Table of Contents

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

FORM 10-Q

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

For the quarterly period ended September 30, 2024

or

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

Commission file number 001-04177

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

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 is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of November 12th, 2024, the registrant had outstanding 29,923,876 shares of Class A common stock, inclusive of the Sponsor Earnout shares, and 14,867,850 shares of Class B common stock.

TABLE OF CONTENTS

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Form 10-Q"), 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, 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.

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. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in AON's filings with the Securities and Exchange Commission, including "Risk Factors" in the Company's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The risks described in the "Risk Factors" sections are not exhaustive. 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 statement. The statements made herein are made as of the date of this Quarterly Report and, except as may be required by law, AON undertakes no obligation to update them, whether as a result of new information, developments, or otherwise.

Part I - Financial Information

Item 1. Financial Statements

American Oncology Network, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

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

	As of September 30, 2024	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 19,432	$ 28,539
Short-term marketable securities	-	35,389
Patient accounts receivable, net	128,011	129,151
Inventories	49,266	44,569
Other receivables	63,153	34,274
Prepaid expenses and other current assets	9,388	4,277
Current portion of notes receivable - related parties	1,980	1,604
Total current assets	271,230	277,803
Property and equipment, net	45,321	40,439
Operating lease right-of-use assets, net (1)	45,694	43,349
Notes receivable - related parties	377	1,150
Goodwill	10,900	1,230
Intangibles, net	2,476	-
Deferred tax asset, net	-	2,894
Other assets	18,813	7,588
Total assets	$ 394,811	$ 374,453
Liabilities, Mezzanine Equity, and Stockholders' Equity		
Current liabilities		
Accounts payable (2)	$ 155,494	$ 127,645
Accrued compensation related costs	14,826	11,410
Accrued other	17,449	22,327
Income tax payable	971	971
Current portion of operating lease liabilities (3)	7,308	6,692
Current portion of long-term debt	3,809	-
Total current liabilities	199,857	169,045
Long-term debt, net	87,633	80,641
Long-term operating lease liabilities (4)	43,681	39,803
Other long-term liabilities	9,551	14,251
Total liabilities	$ 340,722	$ 303,740
Mezzanine equity		

Series A convertible preferred stock; $0.0001 par value; 7,500,000 shares authorized; 6,651,610 issued and outstanding at September 30, 2024 and December 31, 2023, with an aggregate liquidation preference of $72,175,398 and $68,009,015 at September 30, 2024 and December 31, 2023, respectively.	64,986	64,986
Redeemable noncontrolling interest	91,731	167,025
Stockholders' equity		
Class A Common Stock; $0.0001 par value; 200,000,000 shares authorized; 16,177,647 and 9,517,816 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively.	1	1
Class B Common Stock; $0.0001 par value; 100,000,000 shares authorized; 20,445,123 and 25,109,551 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively.	3	3
Additional paid-in capital	-	-
Treasury stock, at cost, 122,743 shares at September 30, 2024 and 14,729 shares at December 31, 2023	(368)	-
Accumulated other comprehensive income	26	81
Retained deficit	(103,488)	(161,812)
Total AON stockholders' deficit	(103,826)	(161,727)
Noncontrolling interest	1,198	429
Total deficit	$ (102,628)	$ (161,298)
Total liabilities, mezzanine equity, noncontrolling interest, and stockholders' equity	$ 394,811	$ 374,453

(1) Includes related party operating right-of-use assets, net of $14,963 and $10,931 at September 30, 2024 and December 31, 2023, respectively
(2) Includes amounts due to related party of $143,658 and $120,857 at September 30, 2024 and December 31, 2023, respectively
(3) Includes related party current portion of operating lease liabilities of $3,732 and $1,888 at September 30, 2024 and December 31, 2023, respectively
(4) Includes related party long-term operating lease liabilities of $9,842 and $9,472 at September 30, 2024 and December 31, 2023, respectively

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

American Oncology Network, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(Unaudited)

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Revenue				
Patient service revenue, net	$ 465,474	$ 332,195	$ 1,258,732	$ 945,681
Other revenue	4,805	4,110	9,868	9,322
Total revenue	470,279	336,305	1,268,600	955,003
Costs and expenses				
Cost of revenue (1)	433,746	310,894	1,193,283	880,827
General and administrative expenses (2)	34,738	25,199	99,753	72,831
Transaction expenses	194	24,603	1,210	29,886
Total costs and expenses	468,678	360,696	1,294,246	983,544
Income (loss) from operations	1,601	(24,391)	(25,646)	(28,541)
Other income (expense)				
Interest expense	(1,874)	(1,532)	(5,470)	(4,500)
Interest income	637	373	2,455	499
Other (expense) income, net	(1,924)	(3,309)	1,715	(7,689)
Loss before income taxes, equity loss in affiliate, and noncontrolling interest	(1,560)	(28,859)	(26,946)	(40,231)
Income tax expense	-	315	2,570	315
Loss before equity in affiliate and noncontrolling interest	(1,560)	(29,174)	(29,516)	(40,546)
Equity in income (loss) of affiliate	283	(31)	153	(251)
Net loss before noncontrolling interest	$ (1,277)	$ (29,205)	$ (29,363)	$ (40,797)
Net income attributable to noncontrolling interest	680	-	389	-
Net loss before redeemable noncontrolling interest	(1,957)	(29,205)	(29,752)	(40,797)
Net loss and noncontrolling interest attributable to Legacy AON Stockholders prior to the reverse recapitalization	-	(15,489)	-	(27,081)
Net loss attributable to redeemable noncontrolling interest	(888)	(11,924)	(24,463)	(11,924)
Net loss attributable to AON Inc.	$ (1,069)	$ (1,792)	$ (5,289)	$ (1,792)
Series A Preferred Cumulative Dividends	(1,431)	(133)	(4,166)	(133)
Series A Preferred Deemed Dividends	-	(2,089)	-	(2,089)
Net loss attributable to Class A Common Stockholders	$ (2,500)	$ (4,014)	$ (9,455)	$ (4,014)
Reallocation of net loss attributable to Class A Common Stockholders as a result of the impact and conversion of dilutive securities	-	-	(24,463)	-
Net loss attributable to Class A Common Stockholders for diluted earnings per share	$ (2,500)	$ (4,014)	$ (33,918)	$ (4,014)
Loss per share of Class A Common Stock:				
Basic	$ (0.19)	$ (0.61)	$ (0.90)	$ (0.61)
Diluted	$ (0.19)	$ (0.61)	$ (0.94)	$ (0.61)

Weighted average shares of Class A Common Stock Outstanding:				
Basic	13,264,403	6,614,229	10,527,469	6,614,229
Diluted	13,264,403	6,614,229	36,225,302	6,614,229
Other comprehensive income (loss):				
Unrealized gain (loss) on marketable securities	-	102	(189)	190
Other comprehensive gain (loss)	-	102	(189)	190
Comprehensive loss	$ (1,957)	$ (29,103)	$ (29,941)	$ (40,607)
Other comprehensive loss attributable to Legacy AON Shareholders	—	(15,398)	—	(26,902)
Other comprehensive loss attributable to noncontrolling interests	(888)	(11,915)	(24,596)	(11,915)
Total comprehensive loss attributable to AON Inc.	$ (1,069)	$ (1,790)	$ (5,345)	$ (1,790)

(1) Includes related party inventory expense of $399,848 and $271,790 and $1,076,092 and $777,478 for the three and nine months ended September 30, 2024 and 2023, respectively.
(2) Includes related party rent of $637 and $679 and $2,015 and $2,037 for the three and nine months ended September 30, 2024 and 2023, respectively.

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

American Oncology Network, Inc.

Condensed Consolidated Statements of Mezzanine and Stockholders' Deficit

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

	Mezzanine Equity - Class C		NCI[1]	Class A Common Stock		Class B Common Stock							
In thousands (except share and per share data)	Stock	$		Stock	$	Stock	$	APIC[1]	Treasury Stock	AOCI[1]	Noncontrolling Interest	Retained Deficit	Total Equity (Deficit)
Three Months Ended September 30, 2024													
Balances at June 30, 2024	6,652	64,986	28,331	12,939,850	1	20,571,323	3	27,074	(368)	26	518	(66,720)	(39,466)
Equity based compensation & NCI rebalancing			1,632	272,223				(118)					(118)
Net loss			(888)								680	(1,069)	(389)
Redemptions of Class B Common Stock to Class A Common Stock			(160)	126,200		(126,200)		161					161
Fair value adjustment to redeemable noncontrolling interest			62,816					(27,117)				(35,699)	(62,816)
Balances at September 30, 2024	6,652	64,986	91,731	13,338,273	1	20,445,123	3	—	(368)	26	1,198	(103,488)	(102,628)

	Mezzanine Equity - Class C		NCI[1]	Class A Common Stock		Class B Common Stock							
In thousands (except share and per share data)	**Stock**	**$**		**Stock**	**$**	**Stock**	**$**	**APIC[1]**	**Treasury Stock**	**AOCI[1]**	**Noncontrolling Interest**	**Retained Deficit**	**Total Equity (Deficit)**
Nine Months Ended September 30, 2024													
Balances at December 31, 2023	6,652	64,986	167,025	6,678,441	1	25,109,551	3	—	—	81	429	(161,812)	(161,298)
Other comprehensive loss			(133)							(55)			(55)
Equity-based compensation and NCI rebalancing			2,061	2,122,132				10,854					10,854
Repurchases of Class A Common Stock				(126,728)					(368)				(368)
Capital contributions from noncontrolling interest member											380		380
Net income (loss)			(24,463)								389	(5,290)	(4,901)
Redemption 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			(36,497)					(27,117)				63,614	36,497
Balances at September 30, 2024	6,652	64,986	91,731	13,338,273	1	20,445,123	3	—	(368)	26	1,198	(103,488)	(102,628)

In thousands (including share and per share data)	Mezzanine Equity - Class C Units exchanged for Series A Preferred Stock [2] Stock	Mezzanine Equity - Class C Units exchanged for Series A Preferred Stock [2] $	NCI[1]	Class A Common Stock Stock	Class A Common Stock $	Class B Common Stock Stock	Class B Common Stock $	Class A Units Units	Class A Units $	Class A-1 Units Units	Class A-1 Units $	Class B Units Units	Class B Units $	Class B-1 Units Units	Class B-1 Units $	APIC[1]	AOCI[1]	Noncontrolling Interest	Retained Earnings (Deficit)	Total Equity (Deficit)
Three Months Ended September 30, 2023																				
Balances at June 30, 2023	6,500	62,897	-	-	-	-	-	19,495	7,725	2,282	31,040	4,704	80	-	-	-	(29)	134	5,803	$ 44,753
Activity prior to reverse recapitalization																		-		
Issuance of additional Class A-1 Units pursuant to the Anti-Dilution Feature	-	-	-	-	-	-	-	-	-	718	7,185	-	-	-	-	-	-	-	-	$ 7,185
Tax distributions	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	(1,045)	$ (1,045)
Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	90	-	-	$ 90
Equity based compensation	-	-	-	-	-	-	-	-	-	-	-	911	10	1,047	4,864	-	-	-	-	$ 4,874
Net loss	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(15,464)	$ (15,490)
Reverse Recapitalization, net	152	2,089	36,873	6,614	1	25,110	3	(19,495)	(7,725)	(3,000)	(38,225)	(5,615)	(90)	(1,047)	(4,864)	17,602	(42)	-	(2,089)	$ (35,429)
Activity after reverse recapitalization																		-		
Other comprehensive income	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	$ 2
Net loss after the reverse recapitalization	-	-	(11,924)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,792)	$ (1,792)
Fair value adjustment to redeemable noncontrolling interest	-	-	344,371	-	-	-	-	-	-	-	-	-	-	-	-	(17,602)	-	-	(326,769)	$ (344,371)
Balances at September 30, 2023	6,652	$ 64,986	$ 369,329	6,614	$ 1	25,110	$ 3	-	$ -	-	$ -	-	$ -	-	$ -	$ -	$ 21	$ 108	$ (341,356)	$ (341,223)

[1] The acronyms in the table 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 13 for the summary of equity instruments.

	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)
Nine Months Ended September 30, 2023																				
Balances at December 31, 2022	-	-	-	-	-	-	-	19,495	7,725	1,843	28,500	4,704	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	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	(1,305)	$ (1,305)
Capital contribution from noncontrolling interest member	-	-		-	-	-	-	-	-	-	-		-	-	-	-	-	134	-	$ 134
Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	178	-	-	$ 178
Equity based compensation	-	-	-	-	-	-	-	-	-	-	-	911	10	1,047	4,864	-	-	-	-	$ 4,874
Net loss	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(27,055)	$ (27,081)
Reverse Recapitalization, net	152	2,089	36,873	6,614	1	25,110	3	(19,495)	(7,725)	(3,000)	(38,225)	(5,615)	(90)	(1,047)	(4,864)	17,602	(42)	-	(2,089)	$ (35,429)
Activity after reverse recapitalization																		-		
Other comprehensive income	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	$ 2
Net loss after the reverse recapitalization	-	-	(11,924)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,792)	$ (1,792)
Fair value adjustment to redeemable noncontrolling interest	-	-	344,371	-	-	-	-	-	-	-	-	-	-	-	-	(17,602)	-	-	(326,769)	$ (344,371)
Balances at September 30, 2023	6,652	$ 64,986	$ 369,329	6,614	$ 1	25,110	$ 3	-	$ -	-	$ -	-	$ -	-	$ -	$ -	$ 21	$ 108	$ (341,356)	$ (341,223)

[1] The acronyms in the table 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 13 for the summary of equity instruments.

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

American Oncology Network, Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

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

	Nine Months Ended September 30,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (29,363)	$ (40,797)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and amortization	7,459	6,368
Amortization of debt issuance costs	609	570
Amortization of postcombination compensation	875	-
Provision for income taxes	2,894	-
Equity in (gain) loss of affiliate	(153)	251
Amortization of operating right-of-use assets (1)	6,390	6,194
Changes in fair value adjustments of warrants and derivative liabilities	(1,634)	9,334
Equity-based compensation and NCI rebalancing	12,913	4,875
Loss (gain) on sale and abandonment of property and equipment	2,135	(2)
Bargain purchase gain on acquisition of physician practice	(1,040)	-
Deferred taxes	(324)	75
Changes in operating assets and liabilities, net of business combinations:		
Patient accounts receivable, net	1,140	(4,941)
Inventories (2)	(2,225)	(1,367)
Prepaid expenses and other current assets	(4,851)	(775)
Other receivables	(25,700)	(8,546)
Other assets	(5,847)	(2,107)
Accounts payable (3)	26,395	13,889
Accrued compensation related costs	6,130	8,744
Accrued other	(4,751)	6,290
Operating lease liabilities (4)	(4,241)	(5,625)
Other long-term liabilities	(3,680)	1,410
Net cash provided by (used in) operating activities	(16,869)	(6,160)
Cash flows from investing activities		
Purchases of property and equipment and intangible assets	(14,628)	(9,527)
Proceeds from disposals of property and equipment	141	5
Acquisition of physician practices, net of cash acquired	(6,712)	-
Purchases of marketable securities	(18,850)	(20,824)
Proceeds from sales of marketable securities	54,736	4,933
Issuance of notes receivable - related parties	(560)	-
Collections on notes receivable - related parties	682	740
Net cash provided by (used) in investing activities	14,809	(24,673)
Cash flows from financing activities		
Issuance of redeemable convertible Class C Units	-	64,996
Class A and A-1 preferred returns	-	(9,481)

Repayments on long-term debt	(2,520)	-
Contribution from noncontrolling interest	-	134
Repurchases of Class A Common Stock	(368)	-
Payment of tax withholding obligation on net RSU settlement	(3,258)	-
Repayments on finance lease liabilities	(901)	(387)
Cash paid for debt financing costs	-	(446)
Cash paid for offering costs on Class C issuance	-	(750)
Proceeds from reverse recapitalization	-	1,494
Net cash (used in) provided by financing activities	(7,047)	55,560
Net increase in cash and cash equivalents	(9,107)	24,727
Cash and cash equivalents		
Beginning of period	28,539	26,926
End of period	$ 19,432	$ 51,653
Supplemental noncash investing and financing activities		
Right-of-use assets and lease liabilities removed in termination of lease	$ -	$ 1,254
Promissory note issued in connection with acquisition of physician practices	(6,550)	-
Promissory note issued in connection with asset acquisition	(1,569)	-
Changes in accounts payable for capital additions to property and equipment	361	-
Noncash consideration paid by assumption of note for purchase of physician practice	(4,530)	-
Contribution from noncontrolling interest	(380)	-
Unpaid offering costs relating to the reverse recapitalization	-	2,745
Deemed dividend for Series A Preferred Stock extinguishment	-	2,089

(1) Includes related party amortization of operating right-of-use assets of $1,505 and $1,601 for the nine months ended September 30, 2024 and 2023, respectively.
(2) Includes changes in related party balances of ($4,462) and $(1,299) for the nine months ended September 30, 2024 and 2023, respectively.
(3) Includes changes in related party balances of $22,801 and $10,627 for the nine months ended September 30, 2024 and 2023, respectively.
(4) Includes changes in related party balances of ($1,766) and ($1,835) for the nine months ended September 30, 2024 and 2023, respectively.

The accompanying notes are an integral part of these condensed 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 38 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 nine months ended September 30, 2024, the Company entered into affiliation agreements with or acquired the following oncology practices.

Nine Months Ended September 30, 2024
State
Maryland (a)
Texas (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 above have been included in the Company's condensed consolidated financial statements.

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 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" or "Reverse Recapitalization") 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 Shareholders" (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) were as follows:

- AON LLC Common Units held by the Legacy AON Shareholders - 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 shareholders - 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 Shareholders - 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 Shareholders 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 Accounting Standards Codification ("ASC") 810, *Consolidations* ("ASC 810") the Business Combination was evaluated under ASC 805, *Business Combinations* ("ASC 805"). 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 shareholders 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 $0.0 million and $24.6 million during the three months ended September 30, 2024 and 2023, respectively. AON LLC and New AON incurred costs of $1.0 million and $24.6 million during the nine months ended September 30, 2024 and 2023, respectively. These costs were reported as transaction expenses in the condensed consolidated statements of operations and comprehensive income (loss).

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company were prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. There have been certain reclassifications of prior year amounts made to conform to the current year presentation. Management believes the unaudited condensed consolidated financial statements for the interim periods presented contain all necessary adjustments, of a normal recurring nature, to state fairly, in all material respects, the Company's financial position, results of operations and cash flows for the interim periods presented. These unaudited condensed consolidated financial statements were prepared on the same basis as and should be read in conjunction with such audited consolidated financial statements and related notes thereto of AON Inc. and its wholly-owned subsidiaries, included in the Annual Report on Form 10-K, dated and filed on March 28, 2024 with the SEC (the "Annual Report 2023"). Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results the Company expects for the entire year.

For the three and nine months ended September 30, 2024, these unaudited condensed consolidated financial statements reflect the consolidated results of operations, comprehensive (income) loss, cash flows and changes in equity of AON Inc. and its wholly-owned subsidiaries. The condensed consolidated balance sheet at September 30, 2024 presents the financial condition of AON Inc. and its consolidated subsidiaries.

For the three and nine months ended September 30, 2023, these unaudited condensed consolidated financial statements present the consolidated results of operations, comprehensive (income) loss, cash flows and changes in equity of AON LLC. The condensed consolidated balance sheet as of December 31, 2023 presents the financial condition of AON Inc. and its consolidated subsidiaries after the Reverse Recapitalization. All intercompany balances and transactions of AON LLC have been eliminated.

In accordance with ASC 805 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 Shareholders 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 condensed 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 condensed 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 three and nine months ended September 30, 2024, $1.1 million and $5.3 million, respectively, 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 36.1% and 29.0%, respectively, of the consolidated net loss of AON LLC. For the three and nine months ended September 30, 2024, $0.9 million and $24.5 million, respectively, of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 63.9% and 71.0% of the consolidated net losses of AON LLC.

For both the three and nine months ended September 30, 2023, $1.7 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 19.0% of the consolidated net loss of AON LLC for the period of September 21, 2023 through September 30, 2023. For both the three and nine months ended September 30, 2023, $11.9 million of the consolidated net losses of AON LLC were attributable to the noncontrolling interest, and reflects the Legacy AON Shareholders' absorption of 81.0% of the consolidated net losses of AON LLC for the period of September 21, 2023 through September 30, 2023. For the three and nine months ended September 30, 2023, $15.5 million and $27.0 million of the consolidated net losses of AON LLC were attributable to the Legacy AON Shareholders, respectively, to reflect their absorption of 100% of the consolidated net losses of AON LLC pertaining to the days prior to the Reverse Recapitalization.

Principles of Consolidation

For the period of January 1, 2024 through September 30, 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

The accounting policies included below should be read in conjunction with the annual consolidated financial statements.

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

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker (the "CODM"). The Company's CODM is its chief executive officer who reviews financial information together with certain operating metrics principally to make decisions about how to allocate resources and to measure the Company's performance. The Company has one operating segment and one reportable segment that are structured around the organizational management of oncology practice operations. All revenue and assets are in the United States.

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 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. 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 three and nine month periods ended September 30, 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 September 30, 2024 and December 31, 2023. Approximately $315.3 million and $242.5 million and $860.9 million and $687.4 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 three and nine month periods ended September 30, 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 three and nine month periods ended September 30, 2024 and 2023, such resulting historic adjustments have been immaterial to the condensed 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.

In April 2022, the Company entered into an arrangement to sponsor and manage a clinical trial. The Company subsequently contracted with a third-party to provide the clinical research services and is the principal in this arrangement. The performance of clinical research services are considered a single performance obligation because the Company provides a highly-integrated service. Revenue is recognized for the single performance obligation over time due to the Company's right to payment for work performed to date. The contract provides for invoices based on predetermined milestones.

The Company uses the cost-to-cost measure of progress for the Company's contract because it best depicts the transfer of control to the customer as the performance obligation is fulfilled. For this method, the Company compares the contract costs incurred to date to the estimated total contract costs through completion. As part of the client proposal and contract negotiation process, the Company develops a detailed project budget for the direct costs and reimbursable costs based on the scope of the work, the complexity of the study, the geographical location involved and the Company's historical experience. The estimated total contract costs at the project level are reviewed and revised periodically throughout the life of the contract, with adjustments to revenue resulting from such revisions being recorded on a cumulative basis in the period in which the revisions are identified. Contract costs consist primarily of direct labor and other reimbursable project-related costs such as travel, third-party vendor costs and investigator fees. The Company establishes pricing based on the Company's internal pricing guidelines, discount agreements, if any, and negotiations with the client. The transaction price is the contractually defined amount. Revenue related to the clinical trial, which is included within other revenue, was $0.0 million and $2.2 million and $0.5 million and $3.7 million for the three and nine months ended September 30, 2024 and 2023, respectively. This arrangement concluded during the three months ended September 30, 2024.

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 in the condensed consolidated statements of operations and comprehensive (income) loss. The Company's VBC revenue is primarily generated through its participation in the CMS Oncology Care Model ("OCM") 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.

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 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 condensed consolidated statements of operations and comprehensive (income) 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 condensed consolidated statements of operations and comprehensive (income) 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 condensed consolidated statements of operations and comprehensive (income) 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 condensed 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 condensed consolidated statements of operations and comprehensive (income) loss. The Company divested its relationship with OCP Management Arizona, LLP during the three months ended September 30, 2024 and recorded a small gain reported as equity in income (loss) of affiliate in the condensed 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 15 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 September 30, 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 members' equity on the consolidated balance sheets. Refer to Note 14 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 nine months ended September 30, 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.

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. 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. 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.

Business Combinations

The Company evaluates acquired practices in accordance with *ASC 805: Accounting for Business Combinations*. ASU 2017-01 specifically 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.

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 condensed consolidated statement of operations and comprehensive (income) loss.

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

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 June 30, 2024. See below for a discussion of the Company’s Level 1 and Level 3 warrant liabilities as of June 30, 2024. As of June 30, 2024 and December 31, 2023, there were no Level 3 financial instruments. There were no transfers between any levels of the hierarchy during any periods presented.

Warrant Liabilities

Upon Closing of the Business Combination, on September 20, 2023, 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 condensed 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 condensed consolidated statements of operations and comprehensive (income) loss in the period of change.

As of September 30, 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 as of September 30, 2024 is $1.2 million and recorded in accrued other on the condensed 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 September 30, 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 September 30, 2024, the fair value of the Private Placement Warrants was estimated to be $0.9 million and recorded in accrued other on the condensed consolidated balance sheets. The fair value was estimated at September 30, 2024, using the Black-Scholes Option Pricing model using the following assumptions:

Expected annual dividend yield – 0.0%
Expected volatility – 33.50%
Risk-free rate of return – 3.55%
Expected Option Term – 5.0 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.

Earnings 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 Shareholders, basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2023 represents only the period from September 21, 2023 to September 30, 2023, the period where the Company had earnings (loss) attributable to Class A Common Stockholders. Basic and diluted earnings (loss) per share for the three and nine months ended September 30, 2024 represents the period where the Company had earnings (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 earnings (loss) per share. As such, basic and diluted earnings (loss) per share of Class B Common Stock has not been presented.

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 earnings (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 earnings (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 earnings (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 12). Under such method income available to common shareholders is computed by deducting both dividends declared or, if not declared, accumulated on Series A Preferred Stock from net income. Loss attributable to common shareholders 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 earnings (loss) per share is based on the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted earnings (loss) per share is based on the weighted-average number of shares of Class A Common Stock used for the basic earnings (loss) per share calculation, adjusted for the dilutive effect of the Public and Private Warrants, Restricted Stock Units, 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 earnings (loss) for diluted loss per share is adjusted for the Company's share of AON LLC's consolidated net earnings (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, 2023, with early adoption permitted. The adoption of this standard as of January 1, 2024, did not have an impact on the Company's consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The amendments in this update are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The ASU requires disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker, a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the chief operating decision maker when deciding how to allocate resources. The ASU also requires all annual disclosures currently required by Topic 280, "Segment Reporting," to be included in interim periods. This update is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and retrospective application is required for all periods presented. The Company is evaluating the impact this will have on the Company's consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The amendments in this upgrade enhance the transparency and decision usefulness of income tax disclosures. This ASU requires disclosures of specific categories and disaggregation of information in the rate reconciliation table. The ASU also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The requirements of the ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted and the amendments should be applied on a prospective basis.

Retrospective application is permitted. The Company is currently evaluating the effect that ASU 2023-09 will have on its disclosures.

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 DTOC. 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 condensed consolidated statement of operations and comprehensive (income) loss. The remaining $5.2 million was recorded in other income (expense) net on the condensed consolidated statement of operations and comprehensive (income) 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 three and nine month periods ended September 30, 2024 and September 30, 2023.

The assets of AON Partners, Partners of Maryland, AON Central Services, and MIBA as of September 30, 2024 and December 31, 2023, are as follows:

	As of September 30, 2024	As of December 31, 2023
Assets		
Cash and cash equivalents	$ 19,180	$ 26,574
Accounts receivable	128,011	129,151
Inventories	49,266	44,569
Prepaid expenses and other current assets	6,514	895
Goodwill	9,850	—
Intangibles, net	2,476	180
Other receivables	63,824	33,809
Other assets	16,555	2,091
Total assets	$ 295,676	$ 237,269

The liabilities of AON Partners, Partners of Maryland, AON Central Services, and MIBA as of September 30, 2024 and December 31, 2023, are as follows:

	As of September 30, 2024	As of December 31, 2023
Liabilities		
Accounts payable	$ 147,924	$ 122,324
Accrued compensation and benefits	36,428	21,380
Accrued other	10,523	16,723
Other long-term liabilities	702	273
Due to AON LLC and subsidiaries, net	137,976	117,194
Total liabilities	$ 333,553	$ 277,894

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

5. Business Combinations

2024 Acquisitions

During the nine months ended September 30, 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 $1,300 with an amortization period of 10 years. The Company transferred total consideration of $13,462.

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 $520 with an amortization period of 10 years. The Company transferred total consideration of $(4,530).

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 preliminary amounts of the assets acquired and consideration transferred recognized on 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	—	3,183
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	$ 7,256
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	—	324
Note payable	—	4,530
Operating lease liability - long-term	2,970	2,335
Total liabilities acquired	3,159	10,745
Net assets (liabilities) acquired	$ 13,462	$ (3,489)
Bargain purchase gain	$ —	$ (1,040)

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.

The purchase price allocations are subject to further change when additional information is obtained. The Company intends to finalize the purchase price allocations as soon as practicable within the measurement period, but in no event later than one year following the respective closing date of the acquisitions referenced above. The final purchase price allocation may result in additional adjustments to the net assets acquired, including the residual amount allocated to goodwill during the measurement period. 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 $1,040 for the Hawaii Practice Acquisition was recorded within Other (expense) income, net in the condensed 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 nine months ended September 30, 2024 and the three and nine months ended September 30, 2023, as if the 2024 acquisitions had occurred as of January 1, 2023. Prior to the acquisition date, revenue and expenses were recognized on the cash basis of accounting. CGCC's and HCC's historical books and records did not contain the information required to prepare financial statements on a basis that would be comparable to us. Thus, the required pro-forma financial disclosures related to net income are not presented herein.

	Pro Forma		
	Three Months Ended September 30,	Nine months ended September 30,	
	2023	2024	2023
Revenue	$ 364,896	$ 1,297,191	$ 1,040,777

From the dates of acquisition through September 30, 2024, revenue attributable to the 2024 acquired businesses was $64.9 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 and cash equivalents:

	As of September 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents (1)				
Level 1:				
Overnight repurchase agreements (2)	$ 18,773	$ -	$ -	$ 18,773
Money market funds	224	-	-	224
Level 1 total	$ 18,997	$ —	$ —	$ 18,997

	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 condensed consolidated balance sheets at September 30, 2024 and December 31, 2023.
(2) Cash equivalents as of September 30, 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 were determined using pricing based on quoted market prices or alternative market observable inputs. As of September 30, 2024 the Company has sold all Level 2 investments.

7. Supplemental Condensed Balance Sheet Information

Other receivables

Other receivables consisted of the following at September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
Rebates receivable	$ 54,608	$ 33,708
Other	8,545	566
Total other receivables	$ 63,153	$ 34,274

Inventory

Inventory consisted of the following purchased finished goods at September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
Intravenous drugs	$ 34,553	$ 32,388
Oral pharmaceuticals	14,713	12,181
Total inventories	$ 49,266	$ 44,569

Property and Equipment, net

Property and equipment, net consisted of the following at September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
Leasehold improvements	$ 37,042	$ 32,490
Furniture, fixtures and equipment	2,974	2,607
Medical equipment	10,343	8,566
Computer equipment	3,818	3,285
Signs	227	153
Automobiles	101	59
Software	8,394	7,829
Construction-in-progress	5,564	2,985
Finance Right of Use Assets	7,242	7,100
Property and equipment, gross	75,705	65,074
Accumulated depreciation and amortization	(30,384)	(24,635)
Property and equipment, net	$ 45,321	$ 40,439

Other Assets

Other assets consisted of the following at September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
Physician deferred compensation	$ 12,066	$ -
Insurance recovery receivable	2,830	2,830
Equity investment in OCP Management Arizona, LLC	-	1,754
Other	3,917	3,004
Total other assets	$ 18,813	$ 7,588

Accrued Other

Accrued other consisted of the following at September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
Refund liability	$ 8,147	$ 15,078
Warrant liability	2,023	-
Excise taxes payable	2,700	2,700
Current portion of finance lease liabilities	1,271	1,189
Other	3,308	3,360
Total accrued other	$ 17,449	$ 22,327

8. Long-term Debt

Debt consisted of the following at September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
PNC Facility	$ 81,250	$ 81,250
Notes payable	10,192	—
Total	91,442	81,250
Unamortized debt issuance costs	—	(609)
Less current portion	(3,809)	—
Total debt	$ 87,633	$ 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 shareholder 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 an initial 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 September 30, 2024 and December 31, 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, 2025 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 September 30, 2024 and December 31 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 1, 2024, the Company entered into Amendment No. 8 (“Amendment 8”) to its PNC Loan Facility to modify certain definitions such as “change in control”. In addition, the Amendment 8 also amended the delinquency ratio threshold used to calculate certain debt covenants. The effective date of Amendment 8 was January 16, 2024.

On January 16, 2024, the Company also 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 was 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.

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 September 30, 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 September 30, 2024, $2.5 million of the note is included within current portion of long-term debt on the condensed consolidated balance sheet and $0.1 million is included within long-term debt, net.

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 September 30, 2024, $1.3 million of the note is included within current portion of long-term debt on the condensed consolidated balance sheets and $4.8 million is included within long-term debt, net.

9. Income Taxes

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 or loss of its members, including the Company.

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. These corporate entities continue to generate losses and continue to maintain a valuation allowance against their net deferred tax assets.

The Company’s effective income tax rate was 0.0% and (1.1)% for the three months ended September 30, 2024 and 2023, respectively. The provision for income taxes was $0 and $315 for the three months ended September 30, 2024 and 2023, respectively.

The Company’s effective income tax rate was (9.6)% and (0.8)% for the nine months ended September 30, 2024 and 2023, respectively. The provision for income taxes was $2,570 and $315 for the nine months ended September 30, 2024 and 2023, respectively.

The change to the income tax provision for the nine months ended September 30, 2024 compared to the income tax provision for the nine months ended September 30, 2023 was primarily a result of the full valuation allowance recorded against the Company’s net deferred tax assets as of September 30, 2024. 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 September 30, 2024, the Company updated its valuation allowance assessment based on new factors including its year-to-date loss and forecasted loss at the American Oncology Network, LLC partnership legal entity. Based on its updated valuation allowance assessment, the Company recorded a discrete full valuation allowance against its investment in partnership deferred tax asset during the nine months ending September 30, 2024.

The effective income tax rate for the three and nine months ended September 30, 2024 and 2023 differed from the federal statutory rate primarily due to certain legal entities in the Company's structure being treated as partnerships for income tax purposes and, therefore, a significant portion of its income not being subject to income tax. Additionally, as of September 30, 2024, all corporate entities within the Company's structure maintain a full valuation allowance against their net deferred tax assets.

10. 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 September 30, 2024 and December 31, 2023:

	As of September 30, 2024	As of December 31, 2023
Assets		
Operating lease right-of-use assets, net	$ 45,694	$ 43,349
Finance lease right-of-use assets, net (included in property and equipment, net)	5,053	5,794
Total right-of-use assets	$ 50,747	$ 49,143
Liabilities		
Current		
Current portion of operating lease liabilities	$ 7,308	$ 6,692
Current portion of finance lease liabilities (included in accrued other)	1,271	1,189
Long-term	8,579	7,881
Long-term operating lease liabilities	43,681	39,803
Long-term finance lease liabilities (included in other long-term liabilities)	3,684	4,548
Total lease liabilities	$ 55,944	$ 52,232

The components of lease costs recognized in the condensed consolidated statements of operations and comprehensive (income) loss consist of the following for the three and nine month periods ended September 30, 2024 and 2023 and are included in selling, general, and administrative expenses unless otherwise noted:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease costs	$ 3,122	$ 2,820	$ 8,895	$ 8,361
Finance lease costs				
Amortization of finance lease right-of-use assets	289	122	860	354
Interest on finance lease liabilities (included in interest expense)	80	35	250	79
Variable lease costs	729	560	1,958	1,742
Total lease costs	$ 4,220	$ 3,537	$ 11,963	$ 10,536

The following table reconciles the undiscounted cash flows expected to be paid in each of the next five years and thereafter recorded in the condensed consolidated balance sheets for operating and finance leases as of September 30, 2024:

	Operating Leases	Finance Leases
2024 (remainder of year after September 30, 2024)	$ 1,662	$ 386
2025	11,686	1,523
2026	11,320	1,285
2027	10,109	1,220
2028	7,820	948
Thereafter	23,288	262
Total lease payments	65,885	5,624
Less: amount representing interest	(14,896)	(669)
Present value of lease liabilities	50,989	4,955
Less: current portion of lease liabilities	(7,308)	(1,271)
Long-term lease liabilities, net of current portion	$ 43,681	$ 3,684

The weighted-average remaining lease term as of September 30, 2024 and December 31, 2023 was 6.76 years and 6.93 years for operating leases and 4.09 years and 4.76 years for finance leases, respectively. The weighted-average discount rate as of September 30, 2024 and December 31, 2023 was 6.69% and 6.64% for operating leases and 6.39% and 6.30% for finance leases, respectively.

The cash paid for amounts included in the measurement of lease liabilities for the nine months ended September 30, 2024 and 2023 is as follows:

	Nine Months Ended September 30,	
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 6,534	$ 7,678
Operating cash flows from finance leases	250	79
Financing cash flows from finance leases	901	387
ROU assets obtained in exchange for new operating lease liabilities	10,265	9,862
ROU assets obtained in exchange for new finance lease liabilities	120	1,103

11. 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 (6.63% at September 30, 2024 and 7.18% at December 31, 2023, respectively).

	As of September 30, 2024	As of December 31, 2023	Original Principal	Issue Date	Maturity Date
Notes receivable					
Note 2*	$ 157	$ 656	$ 5,355	5/1/2019	4/30/2024
Note 3	-	17	491	6/1/2019	5/31/2024
Note 8	1,640	2,081	2,816	5/1/2020	5/1/2025
Note 10	310	-	310	7/12/2024	7/12/2029
Note 11	250	-	250	9/20/2024	9/20/2029
Total notes receivables	2,357	2,754			
Less: Current portion of notes receivable	(1,980)	(1,604)			
Notes receivable, less current portion	$ 377	$ 1,150			

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

Leases

The Company has operating leases for eleven of the office facilities owned by employees of the Company. Total cash was approximately $0.5 million and $1.8 million paid for leases to related parties for the three and nine months ended September 30, 2024.

The Company has operating leases for ten of the office facilities owned by employees of the Company. Total cash was approximately $0.6 million and $1.9 million paid for leases to related parties for the three and nine months ended September 30, 2023.

Inventory Purchases/Concentration Risk

The Company purchases the majority of pharmaceuticals inventory from a subsidiary under common control of a Legacy AON Shareholder. During the three months ended September 30, 2024 and 2023, the Company purchased approximately $395.0 million and $268.0 million, respectively, from the related party. These purchases were approximately 91% and 86% as a percentage of cost of revenue for the three months ended September 30, 2024 and 2023, respectively. During the nine months ended September 30, 2024 and 2023, the Company purchased approximately $1,081.0 million and $774.0 million, respectively, from the related party. These purchases were approximately 91% and 88% as a percentage of cost of revenue for the nine months ended September 30, 2024 and 2023, respectively. At September 30, 2024 and December 31, 2023, the Company had $144.0 million and $120.9 million, respectively, included in accounts payable for invoices from the related party, representing 92% of accounts payable at each period-end.

12. 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 September 30, 2024, 1,143,190 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

The Company granted 4,746,521 Restricted Stock Units ("RSUs") to employees during the nine months ended September 30, 2024.

A summary of the RSU activity during the nine month period ending September 30, 2024 is as follows:

	Nine Months Ended September 30, 2024	
	Restricted Stock Units	Weighted Average Grant Date Fair Value
Outstanding as of December 31, 2023	—	$ —
Granted	4,746,521	$ 4.83
Vested	(2,382,730)	$ 5.47
Forfeited/Cancelled	(33,714)	$ —
Outstanding as of June 30, 2024	2,330,077	$ 4.16

The Company recognized $1.5 million and $16.1 million in stock-based compensation expense related to outstanding RSUs during the three and nine months ended September 30, 2024, respectively.

As of September 30, 2024, there was approximately $6.2 million of total unrecognized compensation expense related to RSUs, which is expected to be recognized over a weighted-average period of approximately 1.64 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 two years following the grant date, subject to the individual's continued service to the Company through the applicable vesting date, and are subject to the terms and conditions on the Company's form of RSU agreement under the 2023 Incentive Equity Plan.

13. 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 Shareholders 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 three and nine months ended September 30, 2023.

in thousands, except for share and per share amounts	Three Months Ended September 30,	Nine Months Ended September 30,
	2023	**2023**
Class A Units, value		
Beginning of Period	$ 7,725	$ 7,725
Issuance of Units	—	—
Impact of the Reverse Recapitalization	(7,725)	(7,725)
End of Period	$ —	$ —
Class A Units, units		
Beginning of Period	19,495,376	19,495,376
Issuance of Units	—	—
Impact of the Reverse Recapitalization	(19,495,376)	(19,495,376)
End of Period	—	—
Class A-1 Units, value		
Beginning of Period	$ 31,040	$ 28,500
Issuance of Units	7,185	9,725
Impact of the Reverse Recapitalization	(38,225)	(38,225)
Impact of Derivative liability on Class A-1 anti-dilution feature	—	—
End of Period	$ —	$ —
Class A-1 Units, units		
Beginning of Period	2,281,696	1,842,520
Issuance of Units	718,549	1,157,725
Impact of the Reverse Recapitalization	(3,000,245)	(3,000,245)
Distribution	—	—
End of Period	—	—
Class B Units, value		
Beginning of Period	$ 80	$ 80
Equity based compensation	10	10
Impact of the Reverse Recapitalization	(90)	(90)
End of Period	$ —	$ —
Class B Units, units		
Beginning of Period	4,703,628	4,703,628
Units Vested	910,548	910,548
Impact of the Reverse Recapitalization	(5,614,176)	(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"). 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 condensed 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 materially 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.

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 December 31, 2023 condensed

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") in the December 31, 2023 condensed consolidated statements of mezzanine and stockholders' equity.

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 volume weighted average price ("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.

14. Net Income (Loss) Per Share

The following table sets forth the computation of basic and diluted net loss per share of Class A Common Stock. Basic and diluted loss per share for the three and nine months ended September 30, 2023, represents the period from September 21, 2023 to September 30, 2023, the days in the prior year periods when the Company had Class A and Class B common stock outstanding. 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, 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss attributable to AON Inc.	$ (1,069)	$ (1,792)	$ (5,289)	$ (1,792)
Less: Series A Preferred Cumulative Dividends	$ (1,431)	$ (133)	$ (4,166)	$ (133)
Less: Series A Preferred Deemed Dividend	$ —	$ (2,089)	$ —	$ (2,089)
Net loss attributable to Class A Common Stockholders	$ (2,500)	$ (4,014)	$ (9,455)	$ (4,014)
Less: Reallocation of net loss attributable to Class A Common Stockholders as a result of the impact and conversion of dilutive securities	$ —	$ —	$ (24,463)	$ —
Net loss attributable to Class A Common Stockholders for diluted earnings per share	$ (2,500)	$ (4,014)	$ (33,918)	$ (4,014)
Weighted-average shares for basic earnings per share	13,264,403	6,614,229	10,527,469	6,614,229
Effect of dilutive securities:				
Series A Preferred Stock	—	—	—	—
Class B Common Stock	—	—	22,697,588	—
Class B Prefunded warrants	—	—	3,000,245	—
Restricted Stock Units	—	—	—	—
Weighted-average shares for diluted earnings per share	13,264,403	6,614,229	36,225,302	6,614,229
Basic loss per share of Class A Common Stock	$ (0.19)	$ (0.61)	$ (0.90)	$ (0.61)
Dilutive loss per share of Class A Common Stock	$ (0.19)	$ (0.61)	$ (0.94)	$ (0.61)

The following table details the securities that have been excluded from the calculation of weighted-average shares for diluted loss per share for the periods 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
Series A Preferred Stock	7,217,540	6,651,610	7,217,540	6,651,610
Class B Common Stock	20,445,123	25,109,551	—	25,109,551
Class B Prefunded Warrants	3,000,245	3,000,245	—	3,000,245
Public and Private Warrants	14,450,833	14,450,833	14,450,833	14,450,833
Restricted Stock Units	2,053,365	—	2,053,365	—

15. Redeemable Noncontrolling Interest

Legacy AON Shareholders own 23,445,368 AON LLC Common Units, equal to a 63.7% of the economic interest in AON LLC as of September 30, 2024. Legacy AON Shareholders Common Units are comprised of 20,445,123 shares of Class B Common Stock and 3,000,245 Class B Prefunded Warrants, which, together with the AON LLC Common Units, may be redeemed at the option of the Legacy AON Shareholder 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 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 September 30, 2024, the redeemable noncontrolling interest was recorded based on its redemption value of $91.7 million which represented a decrease of $75.3 million from its redemption value as of December 31, 2023. This measurement adjustment decreased retained 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 period beginning December 31, 2023 and ending September 30, 2024.

	Period beginning December 31, 2023 and ending September 30, 2024		
	AON LLC Units		
	AON Inc.	Legacy AON Shareholders	Total
Beginning of Period	13,330,051	28,109,796	41,439,847
Issuances	2,122,132	—	2,122,132
Repurchases	(126,728)	—	(126,728)
Redemptions	4,664,428	(4,664,428)	—
Total Units Issued	19,989,883	23,445,368	43,435,251
End of Period	19,989,883	23,445,368	43,435,251
Allocation of income to controlling and noncontrolling interests	46.0 %	54.0 %	100 %
Allocation of losses to controlling and noncontrolling interests (1)	36.3 %	63.7 %	100 %

(1) As discussed in Note 13, Series A Preferred Stock are 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 period of January 1, 2024 through June 30, 2024, were allocated to the NCI to reflect the absorption of the Legacy AON Shareholders to a portion of the consolidated net loss of AON LLC. Net losses were not attributed to Series A Preferred Stock.

16. Commitments and Contingencies

On September 12, 2024, the Company entered into a definitive agreement to purchase certain non-clinical and clinical assets of a physician practice. The purchase price for the transaction will be approximately $30.5 million, subject to customary closing adjustments, and is expected to be accounted for as a business combination. The purchase is expected to be settled in $15.6 million of cash, a note to the seller with a principal amount of $7.2 million, and $7.7 million in cash or restricted stock units expected to be paid over a three years period. The acquisition is expected to close in the first quarter of fiscal 2025.

17. Subsequent Events

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.
As previously disclosed in our second quarter 10-Q filed August 14, 2024, 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 filed as Exhibits 10.1 and 10.2, respectively, to this Quarterly Report on Form 10-Q. The foregoing summaries of 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.

Hurricanes Helene and Milton

Hurricane Helene and Hurricane Milton were major hurricanes that made landfall in the Southeastern United States in late September 2024 and early October 2024, respectively. These hurricanes caused widespread property damage, flooding, power outages, communication interruptions, and severely disrupted normal economic activity in the region. The Company experienced a disruption of operations and temporary clinic closures at approximately ten locations in Florida, Georgia and North Carolina due to the hurricanes. As of this Quarterly Report on Form 10-Q, a reasonable estimate of the financial repercussions of these events cannot be made because, for example, some patient services and treatments not administered due to a clinic closure can be subsequently provided depending on the timing of a clinic reopening. We continue to assess the potential financial impact of these events, however, at this time we do not believe it will have a material effect on our business operations or financial condition.

Item 2. 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 condensed consolidated unaudited financial statements as of September 30, 2024 and for the three and nine months ended September 30, 2024 and 2023 that are included in this Quarterly Report. This discussion should be read in conjunction with our audited consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021, together with the related notes thereto, found in our Annual Report on Form 10-K, dated and filed with the SEC on March 28, 2024 and which is available on the SEC's website at www.sec.gov.

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 September 30, 2024, we have approximately 256 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" or "Reverse Recapitalization"), 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.
As previously disclosed in our second quarter 10-Q filed August 14th, 2024, 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. See FN 17 Subsequent Events for more information.

Basis of Presentation

For the three and nine months ended September 30, 2024, these condensed consolidated financial statements reflect the consolidated results of operations, comprehensive income (loss), cash flows and changes in equity of AON Inc. and its wholly-owned subsidiaries. The consolidated balance sheet at September 30, 2024 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 three and nine months ended September 30, 2024, $1.1 million and $5.3 million, respectively, 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 36.1% and 29.0%, respectively, of the consolidated net loss of AON LLC.

For the three and nine months ended September 30, 2024, $0.9 million and $24.5 million, respectively, of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 63.9% and 71.0% of the consolidated net losses of AON LLC.

For both the three and nine months ended September 30, 2023, $1.7 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 19.0% of the consolidated net loss of AON LLC for the period of September 21, 2023 through September 30, 2023.

For both the three and nine months ended September 30, 2023, $11.9 million of the consolidated net losses of AON LLC were attributable to the noncontrolling interest, and reflects the Legacy AON Shareholders' absorption of 81.0% of the consolidated net losses of AON LLC for the period of September 21, 2023 through September 30, 2023.

For the three and nine months ended September 30, 2023, $15.5 million and $27.0 million of the consolidated net losses of AON LLC were attributable to the Legacy AON Shareholders, respectively, 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 three and nine months ended September 30, 2024, $3.6 million of the consolidated net income of AON LLC and $4.2 million of the consolidated net loss of AON LLC, respectively, were attributable to the Class A Common Stockholders, and reflects the Class A Common Stockholders' absorption of 30.7% and 25.9%, respectively, of the consolidated net income and loss of AON LLC.

For the three and nine months ended September 30, 2024, $6.4 million and $23.6 million, respectively, of the consolidated net losses of AON LLC were attributable to noncontrolling interest, and reflects the Legacy AON Stockholders' absorption of 69.3% and 74.1% of the consolidated net losses of AON LLC.

For the three and nine months ended September 30, 2023, $10.1 million and $11.6 million, respectively, 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.

Key Factors Affecting Performance & Non-GAAP Measures

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. Effective management of these costs is 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 physician and nursing resources. We continuously monitor wages 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.

Hurricanes Helene and Milton

Hurricane Helene and Hurricane Milton were major hurricanes that made landfall in the Southeastern United States in late September 2024 and early October 2024, respectively. These hurricanes caused widespread property damage, flooding, power outages, communication interruptions, and severely disrupted normal economic activity in the region. The Company experienced a disruption of operations and temporary clinic closures at approximately ten locations in Florida, Georgia and North Carolina due to the hurricanes. As of this Quarterly Report on Form 10-Q, a reasonable estimate of the financial repercussions of these events cannot be made because, for example, some patient services and treatments not administered due to a clinic closure can be subsequently provided depending on the timing of a clinic reopening. We continue to assess the potential financial impact of these events, however, at this time we do not believe it will have a material effect on our business operations or financial condition.

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 our doctors to their patients which are dispensed directly by AON’s specialty pharmacy. Revenue for the oral prescription is based on fee schedules set by various PBMs and other third-party payors. The fee schedule is often subject to direct and indirect remuneration (“DIR”) fees, which are based primarily on adherence and other metrics. DIR fees may be significant and may be assessed in the periods

after payments are received against future payments. The Company recognizes revenue, net of estimated DIR fees, at the time the patient takes possession of the oral drug.

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

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 Three and Nine Months Ended September 30, 2024 to the Three and Nine Months Ended September 30, 2023

Revenue

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**	**2024**	**2023**	**$**	**%**
Patient service revenue, net	$ 465,474	$ 332,195	$ 133,279	40.1 %	$ 1,258,732	$ 945,681	$ 313,051	33.1 %
Other revenue	4,805	4,110	695	16.9 %	9,868	9,322	546	5.9 %
Total revenue	$ 470,279	$ 336,305	$ 133,974	39.8 %	1,268,600	$ 955,003	$ 313,597	32.8 %

For the three months ended September 30, 2024 and 2023 revenue increased $134.0 million, or 39.8%, due to a $133.3 million increase in patient service revenue and a $0.7 million increase in other revenue.

For the nine months ended September 30, 2024 and 2023 revenue increased $313.6 million, or 32.8%, due to a $313.1 million increase in patient service revenue and a $0.5 million increase in other revenue.

Patient service revenue, net

For the three months ended September 30, 2024 and 2023 the $133.3 million increase in revenue is largely attributable to a 25.2% increase in patient encounters, related to both organic growth and growth from acquired practices, driving $66.7 million of revenue increase and $45.6 million due to an increased revenue per encounter of 11.9% over the comparable periods.

For the nine months ended September 30, 2024 and 2023 the $313.1 million increase in revenue is largely attributable to a 18.7% increase in patient encounters, related to both organic growth and growth from acquired practices, driving a $176.4 million revenue increase with $136.7 million due to increased revenue per encounter of 12.2% over the comparable periods. This revenue growth was constrained in part by approximately $10.2 million of incremental implicit price concessions associated with accounts receivable in our legacy and new billing system as the Company transitioned its billing and collection efforts to a new billing system in the fourth quarter of 2023.

Other revenue

For the three months ended September 30, 2024 and 2023 other revenue increased $0.7 million due to an increase of $2.9 million in data contracts offset by a $2.2 million decrease in clinical trial revenue.

For the nine months ended September 30, 2024 and 2023 other revenue increased $0.5 million due to an increase of $3.8 million in data contracts offset by a $3.2 million decrease in clinical trial revenue..

Operating Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**	**2024**	**2023**	**$**	**%**
Cost of revenue	$ 433,746	$ 310,894	$ 122,852	39.5 %	$ 1,193,283	$ 880,827	$ 312,456	35.5 %
General and administrative expenses	34,738	25,199	9,539	37.9 %	99,753	72,831	26,922	37.0 %
Transaction expenses	194	24,603	(24,409)	*	1,210	29,886	(28,676)	*
Total costs and expenses	$ 468,678	$ 360,696	$ 107,982	29.9 %	$ 1,294,246	$ 983,544	$ 310,702	31.6 %

* — % not meaningful

For the three months ended September 30, 2024 and 2023, operating expenses increased $108.0 million, or 29.9%, due to a $122.9 million increase in cost of revenue and a $9.5 million increase in general and administrative expenses offset by a $24.4 million decrease in transaction expenses.

For the nine months ended September 30, 2024 and 2023, operating expenses increased $310.7 million, or 31.6%, due to a $312.5 million increase in cost of revenue and a $26.9 million increase in general and administrative expenses offset by a $28.7 million decrease in transaction expenses.

Cost of revenue

For the three months ended September 30, 2024 and 2023, cost of revenue increased $122.9 million primarily driven by drug and medical supply costs, due to both increased patient encounters and cost per encounter. Increases in patient encounter volumes at our practices increased cost of revenue by $66.7 million, and the cost per encounter drove a $45.6 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 patients required. Increases in labor costs drove the remaining $10.6 million increase in cost of revenue as clinical salaries and benefit expenses grew both organically and from acquisition related activity.

For the nine months ended September 30, 2024 and 2023, cost of revenue increased $312.5 million primarily driven by drug and medical supply costs, due to both increased patient encounters and cost per encounter. Increases in patient encounter volumes at our practices increased cost of revenue by $140.8 million, and the cost per encounter drove a $129.8 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 patients required. Additionally, in 2024, the Company issued 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 $11.1 million of equity-based compensation expense during the nine months ended September 30, 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 labor costs drove the remaining $30.8 million increase in cost of revenue as clinical salaries and benefit expenses grew both organically and from acquisition related activity.

General and administrative expense

For the three months ended September 30, 2024 and 2023, the $9.5 million increase in general and administrative expenses results from cost growth generally consistent with the overall revenue growth between the comparable periods.

For the nine months ended September 30, 2024 and 2023, the $26.9 million increase in general and administrative expenses results from cost growth generally consistent with the overall revenue growth between the comparable periods,with the exception of incremental compensation and benefit costs and certain value based care administrative costs recognized during our second fiscal quarter, which are not expected to reoccur in subsequent periods.

Transaction expense

Transaction expenses were lower in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 given a significant reduction in costs associated with the Business Combination, which closed in September of 2023, net of increases in costs associated with delisting the Company's securities from Nasdaq, in addition to costs associated with the Third Party Tender Offer.

Transaction expenses were lower in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 given a significant reduction in costs associated with the Business Combination, which closed in September of 2023, net of increases in costs associated with delisting the Company's securities from Nasdaq, in addition to costs associated with the Third Party Tender Offer.

Other Income (Expense)

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**	**2024**	**2023**	**$**	**%**
Interest expense	$ (1,874)	$ (1,532)	$ (342)	22.3 %	$ (5,470)	$ (4,500)	$ (970)	21.6 %
Interest income	637	373	264	*	2,455	499	1,956	*
Other (expense) income, net	(1,924)	(3,309)	1,385	*	1,715	(7,689)	9,404	*
Total other expense	$ (3,161)	$ (4,468)	$ 1,307	*	$ (1,300)	$ (11,690)	$ 10,390	*

* — % not meaningful

Interest expense

The increase in interest expense for the three and nine months ended September 30, 2024 was due to an increase in interest rates resulting from an increase in the federal funds rate seen within periods.

Interest income

The increase in interest income for the three and nine months ended September 30, 2024 was due to interest Company earned as a result of investment activity.

Other (expense) income, net

For the three months ended September 30, 2024 and 2023 the decrease in other expense is attributable to a non-cash expense of $1.5 million related to the fair value adjustment of the Public and Private Warrant liabilities offset by $3.3 million benefit related to the non-cash fair value adjustment of the Class A-1 derivative liability from prior period.

For the nine months ended September 30, 2024 and 2023 the decrease in other expense is attributable to a non-cash benefit of $1.3 million related to the fair value adjustment of the Public and Private Warrant liabilities as well as a $8.3 million benefit related to the non-cash fair value adjustment of the Class A-1 derivative liability from prior period.

Income taxes

(dollars in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change $	Change %	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change $	Change %
Provision for income taxes	$ -	$ 315	$ (315)	*	$2,570	$ 315	$ 2,255	*
Effective tax rate	— %	(1.1)%		*	(9.6)%	(0.8)%		*

* — % not meaningful

The change to the income tax provision for the three months ended September 30, 2024 compared to the income tax provision for the three months ended September 30, 2023 was primarily a result of the release of valuation allowance recorded discretely as a result of the acquisition of the Hawaii practice.

The change to the income tax provision for the nine months ended September 30, 2024 compared to the income tax provision for the nine months ended September 30, 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 September 30, 2024, the Company updated its valuation allowance assessment based on new factors including its year-to-date loss and forecasted loss at the American Oncology Network, LLC partnership legal entity. Based on its updated valuation allowance assessment, the Company recorded a discrete valuation allowance against its investment in partnership deferred tax asset during the nine months ending September 30, 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:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**	**2024**	**2023**	**$**	**%**
Net gain (loss)	$ (1,277)	$ (29,205)	$ 27,928	(96)%	$ (29,363)	$ (40,797)	$ 11,434	(28)%
Interest expense, net	1,238	1,159	79	7 %	3,016	4,001	(985)	(25)%
Income tax expense (benefit)	—	315	(315)	*	2,570	315	2,255	716 %
Depreciation and amortization	2,569	2,060	509	25 %	7,458	6,368	1,090	17 %
Equity-based compensation	1,513	—	1,513	*	16,173	—	16,173	*
(Gain) loss on derivative liabilities	1,590	3,316	(1,726)	(52)%	(1,301)	8,382	(9,683)	(116)%
Revenue cycle transformation (a)	431	—	431	*	11,861	—	11,861	*
Transaction expenses (b)	194	24,603	(24,409)	(99)%	1,210	29,886	(28,676)	(96)%
Acquisition related costs (c)	2,040	—	2,040	*	3,984	—	3,984	*
Costs and settlements associated with acquisition & divestiture related activities (d)	685	—	685	*	1,355	—	1,355	*
Bargain purchase gain	—	—	—	*	(1,037)	—	(1,037)	*
Non-cash stock compensation	—	4,875	(4,875)	*	—	4,875	(4,875)	*
Other	274	—	274	*	366	—	366	*
Adjusted EBITDA	$ 9,257	$ 7,123	$ 2,134	30 %	$ 16,292	$ 13,030	$ 3,262	25 %

(a) During the nine months ended September 30, 2024, represents approximately $9.1 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 of duplicative billing system operating costs as the legacy system is sunset, including write-offs of legacy system software costs.
(b) 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.
(c) 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.
(d) 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.

Liquidity and Capital Resources

General

To date, the Company has financed its operations principally through the issuance of membership units 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. As of September 30, 2024, the Company had $19.4 million of cash and cash equivalents, $13.6 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, proceeds from the $50 million Class A Common Stock Financing, and availability under PNC Facility will be sufficient to fund the Company's operating and capital needs for at least the next 12 months. 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 down 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. See FN 17 Subsequent Events for more information.

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 nine months ended September 30, 2024 and 2023 were as follows:

	Nine Months Ended September 30,		Change	
(dollars in thousands)	**2024**	**2023**	**$**	**%**
Net cash provided by (used in) operations	$ (16,869)	$ (6,160)	$ (10,709)	*
Net cash used in investing activities	14,809	(24,673)	39,482	*
Net cash (used in) provided by financing activities	(7,047)	55,560	(62,607)	*

* — % not meaningful

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 $10.7 million during the nine month period ended September 30, 2024 compared to the nine month period ended September 30, 2023, primarily due to:

- The comparative provision of $13.9 million of cash from a decrease in net loss during the nine-month period ended September 30, 2024, net of changes in adjustments to reconcile net loss to net cash used in operating activities, when compared to the nine months ended September 30, 2023; net of
- $14.6 million of cash used to fund deferred compensation for physicians in connection with acquisition activities, net of amortization of deferred compensation;
- The comparative usage of cash of $5.5 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 $14.8 million for the nine months ended September 30, 2024 compared to $24.7 million net cash used in the comparable period in 2023.

During the nine months ended September 20, 2024 the Company liquidated its holdings of marketable securities, which provided net cash of $35.9 million, $14.5 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 nine months ended September 30, 2023 was primarily comprised of $15.9 million of net cash funded to marketable securities on the balance sheet, as well as $9.5 million of cash used for the purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used by financing activities was $7.0 million for the nine months ended September 30, 2024 compared to net cash provided by in financing activities of $55.6 million for the comparable period in 2023, primarily due to $65.0 million of proceeds received from the issuance of redeemable, convertible Class C Units during the nine months ended September 30, 2023. There were no such proceeds received in the current period. Current period cash used in financing activities include $2.5 million of payments on notes payable and $3.3 million of payments on certain tax obligations.

Off Balance Sheet Arrangements

As of the date of this Quarterly Report on Form 10-Q, 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 September 30, 2024, the Company expects future cash outflows related to interest expense (based on Bloomberg Short-Term Bank Yield Index rate of 6.63% as of September 30, 2024 of $1.0 million for the remainder of 2024 and $5.4 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 June of 2026.

The Company expects the following cash flows related to operating leases with third parties: $1.0 million in 2024, $9.2 million in 2025, $8.8 million in 2026, $7.6 million in 2027, $5.9 million in 2028, and $21.5 million thereafter.

The Company expects the following cash flows related to operating leases with related parties: $0.6 million in 2024, $2.5 million in 2025, $2.6 million in 2026, $2.5 million in 2027, $1.8 million in 2028, and $1.7 million thereafter.

Cash outflows related to certain vendor contracts with committed expenditures are expected to total approximately $22.9 million. The timing of the expenditures is as follows: $6.1 million in 2024 and the remaining $16.8 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 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

Interest Rate Risk

Certain of AON's outstanding indebtedness bears interest at a floating rate. As a result, AON may be exposed to fluctuations in interest rates to the extent of its borrowings under these arrangements. AON does not currently engage in any hedging or derivative instruments to attempt to offset this risk. Based on the total amount of variable debt outstanding as of September 30, 2024, if the Bloomberg Short-Term Bank Yield Index increased by 1.0% due to normal market conditions, AON's interest expense will increase by approximately $0.8 million per annum.

AON had $81.3 million of borrowings under loans with variable rates as of September 30, 2024.

Inflation Risk

The healthcare industry is very labor intensive and salaries and benefits are subject to inflationary pressures, as are drug and medical supplies costs, medical equipment and other costs. The nationwide shortage of nurses and other clinical staff and support personnel has been a significant operating issue facing us and other healthcare providers. In particular, like others in the healthcare industry, we have experienced a shortage of nurses and other clinical staff and support personnel in certain geographic areas, which was largely driven by the COVID-19 pandemic. Nationally, the increase demand for healthcare workers has in some regions, required us to offer one-time retention bonuses, pay premium wages above standard compensation for essential workers, and even utilize higher cost temporary labor. This staffing shortage may require us to further enhance wages and benefits to recruit and retain nurses and other clinical staff and support personnel or require us to hire expensive temporary personnel. We have also experienced cost increases related to the procurement of medical supplies and equipment as well as construction of new facilities and additional capacity added to existing facilities. 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.

We minimize the impact of inflation on our labor, drug, and supply costs primarily through maintaining strong relationship with our suppliers and GPO and renegotiated contracts with our payors. In addition, AOP has a Pharmacy and Therapeutics Committee ("P&T Committee") that meets biweekly to evaluate and modify the preferred drug formulary. The P&T Committee considers the following in its formulary recommendations: 1) evidence-based research demonstrating favorable clinical outcomes of such treatment; 2) potential adverse events or side effects of such treatment; and 3) cost of such treatment to the applicable stakeholder (patient and payor).

Item 4. Controls and Procedures

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 September 30, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means 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 and procedures 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 judgement in designing and evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of September 30, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as a result of material weaknesses identified in our internal control over financial reporting, as previously disclosed in our Annual Report on Form 10-K, filed with the SEC on March 28, 2024, our disclosure controls and procedures were not effective as of September 30, 2024. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting as defined under the Exchange Act and by the Public Company Accounting Oversight Board (United States), such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. We are in the process of implementing measures designed to improve our internal control over financial reporting to remediate these material weaknesses.

Changes in Internal Control

There has been no change in our internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q (the "Quarterly Report"), you should carefully consider the risk factors previously disclosed in our Annual Report on Form 10-K, dated and filed with the SEC on March 28, 2024, as of and for the year ended December 31, 2023 (the "2023 Annual Report") and in our quarterly report on Form 10-Q for the period ended June 30, 2024, filed with the SEC on August 14, 2024.

As of the date of the Quarterly Report, there have been no material changes to the risk factors previously disclosed in our 2023 Annual Report and in our quarterly report on Form 10-Q for the period ended June 30,2024, filed with the SEC on August 14, 2024. Any of the risks discussed in these reports, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations, financial condition or prospects.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

(a) None.

(b) None.

(c) None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

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.

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, 205 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 filed as Exhibits 10.1 and 10.2, respectively, to this Quarterly Report on Form 10-Q. The foregoing summaries of 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.

Item 6. Exhibits

10.1	Class A Common Stock Purchase Agreement
10.2	Amendment No. 1 to Registration Rights Agreement
10.3	Stockholders Agreement between the Company and AEA Growth
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.**
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*

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.

AMERICAN ONCOLOGY NETWORK, INC.

By:	/s/ Todd Schonherz
Name:	Todd Schonherz
Title:	Chief Executive Officer
Dated:	November 13, 2024

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 **Compliance Program**. 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 **Indemnification by the Company**. 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 **Third Party Claims**. An Indemnified Party seeking indemnity as set forth in this Article VI 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 Article VI 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 Section 6.3. 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

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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. **Amendment to Registration Rights Agreement**.

(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

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

TABLE OF CONTENTS

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

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 Quarterly Report on Form 10-Q 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

November 13, 2024

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 Quarterly Report on Form 10-Q 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

November 13, 2024

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 Quarterly Report on Form 10-Q for the quarter ended September 30, 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.

November 13, 2024

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 Quarterly Report on Form 10-Q for the quarter ended September 30, 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.

November 13, 2024

By: /s/ David Afshar

David Afshar
Chief Financial Officer