery of this Amendment.

NOW, **THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **<u>Amendment to Registration Rights Agreement</u>**.

(a) The definition of "AEA" set forth in Section 1 of the Registration Rights Agreement is hereby amended and restated in its entirety to read as follows:

"**AEA**" means, collectively, AEA AON Purchaser LLC, AEA AON Aggregator LLC, AEA Growth Equity Fund LP, AEA Growth Equity Fund (Parallel) LP and any Affiliates of the foregoing; provided, that, with respect to references to any "request," "consent" or similar of AEA, "AEA" shall mean AEA Growth Equity Fund LP or any Person that, directly or indirectly, controls AEA Growth Equity Fund LP.

(b) A new Section 8 shall be inserted immediately following Section 7 of the Registration Rights Agreement reading in its entirety as follows:

8 Suspension of Obligations. Notwithstanding any provision to the contrary, for so long as the Company is eligible to suspend its duty to file reports under section 15(d) of

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the Exchange Act and such duty is actually suspended, neither the Company nor any Holder that is not an executive officer or director of the Company shall have any obligations under Sections 2.1, 2.2, 2.4, 3, 5 and 6 of this Agreement, and the Company may, at its discretion file amendments to any Registration Statement(s) to terminate any offerings related thereto, and to cease to file any reports under the under the Securities Act and the Exchange Act.

(c) Section 7.7 of the Registration Rights Agreement is hereby amended and restated in its entirety to read as follows:

7.7 Modifications and Amendments. Upon the written consent of (i) the Company and (ii) the Holders of at least a majority-in-interest of the Registrable Securities at the time in question (which must include the holders of a majority-in-interest of the Registrable Securities held by AEA at the time in question), compliance with any of the provisions, covenants and conditions set forth in this Agreement may be waived, or any of such provisions, covenants or conditions may be amended or modified; provided, however, that, notwithstanding the foregoing, any amendment hereto or waiver hereof that adversely affects the Sponsor or one Holder, solely in his, her or its capacity as a holder of the shares of capital stock of the Company, in a manner that is materially different from the other Holders (in such capacity), shall require the consent of the Sponsor or Holder so affected. No course of dealing between the Sponsor, any Holder or the Company and any other party hereto or any failure or delay on the part of the Sponsor, a Holder or the Company in exercising any rights or remedies under this Agreement shall operate as a waiver of any rights or remedies of the Sponsor, any Holder or the Company. No single or partial exercise of any rights or remedies under this Agreement by a party shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder or thereunder by such party.

2. **Miscellaneous**.

(a) Except as expressly set forth herein, the Registration Rights Agreement shall remain in full force and effect.

(b) This Amendment shall be governed by the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of choice of law.

(c) This Amendment may be executed in any number of counterparts (including via PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com), each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Registration Rights Agreement as of the date first written above.

COMPANY:

AMERICAN ONCOLOGY NETWORK, INC.

By: /s/ Todd Schonherz
Name: Todd Schonherz
Title: Chief Executive Officer

**[Signature Page to Amendment No. 1 to
Amended and Restated Registration Rights Agreement]**

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to Amended and Restated Registration Rights Agreement as of the date first written above.

PURCHASER:

AEA AON PURCHASER LLC

By: AEA AON Aggregator LLC
Its: Member
By: AEA Growth Equity GP LLC,
Its: Manager

By: /s/ James Stith
Name: James Stith
Title: Vice President

AGGREGATOR:

AEA AON AGGREGATOR LLC

By: AEA Growth Equity GP LLC,
Its: Manager

By: /s/ James Stith
Name: James Stith
Title: Vice President

AEA:

AEA GROWTH EQUITY FUND LP

By: AEA Growth Equity Partners LP, its general partner
By: AEA Growth Equity GP LLC, its general partner

By: /s/ James Stith
Name: James Stith
Title: Vice President

AEA GROWTH EQUITY FUND (PARALLEL) LP

By: AEA Growth Equity Partners LP, its general partner
By: AEA Growth Equity GP LLC, its general partner

By: /s/ James Stith
Name: James Stith

[Signature Page to Amendment No. 1 to
Amended and Restated Registration Rights Agreement]

Title: Vice President

[Signature Page to Amendment No. 1 to
Amended and Restated Registration Rights Agreement]

STOCKHOLDERS AGREEMENT

between

AMERICAN ONCOLOGY NETWORK, INC.

and

AEA GROWTH MANAGEMENT LP

Dated as of July 18, 2024

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STOCKHOLDERS AGREEMENT

STOCKHOLDERS AGREEMENT (this "Agreement"), dated as of July 18, 2024 between American Oncology Network, Inc., a Delaware corporation (the "Company"), and AEA Growth Equity Fund LP and AEA Growth Equity Fund (Parallel) LP, each a Delaware limited partnership (collectively, "AEA"). This Agreement shall be effective upon the date of consummation of any transaction that results in the AEA Parties being the beneficial owner, directly or indirectly, of more than 40% of the outstanding voting power of the Company (the "Effective Date").

RECITALS

WHEREAS, AEA has agreed to enter into this stockholders agreement with the Company to provide for reasonable and customary protections of the Company's minority stockholders.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties agree as follows:

Article I

DEFINITIONS

Section I.1 Certain Defined Terms. As used herein, the following terms shall have the following meanings:

"AEA" has the meaning assigned to such term in the preamble.

"AEA Parties" means AEA along with its Affiliates and any Person acting jointly or in concert with AEA or any of its Affiliates through a proxy or voting agreement or any agreement, commitment or understanding in writing to acquire or offer to acquire voting securities of the Company. The definition of the term "AEA Parties" shall not include any Person with a passive or noncontrolling direct or indirect interest in an AEA Party.

"Affiliate" has the meaning set forth in Rule 12b-2 promulgated by the Securities and Exchange Commission under the Exchange Act.

"Agreement" has the meaning assigned to such term in the preamble.

"beneficial owner" or "beneficially own" has the meaning given to such term in Rule 13d-3 under the Exchange Act and a Person's beneficial ownership of Company Securities or other voting securities of the Company shall be calculated in accordance with the provisions of such Rule; provided, however, that for purposes of determining beneficial ownership, no Person shall be deemed beneficially to own any security solely as a result of such Person's execution of this Agreement; and further provided that a Person is deemed to be the beneficial owner of Company Securities or other voting securities of the Company if such securities is the subject of, or the reference securities for, or that underlie, any Derivative Position held directly or indirectly by such Person or any of such Person's Affiliate. For the avoidance of doubt, the definition of the terms "beneficial owner" and "beneficially own" shall not include passive or noncontrolling ownership of securities of any entity that itself directly or indirectly beneficially owns Company Securities.

"Board" means the Board of Directors of the Company.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in The City of New York.

"Bylaws" means the Bylaws of the Company, as in effect on the date hereof and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the terms of the Charter and the terms of this Agreement.

"Capital Stock" means the Class A Common Stock, the Class B Common Stock and the Series A Preferred Stock.

"Charter" means the Amended and Restated Certificate of Incorporation of the Company, as in effect on the date hereof and as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and the terms of this Agreement.

"Class A Common Stock" means the Class A common stock of the Company, par value $0.0001 per share, of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Class B Common Stock" means the Class B common stock of the Company, par value $0.0001 per share, of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Co-Sale Participants" means the Minority Stockholders participating in a Transfer of Company Securities pursuant to Section 3.1.

"Company" has the meaning assigned to such term in the preamble.

"Company Securities" means Class A Common Stock, Class B Common Stock, Series A Preferred Stock, and the warrants exercisable for Class A Common Stock.

"control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Deemed Liquidation Event" shall mean (i) a merger or consolidation in which (a) the Company is a constituent party or (b) a Subsidiary is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation; provided, that, a Deemed Liquidation Event shall not include any such merger or consolidation involving the Company or a Subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or (ii) (a) the sale, in a single transaction or series of related transactions, by the Company or any Subsidiary of all or substantially all the assets of the

Company and its Subsidiaries taken as a whole, or (b) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one (1) or more Subsidiaries if substantially all of the assets of the Company and its Subsidiaries taken as a whole are held by such Subsidiary or Subsidiaries, except where such sale is to a wholly owned Subsidiary of the Company.

"Derivative Position" shall mean any option, warrant, convertible security, stock appreciation right, or other security, contract right or derivative position or similar right (including any "swap" transaction with respect to any security, other than a broad based market basket or index), whether or not presently exercisable, that has an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of Company Securities or a value determined in whole or in part with reference to, or derived in whole or in part from, the value of the Company Securities and that increases in value as the market price or value of the Company Securities increases or that provides an opportunity, directly or indirectly, to profit or share in any profit derived from any increase in the value of the Company Securities.

"Director" means any member of the Board.

"Director Notice" has the meaning assigned to such term in Section 2.1(a)(ii)(1).

"Director Notice Objection Period" has the meaning assigned to such term in Section 2.1(a)(ii)(1).

"Director Objection" has the meaning assigned to such term in Section 2.1(a)(ii)(1).

"Effective Date" has the meaning assigned to such term in the preamble.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Independent Director" means a Director that (i) is independent of each of the AEA Parties and the Company and the Person or Persons appointing such Director, as determined by reference to the list of enumerated relationships precluding independence under the listing rules of the rules of the Nasdaq Stock Market LLC and (ii) does not have any material commercial or personal relationship or ties with any of the AEA Parties, the Company or any Affiliate of the Company.

"Law" means any laws (including common law), statutes, ordinances, codes, rules, regulations, orders (including any injunctions, judgments, doctrines, decrees, rulings, writs, assessments or arbitration awards of any government, court, arbitrator, regulatory or administrative agency, commission or authority or other governmental instrumentality, whether federal, state or local, domestic, foreign or multinational) and decrees.

"Majority of the Minority" means a majority by number of shares and by voting power of the Minority Stockholders.

"Minority Independent Director" has the meaning assigned to such term in Section 2.1(a).

"Minority Stockholders" means the stockholders of the Company other than AEA and the other AEA Parties as of the Effective Date.

"Person" means any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivisions thereof.

"Representative" means, with respect to a Person, the officers, directors, employees, agents, accountants, lawyers, advisors, bankers and other representatives of such Person.

"Required Directors" has the meaning assigned to such term in Section 2.2(a).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series A Preferred Stock" means the Series A preferred stock of the Company, par value $0.0001 per share, of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any stock split, dividend or combination, or any reclassification, recapitalization, merger, consolidation, exchange or other similar reorganization.

"Short Form Merger" means a merger effected pursuant to Section 253 of the Delaware General Corporation Law or any similar statute.

"Subsidiary" means (i) any corporation of which a majority of the securities entitled to vote generally in the election of directors thereof, at the time as of which any determination is being made, are owned by another entity, either directly or indirectly, and (ii) any joint venture, general or limited partnership, limited liability company or other legal entity in which an entity is the record or beneficial owner, directly or indirectly, of a majority of the voting interests of any such entity or the general partner or managing member.

"Termination Date" means the earliest of (i) the consummation of a Short Form Merger, (ii) the date that the AEA Parties cease to beneficially own, directly or indirectly, at least 25% of the outstanding voting securities of the Company (such number of voting securities being calculating based on voting power), (iii) the time at which no Company Securities are owned by any Person or entity other than the AEA Parties, and (iv) if applicable, the thirty-six (36) month anniversary of the date on which the Company's securities are delisted from trading on the Nasdaq Stock Market (the "Outside Date") if the consummation of any transaction that results in the AEA Parties being beneficial owner, directly or indirectly, of more than 40% of the outstanding voting power of the Company has not occurred by the Outside Date.

"Transfer" means, directly or indirectly, to sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, voting, receipt of dividends or other distributions, hypothecation or similar disposition of, any shares of Company Securities beneficially owned by a Person or any interest in any Company Securities beneficially owned by a Person, including, but not limited to, any swap or any other agreement including a transaction that transfers or separates, in whole or in part, any of the economic consequences of ownership of shares of Company Securities and/or voting thereof, whether such transaction is to be settled by delivery of Company Securities, other securities, cash or otherwise; provided, however, that "Transfer" shall not include (i) transfers on a rolling 12-month period, in the aggregate, of a direct or indirect interest in AEA representing a less than 5% beneficial ownership interest in the Company, (ii) transfers by AEA to any of its Affiliates or Subsidiaries, (iii) transfers of direct or indirect interests in any of the AEA Parties (which shall include, for the avoidance of doubt, transfers of interests in any direct or indirect owner of an AEA

Party); (iv) transfers of Capital Stock among the AEA Parties; (v) any indirect Transfer or attempted indirect Transfer of Company Securities by any of the AEA Parties; (vi) any Transfer in a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, or pursuant to a Deemed Liquidation Event; or (vii) any direct or indirect Transfer by an AEA Party to employees or physicians of the Company. For the avoidance of doubt, "Transfer" shall not include additional issuances of equity securities by any Person.

"Transferee" means any Person to whom Company Securities are Transferred.

Section I.2 Other Definitional Provisions.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article and Section references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

Article II

CORPORATE GOVERNANCE

Section II.1 Minority Independent Director Board Representation.

(a) AEA agrees to vote, and to ensure its controlled Affiliates will vote, all shares of Capital Stock owned by AEA or its controlled Affiliates, respectively, in whatever manner as shall be necessary to elect the following persons to the Board:

(i) At least one (1) Independent Director designated by mutual agreement of the other then-seated Independent Director(s) (or in the event that there are no other Independent Directors, the Board of Directors); and

(ii) One (1) Independent Director designated in the following manner (the "Minority Independent Director"):

(1) If the Company is subject to the reporting requirements of the Exchange Act at such time, promptly give notice to the Minority Stockholders by means of an announcement on Form 8-K of the proposed successor Minority Independent Director, or if the Company is not subject to the reporting requirements of the Exchange Act at such time, by means of a press release through a widely disseminated news or wire service (the "Director Notice").

(2) The Majority of the Minority may object to such proposed Minority Independent Director by providing written notice to the Company within twenty (20) Business Days (the "Director Notice Objection Period") after delivery or publication of the Director Notice (a "Director Objection").

(3) If the Company receives a Director Objection, the remaining Independent Director(s) shall, as soon as practicable thereafter (and in any case within thirty (30) Business Days), designate another proposed successor Minority Independent Director and promptly repeat the procedures set forth in this Section 2.1(a)(ii).

(4) The designation of any replacement Minority Independent Director shall not be effective until the end of the Director Notice Objection Period.

(b) In the event that a vacancy is created for any reason and at any time by, without limitation, the death, disability, retirement, resignation or removal (with or without cause) of an Independent Director, such vacancy shall be filled in the same manner set forth in Section 1.2(a).

(c) The initial Minority Independent Director as of the Effective Date shall be William J. Valle.

(d) The Board shall maintain a Nominating and Corporate Governance Committee (or a committee having responsibilities typically assigned to such a committee, the "NGC") with at least three (3) members, and both of the Independent Directors shall be entitled to serve on the NGC. The NGC shall be established and otherwise maintained by the Board, including pursuant to Section 5.1 of the Company's bylaws. The NGC shall have duties and responsibilities customary for such a committee and subject to the Company's organizational documents (including any certificates of designations) and the Delaware General Corporation Law. For the avoidance of doubt, and notwithstanding Section 5.2 of the Company's bylaws, the full Board shall continue to have the sole authority to Sections 3.2, 3.3 and 3.4 of the Company's bylaws, subject to compliance with Section 2.1(b) above.

(e) The Company hereby agrees to take, at any time and from time to time, all actions necessary to effectuate the actions and procedures specified in this Section 2.1.

Section II.2 Consent Rights.

(a) In addition to any vote or consent of the Board or the stockholders of the Company required by Law or the Charter, and notwithstanding anything in this Agreement to the contrary, until two years from the Effective Date, the Company shall not take, and will ensure any controlled Affiliate will not take, any of the following actions, or enter into any arrangement or contract to do any of the following actions, without the consent in writing of the Minority Independent Director (or a majority of the Independent Directors then-seated or the sole remaining Independent Director, if there is no Minority Independent Director seated at the time of the proposed action(s)) (such consent being the consent of the "Required Directors"):

(i) any amendment, repeal or alteration of the Charter or the Bylaws or the organizational documents of any Subsidiary of the Company, that would adversely affect the rights of the Minority Stockholders in a disproportionate manner;

(ii) any transaction by the Company or any Subsidiary, on the one hand, with or involving any of the AEA Parties, on the other hand, (including, for the avoidance of doubt, any transaction or agreement requiring the payment of a management fee by the Company to any of the AEA Parties) other than (A) any co-sale transaction conducted in accordance with Section 3.1 hereof, (B) any other transaction expressly permitted or expressly contemplated by this

Agreement or that certain side letter agreement dated June 7, 2023, by and between the Company and AEA, (C) standard employee benefits generally made available to all employees and standard employee offer letters and assignment agreements, and (D) standard director and officer indemnification agreements in substantially the form approved by the Board.

(b) In connection with any vote or action by written consent of the stockholders of the Company relating to any matter requiring consent as specified in Section 2.2(a), AEA agrees to vote all shares of Capital Stock owned by AEA and to ensure its controlled Affiliates will vote all shares of Capital Stock owned by such controlled Affiliates, against (and not act by written consent to approve or to issue a revocation of any prior written consent, as applicable) such matter if it has not been consented to by the Required Directors in accordance with Section 2.2(a).

Article III

TRANSFERS

Section III.1 Right of Co-Sale on Transfers by AEA.

(a) In the event of a proposed Transfer of Company Securities by any of the AEA Parties of more than ten percent (10%) of the Company Securities held by the AEA Parties, the Minority Stockholders shall have the right to participate in such Transfer in the manner set forth in this Section 3.1. Prior to any such Transfer, AEA or the applicable AEA Party, as the case may be, shall deliver to the Company and the NGC prompt written notice of such proposed Transfer. Within ten (10) days of receipt of such notice, the applicable AEA Parties and the members of the NGC shall negotiate in good faith a mechanism (which may include a tender offer) to allow the Minority Stockholders the right to directly or indirectly participate in such proposed Transfer of Company Securities. For the avoidance of doubt, direct or indirect transfers of interests in any of the AEA Parties (including transfers of interests in any direct or indirect owner of an AEA Party) shall not give rise to any co-sale rights pursuant to this Section 3.1.

(b) In connection with a transaction contemplated by this Section 3.1, the Co-Sale Participants will be required to make the same customary representations, covenants, indemnities and agreements as the applicable AEA Parties so long as they are made severally and not jointly and the liabilities thereunder are borne on a *pro rata* basis based on the consideration to be received by each holder; provided, however, that (x) any general indemnity given by any of the AEA Parties to the purchaser in connection with such sale applicable to liabilities not specific to the AEA Parties shall be apportioned among the Co-Sale Participants according to the consideration received by each Co-Sale Participant and shall not exceed such Co-Sale Participant's proceeds from the sale; (y) a Co-Sale Participant shall not be obligated to enter into any non-compete or other post-closing covenant that restricts its activities in any way; and (z) a Co-Sale Participant shall not be responsible for breaches of representations and warranties made by any other seller with respect to such other seller's (A) ownership of and title to Company Securities, (B) organization, (C) authority and (D) conflicts and consents or breaches of covenants by any other securityholder of the Company.

Section III.2 Void Transfers. Any Transfer or attempted Transfer of Company Securities in violation of any provision of this Agreement shall be null and void *ab initio*, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company.

Article IV

STANDSTILL PROVISIONS

Section IV.1 Standstill. During the period commencing on the date of this Agreement and ending on the Termination Date, AEA shall not, and shall cause and direct all of the AEA Parties controlled by AEA not to, directly or indirectly, in any manner, take any of the following actions, unless prior approval from the Required Directors has been obtained:

(a) acquire, offer to acquire, or cause to be acquired any ownership or other interest in any Company Securities, or otherwise enter into any contract, arrangement, understanding or relationship (or modify or amend any such existing contract, arrangement, understanding or relationship) with respect to any Company Securities, such that AEA would have beneficial ownership of more than 80% of the outstanding voting power of the Company; or

(b) publicly request any waiver of, the obligations set forth in this Article IV; provided, this Section 4.1(b) shall not be deemed to prevent AEA from defending any claim by the Company that AEA has breached this Article IV.

Article V

REPRESENTATIONS AND WARRANTIES

Section V.1 Representations and Warranties of the Company. The Company represents and warrants to AEA as of the date hereof that:

(a) This Agreement has been duly and validly authorized by the Company and all necessary and appropriate action has been taken by the Company to execute and deliver this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly executed and delivered by the Company and, assuming due authorization and valid execution and delivery by AEA, is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

Section V.2 Representations and Warranties of AEA. AEA represents and warrants to the Company as of the date hereof that:

(a) This Agreement has been duly and validly authorized by AEA and all necessary and appropriate action has been taken by AEA to execute and deliver this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly executed and delivered by AEA and, assuming due authorization and valid execution and delivery by the Company, is a valid and binding obligation of AEA, enforceable against AEA in accordance with its terms.

Article VI

MISCELLANEOUS

Section VI.1 Additional AEA Parties. Following the Effective Date, AEA shall use its reasonable best efforts to promptly cause each AEA Party who beneficially owns shares of Capital Stock to become a party to this Agreement by executing and delivering a counterpart signature page to this Agreement.

Section VI.2 Amendments and Modifications; Termination. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto that has been approved in writing by the Minority Independent Director (or a majority of the Directors on the Board who are Independent Directors if there is no Minority Independent Director), signed on behalf of AEA and the Company. This Agreement shall terminate and be of no further force and effect upon the Termination Date. No termination of this Agreement as aforesaid shall relieve AEA of any liability it may have hereunder for a breach of this Agreement by AEA prior to such termination.

Section VI.3 Waivers. No failure or delay of any party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the parties hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have hereunder. Any agreement on the part of either party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such party.

Section VI.4 Successors, Assigns and Transferees. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

Section VI.5 Third-Party Beneficiary. Subject to the immediately succeeding sentence, this Agreement is not intended to, and shall not, confer upon any Person other than the parties hereto any rights or remedies hereunder. Notwithstanding anything to the contrary in this Section 6.5, for purposes of Section 3.1 only, each holder of Company Securities as of the Effective Date shall be entitled to enforce this Agreement and shall be an express third-party beneficiary hereto; provided, however, that such enforcement for purposes of Section 3.1 shall be limited to the extent of the Company Securities held by such securityholder on the date hereof.

Section VI.6 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email with electronic confirmation of delivery if sent during normal business hours of the recipient, or if not, then on the next Business Day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to such party's address as set forth below or at such other address as the party shall have furnished to each other party in writing in accordance with this provision:

(a) if to the Company, to:

American Oncology Network, Inc.
14543 Global Pkwy #110
Fort Myers, FL 33913
Attention: Todd Schonherz & Erica Mallon
Email Todd.Schonherz@aoncology.com & Erica.Mallon@aoncology.com

with a copy (which shall not constitute notice) to:

Dentons US LLP
1221 Avenue of the Americas
New York, New York 10020
Attention: Brian Lee
Email: brian.lee@dentons.com

(b) if to AEA, to:

AEA Growth Management LP
520 Madison Avenue 40th Floor
New York, NY 10022
Attention: General Counsel
Email: compliance@aeainvestors.com

with a copy (which shall not constitute notice) to:

Cooley LLP
3175 Hanover Street
Palo Alto, CA 94304
Attention: Sepideh Mousakhani and Milson Yu
Email: smousakhani@cooley.com and myu@cooley.com

Section VI.7 Entire Agreement. This Agreement constitutes the entire agreement, and supersedes all prior written agreements, arrangements, communications and understandings and all prior and contemporaneous oral agreements, arrangements, communications and understandings between the parties with respect to the subject matter hereof. Notwithstanding any oral agreement or course of action of the parties or their Representatives to the contrary, no party to this Agreement shall be under any legal obligation to enter into or complete the transactions contemplated hereby unless and until this Agreement shall have been executed and delivered by each of the parties.

Section VI.8 Delays or Omissions. It is agreed that no delay or omission to exercise any right, power or remedy accruing to any party, upon any breach, default or noncompliance by the other party under this Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on the part of any party hereto of any breach, default or noncompliance under this Agreement or any waiver on such party's part of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by Law, or otherwise afforded to any party, shall be cumulative and not alternative.

Section VI.9 Governing Law; Jurisdiction. This agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the Law of the State of Delaware without regard to the conflicts of law principles thereof to the extent that such principles would direct a matter to another jurisdiction.

Section VI.10 Submission to Jurisdiction. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to this Agreement brought by a party hereto or its successors or assigns shall be brought and determined in the Court of Chancery of the State of Delaware or the United States District Court for the District of Delaware, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the aforesaid courts for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the parties agrees not to commence any action, suit or proceeding relating thereto except in the courts described above in Delaware, other than actions in any court of competent jurisdiction to enforce any judgment, decree or award rendered by any such court in Delaware as described herein. Each of the parties further agrees that notice as provided herein shall constitute sufficient service of process and the parties further waive any argument that such service is insufficient. Each of the parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby: (a) any claim that it is not personally subject to the jurisdiction of the courts in Delaware as described herein for any reason; (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise); and (c) that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section VI.11 Waiver of Jury Trial. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section VI.12 Severability. If any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party, such holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof, as long as the remaining provisions, taken together, are sufficient to carry out the overall intentions of the parties as evidenced hereby.

Section VI.13 Illegality. Nothing contained herein shall cause any Person to take any action that would be unlawful for such Person to take; provided, however, that, in the event that any Person discovers that performance of the obligations of this Agreement would result in an unlawful action, the Company and AEA agree to promptly negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable Law so that the transactions and rights contemplated hereby are fulfilled and preserved to the extent possible.

Section VI.14 Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to seek specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in the Court of Chancery of the State of Delaware or the United States District Court for the District of Delaware, this being in addition to any other remedy to which such party is entitled at law or in equity. Each of the parties hereby further waives (a) any defense in any action for specific performance that a remedy at law would be adequate and (b) any requirement under any Law to post security as a prerequisite to obtaining equitable relief.

Section VI.15 Titles and Subtitles. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

Section VI.16 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement as of the date set forth in the first paragraph hereof.

COMPANY:

AMERICAN ONCOLOGY NETWORK, INC.

By: Todd Schonherz
Name: Todd Schonherz
Title: Chief Executive Officer

AEA:

AEA GROWTH EQUITY FUND LP

By: AEA Growth Equity Partners LP
Its General Partner

By: AEA Growth Equity GP LLC
Its General Partner

By: /s/ Barabara Burns
Name: Barbara Burns
Title: Vice President

AEA GROWTH EQUITY FUND (PARALLEL) LP

By: AEA Growth Equity Partners LP
Its General Partner

By: AEA Growth Equity GP LLC
Its General Partner

By: /s/ Barabara Burns
Name: Barbara Burns
Title: Vice President

EMPLOYMENT AND SEVERANCE BENEFITS AGREEMENT

THIS EMPLOYMENT AND SEVERANCE BENEFITS AGREEMENT (the "Agreement") is made and entered into effective as of the "Commencement Date" (as hereinafter defined) by and between AON Central Services, LLC, a Delaware limited liability company (the "Company"), and David Afshar (the "Employee"). The Company and the Employee are hereinafter sometimes referred to individually as a "Party," and collectively as the "Parties."

INTRODUCTION

This Agreement sets forth the provisions under which the Company has agreed to employ the Employee, and the Employee has agreed to accept such employment, and the compensation and severance arrangement by and between the Parties for all services performed or provided by the Employee as Chief Financial and Operating Officer for or on behalf of the Company, as hereinafter defined.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Employment.

1.1. In General. The Company hereby employs the Employee, and the Employee hereby accepts such employment, subject to the provisions of this Agreement.

1.2. Employment Term. The initial term of the Employee's employment hereunder shall be for a period of five (5) years commencing on June 1, 2024 (the "Commencement Date"), unless terminated earlier as provided in Section 6 hereof (the "Initial Term"); provided, however, that this Agreement and the Employee's employment hereunder shall automatically renew on the fifth (5th) anniversary of the Employee's employment hereunder and on each annual anniversary thereafter (each a "Renewal Date"), upon the same terms and conditions set forth herein, for additional periods of one (1) year each (each a "Renewal Term"), unless terminated earlier as provided in Section 6 hereof or unless either Party elects not to renew the term of this Agreement and the Employee's employment hereunder by giving the other Party advance written notice thereof at least thirty (30) calendar days prior to the applicable Renewal Date (a "Non-Renewal"). The period during which the Employee is employed by the Company hereunder is hereinafter referred to as the "Employment Term."

2. Position and Duties.

2.1. In General. Subject to the terms and conditions of this Agreement, the Employee shall, during the Employment Period, (a) serve as the Company's Chief Financial and Operating Officer, (b) perform such duties and exercise such authority as customarily performed and exercised by persons holding such office, (c) comply with the policies and procedures of the Company, as such may be modified from time to time, provided that the same are reasonable and do not violate any applicable law or the terms of this Agreement, and (d) perform such other services and duties as the Chief Executive Officer of the Company (the "CEO") and/or the Board of Directors of American Oncology Network, Inc., a Delaware corporation ("AON"), an affiliate of the Company (the "AON Board"), may reasonably assign to the Employee from time to time. Subject to the terms and conditions of this Agreement, the Employee shall, during the Employment Period, if so requested by the CEO and/or the AON Board, also serve without additional compensation as an officer, director, or manager of the Company's Affiliates. For purposes of this Agreement, the term "Affiliate" shall mean any person or entity, controlling, controlled by, or under common control with the Company. During the Employment Period, the Employee shall report directly to the CEO or to such other person as the AON Board may reasonably designate from time to time. Notwithstanding the foregoing, and subject to the provisions set forth in Section 6.7 of this Agreement, the Employee's duties, responsibilities, and authority shall be subject to the power of the CEO and/or the AON Board to expand or limit such duties, responsibilities, or authority and to override the actions or decisions of the Employee. For certainty, it is expressly acknowledged that, for purposes of this Agreement, the Company's Affiliates shall include, but shall not be limited to, all of the following companies (referred to individually and collectively herein as "AON Group") regardless of whether the Company and certain entities comprising the AON Group would be deemed "affiliates" as such term is defined in Rule 501 of Regulation D under the Federal Securities Act of 1933, as amended: AON, the current and future direct and indirect wholly and partially-owned subsidiaries of AON, American Oncology Management Company, LLC, a Delaware limited liability company, American Oncology Network, LLC, a Delaware limited liability company, American Oncology Partners, P.A., a Florida professional service corporation, American Oncology Partners of Maryland, P.A., a Maryland professional corporation, American Oncology Partners of Hawaii, LLC, a Florida limited liability company, AON Pharmacy, LLC, a Florida limited liability company, Meaningful Insights Biotech Analytics, LLC, a Delaware limited liability company, and/or any other companies which are currently or may in the future be under common control (through ownership of a majority of the issued and outstanding voting equity securities, contract or otherwise) with or managed by any of the foregoing entities and engaged in the operation of the AON Group's business.

2.2. Full-Time Employment; Home Office. The Employee's employment hereunder shall be of a full-time nature. During the Employment Term, the Employee shall devote the Employee's best efforts and substantially all of the Employee's active business time and attention (except for permitted leaves of absence for vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company. During the Employment Term, the Employee shall perform the Employee's duties and responsibilities to the best of the Employee's abilities in a diligent and professional manner. At all times during the Employment Term, Employee's home office shall be based in Marietta, Georgia and Employee shall provide his duties and responsibilities remotely, subject to business travel as reasonably required to perform Employee's duties and responsibilities.

2.3. Restrictions on Outside Activities. During the Employment Term, the Employee shall not engage in any business activity which, in the reasonable judgment of the Company, conflicts with the duties of the Employee hereunder, whether or not such activity is pursued for gain, profit, or other pecuniary advantage. The foregoing restrictions shall not limit or prohibit the Employee from engaging in investment activities or community, charitable, or social activities, included participation in industry organizations and manufacturer advisory boards, provided such activities do not adversely affect or otherwise interfere with the performance of the Employee's duties and obligations hereunder. The Employee shall be required to disclose any such participation in oncology industry organizations and drug manufacturer advisory boards to the Chief Compliance Officer and Chief Executive Officer prior to any such engagement. The Company shall not be entitled to any portion of remuneration paid to the Employee for participation in such approved outside activities.

3. Compensation. For each year of the Employment Term, the Company shall pay to the Employee, in consideration for all services performed or provided by the Employee for or on behalf of the Company hereunder, the compensation, benefits, and other amounts as more particularly described in Exhibit A attached hereto (the "Compensation Schedule").

4. Severance Benefits. Except as otherwise provided herein, and subject to the terms, conditions, and limitations set forth in this Agreement, if the Employee's employment with the Company terminates, the Employee shall be entitled to receive a certain amount of severance benefits as determined in accordance with the provisions of this Section 4.

4.1. In General. Except as otherwise provided herein, and subject to the terms, conditions, and limitations set forth in this Agreement (and, specifically those in Section 4.3), if the Company terminates the Employee's employment without Cause, the Company elects a Non-Renewal, or if there is a mutual agreement to terminate Employee's employment, the Company shall pay severance benefits to the Employee equal to one (1) year of the Employee's current Base Salary at the time of termination (the one- (1-) year duration of such severance benefits shall be referred to as the "Severance Benefit Period").

4.2. Benefits. The Company will provide for continuation through the Severance Benefit Period of any and all employee benefits (medical, dental, vision, prescription, voluntary benefits, etc.) that the Employee received while employed. The Company shall continue to pay the employer contribution and the Employee shall continue to pay the Employee contribution, payable consistent with standard pay cycles.

4.3. Payment. The severance benefits payable to the Employee under this Section 4 shall be paid in convenient installments, without interest and in arrears, in accordance with the Company's customary payroll practices, but not less frequently than monthly.

4.4. Forfeiture. Notwithstanding anything to the contrary contained in this Agreement or any other agreement by and between the Company and the Employee, the Company shall have no obligation to pay or to continue to pay any severance benefits or any other amount to the Employee under this Section 4, and the Employee shall irrevocably forfeit and shall have no right to receive or continue to receive any such severance benefits or other amounts, if any one or more of the following express conditions or events occur:

(a) the Company terminates the Employee's employment with Cause;

(b) the Employee terminates the Employee's employment without Cause;

(c) during the Severance Benefit Period, the Employee breaches or fails to comply with any material provision of this Agreement that survives the termination of Employee's employment, including, without limitation, the restrictive covenants set forth in Section 8 of this Agreement;

(d) during the Severance Benefit Period, the Employee engages in any Restricted Activity (as hereinafter defined); or

(e) the Employee fails to execute and deliver a release substantially in the form attached hereto as Exhibit B and incorporated herein by reference, with such revisions and modifications as may be reasonably requested by the Company and Employee at the time of signing thereof (the "Release"), or the Employee revokes such Release.

4.5. Exceptions to Forfeiture. If the Employee's employment is terminated by the Employee at any time during the Employment Term for Good Reason or Employee elects a Non-Renewal, or as a result of the Employee's death or Disability, the Employee shall be entitled to receive the severance benefits as determined in this Section 4.

4.6. Conditions. The non-occurrence of each condition or event described in Section 4.4 hereof is an express condition to the obligation of the Company to pay or to continue to pay any such severance benefits or other amounts to the Employee under this Section 4.

4.7. Intentionally Deleted.

5. Representations and Warranties. The Employee hereby represents and warrants to the Company that (a) the execution, delivery, and performance of this Agreement by the Employee does not and shall not conflict with, breach, violate, or cause a default under any agreement, contract, or instrument to which the Employee is a party or any judgment, order, or decree to which the Employee is subject; (b) the Employee is not a party to or bound by any employment agreement, consulting agreement, non-compete agreement, confidentiality agreement, or similar agreement with any other person or entity; (c) the Employee has never been suspended, excluded, or barred from, or sanctioned under, any state or federal healthcare program, including, without limitation, the Medicare or Medicaid programs, and, to the best knowledge of the Employee, no basis exists for any such action; and (d) upon the execution and delivery of this Agreement by the Parties, this Agreement shall be a valid and binding obligation of the Employee, enforceable in accordance with its terms.

6. Termination of Employment. This Agreement and the Employee's employment hereunder may be terminated as follows:

6.1. Mutual Agreement. The Parties may terminate this Agreement and the Employee's employment hereunder at any time by mutual agreement.

6.2. Non-Renewal. This Agreement and the Employee's employment hereunder may be terminated by either Party by way of non-renewal pursuant to Section 1.2 hereof.

6.3. Death. This Agreement and the Employee's employment hereunder shall immediately and automatically terminate upon the death of the Employee.

6.4. Voluntary Termination by Either Party.

6.4.1. Company. The Company may terminate the Employee's employment hereunder at any time during the Employment Term for any reason, without any stated reason, or regardless of the reason whatsoever by giving the Employee written notice thereof not less than thirty (30) calendar days prior to the date specified in such written notice. The Company may, at any time after giving the Employee written notice of such termination, place the Employee on administrative leave and suspend the Employee from providing services hereunder for part or all of such required notice period. During such administrative leave, the Company shall continue to pay the compensation, benefits, and other amounts payable to the Employee hereunder as described in or contemplated by the applicable provisions of the Compensation Schedule. Such administrative leave shall be applied against and reduce any unused leaves of absence of the Employee, and the Employee shall not, during such period of administrative leave, be entitled to any additional leaves of absence for paid time off or personal time off or for any other purpose. During such administrative leave, all other provisions of this Agreement shall continue in effect.

6.4.2. Employee. The Employee may, at any time during the Employment Term, terminate this Agreement and the Employee's employment hereunder for any reason, without any stated reason, or regardless of the reason whatsoever by giving the Company written notice thereof not less than thirty (30) calendar days prior to the date specified in such written notice.

6.5. Termination for Cause.

6.5.1. In General. Subject to the provisions of Section 6.5.2 hereof, the Company may terminate this Agreement and the Employee's employment hereunder for "Cause" (as hereinafter defined) by giving the Employee written notice thereof. For purposes of this Agreement, "Cause" shall mean:

(a) the Employee's material failure to perform (other than by reason of Disability) such duties as are usual and customary for persons of similar office and are reasonably and lawfully requested by the Chief Executive Officer or his designee, as documented in writing to the Employee (including by e-mail);

(b) intentionally deleted;

(c) the Employee's significant violation of Company policies which are generally applicable to an executive of the Company;

(d) the Employee's willful misconduct, including, without limitation, violation of the Company's sexual or other harassment policy, acts of fraud, theft, or financial dishonesty with respect to the Company, or misappropriation of Company property (other than customary and de minimis use of Company property for personal purposes);

(e) the Employee's material breach of this Agreement;

(f) intentionally deleted;

(g) intentionally deleted;

(h) intentionally deleted;

(i) intentionally deleted;

(j) the Employee knowingly violates any applicable state or federal statute, law, rule, or regulation related to health care or the delivery of a health care item or service;

(k) intentionally deleted;

(l) the Employee is convicted of, or enters a plea of guilty, no contest, or nolo contendere to, a felony charge or any other crime involving fraud, theft, embezzlement, dishonesty, or moral turpitude.

6.5.2. Notice and Opportunity to Cure.

6.5.2.1. Despite anything contained in Section 6.5.1 hereof to the contrary, if, during the Employment Term, any event described in Section 6.5.1 hereof occurs and such event is capable of being cured, the Company shall, except as otherwise provided herein, provide the Employee with written notice thereof specifying in reasonable detail the nature and extent of such event and an opportunity to cure such event within the cure period set forth in the notice, such cure period to be no shorter than ten (10) business days after the Employee receives such written notice from the Company. If (and only if) the Employee fails to cure such event within the specified cure period, the Company may terminate this Agreement and the Employee's employment hereunder by giving the Employee written notice thereof; provided, however, if the Company has previously provided the Employee with notice and opportunity to cure the same or substantially the same event within the previous twelve (12) month period, the Company shall have no duty or obligation to provide the Employee with any other or further notice and opportunity to cure, the Employee shall have no right to any such notice and opportunity to cure, and the Company may terminate this Agreement and the Employee's employment hereunder immediately by delivering written notice thereof to the Employee.

6.5.2.2. Despite the foregoing provisions of this Section 6.5.2, if, during the Employment Term, any event described in Section 6.5.1 hereof occurs, and if the Company determines in good faith that such event is incapable of being cured or could materially adversely affect the Company, the Company may terminate this Agreement and the Employee's employment hereunder immediately without any opportunity to cure such event or with such shorter cure period as the Company may determine to be appropriate by delivering written notice thereof to the Employee specifying in reasonable detail the reason or reasons for such termination or such shorter cure period.

6.6. Disability.

6.6.1. In General. Subject to applicable law, the Company may terminate the Employee's employment hereunder due to "Disability" (as hereinafter defined) by delivering written notice thereof to the Employee.

6.6.2. Disability. For purposes of this Agreement, "Disability" or "Disabled" means, with respect to the Employee, the inability of the Employee, due to physical or mental incapacity, to perform the essential functions of the Employee's job for ninety (90) cumulative days during any twelve (12) consecutive month period. In the event of a dispute as to whether the Employee is Disabled for purposes of this Agreement, the Employee shall submit at the Company's expense to an examination by a qualified independent physician selected by the Company, subject to employee's reasonable approval, and the opinion of such physician shall be conclusive and binding on the Employee and the Company.

6.7. Good Reason. The Employee may terminate the Employee's employment hereunder for Good Reason by delivering written notice thereof to the Company. For purposes of this Agreement, "Good Reason" means (i) a material breach by the Company of any material term or condition of this Agreement; (ii) a substantial or unusual increase in Employee's responsibilities and authority without an offer of additional reasonable compensation; (iii) a substantial or unusual reduction in Employee's responsibilities or authority; or (iv) the Company's requirement that Employee permanently relocate his home office to an office more than fifty (50) miles from Marietta, GA. If Employee elects to terminate Employee's employment for Good Reason, Employee will provide the Company written notice specifying in reasonable detail the nature and extent of the circumstances forming the basis for Good Reason, after which Company shall have thirty (30) days to cure. If Company has not cured and Employee elects to terminate Employee's employment, Employee will do so within thirty (30) days after the end of the cure period.

7. Obligations Subsequent to Termination. If this Agreement or the Employee's employment hereunder terminates or expires for any reason or regardless of the reason whatsoever, whether voluntarily or involuntarily, the Parties shall have the following respective obligations:

7.1. Compensation. Except as otherwise provided in this Agreement, including the Compensation Schedule, if this Agreement or the Employee's employment hereunder terminates or expires for any reason or regardless of the reason whatsoever, whether voluntarily or involuntarily, the obligations of the Company to pay or provide any compensation, benefits, or other amounts, and the Employee's right to receive any such compensation, benefits, or other amounts, shall be subject to and governed by the provisions of the Compensation Schedule.

7.2. Cooperation of Parties. Following any notice of non-renewal or termination of employment hereunder, whether given by the Company or the Employee, the Employee shall reasonably cooperate with the Company in all matters relating to the winding up of the Employee's pending work on behalf of the Company and the orderly transfer of such work to the Company's other executives or employees.

7.3. Assistance in Litigation. The Employee covenants and agrees with the Company that upon reasonable advance written notice and request by the Company, the Employee shall, during normal business hours, furnish such information and proper assistance to the Company as may be reasonably required by the Company in connection with any claim, demand, action, dispute, proceeding, or litigation in which the Company is, or may become, a party, at any time following the termination or expiration of the Employee's employment hereunder and which arises out of, relates to, or is based upon the Employee's employment with the Company. The Company will pay Employee an hourly rate (based on Employee's Base Salary as of the last day of employment) for cooperation that occurs after the Employment Term, and reimburse Employee for reasonable expenses, including travel expenses, reasonable attorneys' fees and costs.

7.4. Company Property.

7.4.1. All "Company Property" (as hereinafter defined) shall be and remain the Company's sole property. Upon the termination or expiration of this Agreement or the Employee's employment hereunder for any reason or regardless of the reason whatsoever, whether voluntarily or involuntarily, the Employee shall provide or return to the Company any and all Company Property in the Employee's possession or under the Employee's control, and the Employee shall not take or retain possession of any Company Property.

7.4.2. For purposes of this Agreement, "Company Property" means any and all of the following items or property relating to or concerning the business of the Company or any of its Affiliates, including copies, regardless of whether prepared by the Employee or any other person, and regardless of its form or medium: Confidential Information (as hereinafter defined in Section 8.2.2 hereof), keys, access cards, employer credit cards, cell phones, computer hardware, computer software, equipment (whether owned, leased, or licensed by the

Company), computer data, notebooks, documents, memoranda, notes, plans, records, reports, files, samples, books, correspondence, lists, and any other information or materials, including copies, regardless of its form or medium, relating to or concerning the business of the Company or any of its Affiliates.

8. Other Covenants.

8.1. Acknowledgements. The Employee acknowledges and agrees that, through the Employee's employment with the Company, the Employee has had, and shall continue to have, access to, and has acquired, and shall continue to acquire, confidential and proprietary information, knowledge, and experience with respect to the Company and its Affiliates (collectively, the "Company Group"), the business of the Company Group, and the current and prospective patients, clients, customers, employees, referral sources, and third-party payors of the Company Group, as well as the hospitals and healthcare facilities at which the Company Group provides professional services; that the Company Group has developed and established, and will continue to develop and establish, substantial and important relationships with its current and prospective patients, clients, customers, employees, referral sources, third-party payors, hospitals, and healthcare facilities; that the Company Group's goodwill is inextricably intertwined with such relationships; that but for the Employee's employment with the Company, the Employee would not have had, or continued to have, access to, or have acquired, or continued to acquire, any of the confidential and proprietary information, knowledge, and experience with respect to, the Company Group, its business, or any of its patients, clients, customers, employees, referral sources, third-party payors, hospitals, or healthcare facilities, and would not have established, or continued to establish, relationships with any of the patients, clients, customers, employees, referral sources, third-party payors, hospitals, or healthcare facilities of the Company Group; that such patients, clients, customers, employees, referral sources, third-party payors, hospitals, and healthcare facilities are an integral part of the business of the Company Group; that the information and knowledge with respect to such patients, clients, customers, employees, referral sources, third-party payors, hospitals, and healthcare facilities are extremely confidential and constitute valuable, unique, and special property of the Company Group; that it is extremely important for the Company Group to use its maximum efforts to prevent the loss of such patients, clients, customers, employees, referral sources, third-party payors, hospitals, or healthcare facilities or any such confidential, valuable, special, and unique information, knowledge, or property with respect thereto; and that it would be extremely detrimental and result in irreparable injury to the Company Group and its goodwill if disclosed or used by the Employee to compete with the Company Group.

The Employee acknowledges that the covenants set forth in this Section 8 are of significant value to the Company Group and were a material inducement to cause the Company to enter into this Agreement, (a) disclose the Confidential Information and trade secrets of the Company Group to the Employee, and (b) continue to invest in the Company Group's business. The Employee further acknowledges that the goodwill and other proprietary interest of the Company Group may suffer irreparable and continuing damage if the Confidential Information of the Company Group is disclosed or used by the Employee to compete with the Company Group.

The Employee therefore understands and agrees that, because of the nature of the business of the Company Group, it is reasonable and necessary to afford fair protection to the Company Group from (a) such disclosures, uses, or loss of any such Confidential Information, during and subsequent to the Employment Term at any time and (b) competition during and subsequent to the Employment Term for a limited period of time and with respect to a limited geographic area as hereinafter provided.

The Employee also recognizes, acknowledges, and agrees that all discussions with the Company regarding the Employee's employment have included as a pre-condition the explicit acknowledgment and agreement that the restrictive covenants and other covenants set forth herein are fair and reasonable and are necessary to protect the legitimate business interests of the Company Group and its goodwill. Consequently, as a material inducement to the Company to hire the Employee as Chief Financial and Operating Officer of the Company and to enter into this Agreement, the Employee covenants and agrees as follows:

8.2. <u>Non-Disclosure of Confidential Information</u>.

8.2.1. Except as otherwise permitted or required by this Agreement, the Employee shall not disclose or use at any time, either during the Employment Term or thereafter, any Confidential Information (as hereinafter defined) of which the Employee is or becomes aware, whether or not such information is developed by the Employee, except to the extent that such disclosure or use is directly related to and required by the Employee's performance in good faith of the duties assigned to the Employee by the Company or is required to be disclosed by law, court order, or similar compulsion; provided, however, that such disclosure shall be limited to the extent so required or compelled; and provided, further, that if the Employee becomes legally compelled to disclose all or any portion of the Confidential Information, the Employee shall provide the Company with prompt notice thereof to the extent permitted by law, so that the Company may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, the Employee shall furnish only that portion of the Confidential Information which is legally required. The Employee shall take all reasonably appropriate steps to safeguard the Confidential Information and to protect it against disclosure, misuse, espionage, loss, and theft.

8.2.2. For purposes of this Agreement, the term "Confidential Information" means any and all information or materials that the Employee has obtained or that has been disclosed to the Employee at any time, whether prior to or from and after the date hereof, whether intentionally or unintentionally, or whether directly or indirectly, verbally, in writing, or by any other means in tangible or intangible form, including that which is conceived or developed by the Employee whether prior to or from and after the date hereof, concerning or in any way related to any member of the Company Group, the business or affairs of any member of the Company Group, or any officers, managers, members, physicians, employees, agents, independent contractors, consultants, attorneys, accountants, patients, clients, customers, referral sources (including any referring physicians), suppliers, vendors, or third-party payors of any member of the Company Group, regardless of whether any such information is marked as confidential or proprietary, and regardless of its medium, including, without limitation, any of the following or any files, records, documents, lists, papers, information, or materials concerning or in any way related to any of the following: (a) any patient, client, customer, referral source (including any referring physician), supplier, vendor, financial institution, officer, member, physician, manager, employee, consultant, or agent of any member of the Company Group; (b) any medical or other records or information concerning any patient of any member of the Company Group; (c) any forms, agreements, or documents developed by or for any member of the Company Group; (d) any participation agreement, provider agreement, or other agreement or arrangement by and between any third-party payor and any member of the Company Group; (e) any information or materials concerning or relating to any relationship of any member of the Company Group regarding or with respect to any third-party payor, hospital, or other healthcare facility; (f) any billing or coding guidelines, practices, policies, procedures, or methods of any member of the Company Group, including any fee schedules, rates, or reimbursement rates of any member of the Company Group; (g) the business, financial affairs, financial condition, or the present or future business or financial performance of any member of the Company Group; (h) any business, development, or research and development programs, plans, or objectives of any member of the Company Group, including any information or materials concerning or relating to budgeting, staffing needs, marketing, research, relationships with third-party payors, hospitals, or other healthcare facilities, and equipment capabilities of any member of the Company Group; (i) any business, financial, management, or practice management guidelines, decision tools, methods, practices, policies, procedures, or protocols of any member of the Company Group or otherwise concerning or relating to the operation of any member of the Company Group; (j) any clinical guidelines, practices, policies, procedures, or protocols of any member of the Company Group; (k) any medical procedures developed by any physician, member, or other employee or independent contractor of any member of the Company Group; (l) any clinical research guidelines, practices, policies, procedures, or protocols of any member of the Company Group; (m) any data, including any business, clinical, or patient data, of any member of the Company Group or any databases of any member of the Company Group, including any access to any such databases or any other information or materials related thereto; (n) any "know-how," trade secrets, or any other information or materials related thereto of any member of the Company Group; (o) this Agreement including any provision hereof; (p) any other information concerning or in any way related to any member of the Company Group not generally known that is disclosed to the Employee or known by the Employee as a consequence of the Employee's employment with the Company; and (q) any other information or materials, including copies, regardless of its medium, concerning or related in any way to any of the foregoing. The Employee acknowledges that the Confidential Information described above is special and unique information and is not information that would be considered a part of the general knowledge and skill the Employee has or might otherwise obtain.

8.2.3. Despite any provision contained in this Agreement to the contrary, Confidential Information shall not include any information that (a) was known by the Employee from a third-party source before disclosure by or on behalf of any member of the Company Group, (b) becomes available to the Employee from a source other than any member of the Company Group that is not bound by a duty of confidentiality to any member of the Company Group, or (c) is or becomes publicly available information through no fault or act of the Employee; provided, however, that in each case the Employee shall bear the burden of demonstrating that the information falls under one of the above described exceptions.

8.2.4. The Employee agrees that the terms of this Agreement shall be deemed Confidential Information for purposes of this Agreement. The Employee shall keep the terms of this Agreement strictly confidential and shall not disclose the details of this Agreement to any person or entity without the Company's prior written consent; provided, however, that the Employee shall be entitled to disclose this Agreement to the Employee's attorneys, accountants, or financial advisors who have a "need to know" such information in their capacities as advisors to the Employee; and further provided, that the Employee shall be responsible for any breach of this Section by any such attorney, accountant, or financial advisor.

8.2.5. The Employee acknowledges and agrees that the obligations of the Employee under this Section 8.2 regarding any Confidential Information (including any Confidential Information disclosed to the Employee or to which the Employee had access prior to the Commencement Date) begin immediately on the Commencement Date and continue in effect in perpetuity or until the latest date permitted by applicable law.

8.2.6. The provisions in this Agreement do not prohibit or restrict Employee from communicating with the Department of Justice, Securities and Exchange Commission, Department of Labor, National Labor Relations Board, Equal Employment Opportunity Commission or any other governmental authority, exercising Employee's rights, if any, under the National Labor Relations Act to engage in protected concerted activity, making a report in good faith and with a reasonable belief of any violations of law or regulation to a governmental authority or cooperating with or participating in a legal proceeding relating to such violations including providing documents or other information.

8.3. Non-Competition. The Employee covenants and agrees that, for the period commencing on the Commencement Date and ending one (1) year after the termination of Employee's employment with the Company with Cause or without Good Reason, the Employee shall not, within the United States of America, directly or indirectly own, manage, control, participate in, consult with, render services for, become employed by, or work in any manner with or for U.S. Oncology, One Oncology, the Oncology Institute, City of Hope, Oncology Care Partners, Verdi Oncology, Innovative Oncology Network, Quality Cancer Care Alliance, National Cancer Care Alliance, Athena Oncology, and/or any other aggregator of oncology practices or oncology-specialized management services organizations with operations in five or more states. Employee expressly agrees that the

Affiliates are intended third party beneficiaries of the covenants contained in this paragraph 8 (i.e., paragraphs 8.1 through 8.10) and may enforce said covenants against Employee. "Restricted Activity" also includes any activity that may require or inevitably requires disclosure of trade secrets, proprietary information, or Confidential Information. The Parties acknowledge and agree that Employee is a "senior executive" as defined in Section 5 of the Federal Trade Commission Act banning non-compete provisions.

8.4. Non-Solicitation.

8.4.1. The Employee further covenants and agrees that, for the period commencing on the Commencement Date and ending one (1) year after the termination of Employee's employment with the Company, whether with or without Cause or with or without Good Reason, the Employee shall not, except in connection with the performance of the Employee's duties hereunder, directly or indirectly, whether for or on behalf of the Employee or any other person or entity, knowingly solicit, induce, or attempt to solicit or induce any person or entity to cease or reduce doing business with, or referring patients or business to, the Company and/or its Affiliates, or in any way interfere or attempt to interfere with the relationship between any such person or entity, on the one hand, and the Company or any such Affiliate, on the other hand.

8.4.1. Without limiting the generality of the foregoing, the term "person" or "entity" includes, without limitation, any client, customer, patient, third party payor, governmental agency and/or its fiscal intermediaries, contractor, supplier, licensee, or other business relation of the Company or any of its Affiliates with whom Employee, within the twelve (12) months prior to the termination of Employee's employment, engaged, had contact with or received Confidential Information about, and (i) that is directly or indirectly receiving goods or services from, or providing goods and services to, the Company and/or any of its Affiliates or (ii) that is directly or indirectly providing or referring any client, customer, or patient to, or otherwise providing or referring business to or for, the Company or any of its Affiliates.

8.5. Covenant Not Hire Employees. The Employee further covenants and agrees that, for the period commencing with the date hereof and ending one (1) year after the termination of Employee's employment with the Company, whether with or without Cause or with or without Good Reason, the Employee shall not, except in connection with the performance of the Employee's duties hereunder, directly or indirectly, whether for or on behalf of the Employee or any other person or entity:

8.5.1. induce or attempt to induce any employee of the Company or any of its Affiliates to leave the employ of the Company or such Affiliate, or in any way interfere with the relationship between the Company or any such Affiliate, on the one hand, and any employee thereof, on the other hand; or

8.5.2. solicit for hire or hire any person who was an employee of the Company or any of its Affiliates until six (6) months after such individual's employment relationship with the Company or any such Affiliate has been terminated, provided that the Employee may hire any such person (so long as such person is not a manager or executive officer of the Company or any such Affiliate) who responds to a general advertisement offering employment.

8.6. Remedies. The Employee acknowledges that the covenants contained in this Section 8 are reasonable and necessary protections of the legitimate business interests of the Company; that any violation of these covenants may cause substantial injury and irreparable harm to the Company and its goodwill; that it is extremely difficult, if not impossible, to ascertain the actual damages that would result to the Company in the event of a breach or threatened breach by the Employee of any of the covenants contained in this Section 8; and that the Company would not have entered into this Agreement without receiving the Employee's additional consideration in binding the Employee to these covenants. Accordingly, the Employee specifically agrees that the Employee's failure to strictly comply with or perform any of the Employee's obligations under the provisions of this Section 8 shall constitute a material breach thereof by the Employee, and, in the event of a breach or threatened breach by the Employee of any of the provisions of this Section 8, the Company, in addition to and not in limitation of any other rights, remedies, or damages available to the Company, at law or in equity, shall be entitled to seek a temporary restraining order, preliminary injunction, and permanent injunction in order to prevent or restrain any such breach or threatened breach by the Employee or by any other person or entity directly or indirectly acting for, on behalf of, or with the Employee. No right or remedy granted herein is exclusive of any other right or remedy, but every such right or remedy shall be cumulative and shall be in addition to every other right or remedy herein or now or hereafter existing at law or in equity.

8.7. Construction.

8.7.1. If the Employee violates any covenant contained in this Section 8 and the Company Group brings an action for injunctive or other relief, neither the Company Group shall, as a result of the time involved in obtaining the relief, be deprived of the benefit of the full period of the restrictive covenant. Accordingly, such restrictive covenant shall be deemed to have the duration herein computed from the date the relief is granted, but reduced by the time between the period when the restrictive covenant began to run and the date of the first violation of the restrictive covenant by the Employee.

8.7.2. If any court shall determine that the duration or geographical limit of any restrictive covenant contained in this Section 8 is unenforceable, it is the intention of the Parties that such restrictive covenant shall not thereby be terminated, but shall be deemed amended to the extent required to render it valid and enforceable, and such amendment shall apply only with respect to the operation of this Section 8 in the jurisdiction of the court that has made the adjudication.

8.7.3. The failure of the Company Group to enforce any provision or provisions of this Section 8 shall not in any way be construed to be a waiver of any such provision or provisions, nor prevent the Company Group from thereafter enforcing each and every other provision of this Section 8.

8.7.4. The Employee's agreements and covenants contained in this Section 8 are, and shall be construed as, agreements and covenants separate, independent, and mutually exclusive of any other provision of this Agreement. The existence of any claim or cause of action of the Employee against the Company Group, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company Group of the Employee's agreements and covenants contained in this Section 8.

8.7.5. All of the Company's Affiliates, including all members of the Company Group (other than the Company) are specifically hereby named as third-party beneficiaries of this Section 8 with full right, power, and authority to enforce any of the provisions of this Section 8 against the Employee.

8.7.6. The provisions of this Section 8 may be enforced by the Company's successors and assigns and the Company's Affiliates, including all members of the Company Group (other than the Company), as third-party beneficiaries.

8.8. Survival. Except as otherwise provided herein, the provisions of this Section 8 shall survive the termination or expiration of this Agreement or the Employee's employment hereunder for any reason or regardless of the reason whatsoever, whether voluntary or involuntary.

8.9. Exceptions. The Employee's ownership of less than a one percent (1%) interest in a publicly held entity solely for investment purposes shall not, by itself, be deemed to constitute a breach of Section 8.3 hereof. If the Company terminates the Employee's employment hereunder without Cause pursuant to Section 6.4.1 hereof or the Employee terminates the Employee's employment for Good Reason pursuant to Section 6.7 hereof, then the provisions of Section 8.3 hereof shall not apply following such termination; provided, however, that all other provisions of this Section 8 shall continue in full force and effect to the extent applicable.

8.10. Review by Employee. THE EMPLOYEE HAS CAREFULLY READ AND CONSIDERED THE PROVISIONS OF THIS SECTION 8, AND HAVING DONE SO, AGREES THAT THE COVENANTS SET FORTH HEREIN AND THE REMEDIES AFFORDED THE COMPANY GROUP HEREUNDER ARE FAIR AND REASONABLE AND ARE REASONABLY REQUIRED FOR THE PROTECTION OF THE LEGITIMATE BUSINESS INTERESTS AND GOODWILL OF THE COMPANY GROUP. THE EMPLOYEE UNDERSTANDS THAT THE FOREGOING RESTRICTIONS MAY LIMIT THE EMPLOYEE'S ABILITY TO EARN A LIVELIHOOD IN A BUSINESS SIMILAR TO THE BUSINESS OF THE COMPANY AND ANY OF ITS AFFILIATES, BUT THE EMPLOYEE NEVERTHELESS BELIEVES THAT THE EMPLOYEE HAS RECEIVED AND WILL RECEIVE SUFFICIENT CONSIDERATION AND OTHER BENEFITS AS AN EXECUTIVE OF

THE COMPANY AND AS OTHERWISE PROVIDED HEREUNDER OR AS DESCRIBED HEREIN TO CLEARLY JUSTIFY SUCH RESTRICTIONS WHICH, IN ANY EVENT (GIVEN THE EMPLOYEE'S EDUCATION, SKILLS, AND ABILITY), THE EMPLOYEE DOES NOT BELIEVE WOULD PREVENT THE EMPLOYEE FROM OTHERWISE EARNING A LIVING OR OTHERWISE UNDULY IMPAIR THE ABILITY OF THE EMPLOYEE TO SECURE EMPLOYMENT WITHIN THE FIELD OR FIELDS OF THE EMPLOYEE'S CHOICE, INCLUDING, WITHOUT LIMITATION, THOSE AREAS IN WHICH THE EMPLOYEE IS, IS TO BE, OR HAS BEEN EMPLOYED BY THE COMPANY. THE EMPLOYEE FURTHER UNDERSTANDS THAT THE COMPANY WOULD NOT HAVE EMPLOYED THE EMPLOYEE OR ENTERED INTO THIS AGREEMENT BUT FOR THE COVENANTS CONTAINED IN THIS SECTION 8.

9. General Provisions.

9.1. Notice. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given: (a) when personally delivered to the recipient or sent by e-mail to the recipient, (b) one (1) business day after being sent by e-mail to the recipient (with hard copy sent to the recipient by reputable overnight courier service that same day or the next business day (charges prepaid)), (c) one (1) business day after being sent to the recipient by reputable overnight courier service (charges prepaid), or (d) five (5) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as follows: if to the Company, to the Company at the Company's principal business address; and if to the Employee, to the Employee at the Employee's last known residential address as set forth in the books and records of the Company. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

9.2. References. Unless the context otherwise requires, the following shall apply: (a) references to this Agreement shall include any amendment or renewal hereof; (b) words such as "herein," "hereinafter," "hereof," "hereto," and "hereunder" refer to this Agreement as a whole; (c) whenever any reference is made in this Agreement to a Party, such reference shall (when applicable) be deemed to be and include references to such Party's successors and permitted assigns; (d) capitalized words and phrases used in this Agreement that are capitalized for reasons other than syntax or grammar shall have the meaning attributable to them hereunder; (e) references to the masculine gender in this Agreement shall be deemed to include the feminine and neuter, and references to the singular shall include the plural, and vice versa, where appropriate; (f) references to a noun, verb, adjective, or adverb shall be deemed to include the inflected form thereof, and vice versa, where appropriate; (g) any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder; (h) the word "include" or "including" means including without limitation; (i) the word "person" means any individual, corporation, partnership, limited liability company, trust, association, government (or governmental agency, authority, board, body, commission, department, entity, instrumentality, or political subdivision thereof), or other entity; (j) where any provision in this Agreement refers to any action to be taken by any person or entity, or which such person or entity is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such person or entity; (k) "or" is used in the inclusive sense of "and/or"; (l) whenever any reference is made in this Agreement to the phrase "calendar year," such reference is intended to be a reference to the twelve (12) month period beginning as of January 1 and ending as of December 31; (m) whenever any reference is made in this Agreement to the phrase "year of the Employment Term" or similar phrase without any qualification to "calendar year," such reference is intended to be a reference to (i) the twelve (12) month period beginning on the Commencement Date of the Employee's employment hereunder, or (ii) any subsequent twelve (12) month period during the Employment Term commencing on each anniversary of such Commencement Date; and (n) the term "business day" or any variation thereof means a day other than a Saturday, Sunday, or legal holiday in the state of Florida.

9.3. Entire Agreement. Except as otherwise specifically provided or incorporated herein, this Agreement constitutes the entire agreement of the Parties regarding the subject matter hereof and supersedes (a) any express or implied prior or contemporaneous statement, representation, warranty, understanding, agreement, or arrangement, whether oral, written, or otherwise, and (b) any omission to state or disclose a fact, material or otherwise, in each case made or omitted by any Party or by and between the Parties with respect to such subject matter hereof.

9.4. Binding Effect; Benefit. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

9.5. Assignment. This Agreement is personal to the Employee, and the Employee may not assign this Agreement or any of the Employee's rights, interests, or obligations hereunder. The Company may (a) assign this Agreement or any of the Company's rights or interests hereunder to any person or entity as collateral or security for any indebtedness of the Company; (b) assign any or all of the Company's rights or interest hereunder, or delegate any or all of the Company's obligations hereunder, to one or more of the Company's Affiliates or successor entities, or (c) assign this Agreement or any or all of the Company's rights, interests, or obligations hereunder to any person or entity in connection with or with respect to a transfer, sale, exchange, or other disposition of the Company or all or substantially all of its business or assets, whether directly or indirectly, or whether by way of purchase, sale, reorganization, merger, or consolidation, or whether by operation of law or otherwise.

9.6. No Third-Party Beneficiaries. Except as otherwise provided herein, this Agreement shall not confer any rights or remedies upon any person or entity other than the Parties and their respective successors and permitted assigns.

9.7. Amendment. No provision of this Agreement may be modified or amended unless such modification or amendment is agreed to in writing and signed by the Parties.

9.8. Waiver. No waiver by any Party of any provision contained in this Agreement or any default, misrepresentation, or breach thereof, whether intentional or not, shall be valid unless the same shall be specifically set forth in a written instrument signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach thereof or affect in any way any rights arising by virtue of any prior or subsequent such default, misrepresentation, or breach thereof.

9.9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than the state of Florida.

9.10. Venue and Pre-Suit Mediation. If any action at law or in equity is brought to enforce or interpret any provision of this Agreement, and such action is allowed to proceed, venue for such action shall be and only be (i.e., exclusively be) filed in a state or federal court of competent jurisdiction in and for Cobb County, Georgia, unless the parties mutually agree in writing to have such action in some other locale. Subject to the three exclusions discussed below, Executive and Company agree that, prior to either Party filing a lawsuit against one another for any claims whatsoever, the Parties must, as a condition precedent to any such lawsuit, participate in a mediation with an agreed upon, neutral, private mediator, at the Company's expense. Such mediation must occur within 45 days of the requesting Party's request and neither Party can file a lawsuit until: (i) the mediation has concluded and the Parties have reached an impasse; (ii) the non-requesting Party has advised the requesting Party that it refuses to mediate; and/or (iii) 45 days have passed since the requesting Party requested mediation and the mediation has not occurred. The Parties shall not be required to conduct a pre-suit mediation under the following three circumstances: (i) the claims at issue arise under or relate in any way to the covenants contained in paragraph 8 hereof; (ii) the claims at issue relate in any way to an alleged misappropriation, use, and/or disclosure of the Company's trade secrets; and/or (iii) in the Company's view, the claims at issue require immediate and/or emergency relief from the court. In either of the three aforementioned circumstances, the Parties may immediately file a lawsuit and do not need to conduct a pre-suit mediation.

9.11. Costs of Enforcement. If any action at law or in equity (including any appellate proceeding) is brought to enforce or interpret any provision of this Agreement and such action is allowed to proceed, the prevailing Party shall be entitled to recover all costs, fees, and expenses incurred by such Party in connection with such action, including, without limitation, all court costs and reasonable legal and accounting fees, costs, expenses, and disbursements, at all levels of litigation or appeal, in addition to any other relief to which such Party may be entitled.

9.12. Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING IN RESPECT OF ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR LITIGATION OF ANY NATURE OR KIND

WHATSOEVER DIRECTLY OR INDIRECTLY BASED UPON, ARISING OUT OF, OR RELATING TO (A) THIS AGREEMENT, (B) ANY DOCUMENT OR INSTRUMENT EXECUTED AND DELIVERED IN CONNECTION HEREWITH OR THEREWITH, (C) THE SUBJECT MATTER HEREOF OR THEREOF, (D) THE VALIDITY, INTERPRETATION, ENFORCEABILITY, TERMINATION, OR BREACH HEREOF OR THEREOF, (E) THE ASSOCIATION OR RELATIONSHIP BETWEEN THE PARTIES, OR (F) ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL, WRITTEN, OR OTHERWISE), OR ACTS, ERRORS, OR OMISSIONS OF ANY PARTY WITH RESPECT HERETO OR THERETO, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER CLAIMS, DEMANDS, ACTIONS, OR CAUSES OF ACTION OF ANY NATURE OR KIND WHATSOEVER, WHETHER BASED UPON COMMON LAW, STATUTE, OR ANY OTHER LEGAL OR EQUITABLE THEORY.

9.13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. An executed counterpart of this Agreement (including an executed signature page or counterpart signature page hereto) may be delivered by e-mail (including .pdf) or other means of electronic transmission, and such delivery shall be deemed to have been duly and validly delivered and shall be legally valid and effective for all purposes for which the executed original thereof could be used. The exchange of an executed counterpart of this Agreement by e-mail (including .pdf) or other means of electronic transmission shall be sufficient to bind the Parties to this Agreement. A copy of an executed counterpart of this Agreement (including a copy of an executed signature page or counterpart signature page hereto) shall be legally valid and effective for all purposes for which the executed original thereof could be used. This Agreement may be electronically signed by the Parties (including, without limitation, by the use of DocuSign), which will be treated as an original copy as though ink-signed by Employee and the duly authorized representative of the Company.

9.14. Construction. In the event of any dispute as to the precise meaning of any provision contained herein, the principles of construction and interpretation that written documents be construed against the Party preparing the same shall not be applicable. Every provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Party.

9.15. Headings. The headings of the various Sections or other provisions herein contained are intended for ease of reference only and are not to be construed as evidence of the intent as to the content thereof.

9.16. Severability. Except as otherwise provided in and subject to the provisions of Section 8.7 hereof, if any provision contained in this Agreement shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

9.17. Incorporation by Reference. The paragraphs under the Introduction to this Agreement are true and correct and are hereby incorporated herein by reference and made a part hereof, and every exhibit, schedule, and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference and made a part hereof.

9.18. Offset. Whenever a Party is obligated to pay any sum to the other Party, any amounts that the Party owes to the other Party may be deducted from that sum before payment.

9.19. Expenses. Each Party shall pay the fees and expenses incurred by such Party incident to the negotiation, preparation, and consummation of this Agreement, including, without limitation, the fees, costs, and expenses of such Party's own counsel and experts except as set forth in Section 2 of the Compensation Schedule.

9.20. Survival. The provisions of Sections 4, 6, 7, 8, and 9 hereof and the Compensation Schedule (and associated definitions) shall survive the termination or expiration of this Agreement or the Employee's employment hereunder for any reason or regardless of the reason whatsoever, whether voluntarily or involuntarily. In addition, each provision of this Agreement which by its terms survives or is intended to survive such termination or expiration shall survive such termination or expiration to the extent necessary to carry out the intentions of the Parties under this Agreement.

9.21. Agreement Drafted by Company's Counsel. The Parties hereby acknowledge and understand that the Company's counsel prepared this Agreement on behalf of, and in the course of its representation of, the Company. Furthermore, the Employee hereby acknowledges and understands that (a) the Employee has been advised that conflicts of interest exist between the Employee and the Company; (b) the Employee was advised to seek the advice of independent counsel; (c) the Employee had adequate opportunity to seek the advice of independent counsel; and (d) neither the Company, the Company's counsel, nor any officer, manager, member, employee, or agent of the Company represents the Employee.

9.22. Indemnification. The Company shall indemnify and hold the Employee harmless from and against loss, cost, liability, fines, damage and expense in connection with any claim, demand, suit, proceeding, or cause of action asserted by any person, agency, court or corporation, arising out of the reasonable execution of Employee's duties by Employee, or the breach by the Company of this Agreement. The Employee shall indemnify and hold the Company and its Affiliates harmless from and against loss, cost, liability, fines, damage and expense in connection with any claim, demand, suit, proceeding, or cause of action asserted by any person, agency, court or corporation, arising out of Employee's conduct outside the scope of Employee's employment with the Company or the breach by Employee of this Agreement.

9.23. Section 409A Compliance. Payments under this Agreement shall be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Internal Revenue Code. All payments shall be, under all circumstances, deemed to come from an unfunded plan. All payments subject to Section 409A will not be accelerated in time or schedule.

[Signature Page Follows]

[Signature Page to the Employment Agreement]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be made and entered into as of the Commencement Date with the intent to be legally bound.

AON CENTRAL SERVICES, LLC

DocuSigned by:
By: Todd Schonherz
0DF5213053144D9...
Todd Schonherz
Chief Executive Officer

EMPLOYEE:

DocuSigned by:
David Afshar
BEC92C2C471A430...
David Afshar

EXHIBIT A
COMPENSATION SCHEDULE

1. Base Salary. The Employee's base salary is payable at the rate of Four Hundred Seventy-Five Thousand Dollars ($475,000.00) per year ("Base Salary"). The Employee is eligible for annual performance reviews and performance-based merit increases in accordance with the Company's policies.

2. Signing Bonus and Legal Fee Reimbursement. Employee shall be eligible to receive a signing bonus equal to Fifty Thousand Dollars ($50,000.00) payable within thirty (30) days of the Commencement Date. Employee shall be eligible to receive reimbursement up to One Thousand Five Hundred Dollars ($1,500.00) for attorneys' fees associated with the review of this Agreement, which shall be payable within thirty (30) days of Employee's submission for reimbursement in accordance with the Company's expense reimbursement policy.

3. Annual Performance Bonus. Subject to the terms and conditions of this Agreement, the Employee shall be eligible to receive, in addition to any Base Salary, a standard annual performance bonus of fifty percent (50%) of Employee's Base Salary in effect as of January 1st of the applicable bonus year (or as of the Commencement Date for the 2024 bonus year) based on Employee and Company's achievement of criteria established by the AON Board and Chief Executive Officer. All performance bonuses payable hereunder shall be paid to the Employee on or before March 31st of the year following the bonus year to which such bonuses relate (e.g., on or before March 31, 2025 for the 2024 bonus year). In the event of a termination of this Agreement and the Employee's employment hereunder by the Company for Cause (as defined in Section 6.5.1 hereof) or by Employee without Good Reason (as defined in Section 6.7 hereof), the Employee shall be deemed to have waived and shall forfeit all rights to receive any bonus payments under this Agreement which have not been paid, and which are not required to have been paid, as of the effective date of termination with Cause or without Good Reason; provided, however, that in the event that this Agreement is terminated (i) by the Company without Cause, (ii) due to a Non-Renewal, (iii) by the Employee with Good Reason, (iv) by reason of death or Disability (as defined in Section 6.3 hereof), for (v) by mutual agreement of the Parties, then Employee shall be entitled to receive payment of the annual bonus for the calendar year during which the effective date of termination occurs, calculated on a prorated basis (using such proration methods as may be determined by the AON Board in its reasonable discretion) through the effective date of termination (the "Prorated Bonus"). Bonus amounts are determined by the Company and at the sole discretion of the Company. This plan may be suspended, modified, or terminated at any time, provided that any such suspension, modification or termination applies to all employees similarly situated to Employee.

4. Equity Ownership Issuance. Employee shall be eligible to participate in the American Oncology Network, Inc. ("AONC") 2023 Incentive Equity Plan and upon approval by the Compensation Committee (the "Committee") of the AONC Board of Directors shall be granted One Hundred Fifty Thousand (150,000) restricted stock units, each representing one share of AONC Class A Common Stock, on the grant date and subject to the terms and vesting schedule set by the Committee; provided, however, that (i) for vesting purposes, the grant date shall be the Commencement Date regardless of when the restricted stock units were actually issued to Employee, and (ii) in the event of a Change in Control (as defined in Section 5.3 below), the restricted stock units shall immediately vest as of the effective date of the Change in Control.

5. Transaction Bonus. Within sixty (60) days of the effective date of any Change in Control (as hereinafter defined) of AON, and so long as the Employee is continuously employed by Company from the date of this Agreement through the effective date of the Change in Control, the Employee shall be eligible to receive a bonus (the "Transaction Bonus") without regard to the sponsor returns or equity value at the time of the Change in Control, as follows:

5.1. If such Change in Control occurs within twenty-four (24) months of the Commencement Date, the Transaction Bonus shall be equal to One Million Dollars ($1,000,000.00) payable within sixty (60) days of the effective date of such Change in Control.

5.2. If such Change in Control occurs after the twenty-four- (24-) month anniversary of the Commencement Date, the Transaction Bonus shall be equal to One Million Five Hundred Thousand Dollars ($1,500,000.00) payable within sixty (60) days of the effective date of such Change in Control.

5.3. "Change in Control" means the occurrence of any of the following events: (i) an acquisition of equity securities of AONC representing at least a majority of the voting power of AONC by another entity by means of any transaction or series of related transactions (including, but not limited to, any reorganization, merger, or consolidation), or (ii) a sale of all or substantially all of AON's assets to an entity other than an Affiliate, provided, however, that a transaction described in clause (i) of this subsection in which the holders of all classes of the AON equity securities immediately prior to such transaction own, directly or indirectly, more than fifty percent (50%) of all classes of equity securities of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions as such ownership immediately prior to such transaction shall not be a Change in Control pursuant to this clause (i). Notwithstanding the foregoing, the Parties acknowledge that Employee shall not be entitled to any right or benefit, including but not limited to the benefits set forth in Sections 4 or 5 hereto, upon a Change in Control resulting from any transaction or series of related transactions in which shares of AONC's Class B common stock or common units of American Oncology Network, LLC held by the holders of such securities immediately following the closing of the Company's business combination on September 20, 2023, are cancelled, redeemed or otherwise disposed of, or transferred to any Affiliate of the Company on or before December 31, 2024.

6. General Employee Benefits. The Employee shall be entitled to such medical, dental, or other benefits as are provided by the Company, subject to the terms and conditions thereof and requirements for qualification therefor. The Company retains the right to modify, amend, or terminate any such medical insurance plan, dental insurance plan, qualified retirement plan, or other employee benefit plan or welfare benefit plan, whether in whole or in part, so as to eliminate, reduce, or otherwise change any benefits payable or provided thereunder, subject to the terms and conditions of such plan. Nothing contained in this Agreement shall prevent or prohibit the Company from modifying, amending, or terminating any such plan or plans, whether in whole or in part, at any time, or from time to time, pursuant to the applicable provisions thereof.

7. Paid Time Off. The Employee shall be entitled to paid time off ("PTO") for vacations and bona fide illness, in accordance with the Company's policy. Paid time off shall be scheduled and taken, with the Company's prior consent, at times which are most convenient to the Company, taking into consideration seasonal fluctuations in and the demand for services upon the Company's business and vacations and other leaves of absence of the Company's other employees. During periods of leaves of absence permitted under this Section 7, the Employee's compensation and benefits provided hereunder shall continue in full, except as otherwise provided in this Agreement. The Employee's compensation and benefits provided hereunder shall cease or abate, however, during periods of leave of absence taken in excess of those permitted hereunder.

8. Withholding. The Employee's Base Salary, bonuses, benefits, and other amounts paid by the Company and taxable to the Employee shall be subject to required withholding taxes, social security taxes, and other employment and payroll taxes required by applicable law, rule or regulation to be withheld by the Company with respect to compensation paid to an employee.

9. Expense Reimbursement. The Employee shall be entitled to other expense reimbursement as set forth in the Company's expense reimbursement policy, as it may exist and be modified from time to time.

10. Continuing Education and Professional License Renewal. Subject to the provisions of this Agreement and the terms, conditions, and limitations set forth in the Company's expense reimbursement policy as it may exist and be modified from time to time, the Company shall reimburse the Employee for reasonable costs and expenses incurred by the Employee to attend CE programs, including registration fees, transportation, food, and lodging, and professional license renewal upon presentment of expense reports and vouchers that are acceptable to the Company and that are in sufficiently detailed form to comply with standards for deduction of business expenses established by the Internal Revenue Service up to a maximum amount of Five Thousand Dollars ($5,000.00) per year, prorated for any partial year during the Employment Term (the "CE Allowance").

11. Cellular Telephone and Internet Stipend. During the Term of Employment, the Employee is eligible for a monthly cellular phone and internet stipend allowance of up to One Hundred Dollars ($100.00) to reimburse the Employee for the use and cost of a cellular phone and internet in connection with the performance of Employee's duties under this Agreement.

12. Termination. If the Employee's employment hereunder terminates or expires for any reason or regardless of the reason whatsoever, whether voluntarily or involuntarily, the

Company will pay the following to the Employee: (a) the accrued, but unpaid portion of the Base Salary payable (if any) to the Employee hereunder and (b) the Employee's accrued, but unpaid or unused PTO, in each case prorated through the Employee's effective date of termination or expiration of employment. Such amounts will be paid to the Employee as soon as administratively reasonable after such effective date of termination or expiration. Except as otherwise provided in this Compensation Schedule, any Base Salary, bonus, PTO benefits, or other amounts that would have accrued subsequent to such effective date of termination or expiration will abate.

EXHIBIT B

FORM OF RELEASE

I understand and agree completely to the terms set forth in the Employment Agreement, dated as of June 1, 2024 (the "Agreement"), between me and AON Central Services, LLC, a Delaware limited liability company (the "Company"). I understand that I am not entitled to any severance benefits, bonuses or any other amount payable under Section 4 of the Agreement unless (1) I sign and return this Release to the Company and (2) I do not revoke this Release pursuant to Section 5 below.

1. For and in consideration of the severance benefits, bonuses, medical insurance premiums or reimbursements, or any other amounts payable under Section 4 of the Agreement I am receiving from the Company, I, on my own behalf and on behalf of my successors and assigns (collectively referred to as "Releasor"), hereby release and forever discharge the Company, its predecessors, successors, corporate affiliates, parent entities and subsidiaries and their respective officers, directors, agents, representatives, executives, consultants and advisors (collectively referred to as "Releasee"), from any and all claims, counterclaims, demands, debts, actions, causes of action, suits, expenses, costs, attorneys' fees, damages, indemnities, obligations and/or liabilities of any nature whatsoever, whether known or unknown, which Releasor ever had, now has or hereafter can, shall or may have against Releasee, for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this Release, including, but not limited to, the following: (i) all such claims and demands directly or indirectly arising out of or in any way connected with my employment with the Company and/or its affiliated entities, parents and subsidiaries or the termination or expiration of that employment; (ii) all such claims and demands related to salary, bonuses, or any other benefits or compensation which have, are or may be due to me or my beneficiaries from the Company and/or its affiliated entities, parents and subsidiaries, including vacation pay, fringe benefits, expense reimbursements, severance benefits, severance pay and/or any other form of compensation; (iii) any claims arising under any federal, state or local law, statute or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act ("ADEA"), the Older Workers Benefit Protection Act, the Americans With Disabilities Act, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Equal Pay Act, the Executive Retirement Income Security Act of 1974, the Family and Medical Leave Act of 1993, and the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"); and (iv) any claims for breach of contract related to my employment, express or implied, including any claim for breach of any implied covenant of good faith and fair dealing, wrongful discharge, discrimination, harassment, fraud, defamation, intentional tort, emotional distress and negligence. Notwithstanding the foregoing, I do not release any rights I may have (a) to payment of the severance benefits or any other amounts under the Agreement; (b) to payment of accrued benefits under an employee benefit plan, to the extent and in the manner prescribed by the plan documents; (c) to elect continued healthcare coverage under an employee health plan pursuant to COBRA; (d) to file, or assist in the investigation of, a charge against the Company with a state or federal agency with jurisdiction over unlawful employment practices; (e) to apply for and receive unemployment benefits; or (f) to enforce the terms of this Release.

2. Releasor does not release any claims against Releasee that may arise after this Release has become effective.

3. I have been advised to consult independent legal counsel before signing this Release, and I hereby represent that I have executed this Release after having the opportunity to consult independent counsel and after considering the terms of this Release for at least twenty-one (21) calendar days (although I may choose to voluntarily execute this Release earlier). I further represent and warrant that I have read this Release carefully, that I have discussed it or have had reasonable opportunity to discuss it with my counsel, that I fully understand its terms, and that I am signing it voluntarily and of my own free will.

4. I acknowledge that the consideration for this Release is consideration to which I would not otherwise be entitled and is in lieu of any rights or claims that I may have with respect to any severance benefits or any other amounts or remuneration from the Company.

5. This Release shall not become effective until the eighth (8th) day following the date on which I have executed it, provided that I have not revoked it, and I may at any time prior to that effective date revoke this Release by delivering written notice of revocation to the Company pursuant to applicable provisions of the Agreement.

6. This Release may not be amended or modified except by a writing signed by the Company and me. This Release shall be governed by and construed in accordance with the laws of the state of Florida without regard to principles of conflicts of laws thereunder.

7. The Company agrees that, on behalf of Company, Company's senior management ("Senior Management") shall not, whether verbally, in writing, electronically, or by any other form of communication, make false and/or harmful statements regarding, or impugn the reputation or character of the Employee. Nothing in this paragraph prevents Senior Management from truthfully giving full and complete deposition or trial testimony, or otherwise appearing in any proceeding as a result of a duly served subpoena or deposition notice.

8. By signing this Release, Employee admits and agrees that:

a. he has read the Release;

b. he understands it is legally binding, and is hereby advised to review it with a lawyer of his choice prior to executing this Release;

c. he realizes and understands the release covers all claims, demands, and causes of action against Releasee, including age discrimination claims under the ADEA;

d. he understands the terms of the Release, he is signing voluntarily and with the full understanding of its consequences, and he has not been forced or coerced in any way;

e. he is hereby advised that he may take up to twenty-one (21) days in which to consider this Release; and

f. he is hereby advised and understands that he may revoke this Release for a period of seven (7) days following the date of its execution, and that this Release shall not become effective or enforceable until the revocation period has expired without its being revoked. Any such revocation under this Section must be in writing and delivered to Erica Mallon, General Counsel, by overnight delivery within seven (7) days following the date of execution of this Release.

[Signature Page Follows]

Dated this _____ day of ______________ 20__.

WITNESSES:

____

Print Name:_________________________

____

____

Print Name:_________________________

ACKNOWLEDGEMENT

STATE OF ___________________

COUNTY OF _________________

On this ________ day of ___________________, 20__ before me, the undersigned officer, personally appeared ______________________, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he has executed the same for the purposes therein contained and acknowledged the same to be his free act and deed. In witness whereof, I have hereunto set my hand.

____
Notary Public

____
(Type/Print Name of Notary)

My Commission Expires:_______________

Commission No.:_____________________

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd Schonherz, certify that:

I have reviewed this Annual Report on Form 10-K of American Oncology Network, Inc.;

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;

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;

The registrant's other certifying officer(s) 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

The registrant's other certifying officer(s) 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

March 27, 2025

By: /s/ Todd Schonherz

Todd Schonherz
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Afshar, certify that:

I have reviewed this Annual Report on Form 10-K of American Oncology Network, Inc.;

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;

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;

The registrant's other certifying officer(s) 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

The registrant's other certifying officer(s) 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

March 27, 2025

By: /s/ David Afshar

David Afshar
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Todd Schonherz, certify that:

To my knowledge, the Annual Report on Form 10-K for the year ended December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Oncology Network, Inc.

March 27, 2025

By: /s/ Todd Schonherz

Todd Schonherz
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, David Afshar, certify that:

To my knowledge, the Annual Report on Form 10-K for the year ended December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Oncology Network, Inc.

March 27, 2025

By: /s/ David Afshar

David Afshar
Chief Financial Officer

AMERICAN ONCOLOGY NETWORK, INC.

CLAWBACK POLICY

Introduction

The Board of Directors of the Company (the "**Board**") believes that it is in the best interests of the Company and its shareholders to provide for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers, create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy and conform with the Company's statutory and regulatory obligations. The Board has therefore adopted this policy which provides for the recoupment of certain executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws (the "**Policy**"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Securities and Exchange Commission "**SEC**") Rules promulgated thereunder, and the NASDAQ Stock Market LLC Rules.

Administration

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee, in which case references herein to the Board shall be deemed references to the Compensation Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

Covered Executives

This Policy applies to the Company's current and former executive officers, as determined by the Board in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed, and such other senior executives/employees who may from time to time be deemed subject to the Policy by the Board ("**Covered Executives**").

Incentive Compensation

For purposes of this Policy, "Incentive Compensation" means any compensation that is granted, earned, or vested based wholly or in part on the attainment of a Financial Reporting Measure.[1]

Incentive Compensation includes (but is not limited to):

- Annual bonuses and other short- and long-term cash incentives.
- Stock options.
- Stock appreciation rights.
- Restricted stock.
- Restricted stock units.
- Performance shares.
- Performance units.

"Financial Reporting Measure" means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, or any measure that is derived wholly or in part therefrom.

Financial Reporting Measures include (but are not limited to):

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[1] Equity awards that vest exclusively upon completion of a specified employment period, without any performance condition, and bonus awards that are discretionary or exclusively based on subjective goals or goals unrelated to Financial Reporting Measures, do not constitute Incentive Compensation.

- Company stock price.
- Total shareholder return.
- Revenues.
- Net income.
- Earnings before interest, taxes, depreciation, and amortization (EBITDA).
- Funds from operations.
- Liquidity measures such as working capital or operating cash flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

Incentive Compensation is deemed “received” in the Company’s fiscal period during which the Financial Reporting Measure specified in the compensation award is attained, even if the payment or grant of the compensation occurs after the end of that period.

In addition, the date on which the Company is required to prepare an accounting restatement will be deemed to have occurred on the earlier of (A) the date the Board concludes or reasonably should have concluded that the Company’s previously issued financial statements contain a material error, and (B) the date a court, regulator, or other legally authorized body directs the Company to restate its previously issued financial statements to correct a material error.

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, the Board will require prompt reimbursement or prompt forfeiture, as applicable, of any excess Incentive Compensation received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

Recoupment; Detrimental Conduct

In the event that a Covered Executive engages in Detrimental Conduct (as defined below) that, in the sole discretion of the Board, is likely to cause or has caused material financial, operational, or reputational harm to the Company, the Board may recover Incentive Compensation received by the Covered Executive from and after the date on which such Detrimental Conduct occurred.

“Detrimental Conduct” consists of:

i. the commission of an act of fraud, misappropriation or embezzlement in the course of employment;

ii. the commission of a criminal act, whether or not in the course of employment or in the workplace, that constitutes a felony (or substantial equivalent thereof in a non-US jurisdiction) or other serious crime involving moral turpitude, dishonesty, or fraud;

iii. the material violation of a non-compete, non-solicitation, or confidentiality agreement;

iv. the material breach of the Company’s Code of Conduct (the “Code”) that could give rise to dismissal under the Code; or

v. any act or omission that resulted in such Covered Executive’s termination for Cause (as defined below).

For the purposes of this Policy, “Cause” shall, as of any applicable date of determination, have the meaning ascribed to such term in the agreement and/or plan governing the most recent equity (or other long-term incentive) award granted to the applicable Covered Executive.

Amount Subject to Recovery

The Board shall determine the amount of Incentive Compensation paid to be recovered in its sole discretion as follows:

i. In the event of recoupment due to an Accounting Restatement, up to the sum of (x) the amount (if any) by which the Incentive Compensation received exceeds the amount that would have been received if calculated based upon the financial reporting measures had such error(s) not been made (“Excess Incentive Compensation”), and (y) to the extent that the Board determines that the Accounting Restatement is due in any material respect to the actions, or failure to taken action, of a Covered Executive, any costs incurred by the Company in connection with such Accounting Restatement (including, without limitation, any legal, audit and accounting fees incurred in investigating and preparing such Accounting Restatement, any fees incurred in responding or defending any claims relating in whole or in part to the Accounting Restatement or the facts or circumstances relating thereto, and any amounts paid in settlement of or on account of any judgment relating to any such claims). If the Board cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement. For Incentive Compensation based in part of whole on stock price or measures of shareholder return, Excess Incentive Compensation will be calculated in such manner as the Board deems appropriate in its sole discretion under the circumstances.

ii. In the event of recoupment due to Detrimental Conduct, an amount of Incentive Compensation up to and based upon the Covered Person’s relative degree of fault or involvement, the impact of the conduct on the Company, the magnitude of any loss caused and other relevant facts and circumstances.

In no event shall the Company be required to award Covered Executives an additional payment if the restated or accurate financial results would have resulted in a higher incentive compensation payment.

Method of Recoupment

The Board will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

(a) requiring reimbursement of cash Incentive Compensation previously paid;

(b) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;

(c) offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;

(d)) cancelling outstanding vested or unvested equity awards; and/or

(e) taking any other remedial and recovery action permitted by law, as determined by the Board.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any incorrectly awarded Incentive Compensation.

Interpretation

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

Effective Date

This Policy shall be effective as of the date it is adopted by the Board (the "**Effective Date**") and shall apply to Incentive Compensation that is approved, awarded or granted to Covered Executives on or after that date.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by a national securities exchange on which the Company's securities are listed. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Board shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Board in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.