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, 2022

OR

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

For the transition period from______________to______________

Commission file number: 333-261815

AKUMIN INC.

(Exact name of registrant as specified in its charter)

Delaware	**88-4139425**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

8300 W. Sunrise Boulevard
Plantation, Florida 33322
(844) 730-0050
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Not Applicable
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value per share	AKU	The Nasdaq Stock Market
Common Stock, $0.01 par value per share	AKU	The Toronto Stock Exchange

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

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

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

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

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

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

As of November 7, 2022, there were 89,661,513 common shares outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the information incorporated by reference in this Quarterly Report on Form 10-Q contain or incorporate by reference “forward-looking information” or “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, that involve substantial risks and uncertainties. Forward-looking statements describe Akumin Inc.’s (together with its subsidiaries, the “Company”) future plans, strategies, expectations and objectives, and are generally identifiable by use of the words “may”, “will”, “should”, “continue”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan” or “project” or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements include, but are not limited to, statements about:

- expected performance and cash flows;
- changes in laws and regulations affecting the Company;
- expenses incurred by the Company as a public company;
- future growth of the outpatient diagnostic imaging and radiation oncology markets;
- changes in reimbursement rates by payors;
- remediation and effectiveness of the design and effectiveness of our disclosure controls and procedures and internal control over financial reporting;
- the outcome of litigation and payment obligations in respect of prior settlements;
- competition;
- acquisitions and divestitures of businesses;
- potential synergies from acquisitions;
- non-wholly owned and other business arrangements;
- access to capital and the terms relating thereto;
- technological changes in our industry;
- successful execution of internal plans;
- compliance with our debt covenants;
- anticipated costs of capital investments; and
- future compensation of our directors and executive officers.

Such statements may not prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The following are some of the risks and other important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements:

- our ability to successfully grow the market and sell our services;
- general market conditions in our industry;
- our ability to service existing debt;
- our ability to acquire new centers and, upon acquisition, to successfully integrate markets and sell new services that we acquire;
- our ability to achieve the financing necessary to complete our acquisitions;
- our ability to enforce any claims relating to breaches of indemnities or representations and warranties in connection with any acquisition;
- market conditions in the capital markets and our industry that make raising capital or consummating acquisitions difficult, expensive or both, or which may disrupt our annual operating budget and forecasts;
- unanticipated cash requirements to support current operations, to expand our business or for capital expenditures;
- delays or setbacks with respect to governmental approvals or manufacturing or commercial activities;
- changes in laws and regulations;

- the loss of key management or personnel;
- the risk the Company is not able to arrange sufficient cost-effective financing to repay maturing debt and to fund expenditures, future operational activities and acquisitions, and other obligations;
- the risks related to the additional costs and expenses associated with being a U.S. domestic issuer as opposed to a foreign private issuer;
- the risks associated with legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where we operate (including the adverse impact of the coronavirus (“COVID-19”) pandemic on the Company); and
- the risks associated with macroeconomic conditions, including inflation and the threat of recession.

The existence of the COVID-19 pandemic creates a unique environment in which to consider the likelihood of forward-looking statements being accurate, and given the evolving circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the adverse impact of the pandemic will be on the global and domestic economy and the business, operations and financial position of the Company.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to us, including information obtained from third-party industry analysts and other third-party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Quarterly Report on Form 10-Q in connection with the statements or disclosure containing the forward-looking information. The reader is cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- no unforeseen changes in the legislative and operating framework for our business;
- no unforeseen changes in the prices for our services in markets where prices are regulated;
- no unforeseen changes in the regulatory environment for our services;
- a stable competitive environment; and
- no significant event occurring outside the ordinary course of business such as a natural disaster, public health epidemic or other calamity.

Although we have attempted to identify important factors that could cause our actual results to differ materially from our plans, strategies, expectations and objectives, there may be other factors that could cause our results to differ from what we currently anticipate, estimate or intend. Forward-looking statements are provided to assist external stakeholders in understanding management’s expectations and plans relating to the future as of the date of the original document and may not be appropriate for other purposes. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required under applicable securities laws, we undertake no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

We qualify all the forward-looking statements contained in this Quarterly Report on Form 10-Q and the information incorporated by reference in this Quarterly Report on Form 10-Q by the foregoing cautionary statements.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AKUMIN INC.

INDEX TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AKUMIN INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited; in thousands, except share amounts)

	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 59,356	$ 48,419
Accounts receivable	112,376	121,525
Prepaid expenses	8,443	8,196
Other current assets	9,151	7,025
Total current assets	189,326	185,165
Property and equipment, net	229,722	259,122
Operating lease right-of-use assets	173,325	194,565
Goodwill	795,610	840,353
Other intangible assets, net	397,185	414,146
Other assets	24,070	25,475
Total assets	$ 1,809,238	$ 1,918,826
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current liabilities:		
Accounts payable	$ 27,696	$ 34,326
Current portion of long-term debt	18,714	14,789
Current portion of obligations under finance leases	5,963	6,460
Current portion of obligations under operating leases	17,864	20,794
Accrued liabilities	97,062	87,813
Total current liabilities	167,299	164,182
Long-term debt, net of current portion	1,242,181	1,197,596
Obligations under finance leases, net of current portion	15,037	15,951
Obligations under operating leases, net of current portion	165,882	184,375
Other liabilities	21,890	35,574
Total liabilities	1,612,289	1,597,678
Redeemable noncontrolling interests	34,200	37,469
Stockholders’ equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding at September 30, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value; 300,000,000 shares authorized; 89,661,513 shares issued and outstanding at September 30, 2022; 89,026,997 shares issued and outstanding at December 31, 2021	897	890
Additional paid-in capital	230,073	227,705
Accumulated other comprehensive income	87	18
Accumulated deficit	(238,575)	(123,424)
Total stockholders’ equity	(7,518)	105,189
Noncontrolling interests	170,267	178,490
Total equity	162,749	283,679
Total liabilities, redeemable noncontrolling interests and equity	$ 1,809,238	$ 1,918,826

See accompanying notes to the condensed consolidated financial statements.

AKUMIN INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited; in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues	$ 186,605	$ 108,177	$ 564,996	$ 241,636
Operating expenses:				
Cost of operations, excluding depreciation and amortization	150,674	90,964	460,409	203,874
Depreciation and amortization	25,079	11,286	75,010	20,359
Impairment charges	20,369	—	20,702	—
Restructuring charges	4,042	479	11,366	479
Severance and related costs	2,485	53	10,282	53
Settlements, recoveries and related costs	(576)	(52)	101	(394)
Stock-based compensation	556	785	2,375	1,997
Other operating expense (income), net	(7,574)	(68)	(7,328)	278
Total operating expenses	195,055	103,447	572,917	226,646
Income (loss) from operations	(8,450)	4,730	(7,921)	14,990
Other expense (income):				
Interest expense	29,679	16,932	87,650	34,221
Acquisition-related costs	99	8,784	567	14,412
Other non-operating income, net	(521)	(96)	(3,000)	(3,462)
Total other expense, net	29,257	25,620	85,217	45,171
Loss before income taxes	(37,707)	(20,890)	(93,138)	(30,181)
Income tax expense (benefit)	12,038	(22,070)	9,118	(21,999)
Net income (loss)	(49,745)	1,180	(102,256)	(8,182)
Less: Net income attributable to noncontrolling interests	4,126	2,517	12,895	3,388
Net loss attributable to common stockholders	$ (53,871)	$ (1,337)	$ (115,151)	$ (11,570)
Comprehensive income (loss), net of taxes:				
Net income (loss)	$ (49,745)	$ 1,180	$ (102,256)	$ (8,182)
Other comprehensive income (loss):				
Unrealized gain (loss) on hedging transactions, net of taxes	11	(8)	47	(8)
Reclassification adjustment for losses included in net loss, net of taxes	(4)	7	22	7
Other comprehensive income (loss)	7	(1)	69	(1)
Comprehensive income (loss), net of taxes	(49,738)	1,179	(102,187)	(8,183)
Less: Comprehensive income attributable to noncontrolling interests	4,126	2,517	12,895	3,388
Comprehensive loss attributable to common stockholders	$ (53,864)	$ (1,338)	$ (115,082)	$ (11,571)
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.60)	$ (0.02)	$ (1.29)	$ (0.16)

See accompanying notes to the condensed consolidated financial statements.

AKUMIN INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited; in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Amount						
Balance, June 30, 2021	71,303,427	$ 713	$ 164,551	$ —	$ (90,366)	$ 74,898	$ 4,202	$ 79,100
Net income (loss)	—	—	—	—	(1,337)	(1,337)	2,517	1,180
Issuance of common stock for acquisition consideration	14,223,570	142	30,723	—	—	30,865	—	30,865
Issuance of common stock - other	3,500,000	35	10,381	—	—	10,416	—	10,416
Warrants issued	—	—	33,096	—	—	33,096	—	33,096
Stock-based compensation	—	—	785	—	—	785	—	785
Other comprehensive loss	—	—	—	(1)	—	(1)	—	(1)
Acquisition of noncontrolling interests	—	—	—	—	—	—	212,210	212,210
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(3,160)	(3,160)
Balance, September 30, 2021	89,026,997	$ 890	$ 239,536	$ (1)	$ (91,703)	$ 148,722	$ 215,769	$ 364,491

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Amount						
Balance, June 30, 2022	89,516,513	$ 895	$ 229,519	$ 80	$ (184,704)	$ 45,790	$ 174,702	$ 220,492
Net income (loss), net of the net income attributable to redeemable noncontrolling interests	—	—	—	—	(53,871)	(53,871)	3,758	(50,113)
Settlement of restricted share units	145,000	2	(2)	—	—	—	—	—
Stock-based compensation	—	—	556	—	—	556	—	556
Other comprehensive income	—	—	—	7	—	7	—	7
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(5,739)	(5,739)
Purchase accounting adjustments	—	—	—	—	—	—	(2,454)	(2,454)
Balance, September 30, 2022	89,661,513	$ 897	$ 230,073	$ 87	$ (238,575)	$ (7,518)	$ 170,267	$ 162,749

See accompanying notes to the condensed consolidated financial statements.

AKUMIN INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited; in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Amount						
Balance, December 31, 2020	70,178,428	$ 702	$ 160,263	$ —	$ (80,133)	$ 80,832	$ 4,338	$ 85,170
Net income (loss)	—	—	—	—	(11,570)	(11,570)	3,388	(8,182)
Issuance of common stock for acquisition consideration	15,198,569	152	33,725	—	—	33,877	—	33,877
Issuance of common stock - other	3,500,000	35	10,381	—	—	10,416	—	10,416
Warrants issued	—	—	33,096	—	—	33,096	—	33,096
Stock options exercised	150,000	1	74	—	—	75	—	75
Stock-based compensation	—	—	1,997	—	—	1,997	—	1,997
Other comprehensive loss	—	—	—	(1)	—	(1)	—	(1)
Acquisition of noncontrolling interests	—	—	—	—	—	—	212,210	212,210
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(4,167)	(4,167)
Balance, September 30, 2021	89,026,997	$ 890	$ 239,536	$ (1)	$ (91,703)	$ 148,722	$ 215,769	$ 364,491

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity
	Shares	Amount						
Balance, December 31, 2021	89,026,997	$ 890	$ 227,705	$ 18	$ (123,424)	$ 105,189	$ 178,490	$ 283,679
Net income (loss), net of the net income attributable to redeemable noncontrolling interests	—	—	—	—	(115,151)	(115,151)	11,413	(103,738)
Settlement of restricted share units	634,516	7	(7)	—	—	—	—	—
Stock-based compensation	—	—	2,375	—	—	2,375	—	2,375
Other comprehensive income	—	—	—	69	—	69	—	69
Distributions paid to noncontrolling interests	—	—	—	—	—	—	(17,343)	(17,343)
Purchase accounting adjustments	—	—	—	—	—	—	(2,293)	(2,293)
Balance, September 30, 2022	89,661,513	$ 897	$ 230,073	$ 87	$ (238,575)	$ (7,518)	$ 170,267	$ 162,749

See accompanying notes to the condensed consolidated financial statements.

AKUMIN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; in thousands)

	Nine Months Ended September 30,	
	2022	**2021**
Operating activities:		
Net loss	$ (102,256)	$ (8,182)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	75,010	20,359
Impairment charges	20,702	—
Stock-based compensation	2,375	1,997
Non-cash interest expense	37,509	—
Amortization of deferred financing costs and accretion of discount/premium on long-term debt	71	1,959
Deferred income taxes	9,012	(22,731)
Distributions from unconsolidated investees	1,157	—
Earnings from unconsolidated investees	(738)	(46)
Gain on sale of accounts receivable	(7,603)	—
Other non-cash items, net	(247)	(3,032)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	15,923	875
Prepaid expenses and other assets	(1,967)	1,865
Accounts payable and other liabilities	7,388	16,924
Operating lease liabilities and right-of-use assets	(400)	2,761
Net cash provided by operating activities	55,936	12,749
Investing activities:		
Purchases of property and equipment	(32,765)	(5,203)
Business acquisitions, net of cash acquired	—	(758,114)
Other investing activities	1,139	(4,563)
Net cash used in investing activities	$ (31,626)	$ (767,880)

See accompanying notes to the condensed consolidated financial statements.

AKUMIN INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(Unaudited; in thousands)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Financing activities:		
Proceeds from revolving loan	$ 29,000	$ —
Principal payments on revolving loan	(29,000)	—
Proceeds from long-term debt	25,892	793,750
Principal payments on long-term debt	(12,829)	(2,697)
Principal payments on finance leases	(5,568)	(2,720)
Payment of debt issuance costs	—	(21,500)
Payment of earn-out liability	—	(4,689)
Proceeds from issuance of common stock	—	10,505
Payment of issuance costs for common stock and warrants	—	(1,871)
Distributions paid to noncontrolling interests	(20,868)	(4,167)
Net cash provided by (used in) financing activities	(13,373)	766,611
Net increase in cash and cash equivalents	10,937	11,480
Cash and cash equivalents, beginning of period	48,419	44,396
Cash and cash equivalents, end of period	$ 59,356	$ 55,876
Supplemental disclosure of cash flow information:		
Interest paid	$ 47,774	$ 17,372
Income taxes paid, net	506	238
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment purchases in accounts payable and accrued liabilities	4,414	300
Derecognition of operating lease right-of-use assets and lease liabilities associated with lease terminations	6,561	1,058
Equipment acquired in exchange for finance lease obligations	4,197	1,299
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	1,159	2,022

See accompanying notes to the condensed consolidated financial statements.

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Akumin Inc. (the "Company" or "Akumin") and do not include all of the information and disclosures required by accounting principles generally accepted in the U.S. ("GAAP"). In the opinion of management, all normal recurring accruals and adjustments considered necessary for a fair presentation have been included. The results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022. The accompanying condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes to the consolidated financial statements for the year ended December 31, 2021.

On September 30, 2022, the Company changed its jurisdiction of incorporation from the province of Ontario, Canada, to the State of Delaware (the "Domestication"). The Company discontinued its existence as a corporation under Section 181 of the Ontario Business Corporations Act and, pursuant to Section 388 of the Delaware General Corporation Law (the "DGCL"), continued its existence under the DGCL as a corporation incorporated in the State of Delaware. In connection with the Domestication, the outstanding common shares of the Company were converted, on a one-for-one basis, into shares of common stock of the Company, respectively, as a corporation incorporated in the State of Delaware. Following the completion of the Domestication, the Company's common stock will continue to be listed on the Nasdaq Stock Market and on the Toronto Stock Exchange under the symbol "AKU." The business, assets and liabilities of the Company, as well as its principal place of business and fiscal year, were the same immediately after the Domestication as they were immediately prior to the Domestication.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Certain reclassifications have been made to prior period condensed consolidated financial statements to conform to the current period presentation.

2. New Accounting Standards

<u>Recently Adopted Accounting Standards</u>

ASU 2021-04, Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)

In April 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40).* This guidance clarifies and reduces diversity in an issuer's accounting for modifications or exchanges of freestanding equity-classified written call options due to a lack of explicit guidance in the FASB Codification. This ASU is effective for all entities for fiscal years beginning after December 15, 2021. The Company adopted this standard as of January 1, 2022 and it did not have a material impact on the Company's condensed consolidated financial statements.

ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance*, which aims to provide increased transparency by requiring business entities to disclose information about certain types of government assistance they receive in the notes to the financial statements. ASU 2021-10 also adds a new Topic, Accounting Standards Codification ("ASC") 832, *Government Assistance,* to the FASB's Codification. The disclosure requirements only apply to transactions with a government that are accounted for by analogizing to either a grant model or a contribution model. The guidance in ASU 2021-10 is effective for financial statements of all entities, including private companies, for annual periods beginning after December 15, 2021, with early adoption permitted. The Company adopted this standard as of January 1, 2022 and it did not have a material impact on the Company's condensed consolidated financial statements.

Recently Issued Accounting Standards Not Yet Effective

ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related clarifying standards, which replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to assess credit loss estimates. This ASU is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted. For all other entities, this ASU is effective for fiscal years beginning after December 15, 2022. The Company is considered an Emerging Growth Company as classified by the Securities and Exchange Commission ("SEC"), which gives the Company relief in the timing of implementation of this standard by allowing the private company timing for adoption. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. This ASU provides optional expedients and exceptions for applying generally accepted accounting principles to certain contract modifications and hedging relationships that reference London Inter-bank Offered Rate ("LIBOR") or another reference rate expected to be discontinued. For all entities, the guidance is effective upon issuance and generally can be applied through December 31, 2022. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

ASU 2021-01, Reference Rate Reform (Topic 848): Scope

In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. This ASU clarifies the scope of Topic 848 so that derivatives affected by the discounting transition are explicitly eligible for certain option expedients and exceptions in Topic 848. The guidance is effective upon issuance and generally can be applied through December 31, 2022. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805)

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, creating an exception to the recognition and measurement principles in ASC 805, *Business Combinations*. The amendments require an acquirer to use the guidance in ASC 606, *Revenue from Contracts with Customers*, rather than using fair value, when recognizing and measuring contract assets and contract liabilities related to customer contracts assumed in a business combination. In addition, the amendments clarify that all contracts requiring the recognition of assets and liabilities in accordance with the guidance in ASC 606, such as contract liabilities derived from the sale of nonfinancial assets within the scope of ASC 610-20, *Gains and Losses from the Derecognition of Nonfinancial Assets*, fall within the scope of the amended guidance in ASC 805. The amendments do not affect the accounting for other assets or liabilities arising from revenue contracts with customers in a business combination, such as customer-related intangible assets and contract-based intangible assets, including off-market contract terms. This ASU is effective for public entities for fiscal years beginning after December 15, 2022, with early adoption permitted. For all other entities, this ASU is effective for fiscal years beginning after December 15, 2023. The Company is considered an Emerging Growth Company as classified by the SEC, which gives the Company relief in the timing of implementation of this standard by allowing the private company timing for adoption. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

3. Alliance Acquisition

On September 1, 2021, the Company acquired all of the issued and outstanding common stock of Thaihot Investment Company US Limited, which owns 100% of the common stock of Alliance Healthcare Services, Inc. ("Alliance"), from Thaihot Investment Co., Ltd. for a total purchase price of $785.6 million (the "Alliance Acquisition"). The acquisition included Alliance's ownership interests in its joint ventures.

As of the acquisition date, the Company had preliminarily estimated the fair value of the assets acquired and liabilities assumed and allocated a portion of the total purchase price to tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values as of the date of the acquisition. Noncontrolling interests have also been recorded at estimated fair value as of the acquisition date. The fair value of the total enterprise applicable to joint ventures has been allocated to the individual joint ventures.

During the nine months ended September 30, 2022, the Company updated the preliminary assessment of the fair value of the tangible and identifiable intangible assets acquired and liabilities assumed, resulting in certain changes to the preliminary amounts previously recorded. These changes were composed primarily of (i) a decrease in property and equipment acquired of $0.5 million due to a refinement in the valuation analysis, (ii) a decrease in other intangible assets of $1.2 million due to a refinement in the valuation analysis, partially offset by the valuation of a patent which had not previously been valued, (iii) a decrease in noncontrolling interests of $3.5 million due to a refinement in the valuation analysis, and (iv) a decrease in net deferred tax liabilities of $22.7 million due to further analysis of the difference between the book value and tax basis of the assets and liabilities reflected in the opening balance sheet of the acquired business, and the tax net operating loss carryforwards of both the acquired business and the acquiring business, as well as the valuation allowance required to reduce the carrying amount of deferred tax assets of the acquired business. The net effect of the changes to the preliminary fair value of the assets acquired and liabilities assumed resulted in a decrease in goodwill of $24.7 million. The final determination of the fair value of certain assets acquired and liabilities assumed, including deferred tax liabilities and the assignment of goodwill to reporting units, was finalized as of August 31, 2022.

The following table summarizes the final assessment of fair value of the assets acquired and liabilities assumed as of the date of the acquisition:

(in thousands)	
Assets acquired:	
Cash and cash equivalents	$ 26,125
Net working capital	14,221
Property and equipment	205,940
Operating lease right-of-use assets	69,919
Goodwill	431,017
Intangibles – Customer contracts	264,401
Intangibles – Trade names	68,829
Intangibles – Third party management agreements	10,200
Intangibles – Patent	920
Intangibles – Certificates of need	69,558
Other assets	8,170
	1,169,300
Liabilities assumed:	
Equipment debt	54,539
Obligations under finance leases	9,041
Obligations under operating leases	74,290
Deferred tax liabilities	30,082
Other liabilities	7,234
	175,186
Net assets acquired	994,114
Less redeemable noncontrolling interests	35,813
Less noncontrolling interests	172,685
Purchase price	$ 785,616

4. Variable Interest Entities

In accordance with consolidation guidance, a reporting entity with a variable interest in another entity is required to include the assets and liabilities and revenues and expenses of that separate entity (i.e., consolidate with the financial statements of the reporting entity) when the variable interest is determined to be a controlling financial interest. A reporting entity is considered to have a controlling financial interest in a variable interest entity ("VIE") if (i) the reporting entity has the power to direct the activities of the VIE that most significantly impacts its economic performance and (ii) the reporting entity has the obligation to absorb losses of the VIE that could be potentially significant to the VIE.

As a result of the financial relationship established between the Company and certain entities (the "Revenue Practices") through respective management service agreements, the Revenue Practices individually qualify as VIEs as the Company, which provides them non-medical, technical and administrative services, has the power to direct their respective activities and the obligation to absorb their gains and losses. As a result, the Company is considered the primary beneficiary of the Revenue Practices, and accordingly, the assets and liabilities and revenues and expenses of the Revenue Practices are included in the condensed consolidated financial statements. The following information excludes any intercompany transactions and costs allocated by the Company to the Revenue Practices. As of September 30, 2022 and December 31, 2021, the Revenue Practices' assets included in the Company's condensed consolidated balance sheets were

$37.3 million and $20.4 million, respectively, and liabilities included in the Company's condensed consolidated balance sheets were $4.7 million and $0.6 million, respectively. The assets of the Revenue Practices can only be used to settle their obligations. During the nine months ended September 30, 2022 and 2021, the Revenue Practices' revenues were $137.2 million and $128.6 million, respectively, and the net cash provided by operating activities was $161.0 million and $135.1 million, respectively.

5. Sales of Accounts Receivable

The Company uses accounts receivable sales facilities as part of managing its cash flows and improving liquidity. The Company accounts for transfers of financial assets under ASC 860, *"Transfers and Servicing,"* as either sales or financings. Transfers of financial assets that result in sales accounting are those in which (1) the transfer legally isolates the transferred assets from the transferor, (2) the transferee has the right to pledge or exchange the transferred assets and no condition both constrains the transferee's right to pledge or exchange the assets and provides more than a trivial benefit to the transferor, and (3) the transferor does not maintain effective control over the transferred assets. If the transfer does not meet these criteria, the transfer is accounted for as a financing. Financial assets that are treated as sales are removed from the Company's accounts with any realized gain or loss reflected in earnings during the period of sale.

In August 2022, the Company entered into a One-Time Purchase Agreement ("OTPA") with an independent third-party for the sale of certain existing accounts receivable that arose from healthcare services provided in the states of Georgia, Texas and Florida. Under the terms of the OTPA, the sale is on a non-recourse basis and the Company does not retain any interest in the receivables. In connection with the OTPA transaction, the Company sold accounts receivable with a carrying value of $20.3 million and received cash proceeds of $29.0 million. The transfer of accounts receivable under this agreement meets the criteria for a sale of financial assets. As a result, such receivables have been derecognized from the Company's condensed consolidated balance sheet as of September 30, 2022 and the proceeds are included in cash flows from operating activities in the Company's condensed consolidated statement of cash flows for the nine months ended September 30, 2022.

In addition, the Company entered into a Master Purchase Agreement ("MPA") with the same third-party to sell, on an ongoing basis and without recourse, future accounts receivable that arise from healthcare services provided in the states of Georgia, Texas and Florida. Under the MPA, the purchaser will buy from the Company accounts receivable that are acceptable to the purchaser and that the purchaser agrees to acquire. Either party may terminate the agreement at any time upon thirty days' prior written notice to the other party.

In connection with the OTPA and MPA, the Company entered into a servicing agreement to service the accounts receivable arising from the state of Florida. In accordance with ASC 860, the Company recognized a $1.1 million servicing liability related to the OTPA transaction for the cost of future servicing of the accounts receivable. This liability was initially measured at fair value and is being subsequently amortized on a straight-line basis over the estimated collection period of three years. The fair value of the servicing liability was determined using unobservable Level 3 inputs by obtaining an estimated rate that would be charged by an unrelated entity to service the accounts receivable and applying that rate to the estimated collections. The servicing liability is included in accrued liabilities (current portion) and other liabilities (non-current portion) in the Company's condensed consolidated balance sheet as of September 30, 2022.

In connection with the OTPA transaction, the Company recorded a gain on sale of accounts receivable of $7.6 million, which is included in other operating expense, net in the condensed consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2022.

6. Property and Equipment

Property and equipment consists of the following:

(in thousands)	September 30, 2022	December 31, 2021
Medical equipment	$ 245,105	$ 227,796
Leasehold improvements	42,779	39,763
Equipment under finance leases	37,243	34,597
Office and computer equipment	20,484	16,701
Transportation and service equipment	11,672	8,996
Furniture and fixtures	3,372	3,130
Construction in progress	5,094	6,423
	365,749	337,406
Less accumulated depreciation	136,027	78,284
	$ 229,722	$ 259,122

Depreciation expense was $19.5 million and $9.4 million for the three months ended September 30, 2022 and 2021, respectively, and $59.4 million and $17.1 million for the nine months ended September 30, 2022 and 2021, respectively.

As of September 30, 2022 and December 31, 2021, the equipment under finance leases had a net book value of $21.0 million and $22.2 million, respectively.

7. Goodwill

Changes in the carrying amount of goodwill are as follows:

(in thousands)	Radiology	Oncology	Total
Balance, December 31, 2021	$ 681,993	$ 158,360	$ 840,353
Purchase accounting adjustments	732	(25,475)	(24,743)
Impairment	—	(20,000)	(20,000)
Balance, September 30, 2022	$ 682,725	$ 112,885	$ 795,610

The Company tests its goodwill and indefinite-lived intangible assets annually or more frequently depending on certain impairment indicators. Such indicators include a significant decline in expected future cash flows due to changes in company-specific factors or the broader business climate. During the three months ended September 30, 2022, the Company determined that potential indicators of impairment existed and thus performed a quantitative test for impairment at the reporting unit level as of August 31, 2022. In estimating fair values, the Company gave equal weight to an income approach (the DCF method) and a market approach (the GPC method).

Specifically, the Company utilized the following Level 3 estimates and assumptions in its analysis:

Discount rate	10.0% to 11.0%
Perpetual growth rate	2.5%
Tax rate	26.0%
Risk-free interest rate	3.5%
Revenue multiple	1.9 to 2.3
EBITDA multiple	8.0 to 12.0

The impairment test yielded a fair value for the Radiology reporting unit that exceeded its carrying value; therefore this reporting unit was not considered at risk of impairment. In connection with the interim impairment test for the Oncology reporting unit, the Company concluded that the carrying value exceeded its estimated fair value based on management's assessment of the outlook and long-term business plans for this division. Consequently, the Company recorded an impairment charge of $20.0 million related to goodwill for the Oncology reporting unit, which has been recorded in the condensed consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2022.

Changes in these estimates or assumptions could materially affect the determination of fair value and the conclusions of the Company's impairment test.

8. Other Intangible Assets

Other intangible assets consist of the following:

(dollars in thousands)	Weighted Average Useful Life (in years)	September 30, 2022			December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Other Intangible Assets, Net
Finite-lived intangible assets:							
Customer contracts	20	$ 264,236	$ (15,046)	$ 249,190	$ 266,224	$ (4,437)	$ 261,787
Trade names	18	77,189	(9,928)	67,261	77,466	(6,054)	71,412
Management agreements	17	10,200	(650)	9,550	10,200	(200)	10,000
Other	5	5,734	(4,108)	1,626	4,814	(3,425)	1,389
Total		$ 357,359	$ (29,732)	327,627	$ 358,704	$ (14,116)	344,588
Certificates of Need				69,558			69,558
Total other intangible assets				$ 397,185			$ 414,146

The Company performs an impairment test when indicators of impairment are present. During the three months ended September 30, 2022, the Company determined that potential indicators of impairment existed and thus performed a quantitative assessment for impairment by comparing the carrying amount of certain assets to the undiscounted future net cash flows expected to be generated by the assets. Based on the assessment performed, the Company concluded that there was no impairment associated with its other intangible assets.

The aggregate amortization expense for the Company’s finite-lived intangible assets was $5.6 million and $1.9 million for the three months ended September 30, 2022 and 2021, respectively, and $15.6 million and $3.3 million for the nine months ended September 30, 2022 and 2021, respectively.

9. Long-Term Debt

Long-term debt consists of the following:

(in thousands)	September 30, 2022	December 31, 2021
2028 Senior Notes	$ 375,000	$ 375,000
2025 Senior Notes	475,000	475,000
Subordinated Notes	409,979	372,470
Equipment Debt	71,715	58,827
	1,331,694	1,281,297
Debt discount and deferred issuance costs	(70,799)	(68,912)
	1,260,895	1,212,385
Less current portion	18,714	14,789
Long-term debt, net of current portion	$ 1,242,181	$ 1,197,596

During the nine months ended September 30, 2022, the Company elected to pay interest in-kind on the Subordinated Notes pursuant to the original agreement and, accordingly, $37.5 million of accrued interest was added to the principal balance of the Subordinated Notes.

Certain of the debt obligations are subject to covenants with which the Company must comply on a quarterly or annual basis. The Company was in compliance with, or had received waivers for, all such covenants as of September 30, 2022.

10. Accrued Liabilities

Accrued liabilities consist of the following:

(in thousands)	September 30, 2022	December 31, 2021
Accrued compensation and related expenses	$ 32,687	$ 26,486
Accrued interest expense	19,252	16,840
Other	45,123	44,487
	$ 97,062	$ 87,813

11. Redeemable Noncontrolling Interests

The Company has noncontrolling interests with redemption features. These redemption features could require the Company to make an offer to purchase the noncontrolling interests in the case of certain events, including (i) the expiration or termination of certain operating agreements of the joint venture, or (ii) the noncontrolling interests' tax-exempt status is jeopardized by the joint venture.

As of September 30, 2022, the Company holds redeemable noncontrolling interests of $34.2 million, which are not currently redeemable or probable of becoming redeemable. The redemption of these noncontrolling interests is not solely within the Company's control, therefore, they are presented in the temporary equity section of the Company's condensed consolidated balance sheets. The Company does not believe it is probable the redemption features related to these noncontrolling interest securities will be triggered as the triggering events are generally not probable until they occur. As such, these noncontrolling interests have not been remeasured to redemption value.

The following is a rollforward of the activity in the redeemable noncontrolling interests for the nine months ended September 30, 2022:

(in thousands)		
Balance, December 31, 2021	$	37,469
Net income attributable to redeemable noncontrolling interests		1,482
Distributions paid to redeemable noncontrolling interests		(3,525)
Purchase accounting adjustments		(1,226)
Balance, September 30, 2022	$	34,200

12. Financial Instruments

Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

The following table summarizes the valuation of the Company's financial instruments that are reported at fair value on a recurring basis:

	Fair Value as of September 30, 2022				Fair Value as of December 31, 2021			
(in thousands)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Current and long-term assets:								
Interest rate contracts	$ —	$ 58	$ —	$ 58	$ —	$ 3	$ —	$ 3
Current and long-term liabilities:								
Derivative in subordinated notes	$ —	$ —	$ 6,412	$ 6,412	$ —	$ —	$ 7,522	$ 7,522
Interest rate contracts	$ —	$ —	$ —	$ —	$ —	$ 53	$ —	$ 53

The derivative in subordinated notes relates to the Change of Control Redemption Election included in the Subordinated Notes (see Note 9). The fair value of the Change of Control Redemption Election liability was determined using a probability weighted scenario analysis regarding a potential change of control during the term. The estimated fair values of the Change of Control Redemption Election as of September 30, 2022 and December 31, 2021 use unobservable inputs for probability weighted time until an exit event of 3.7 years and 4.2 years, respectively, and an exit event probability weighting of 23.6% and 24.5%, respectively.

The following is a reconciliation of the opening and closing balances for the liability related to the embedded derivative included in the Subordinated Notes measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the nine months ended September 30, 2022:

(in thousands)		
Balance, December 31, 2021	$	7,522
Change in fair value		(1,110)
Balance, September 30, 2022	$	6,412

The $1.1 million change in the fair value of the derivative in subordinated notes was recorded as a gain and included in other non-operating income, net in the Company's condensed consolidated statements of operations and comprehensive loss for the nine months ended September 30, 2022.

The Company's interest rate contracts are primarily pay-fixed, receive-variable interest rate swaps related to certain of the Company's equipment debt. The amount that the Company expects to reclassify from accumulated other comprehensive income to interest expense over the next twelve months is immaterial.

Assets and Liabilities for which Fair Value is only Disclosed

The estimated fair values of other current and non-current liabilities are as follows:

(in thousands)	September 30, 2022	December 31, 2021
2028 Senior Notes	$ 294,583	$ 345,938
2025 Senior Notes	387,202	446,500
Subordinated Notes	241,622	323,620
Equipment Debt	63,944	56,879
	$ 987,351	$ 1,172,937

As of September 30, 2022 and December 31, 2021, the estimated fair values of the 2028 Senior Notes and 2025 Senior Notes were determined using Level 2 inputs and the estimated fair values of the Subordinated Notes and Equipment Debt were determined using Level 3 inputs.

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and the current portion of lease liabilities approximates their fair value given their short-term nature. The carrying value of the non-current portion of lease liabilities approximates their fair value given the difference between the discount rates used to recognize the liabilities in the condensed consolidated balance sheets and the normalized expected market rates of interest is insignificant.

Financial instruments are classified into one of the following categories: amortized cost, fair value through earnings and fair value through other comprehensive income. The following table summarizes information regarding the carrying value of the Company's financial instruments:

(in thousands)	September 30, 2022	December 31, 2021
Financial assets measured at amortized cost:		
Cash and cash equivalents	$ 59,356	$ 48,419
Accounts receivable	112,376	121,525
	$ 171,732	$ 169,944
Financial liabilities measured at amortized cost:		
Accounts payable	$ 27,696	$ 34,326
Current portion of long-term debt	18,714	14,789
Current portion of leases	23,827	27,254
Non-current portion of long-term debt	1,242,181	1,197,596
Non-current portion of leases	180,919	200,326
Accrued liabilities	97,062	87,813
	$ 1,590,399	$ 1,562,104
Financial liabilities measured at fair value through earnings:		
Derivative in subordinated notes	$ 6,412	$ 7,522
Financial assets measured at fair value through other comprehensive income:		
Interest rate contracts	$ 58	$ 3
Financial liabilities measured at fair value through other comprehensive income:		
Interest rate contracts	$ —	$ 53

Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

The Company measures certain non-financial assets at fair value on a nonrecurring basis, primarily intangible assets, goodwill and long-lived assets in connection with acquisitions and periodic evaluations for potential impairment. The Company estimates the fair value of these assets using primarily unobservable inputs; therefore, these are considered Level 3 fair value measurements.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Changes in lending rates can cause fluctuations in interest payments and cash flows. Certain of the Company's equipment debt arrangements have interest rate swap agreements to hedge the future variable cash interest payments in order to avoid volatility in operating results due to fluctuations in interest rates. As of September 30, 2022 and December 31, 2021, the Company had $5.1 million and $1.8 million, respectively, of variable interest rate equipment debt that is not hedged. In addition, the Company is exposed to variable interest rates related to the 2020 Revolving Facility, which had no outstanding balance as of September 30, 2022 or December 31, 2021. The Company's exposure to interest rate risk from a 1% increase or decrease in the variable interest rates is not material.

13. Stockholders' Equity

In connection with the Domestication (Note 1), the Company amended its Certificate of Incorporation to provide for the issuance of up to 300,000,000 shares of common stock, par value $0.01 per share, and 50,000,000 shares of undesignated preferred stock, par value $0.01 per share. The effect of the change in the common stock from no par value to $0.01 par value per share has been reflected in the condensed consolidated financial statements on a retroactive basis for all periods presented.

Stock-Based Awards

The Company may grant stock-based awards to employees, directors and consultants under the Amended and Restated Restricted Share Unit Plan, adopted as of November 14, 2017 (the "RSU Plan") and the Amended and Restated Stock Option Plan, adopted as of November 14, 2017 (the "Stock Option Plan" and together with the RSU Plan, the "2017 Stock Plans"). Under the 2017 Stock Plans, the collective maximum number of shares reserved for issuance is equal to 10% of the number of capital shares of the Company that are outstanding from time to time. As of September 30, 2022 and December 31, 2021, common shares reserved for issuance under the 2017 Stock Plans were 8,966,151 and 8,902,699 respectively. The 2017 Stock Plans are administered by the Board of Directors, which has authority to select eligible persons to receive awards and to determine the terms and conditions of the awards.

Restricted Share Units

Restricted share units ("RSUs") represent a right to receive a share of common stock at a future vesting date with no cash payment from the holder. RSUs granted generally vest over 2 years from the date of grant. A summary of RSU activity is as follows:

	Number of RSUs	Weighted-Average Grant Date Fair Value	Aggregate Fair Value (in thousands)
Outstanding and unvested at December 31, 2021	2,029,032	$ 2.41	
Granted	799,085	1.10	$ 875
Vested	(634,516)	2.98	$ 1,891
Cancelled	(50,000)	1.69	$ (85)
Outstanding and unvested at September 30, 2022	2,143,601	$ 1.77	$ 3,795

Stock Options

Stock options are awarded as consideration in exchange for services rendered to the Company. Stock options granted generally have terms of 7 to 10 years and vest over 3 years. A summary of the stock option activity is as follows:

	Number of Options	Weighted-Average Exercise price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2021	5,680,120	$ 2.54	4.4	$ 2,344
Outstanding at September 30, 2022	5,498,120	$ 2.50	3.6	$ 2,269
Exercisable at September 30, 2022	4,925,619	$ 2.41	3.5	$ 2,269

Aggregate intrinsic value for outstanding and exercisable stock options in the table above represents the difference between the closing stock price on September 30, 2022 and the exercise price multiplied by the number of in-the-money options.

No stock options were granted during the nine months ended September 30, 2022.

14. Commitments and Contingencies

Purchase Commitments

The Company has certain binding purchase commitments primarily for the purchase of equipment from various suppliers. As of September 30, 2022, the obligations for these future purchase commitments totaled \$50.7 million, of which \$17.0 million is expected to be paid during the remaining three months of 2022 and \$33.7 million is expected to be paid thereafter.

Guarantees and Indemnities

In the normal course of business, the Company has made certain guarantees and indemnities, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain transactions. The Company indemnifies other parties, including customers, lessors, and parties to other transactions with the Company, with respect to certain matters. The Company has agreed to hold the other party harmless against losses arising from certain events as defined within the particular contract, which may include, for example, litigation or claims arising from a breach of representations or covenants. In addition, the Company has entered into indemnification agreements with its executive officers and directors and the Company's bylaws contain similar indemnification obligations. Under these arrangements, the Company is obligated to indemnify, to the fullest extent permitted under applicable law, its current or former officers and directors for various amounts incurred with respect to actions, suits or proceedings in which they were made, or threatened to be made, a party as a result of acting as an officer or director.

It is not possible to determine the maximum potential amount under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, payments made related to these indemnifications have been immaterial. As of September 30, 2022, the Company has determined that no liability is necessary related to these guarantees and indemnities.

Legal Matters

On November 22, 2021, an alleged shareholder of the Company filed a putative class action claim with the Ontario Superior Court of Justice against the Company and certain of its directors and officers alleging violations of Securities Act (Ontario), negligent misrepresentation and other related claims. The claims generally allege that certain of the Company's prior public financial statements misrepresented the Company's revenue, accounts receivable and the value of its assets based upon the Company's August 12, 2021, October 12, 2021 and November 8, 2021 disclosures relating to a review of certain procedures related to its financial statements and to the restatement of financial statements affecting accounts receivable and net book value of property and equipment. The claim does not quantify a damage request. Defendants have not yet responded to the claim. On December 20, 2021, a second statement of claim was filed by a new plaintiff making similar allegations. Because the two statements of claim involve similar subject matter and some of the same class members, the second Ontario plaintiff firm requested a motion for carriage under the Class Proceedings Act, 1992 (Ontario) so the court could determine which plaintiff firm will have carriage of the class action proceedings. That carriage motion was heard by the court on March 31, 2022 and, on April 27, 2022, the court rendered a decision in favor of the second plaintiff. As such, the second plaintiff has been awarded carriage of the class action claim and the action by the first plaintiff is stayed.

Other Matters

The Company is party to various legal proceedings, claims, and regulatory, tax or government inquiries and investigations that arise in the ordinary course of business. With respect to these matters, management evaluates the developments on a regular basis and accrues a liability when it believes a loss is probable and the amount can be reasonably estimated. Management believes that the amount or any estimable range of reasonably possible or probable loss will not, either individually or in the aggregate, have a material adverse effect on the Company's business and condensed consolidated financial statements. However, the outcome of these matters is inherently uncertain. Therefore, if one or more of these matters were resolved against the Company for amounts in excess of management's expectations, the Company's results of operations and financial condition could be materially and adversely affected.

15. Supplemental Revenue Information

Revenues consist primarily of net patient fees received from various payors and patients based on established contractual billing rates, less allowances for contractual adjustments and implicit price concessions. Revenues are also derived directly from hospitals and healthcare providers.

Other revenue consists of miscellaneous fees under contractual arrangements, including service fee revenue under capitation arrangements with third-party payors, management fees, government grants and fees for other services provided to third parties.

The following table summarizes the components of the Company's revenues by payor category:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Patient fee payors:				
Commercial	$ 66,760	$ 60,010	$ 207,470	$ 165,612
Medicare	20,304	13,158	62,478	30,149
Medicaid	3,111	980	9,560	4,837
Other patient revenue	3,053	2,933	9,540	8,193
	93,228	77,081	289,048	208,791
Hospitals and healthcare providers	91,092	30,081	269,202	30,081
Other revenue	2,285	1,015	6,746	2,764
	$ 186,605	$ 108,177	$ 564,996	$ 241,636

16. Cost of Operations, excluding Depreciation and Amortization

The following table summarizes the components of the Company's cost of operations, excluding depreciation and amortization:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Employee compensation	$ 67,278	$ 41,247	$ 214,426	$ 88,156
Third-party services and professional fees	30,233	15,154	89,271	29,771
Rent and utilities	12,894	9,507	38,114	24,853
Reading fees	11,379	10,797	34,665	31,642
Administrative	12,473	7,156	35,621	16,341
Medical supplies and other	16,417	7,103	48,312	13,111
	$ 150,674	$ 90,964	$ 460,409	$ 203,874

17. Supplemental Statement of Operations Information

Impairment Charges

Impairment charges relate to the following assets:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Goodwill (Note 7)	$ 20,000	$ —	$ 20,000	$ —
Property and equipment	369	—	702	—
	$ 20,369	$ —	$ 20,702	$ —

Restructuring Charges

Restructuring charges consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Transformation costs	$ 3,363	$ —	$ 7,388	$ —
Lease termination costs	—	—	1,840	—
Domestication and related costs	350	—	1,413	—
Other	329	479	725	479
	$ 4,042	$ 479	$ 11,366	$ 479

Transformation costs consist of third-party consulting fees associated with a significant project to identify, plan, and implement various business improvement initiatives designed to enhance growth opportunities and improve operations. The project is expected to continue into 2024. The consulting agreement provides for fixed fees totaling $12.5 million, milestone fees totaling up to $7.0 million that are earned upon the achievement of certain milestones, and performance fees totaling up to $15.0 million that are earned based on the achievement of certain performance results during the period of the contract. The Company recognizes the fixed fees over the contract period as the services are rendered. Milestone and performance fees that are probable of ultimately being paid are recognized based on a percentage of achievement of the related milestone or performance result. As of September 30, 2022, the accrued liability for unpaid transformation consulting costs was $3.9 million.

Lease termination costs relate to a $1.8 million payment made in May 2022 pursuant to an agreement to early terminate the lease for one of the Company's office facilities. In addition, the Company derecognized $3.2 million for the related operating lease right-of-use asset and the associated lease liability during the three months ended June 30, 2022.

Domestication and related costs consist of professional fees incurred related to the change in the Company's jurisdiction of incorporation from the province of Ontario (Canada) to the State of Delaware (USA) (See Note 1).

Severance and Related Costs

Severance and related costs represent costs associated with employees whose employment with the Company has been terminated and are generally paid in the year recorded. During the nine months ended September 30, 2022, the Company implemented a small workforce reduction and recorded severance and related costs. In connection with certain terminated employees, severance benefits are being paid over periods of 12 to 18 months. As of September 30, 2022, the unpaid balance of severance and related costs totaled $6.3 million, of which $5.9 million will be paid during the next twelve months and the remaining $0.4 million will be paid thereafter.

Other Operating and Non-Operating Expense (Income)

Other operating expense (income), net consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Gain on sale of accounts receivable (Note 5)	$ (7,603)	$ —	$ (7,603)	$ —
Loss (gain) on disposal of property and equipment, net	26	(25)	398	321
Other, net	3	(43)	(123)	(43)
	$ (7,574)	$ (68)	$ (7,328)	$ 278

Other non-operating income, net consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Fair value adjustment on derivative in subordinated notes	$ (271)	$ (50)	$ (1,110)	$ (50)
Earnings from unconsolidated investees	(250)	(46)	(738)	(46)
Gain on conversion of debt to equity investment (Note 18)	—	—	—	(3,360)
Other, net	—	—	(1,152)	(6)
	$ (521)	$ (96)	$ (3,000)	$ (3,462)

18. Investments in Unconsolidated Investees

Effective March 1, 2021, the Company completed a common equity investment in an artificial intelligence business ("AI business") as part of a private placement offering for $4.6 million. The AI business develops artificial intelligence aided software programs for use in medical businesses, including outpatient imaging services provided by the Company. As a result of the investment, a previous investment in a convertible note instrument issued by the AI business to the Company in May 2020 converted to common equity. Upon conversion, the Company's total common equity investment was estimated to be valued at $8.0 million and represented a 34.5% interest in the AI business on a non-diluted basis. In addition, the Company holds share purchase warrants which, subject to the occurrence of certain events and certain assumptions, and the payment of $0.4 million, would entitle the Company to acquire an additional 2.4% ownership interest in the AI business common equity. During the nine months ended September 30, 2021, the Company recognized a gain of $3.4 million on the conversion of the convertible note instrument to common equity and the share purchase warrants. This gain is included in other non-operating income, net in the condensed consolidated statements of operations and comprehensive loss.

The Company has a 15% direct ownership in an unconsolidated investee and provides management services under a management agreement with the investee. The Company provides services as part of its ongoing operations for and on behalf of the unconsolidated investee, which reimburses the Company for the actual amount of the expenses incurred. The Company records the expenses in cost of operations and the reimbursement as revenue in the condensed consolidated statements of operations and comprehensive loss.

The financial position and results of operations of these unconsolidated investees are not material to the Company's condensed consolidated financial statements.

19. Income Taxes

The effective tax rate for the three and nine months ended September 30, 2022 and 2021 differs from the Canadian statutory rate of 26.5% primarily due to earnings in foreign jurisdictions that are subject to tax rates which differ from the Canadian statutory tax rate, as well as the impact of valuation allowances applied against losses in jurisdictions for which no tax benefit or expense is recognized.

20. Basic and Diluted Loss per Share

The loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted average common shares outstanding during the period.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except share and per share amounts)	**2022**	**2021**	**2022**	**2021**
Net loss attributable to common stockholders	$ (53,871)	$ (1,337)	$ (115,151)	$ (11,570)
Weighted average common shares outstanding:				
Basic and diluted	89,540,046	77,082,852	89,378,653	72,727,721
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.60)	$ (0.02)	$ (1.29)	$ (0.16)
Employee stock options, warrants and restricted share units excluded from the computation of diluted per share amounts as their effect would be antidilutive	2,571,041	1,967,411	2,548,000	2,023,697

21. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer. Prior to the Alliance Acquisition, the Company had one reportable segment, which was outpatient diagnostic imaging services. As a result of the acquisition, the Company operates in two reportable segments: Radiology and Oncology. All intercompany revenues, expenses, payables and receivables are eliminated in consolidation and are not reviewed when evaluating segment performance. Each segment's performance is evaluated based on revenue and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

The following table summarizes the Company's revenues by segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Radiology	$ 155,062	$ 95,021	$ 471,269	$ 228,480
Oncology	31,543	13,156	93,727	13,156
	$ 186,605	$ 108,177	$ 564,996	$ 241,636

Adjusted EBITDA is defined as net income before interest expense, income tax expense (benefit), depreciation and amortization, impairment charges, restructuring charges, severance and related costs, settlements and related costs (recoveries), stock-based compensation, gain on sale of accounts receivable, losses (gains) on disposal of property and equipment, acquisition-related costs, financial instrument revaluation adjustments, gain on conversion of debt to equity investment, deferred rent expense, other losses (gains), and one-time adjustments. Adjusted EBITDA should not be considered a measure of financial performance under GAAP, and the items excluded from Adjusted EBITDA should not be considered in isolation or as alternatives to net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in the condensed consolidated financial statements as an indicator of financial performance or liquidity. Adjusted EBITDA is not a measurement determined in accordance with GAAP and is therefore susceptible to varying methods of calculation and may not be comparable to other similarly titled measures of other companies. Adjusted EBITDA is the most frequently used measure of each segment's performance and is commonly used in setting performance goals.

The following table summarizes the Company's Adjusted EBITDA by segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Adjusted EBITDA:				
Radiology	$ 31,218	$ 16,572	$ 95,832	$ 42,495
Oncology	11,048	4,899	31,383	4,899
Corporate	(5,745)	(3,503)	(20,494)	(8,013)
	$ 36,521	$ 17,968	$ 106,721	$ 39,381

A reconciliation of the net income (loss) to total Adjusted EBITDA is shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Net income (loss)	$ (49,745)	$ 1,180	$ (102,256)	$ (8,182)
Interest expense	29,679	16,932	87,650	34,221
Income tax expense (benefit)	12,038	(22,070)	9,118	(21,999)
Depreciation and amortization	25,079	11,286	75,010	20,359
Impairment charges	20,369	—	20,702	—
Restructuring charges	4,042	479	11,366	479
Severance and related costs	2,485	53	10,282	53
Settlements, recoveries and related costs	(576)	(52)	101	(394)
Stock-based compensation	556	785	2,375	1,997
Gain on sale of accounts receivable	(7,603)	—	(7,603)	—
Loss (gain) on disposal of property and equipment, net	26	(25)	398	321
Acquisition-related costs	99	8,784	567	14,412
Fair value adjustment on derivative	(271)	(50)	(1,110)	(50)
Gain on conversion of debt to equity investment	—	—	—	(3,360)
Deferred rent expense	325	621	904	1,525
Other, net	18	45	(783)	(1)
Adjusted EBITDA	$ 36,521	$ 17,968	$ 106,721	$ 39,381

The following table summarizes the Company's total assets by segment:

(in thousands)	September 30, 2022	December 31, 2021
Identifiable assets:		
Radiology	$ 1,411,032	$ 1,451,905
Oncology	375,937	440,416
Corporate	22,269	26,505
	$ 1,809,238	$ 1,918,826

The following table summarizes the Company's capital expenditures by segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2022	2021	2022	2021
Capital expenditures:				
Radiology	$ 16,081	$ 2,619	$ 29,541	$ 5,203
Oncology	1,207	—	3,041	—
Corporate	11	—	183	—
	$ 17,299	$ 2,619	$ 32,765	$ 5,203

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes that appear in Item 1 of this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2021. In addition to historical information, the following discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results may differ substantially and adversely from those referred to herein due to a number of factors, including, but not limited to, those described below and in Item 1A "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2021.

Overview

On September 1, 2021, we acquired all of the issued and outstanding common stock of Thaihot Investment Company US Limited, which owns 100% of the common stock of Alliance HealthCare Services, Inc. ("Alliance"), through our wholly owned indirect subsidiary Akumin Corp. (the "Alliance Acquisition"). Alliance is a leading national provider of radiology and oncology solutions to hospitals, health systems and physician groups. With the acquisition of Alliance, we provide fixed-site outpatient diagnostic imaging services through a network of approximately 180 owned and/or operated imaging locations; and outpatient radiology and oncology services and solutions to approximately 1,100 hospitals and health systems across 48 states. Our imaging procedures include magnetic resonance imaging ("MRI"), computed tomography ("CT"), positron emission tomography ("PET" and "PET/CT"), ultrasound, diagnostic radiology (X-ray), mammography and other related procedures. Our cancer care services include a full suite of radiation therapy and related offerings.

We are significantly diversified across business lines, geographies, modality offerings and reimbursement sources. The diversity of our business provides a number of advantages, including having no material revenue concentration with any health system or hospital customer and no material concentration with any commercial payor.

We currently operate in two reportable business segments: radiology and oncology. The following table summarizes our revenues by segment as a percentage of total revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Radiology	83 %	88 %	83 %	95 %
Oncology	17 %	12 %	17 %	5 %
	100 %	100 %	100 %	100 %

Revenues consist primarily of net patient fees received from various payors and patients based on established contractual billing rates, less allowances for contractual adjustments and implicit price concessions. Revenues are also derived directly from hospitals and healthcare providers.

The following table summarizes the components of our revenues by payor category:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2022	2021	2022	2021
Patient fee payors:				
Commercial	$ 66,760	$ 60,010	$ 207,470	$ 165,612
Medicare	20,304	13,158	62,478	30,149
Medicaid	3,111	980	9,560	4,837
Other patient revenue	3,053	2,933	9,540	8,193
	93,228	77,081	289,048	208,791
Hospitals and healthcare providers	91,092	30,081	269,202	30,081
Other revenue	2,285	1,015	6,746	2,764
	$ 186,605	$ 108,177	$ 564,996	$ 241,636

Summary of Factors Affecting Our Performance

Pricing

Continued expansion of health maintenance organizations, preferred provider organizations and other managed care organizations have influence over the pricing of our services because these organizations can exert great control over patients' access to our services and reimbursement rates for accessing those services.

Competition

The market for outpatient diagnostic imaging and oncology services is highly competitive. We compete principally on the basis of our reputation, our ability to provide multiple modalities at many of our centers, the location of our centers and the quality of our outpatient diagnostic imaging and oncology services. We compete locally with groups of individual healthcare providers, established hospitals, clinics and other independent organizations that own and operate imaging and radiation therapy equipment.

We also face competition from other outpatient diagnostic imaging companies and oncology service providers in acquiring outpatient diagnostic imaging and oncology centers, which makes it more difficult to find attractive opportunities on acceptable terms. Accordingly, we may not be able to acquire rights to additional outpatient diagnostic imaging and oncology centers on acceptable terms.

Our multi-modality imaging offering provides a one-stop-shop for patients and referring physicians and diversifies our revenue sources. Our scalable and integrated operating platform is expected to create value from future acquisitions, cost efficiencies and organic growth.

Seasonality and Economic Conditions

We experience seasonality in the revenues and margins generated for our services. First and fourth quarter revenues are typically lower than those from the second and third quarters. First quarter revenue is affected primarily by fewer calendar days and inclement weather, typically resulting in fewer patients being scanned or treated during the period. Fourth quarter revenues are affected by holiday and client and patient vacation schedules, resulting in fewer scans or treatments during the period. The variability in margins is higher than the variability in revenues due to the fixed nature of our costs. We also experience fluctuations in our revenues and margins due to acquisition activity and general economic conditions, including recession or economic slowdown. In addition, we face inflation and the impact of increased labor and fuel costs similar to the general economy.

Industry Trends

Our revenue is impacted by changes to U.S. healthcare laws, our partners' and contractors' healthcare costs, and/or reimbursement rates by payors.

Acquisitions and New Facilities

The timing of acquisitions and the opening of new fixed-site facilities impacts our revenue and the comparability of our results from period to period. The following table shows the number of our radiology diagnostic imaging sites and oncology radiation therapy sites:

	September 30, 2022	December 31, 2021
Radiology sites	183	188
Oncology sites	32	34
	215	222

Recent Developments

COVID-19

Commencing during the first quarter of 2020 and continuing through the present, a pandemic relating to the novel coronavirus known as COVID-19 occurred causing significant financial market disruption and social dislocation. The pandemic is dynamic, with various cities, counties, states and countries around the world responding or having responded in different ways to address and contain the outbreak, including the declaration of a global pandemic by the World Health Organization, a National State of Emergency in the United States, and state and local executive orders and ordinances forcing the closure of non-essential businesses and persons not employed in or using essential services to “stay at home” or “shelter in place.” At this stage, while there are signs of improvement, we are uncertain as to how long the pandemic, or a more limited epidemic, will last, what regions will be most affected, to what extent containment measures will be applied, or the nature and timing of possible vaccinations. Imaging and radiation therapy centers are healthcare facilities and are generally considered an essential service with the expectation that they continue to operate during the pandemic.

We instituted several realignment and cost containment measures to respond to the drop in volume that resulted from the COVID-19 pandemic and related government orders. Our cost containment measures included the temporary closure of certain of our imaging centers to consolidate volume to nearby centers and reduced operating hours at the remainder of our imaging centers, with the highest number of centers closed in mid-April 2020. At that same time, we furloughed or laid off a portion of our workforce, reduced work hours for our hourly personnel and reduced salaries of employees, as well as negotiated deferral of certain costs due to landlords and other vendors.

In light of the improving business environment, we gradually increased our workforce during 2021. Effective January 1, 2021, all reduced salaries had been returned to normal levels. Clinical operations have resumed to normal operating hours as patient volumes allow and substantially all of the clinics that had temporarily closed due to the COVID-19 pandemic have resumed normal operations. If the future economic or legislative environment related to the COVID-19 pandemic again leads to weakened business volume, we might re-institute cost containment measures similar to those described above in order to preserve our liquidity.

Results of Operations

The following table presents our condensed consolidated statements of operations:

(in thousands)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues	$ 186,605	$ 108,177	$ 564,996	$ 241,636
Operating expenses:				
Cost of operations, excluding depreciation and amortization	150,674	90,964	460,409	203,874
Depreciation and amortization	25,079	11,286	75,010	20,359
Impairment charges	20,369	—	20,702	—
Restructuring charges	4,042	479	11,366	479
Severance and related costs	2,485	53	10,282	53
Settlements, recoveries and related costs	(576)	(52)	101	(394)
Stock-based compensation	556	785	2,375	1,997
Other operating expense (income), net	(7,574)	(68)	(7,328)	278
Total operating expenses	195,055	103,447	572,917	226,646
Income (loss) from operations	(8,450)	4,730	(7,921)	14,990
Other expense (income):				
Interest expense	29,679	16,932	87,650	34,221
Acquisition-related costs	99	8,784	567	14,412
Other non-operating income, net	(521)	(96)	(3,000)	(3,462)
Total other expense, net	29,257	25,620	85,217	45,171
Loss before income taxes	(37,707)	(20,890)	(93,138)	(30,181)
Income tax expense (benefit)	12,038	(22,070)	9,118	(21,999)
Net income (loss)	(49,745)	1,180	(102,256)	(8,182)
Less: Net income attributable to noncontrolling interests	4,126	2,517	12,895	3,388
Net loss attributable to common stockholders	$ (53,871)	$ (1,337)	$ (115,151)	$ (11,570)
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.60)	$ (0.02)	$ (1.29)	$ (0.16)

The following table summarizes statistical information regarding our radiology scan volumes and oncology patient starts:

(in thousands)	Three Months Ended September 30, 2022	2021	Change	% Change	Nine Months Ended September 30, 2022	2021	Change	% Change
MRI scans	220	138	82	59 %	659	322	337	105 %
PET/CT scans	34	11	23	209 %	99	14	85	607 %
Other modalities	291	290	1	— %	891	801	90	11 %
Total	545	439	106	24 %	1,649	1,137	512	45 %
Total Oncology patient starts	3	1	2	nmf	8	1	7	nmf

The following table summarizes our revenues by segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2022	2021	2022	2021
Radiology	$ 155,062	$ 95,021	$ 471,269	$ 228,480
Oncology	31,543	13,156	93,727	13,156
	$ 186,605	$ 108,177	$ 564,996	$ 241,636

The following table summarizes the components of our cost of operations, excluding depreciation and amortization:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2022	2021	2022	2021
Employee compensation	$ 67,278	$ 41,247	$ 214,426	$ 88,156
Third-party services and professional fees	30,233	15,154	89,271	29,771
Rent and utilities	12,894	9,507	38,114	24,853
Reading fees	11,379	10,797	34,665	31,642
Administrative	12,473	7,156	35,621	16,341
Medical supplies and other	16,417	7,103	48,312	13,111
	$ 150,674	$ 90,964	$ 460,409	$ 203,874

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

Revenues

Revenues for the three months ended September 30, 2022 were $186.6 million and increased by $78.4 million, or 72%, from the three months ended September 30, 2021. This increase includes $77.2 million of incremental revenues contributed by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Cost of Operations, excluding Depreciation and Amortization

Cost of operations, excluding depreciation and amortization, for the three months ended September 30, 2022 was $150.7 million and increased by $59.7 million, or 66%, from the three months ended September 30, 2021. This increase includes $55.0 million of incremental costs incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase was primarily driven by higher employee compensation and third-party services and professional fees.

Employee Compensation

Employee compensation for the three months ended September 30, 2022 was $67.3 million and increased by $26.0 million, or 63%, from the three months ended September 30, 2021. This increase includes $24.0 million of incremental costs incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase was primarily driven by higher employee compensation and merit increases.

Third-Party Services and Professional Fees

Third-party services and professional fees for the three months ended September 30, 2022 were $30.2 million and increased by $15.1 million, or 100%, from the three months ended September 30, 2021. This increase includes $14.0 million of incremental costs incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Rent and Utilities

Rent and utilities for the three months ended September 30, 2022 were $12.9 million and increased by $3.4 million, or 36%, from the three months ended September 30, 2021. The increase was driven primarily by incremental rent and utilities incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. Rent and utilities are largely a fixed cost.

Reading Fees

Reading fees for the three months ended September 30, 2022 were $11.4 million and increased by $0.6 million, or 5%, from the three months ended September 30, 2021. Our reading fees are primarily based on the volume of procedures performed. The increase includes $0.4 million of incremental costs incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Administrative Expenses

Administrative expenses for the three months ended September 30, 2022 were $12.5 million and increased by $5.3 million, or 74%, from the three months ended September 30, 2021. This increase includes $5.0 million of incremental costs incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Medical Supplies and Other Expenses

Medical supplies and other expenses for the three months ended September 30, 2022 were $16.4 million and increased by $9.3 million, or 131%, from the three months ended September 30, 2021. The increase was driven primarily by incremental medical supplies and other expenses incurred by Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Depreciation and Amortization

Depreciation and amortization for the three months ended September 30, 2022 was $25.1 million and increased by $13.8 million, or 122%, from the three months ended September 30, 2021. This increase is primarily due to $14.2 million of incremental depreciation and amortization for Alliance during the three months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Impairment Charges

Impairment charges of $20.4 million for the three months ended September 30, 2022 consist primarily of a $20.0 million goodwill impairment in our Oncology reporting unit. See further discussion in Note 7 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Restructuring Charges

Restructuring charges for the three months ended September 30, 2022 were $4.0 million compared to $0.5 million for the three months ended September 30, 2021. Restructuring charges are composed primarily of transformation costs of $3.4 million and domestication and related costs of $0.4 million. See further discussion in Note 17 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Severance and Related Costs

Severance and related costs for the three months ended September 30, 2022 were $2.5 million compared to $0.1 million for the three months ended September 30, 2021. These costs include severance and benefits costs paid to terminated employees. See further discussion in Note 17 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Other Expense (Income)

Other operating income, net for the three months ended September 30, 2022 was $7.6 million compared to $0.1 million for the three months ended September 30, 2021. The other operating income, net in 2022 includes a $7.6 million gain on sale of accounts receivable. See further discussion in Note 5 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Interest expense for the three months ended September 30, 2022 was $29.7 million and increased by $12.7 million, or 75%, from the three months ended September 30, 2021. This increase is primarily due to the interest associated with the 2028 Senior Notes and Subordinated Notes that were issued during 2021 in connection with the Alliance Acquisition.

Acquisition-related costs for the three months ended September 30, 2022 were $0.1 million compared to $8.8 million for the three months ended September 30, 2021. This decrease is primarily due to reduced acquisition-related activities.

Other non-operating income for the three months ended September 30, 2022 was $0.5 million compared to $0.1 million for the three months ended September 30, 2021. The other non-operating income in 2022 includes a $0.3 million fair value adjustment of the derivative associated with the Subordinated Notes and $0.2 million of earnings from unconsolidated investees.

Income Tax Expense

Income tax expense (benefit) for the three months ended September 30, 2022 and 2021 was $12.0 million and $(22.1) million, respectively. The effective tax rate for the periods differs from the Canadian statutory rate of 26.5% primarily due to earnings in foreign jurisdictions that are subject to tax rates which differ from the Canadian statutory tax rate, as well as the impact of valuation allowances applied against losses in jurisdictions for which no tax benefit or expense is recognized.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the three months ended September 30, 2022 was $4.1 million and increased by $1.6 million from the three months ended September 30, 2021. This increase is primarily due to amounts attributable to Alliance during the three months ended September 30, 2022.

Nine Months Ended September 30, 2022 Compared to Nine Months Ended September 30, 2021

Revenues

Revenues for the nine months ended September 30, 2022 were $565.0 million and increased by $323.4 million, or 134%, from the nine months ended September 30, 2021. This increase includes $308.5 million of incremental revenues contributed by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase in revenues during the nine months ended September 30, 2022 was driven by an increase in scan volumes, lower implicit price concessions, and a $3.9 million incremental revenue contribution from other acquisitions completed in 2021.

Cost of Operations, excluding Depreciation and Amortization

Cost of operations, excluding depreciation and amortization, for the nine months ended September 30, 2022 was $460.4 million and increased by $256.5 million, or 126%, from the nine months ended September 30, 2021. This increase includes $236.1 million of incremental costs incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase was primarily driven by other acquisitions completed in the second quarter of 2021 and higher employee compensation and third-party services and professional fees.

Employee Compensation

Employee compensation for the nine months ended September 30, 2022 was $214.4 million and increased by $126.3 million, or 143%, from the nine months ended September 30, 2021. This increase includes $117.0 million of incremental costs incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase was primarily driven by other acquisitions completed during 2021 and higher employee compensation and merit increases.

Third-Party Services and Professional Fees

Third-party services and professional fees for the nine months ended September 30, 2022 were $89.3 million and increased by $59.5 million, or 200%, from the nine months ended September 30, 2021. This increase includes $54.1 million of incremental costs incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase in these fees was primarily due to other acquisitions completed during 2021 and higher professional fees.

Rent and Utilities

Rent and utilities for the nine months ended September 30, 2022 were $38.1 million and increased by $13.3 million, or 53%, from the nine months ended September 30, 2021. The increase was driven primarily by incremental rent and utilities incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. Rent and utilities are largely a fixed cost.

Reading Fees

Reading fees for the nine months ended September 30, 2022 were $34.7 million and increased by $3.0 million, or 10%, from the nine months ended September 30, 2021. Our reading fees are primarily based on the volume of procedures performed. The increase includes $1.8 million of incremental costs incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase was driven by other acquisitions completed during 2021.

Administrative Expenses

Administrative expenses for the nine months ended September 30, 2022 were $35.6 million and increased by $19.3 million, or 118%, from the nine months ended September 30, 2021. This increase includes $17.1 million of incremental costs incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period. The remaining increase was driven primarily by higher insurance costs.

Medical Supplies and Other Expenses

Medical supplies and other expenses for the nine months ended September 30, 2022 were $48.3 million and increased by $35.2 million, or 268%, from the nine months ended September 30, 2021. The increase was driven primarily by incremental medical supplies and other expenses incurred by Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Depreciation and Amortization

Depreciation and amortization for the nine months ended September 30, 2022 was $75.0 million and increased by $54.7 million, or 268%, from the nine months ended September 30, 2021. This increase is primarily due to $54.4 million of incremental depreciation and amortization for Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Impairment Charges

Impairment charges of $20.7 million for the nine months ended September 30, 2022 consist primarily of a $20.0 million goodwill impairment in our Oncology reporting unit. See further discussion in Note 7 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Restructuring Charges

Restructuring charges for the nine months ended September 30, 2022 were $11.4 million compared to $0.5 million for the nine months ended September 30, 2021. Restructuring charges are composed primarily of transformation costs of $7.4 million, lease termination costs of $1.8 million, and domestication and related costs of $1.4 million. See further discussion in Note 17 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Severance and Related Costs

Severance and related costs for the nine months ended September 30, 2022 were $10.3 million compared to $0.1 million for the nine months ended September 30, 2021. These costs include severance and benefits costs paid to terminated employees. See further discussion in Note 17 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Other Expense (Income)

Other operating income, net for the nine months ended September 30, 2022 was $7.3 million compared to operating expense, net of $0.3 million for the nine months ended September 30, 2021. The other operating income, net in 2022 includes a $7.6 million gain on sale of accounts receivable. See further discussion in Note 5 to the condensed consolidated financial statements that appear in Item 1 of this Quarterly Report on Form 10-Q.

Interest expense for the nine months ended September 30, 2022 was $87.7 million and increased by $53.4 million, or 156%, from the nine months ended September 30, 2021. This increase is primarily due to the interest associated with the 2028 Senior Notes and Subordinated Notes that were issued during 2021 in connection with the Alliance Acquisition.

Acquisition-related costs for the nine months ended September 30, 2022 were $0.6 million compared to $14.4 million for the nine months ended September 30, 2021. This decrease is primarily due to reduced acquisition-related activities.

Other non-operating income for the nine months ended September 30, 2022 was $3.0 million compared to $3.5 million for the nine months ended September 30, 2021. The other non-operating income in 2022 includes a $1.1 million fair value adjustment of the derivative associated with the Subordinated Notes and $0.7 million of earnings from unconsolidated investees. The other non-operating income in 2021 consists primarily of a $3.4 million gain on the conversion of a debt investment to an equity investment.

Income Tax Expense

Income tax expense (benefit) for the nine months ended September 30, 2022 and 2021 was $9.1 million and $(22.0) million, respectively. The effective tax rate for the periods differs from the Canadian statutory rate of 26.5% primarily due to earnings in foreign jurisdictions that are subject to tax rates which differ from the Canadian statutory tax rate, as well as the impact of valuation allowances applied against losses in jurisdictions for which no tax benefit or expense is recognized.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the nine months ended September 30, 2022 was $12.9 million and increased by $9.5 million from the nine months ended September 30, 2021. This increase is due to amounts attributable to Alliance during the nine months ended September 30, 2022, primarily due to timing of the Alliance Acquisition, and therefore only included one month's results in the comparative period.

Non-GAAP Financial Measures

We use various measures of financial performance based on financial statements prepared in accordance with GAAP. We believe, in addition to GAAP measures, certain non-GAAP measures are useful for investors for a variety of reasons. We use this information in our analysis of the performance of our business, excluding items we do not consider relevant to the performance of our continuing operations. Such non-GAAP measures include adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Our management regularly communicates Adjusted EBITDA and their interpretation of such results to our Board of Directors. We also compare actual periodic Adjusted EBITDA against internal targets as a key factor in determining cash incentive compensation for executives and other employees, largely because we view Adjusted EBITDA results as indicative of how our radiology and oncology businesses are performing and being managed.

We define Adjusted EBITDA as net income before interest expense, income tax expense (benefit), depreciation and amortization, impairment charges, restructuring charges, severance and related costs, settlements and related costs (recoveries), stock-based compensation, gain on sale of accounts receivable, losses (gains) on disposal of property and equipment, acquisition-related costs, financial instrument revaluation adjustments, gain on conversion of debt to equity investment, deferred rent expense, other losses (gains), and one-time adjustments. Adjusted EBITDA is a non-GAAP financial measure used as an analytical indicator by us and the healthcare industry to assess business performance and is a measure of leverage capacity and ability to service debt. Adjusted EBITDA should not be considered in isolation or as an alternative to net income, cash flows generated by operating, investing or financing activities or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity. Adjusted EBITDA is not a financial measure determined in accordance with GAAP and is therefore susceptible to varying methods of calculation and may not be comparable to other similarly titled measures of other companies.

The following table presents a reconciliation of our net income (loss), the most directly comparable GAAP financial measure, to total Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Net income (loss)	$ (49,745)	$ 1,180	$ (102,256)	$ (8,182)
Interest expense	29,679	16,932	87,650	34,221
Income tax expense (benefit)	12,038	(22,070)	9,118	(21,999)
Depreciation and amortization	25,079	11,286	75,010	20,359
Impairment charges	20,369	—	20,702	—
Restructuring charges	4,042	479	11,366	479
Severance and related costs	2,485	53	10,282	53
Settlements, recoveries and related costs	(576)	(52)	101	(394)
Stock-based compensation	556	785	2,375	1,997
Gain on sale of accounts receivable	(7,603)	—	(7,603)	—
Loss (gain) on disposal of property and equipment, net	26	(25)	398	321
Acquisition-related costs	99	8,784	567	14,412
Fair value adjustment on derivative	(271)	(50)	(1,110)	(50)
Gain on conversion of debt to equity investment	—	—	—	(3,360)
Deferred rent expense	325	621	904	1,525
Other, net	18	45	(783)	(1)
Adjusted EBITDA	$ 36,521	$ 17,968	$ 106,721	$ 39,381

The following table summarizes our Adjusted EBITDA by segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**	**2022**	**2021**
Adjusted EBITDA:				
Radiology	$ 31,218	$ 16,572	$ 95,832	$ 42,495
Oncology	11,048	4,899	31,383	4,899
Corporate	(5,745)	(3,503)	(20,494)	(8,013)
	$ 36,521	$ 17,968	$ 106,721	$ 39,381

Liquidity and Capital Resources

To date, we have financed our operations primarily through cash generated from operations, sales of debt and equity securities, subordinated notes, and bank borrowings. The following table presents a summary of our consolidated cash flows and the ending balance of our cash and cash equivalents:

	Nine Months Ended September 30,	
(in thousands)	**2022**	**2021**
Cash and cash equivalents at beginning of period	$ 48,419	$ 44,396
Net cash provided by operating activities	55,936	12,749
Net cash used in investing activities	(31,626)	(767,880)
Net cash provided by (used in) financing activities	(13,373)	766,611
Cash and cash equivalents at end of period	$ 59,356	$ 55,876

Cash Flows from Operating Activities

Cash provided by operating activities was $55.9 million for the nine months ended September 30, 2022 and consisted of a net loss of $102.3 million adjusted for certain non-cash items and changes in certain operating assets and liabilities. The primary non-cash charges included in the net loss are $75.0 million of depreciation and amortization, $37.5 million of non-cash interest expense, $20.7 million of impairment charges, and $9.0 million of deferred income taxes. Changes in operating assets and liabilities, net of acquisitions, provided $20.9 million of operating cash driven primarily by a $15.9 million decrease in accounts receivable and a $7.4 million increase in accounts payable and other liabilities, partially offset by a $2.0 million increase in prepaid expenses and other assets.

Cash Flows from Investing Activities

During the nine months ended September 30, 2022, cash used in investing activities was $31.6 million, a decrease of $736.3 million from the comparable period in 2021. The nine months ended September 30, 2021 included $758.1 million of cash used for acquisitions, net of cash acquired. Purchases of property and equipment during the nine months ended September 30, 2022 were $32.8 million, an increase of $27.6 million from the comparable period in 2021. Cash used in investing activities during the nine months ended September 30, 2021 also included a $4.6 million equity investment in an unconsolidated company.

Cash Flows from Financing Activities

During the nine months ended September 30, 2022, cash used in financing activities was $13.4 million compared to cash provided by financing activities of $766.6 million during the nine months ended September 30, 2021. Cash used in financing activities during the nine months ended September 30, 2022 included principal payments on the revolving loan of $29.0 million, distributions paid to noncontrolling interests of $20.9 million, and principal payments on long-term debt and finance leases of $18.4 million, partially offset by proceeds from the revolving loan of $29.0 million and proceeds from long-term debt of $25.9 million. The cash provided by financing activities during the nine months ended September 30, 2021 was composed primarily of proceeds from long-term debt of $793.8 million and proceeds from issuance of common stock of $10.5 million, partially offset by payment of debt issuance costs of $21.5 million, principal payments on long-term debt and finance leases of $5.4 million, payment of an earn-out liability of $4.7 million, and distributions paid to noncontrolling interests of $4.2 million.

Liquidity Outlook

Cash and cash equivalents were $59.4 million as of September 30, 2022. In addition, we have a revolving credit facility under which we may borrow up to $55.0 million for working capital and other general corporate purposes. As of September 30, 2022, there were no borrowings outstanding under the revolving credit facility. We believe that our existing cash, cash equivalents and expected future cash flow from operations will provide sufficient funds to finance our operations for at least the next twelve months. However it is possible that we may need to supplement our existing sources of liquidity to finance our activities beyond the next twelve months and there can be no assurance that sources of liquidity will be available to us at that time.

We also have access to an additional $349.6 million of debt financing through August 2024, provided certain conditions are met, to finance mutually agreed upon organic growth and future acquisition opportunities.

For additional information regarding our revolving credit facility and the additional borrowing available for future acquisitions, see Note 8 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021.

For a description of contractual obligations, such as debt, finance leases and operating leases, see Note 8, Note 9 and Note 10 to the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Critical Accounting Policies and Estimates

There were no significant changes in our critical accounting policies and estimates during the nine-month period ended September 30, 2022 compared to those previously disclosed in “Critical Accounting Policies and Estimates” in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision of our management, including our Chief Executive Officer and Interim Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures under Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of September 30, 2022. Based on this evaluation, our Chief Executive Officer and Interim Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 30, 2022.

Identification of Material Weakness for the Quarter Ended December 31, 2021

Accounting Estimates and the Use of Specialists

Management concluded a material weakness in internal control over financial reporting existed relating to the oversight and review of the work performed by third-party specialists, the application of certain accounting principles and the coordination between specialists. Specialists were used in the preparation of (i) our purchase price allocation pursuant to ASC 805, *Business Combinations*, (ii) the adoption of ASC 842, *Leases*, in connection with the Alliance Acquisition, and (iii) the valuation of warrants issued in connection with a debt financing arrangement. The control deficiency could have resulted in a misstatement of certain accounting estimates or disclosures that would have resulted in a material misstatement of our annual consolidated financial statements that would not have been prevented or detected on a timely basis.

Identification of Material Weakness for the Quarter Ended September 30, 2022

Income Tax Provision

Management concluded a material weakness in internal control over financial reporting existed related to our quarterly income tax provision process. Specifically, we did not provide adequate review of the impact on deferred tax assets and liabilities and the related deferred tax provision within the quarterly consolidated income tax provision as a result of the finalization of the purchase price allocation for a significant acquisition. While the control deficiency did not result in a misstatement of our previously issued consolidated financial statements, the control deficiency could have resulted in a misstatement of the income tax related accounts or disclosures that would have resulted in a material misstatement of our quarterly or annual consolidated financial statements that would not have been prevented or detected on a timely basis.

Remediation of Material Weaknesses in Internal Control Over Financial Reporting

Management is committed to the remediation efforts to address material weaknesses, as well as continuously enhancing our internal controls.

Management has made financial reporting control changes to address the material weakness relating to the process for evaluating the qualifications of third-party specialists, defining the scope of work to be performed, and reviewing all estimates prepared by specialists. Management has taken steps to enhance its evaluation of the qualifications of third-party specialists and defining the scope of work to be performed, as well as enhance the review process for all estimates prepared by specialists, including a detailed review of all work performed by specialists, by team members with the appropriate level of experience and knowledge and review the specialists work for compliance with accounting standards.

Management will enhance its process for reviewing the quarterly income tax provision with a focus on deferred tax assets and liabilities and the related deferred tax provision for significant transactions.

To further remediate the material weaknesses identified herein, the management team, including the Chief Executive Officer and Interim Chief Financial Officer, have reaffirmed and re-emphasized the importance of internal control, control consciousness and a strong control environment. We also expect to continue to review, optimize, and enhance our financial reporting controls and procedures. These material weaknesses will not be considered remediated until the applicable remediated controls operate for a sufficient period of time and management has concluded that these controls are operating effectively.

No assurance can be provided at this time that the actions and remediation efforts we have taken or will implement will effectively remediate the material weaknesses described above or prevent the incidence of other significant deficiencies or material weaknesses in our internal controls over financial reporting in the future. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions.

If the remedial measures described above are insufficient to address the material weaknesses described above, or are not implemented timely, or additional deficiencies arise in the future, material misstatements in our interim or annual financial statements may occur in the future and could have the effects described in the "Risk Factors" section included in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

Changes in Internal Control over Financial Reporting

There were no other changes in our internal control over financial reporting that occurred during the nine-month period ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, except for the remediation efforts described above.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On November 22, 2021, an alleged shareholder of the Company filed a putative class action claim with the Ontario Superior Court of Justice against the Company and certain of its directors and officers alleging violations of Securities Act (Ontario), negligent misrepresentation and other related claims. The claims generally allege that certain of the Company's prior public financial statements misrepresented the Company's revenue, accounts receivable and the value of its assets based upon the Company's August 12, 2021, October 12, 2021 and November 8, 2021 disclosures relating to a review of certain procedures related to its financial statements and to the restatement of financial statements affecting accounts receivable and net book value of property and equipment. The claim does not quantify a damage request. Defendants have not yet responded to the claim. On December 20, 2021, a second statement of claim was filed by a new plaintiff making similar allegations. Because the two statements of claim involve similar subject matter and some of the same class members, the second Ontario plaintiff firm requested a motion for carriage under the Class Proceedings Act, 1992 (Ontario) so the court could determine which plaintiff firm will have carriage of the class action proceedings. That carriage motion was heard by the court on March 31, 2022 and, on April 27, 2022, the court rendered a decision in favor of the second plaintiff. As such, the second plaintiff has been awarded carriage of the class action claim and the action by the first plaintiff is stayed.

The Company has been, and continues to be, subject to claims and legal actions that arise in the ordinary course of business, including potential claims related to patient care and treatment, contract disputes, employment and other commercial or regulatory matters. The defense of these lawsuits may result in significant legal costs, regardless of the outcome, and can result in large settlement amounts or damage awards. We believe that the outcome of our current litigation will not have a material adverse impact on our business, financial condition and results of operations. However, we could be subsequently named as a defendant in other lawsuits that could adversely affect us.

Item 1A. Risk Factors

Except to the extent updated below or to the extent additional factual information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors (including, without limitation, the matters discussed in Part I, "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations"), there were no material changes to the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2021 dated March 16, 2022 and filed with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Business and Industry Risks

Macroeconomic trends including inflation and rising interest rates may adversely affect our financial condition and results of operations.

Macroeconomic trends, including increases in inflation and rising interest rates, may adversely impact our business, financial condition and results of operations. Inflation in the United States has recently accelerated and is currently expected to continue at an elevated level in the near-term. Rising inflation could have an adverse impact on our operating expenses and our credit facilities. There is no guarantee we will be able to mitigate the impact of rising inflation. The Federal Reserve has recently started raising interest rates to combat inflation and restore price stability and it is expected that rates will continue to rise throughout the remainder of 2022. While most of the Company's existing borrowings are currently at fixed interest rates, there are risks that any additional borrowing or refinancing of the existing borrowings could be at increased interest rates which will result in higher debt service costs and which will also adversely affect our cash flows. We cannot assure you that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings. Such future constraints could increase our borrowing costs, which would make it more difficult or expensive to obtain additional financing or refinance existing obligations and commitments, which could slow or deter future growth.

Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy resulting from the ongoing military conflict between Russia and Ukraine.

The global economy has been negatively impacted by increasing tension, uncertainty and tragedy resulting from ongoing military conflict between Russia and Ukraine. The adverse and uncertain economic conditions resulting therefrom have and may further negatively impact global demand, cause supply chain disruptions and increase costs for transportation, energy and other raw materials. Furthermore, governments in the United States, the European Union, the United Kingdom, Canada and others have imposed financial and economic sanctions on certain industry segments and various parties in Russia and Belarus. We are monitoring the conflict including the potential impact of financial and economic sanctions on the global economy. Increased trade barriers, sanctions and other restrictions on global or regional trade could adversely affect our business, financial condition and results of operations. The length and impact of the ongoing military conflict is highly unpredictable, and resulted in market disruptions, including significant volatility in commodity prices, credit and capital markets, an increase in cyber security incidents as well as supply chain disruptions. Further escalation of geopolitical tensions related to this military conflict and/or its expansion could result in increased volatility and disruption to the global economy and the markets in which we operate adversely impacting our business, financial condition or results of operations.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
10.1	Confidential Separation Agreement and General Release by and between Akumin Inc., Alliance HealthCare Services, Inc. and William Larkin, dated as of September 1, 2022
10.2	Confidential Separation and Release Agreement by and between Akumin Inc. and Matthew Cameron, dated as of September 1, 2022
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a)
31.2	Certification of the Interim Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a)
32.1	Certification of the Chief Executive Officer and the Interim Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 (formatted in iXBRL and contained in Exhibit 101)

SIGNATURE

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

AKUMIN INC.

By: /s/ Riadh Zine

Riadh Zine
Chairman, Chief Executive Officer and Director

Date: November 9, 2022

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CONFIDENTIAL SEPARATION AGREEMENT
AND GENERAL RELEASE

This Separation Agreement and Release of ("Agreement") is made by and between William Larkin ("Executive"), Alliance HealthCare Services, Inc., a Delaware corporation ("Alliance HealthCare Services"), and Akumin Inc., an Ontario corporation ("Akumin") (collectively referred to herein as "the Parties"), with reference to the following facts:

A. On or about June 3, 2019, Executive became an Executive of Alliance HealthCare Services.

B. On or about June 3, 2019, Alliance HealthCare Services and Executive executed an Executive Severance Agreement (the "Severance Agreement"), which is incorporated herein by reference.

C. In September 2021, Akumin acquired Alliance HealthCare Services and Alliance HealthCare Services became an indirect wholly-owned subsidiary of Akumin.

D. Following its acquisition of Alliance HealthCare Services, Akumin named Executive the Chief Financial Officer (CFO) of Akumin.

E. Effective August 12, 2022 ("the Separation Date"), Executive's employment with Akumin, and all of its affiliated and related entities (collectively, "Company") was terminated "Without Cause," as that term is defined in the Severance Agreement.

F. As of the Separation Date, Executive no longer is an Officer of Company, such that all signing authorities held by Executive in connection with and in furtherance of Executive's Officer duties ended on the Separation Date.

G. Under the terms of the Severance Agreement, Executive is entitled to certain severance pay and benefits if Executive signs (and does not revoke) a release of all claims that Executive may have against Company, and their past or current officers, directors, and/or employees, relating to or arising out of Executive's employment (or termination of employment) with Company in a form prescribed by Company. For purposes of the severance pay and benefits due under the Severance Agreement, the Parties agree that Executive's most recent

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annual base salary was $400,000.00 and that Executive's 2021 Target Bonus was $300,000.00 (75% of Executive's annual base salary of $400,000.00).

H. It is the intention of the Parties that Executive receive the severance pay and benefits set forth in the Severance Agreement under the terms and conditions set forth therein.

I. In entering into this Agreement, none of the Parties makes any admissions whatsoever as to any allegations or claims that may have been made by the other nor does this Agreement constitute an admission that Company or any other Releasee (as defined herein) has violated any law, rule, regulation, contractual right, or any other legal duty or obligation or that Executive has any viable claim against Company or any other Releasee. Each Releasee denies all liability.

NOW, THEREFORE, the Parties agree as follows:

1. **Severance Benefits.** Company acknowledges and agrees that Executive is entitled to the following severance benefits if Executive signs (and does not revoke) and fully complies with Executive's obligations under the Severance Agreement and under this Agreement: (i) 18 months of pay equal to Executive's most recent annual base salary of $400,000.00, or the gross amount of $600,000.00 ($400,000.00 x 1.5), minus legally required withholdings; (ii) a 2022 Enhanced Target Bonus in the gross amount of $450,000.00 ($300,000.00 x 1.5), minus legally required withholdings; (iii) up to $35,000.00 in outplacement services provided by an outplacement services company of Company's choosing, with such fees paid directly by Company to the outplacement services company, in accordance with paragraph 2 of the Severance Agreement; and (iv) a bi-weekly payment in an amount equal to Company's group health (medical, dental and vision, where applicable) coverage expense for Executive and Executive's dependents (where previously enrolled), payable during the Salary Continuation Period, as that term is defined in the Severance

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Agreement, payable in accordance with the terms set forth in paragraphs 2 and 3(d) of the Severance Agreement, as modified by Schedule B attached hereto.

2. **Severance Payment.** To the fullest extent possible, the Parties intend that each payment or portion of a payment that is called for under this Agreement and the Severance Agreement that could be treated as exempt from Internal Revenue Code Section 409A shall be treated as exempt from Code Section 409A and this Agreement shall be administered in a manner consistent with that intent. Section 3(d)(i) of the Severance Agreement permits the parties to interpret and administer the Severance Agreement to be exempt from Code Section 409A and establishes an 18 month payment period but does not specify dollar amounts for such period nor does it require substantially equal payments. In order for the payments under this Agreement and the Severance Agreement to be exempt from Code Section 409A, the parties agree that clarification of the payment dates and amounts is needed and agree that payments were intended to and should be made in the amounts and on or before the dates reflected on Schedule B to this Agreement, which is incorporated by reference herein, in which case they are agreed to be fully exempt from Code Section 409A.

3. **Payout of Restricted Share Units.** Executive has requested a cash payment in consideration for the cancellation of Executive's 50,000 restricted share units (RSUs), granted on December 17, 2021 and vested on the Separation Date, and Company is agreeable to such request. Executive and Company agree that the cash equivalent for the cancellation of the 50,000 RSUs is $38,500.00, less applicable withholdings (i.e., 50,000 RSUs at a price of $0.77 per RSU, representing the closing price of Company shares on the Separation Date). Company agrees to make such payment to Executive within five (5) business days of the Effective Date of this Agreement set forth in paragraph 18 below.

4. **General Release.** In consideration for the severance pay and benefits to be provided under the Severance Agreement, Executive, for Executive and Executive's agents, representatives, successors, heirs and assigns, does hereby unconditionally release and forever discharge Company (plus its parents, subsidiaries, affiliates, predecessors, successors, and any other entity related to it and all of its and their past and present officers, directors, shareholders, attorneys, employees, agents, representatives, assigns, and anyone else acting for any of them – all together "Releasees"), of and from any and all claims, demands, claims for relief, actions or causes of action of any type or nature whatsoever that now exist, known or unknown, suspected or unsuspected, to the fullest extent allowed by law, based upon, relating to, and/or arising out of Executive's employment with Company (including, but not limited to, any claims arising out of Executive's Officer and/or Director positions with Company); and/or termination thereof. Such claims include, but are not limited to, (i) any and all claims related to discrimination, harassment, or retaliation based on age (including Age Discrimination in Employment Act or "ADEA" claims), benefit entitlement, sex, sexual orientation, gender, gender identity, gender expression, race, color, concerted activity, religion, national origin, ethnicity, citizenship, immigration status, genetic information, disability, income source, jury duty, leave rights, military status, veteran status, parental status, protected off-duty conduct, union activity, whistleblower activity (including Sarbanes-Oxley, Dodd-Frank, and False Claims Act claims), other legally protected status or activity; or any allegation that payment under this Agreement was affected by any such discrimination, harassment or retaliation; (ii) all claims for breach of any express or implied contracts, covenants, promises or duties, intellectual property or other proprietary rights; (iii) all claims for pay, compensation, wages or benefits, including bonuses, commissions, equity, expenses, incentives, insurance, paid/ unpaid leave, profit sharing, or separation pay/benefits; (iv) all claims for compensatory, emotional or mental distress damages, punitive or liquidated damages, costs, fees or other

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expenses, including attorneys' fees; (v) unlawful or tortious conduct such as assault or battery; background check violations; defamation; detrimental reliance; fiduciary breach; fraud; indemnification; intentional or negligent infliction of emotional distress; interference with contractual or other legal rights; invasion of privacy; loss of consortium; misrepresentation; negligence (including negligent hiring, retention, or supervision); personal injury; promissory estoppel; public policy violation; retaliatory discharge; safety violations; posting or records-related violations; wrongful discharge; or other federal, state or local statutory or common law matters; and (vi) any participation in any class or collective action against any Releasee.

5. **Release Exclusions and Other Exceptions.** The release provisions of this Agreement exclude (i) claims arising after Executive signs this Agreement; (ii) claims for breach of this Agreement or the Executive Severance Agreement; (iii) claims that cannot be waived, such as Executive's entitlement, if any, to medical insurance, workers' compensation benefits, retirement benefits, unemployment benefits or continuation coverage under COBRA; and (iv) claims to indemnification under Company's Articles of Incorporation, Bylaws, or other corporate documents, including claims to indemnification relating to any legal actions filed by a third party against Executive relating to or arising out of Executive's lawful performance of Executive's duties as an Officer and/or Director if in each such case Executive would be entitled to such indemnification as if Executive was a current Officer and/or Director. Nothing in any part of this Agreement limits Executive's rights to: (i) file a charge or complaint with any administrative agency, such as the U.S. Equal Employment Opportunity Commission, or a state fair employment practices agency or communicate directly with or provide information (including testimony) to an agency, or otherwise participate in an agency proceeding; (ii) testify accurately in administrative, legislative, or judicial proceeding relating to alleged criminal conduct or alleged sexual harassment, pursuant to a written request from an administrative agency or legislature, or in court

pursuant to subpoena or court order; or (iii) communicate with law enforcement or Executive's attorney. Executive nonetheless give up all rights to any money or other individual relief based on any agency or judicial decision, including class or collective action rulings. However, Executive may receive money properly awarded by the U.S. Securities and Exchange Commission (SEC) as a reward for providing information to that agency.

6. **Release of Unknown Claims.** This Agreement is intended to encompass all claims, known and unknown, foreseen and unforeseen, that Executive may have, whether arising in tort, contract, law, equity, or whether based upon a violation of any federal, state, local or administrative statute, law, regulation or ordinance. It is further understood that all rights under Section 1542 of the California Civil Code, and any similar state or federal law, are hereby expressly waived. Section 1542 provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. **Indemnification.** Executive understands and agrees that Company and its attorneys are neither providing tax or legal advice, nor making representations regarding Executive's tax obligations or consequences, if any, related to this Agreement. Executive further agrees to assume any such tax obligations or consequences that may arise from this Agreement and to not seek any indemnification from Company in this regard. Executive agrees that in the event that any taxing body (or a court, in the event the matter is litigated) makes a final, non-appealable determination that additional taxes are due from Executive, Executive acknowledges and assumes all responsibility for the payment of any such taxes of Executive and agrees to indemnify, defend and hold Company harmless for the payment of such taxes of Executive, and any failure to withhold; provided, however, Company assumes responsibility for (1) any penalties and interest and (2) any *additional* taxes beyond the original

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taxes owed by Executive, in each case only if the amounts due are owed as a result of Company's failure to withhold the correct amount of original taxes where such failure is due to Company's error rather than to incorrect information provided by Executive . Subject to the foregoing, Executive agrees to pay, on Company's behalf, any interest or penalties imposed as a consequence of such tax obligations, and to pay any judgments, penalties, taxes, costs and attorneys' fees incurred by Company as a consequence of Executive's failure to pay any taxes due. Executive further acknowledges and agrees that at all times Executive remains solely responsible for the full amount of original taxes owed by Executive.

8. **Non-Disparagement.** Subject to the Release Exclusions and Other Exceptions noted in paragraph 5 herein, the Parties agree that they shall not, directly or indirectly through others, identifiably or anonymously, make any statement or engage in any conduct that has the purpose or effect of disparaging or reflecting negatively upon the other or, in the case of Company, any of its representatives, officers, directors, shareholders or employees. Specifically, and without limiting the generality of the foregoing, the Parties are prohibited from posting to the Internet or any website, dispersing through any electronic or printed medium, conveying to any member of the press or public (whether with or without attribution, anonymously or otherwise), any comment, information, documents, pictures, or any other content in any form that has the intent or is reasonably construed to have the intent to discredit, defame, harm, embarrass, or harass the other; provided, however, Akumin's and Alliance HealthCare Services' obligations under this paragraph apply only to those individuals who hold a Director and/or Officer position at Akumin and/or at Alliance HealthCare Services. Nothing in this Agreement prevents Executive from (i) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive believes to be unlawful; (ii) making any statements regarding Company to Executive's spouse; provided, however, any disparaging statement (as defined herein) by

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Executive's spouse is a disparaging statement by Executive; or (iii) making any statements regarding Company to Executive's legal/financial advisors; provided, however, Executive first inform Executive's legal/financial advisors of this non-disparagement provision and obtain their agreement to comply with this provision. The Parties agree that the remedy at law for any breach of the covenants contained in this paragraph would be inadequate, and that therefore the non-breaching party shall be entitled to injunctive relief thereon, in addition to such party's right to monetary damages.

9. **Enhanced 2022 Target Bonus.** In consideration for Executive's additional promises set forth in Schedule A to this Agreement, which is hereby incorporated by reference herein, Company agrees to calculate the Target Bonus payment due under the Severance Agreement in an amount equal to one-and-one-half (1 ½) times Executive's 2021 Target Bonus (75% of Executive's most recent annual base salary of $400,000.00 ($300,000.00) x 1.5 = $450,000.00, minus legally required withholdings). Executive acknowledges and agrees that this calculation results in a larger Target Bonus payment than otherwise owed to Executive under the Severance Agreement as it is calculated based on the 2021 Target Bonus. The Parties agree that the Target Bonus payment in the gross amount of $450,000.00, minus legally required withholdings, is payable to Executive in accordance with Schedule B, attached hereto.

10. **Schedule A.** In consideration for the Enhanced 2022 Target Bonus set forth in paragraph 9 of this Agreement, Executive agrees to the provisions set forth in Schedule A to this Agreement, which is incorporated by reference herein.

11. **Prevailing Party Attorneys' Fees.** In the event that any action or any other proceeding is instituted to enforce any right or obligation arising out of this Agreement, the prevailing party shall be entitled to recover such party's attorneys' fees and other costs incurred, including those incurred in any appeal.

12. **Heirs, Successors, and Assigns.** This Agreement, and the terms and conditions herein, inure to the benefit of and are binding upon, the heirs, successors and assigns of the Parties.

13. **No Representations/Entire Agreement.** The Parties declare and represent that no promise, inducement or agreement not herein expressed or incorporated herein by reference has been made to them and they are relying on none; that this Agreement, including Schedule A to this Agreement, the Severance Agreement, the Confidentiality and Non-Solicitation Agreement, and the Amended and Restated Restricted Share Unit Plan (collectively referred to herein as "the Agreements"), which are hereby incorporated by reference, contain the entire agreement between the Parties; and that these Agreements supersede any and all alleged prior or contemporaneous written or oral agreements, representations, or promises on the subject matters covered herein and therein. This Agreement cannot be modified except in a written document signed by all Parties.

14. **Governing Law.** This Agreement shall be interpreted and enforced under federal law if that law governs, and otherwise under the laws of the State of California, without regard to its choice of law provisions.

15. **Severability.** Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and any said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

16. **Voluntary Agreement.** Executive understands and acknowledges that Executive has a period of twenty-one (21) days within which to review and decide whether to sign this Agreement after receiving it, although Executive may sign the Agreement at any time during the twenty-one (21)-day consideration period. Executive must sign and return this Agreement to Company within the twenty-one (21)-day consideration

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period if Executive wants to receive the severance pay and benefits provided in the Severance Agreement. If Executive signs this Agreement, Executive has seven (7) days from the date Executive signs this Agreement to revoke the Agreement. Any revocation must be in writing and must be delivered to Riadh Zine, Chairman and CEO, at riadh.zine@akumin.com, on or before the seventh (7th) day after Executive's execution of the Agreement. If Executive revokes this Agreement, then this Agreement shall not be effective or enforceable, and Executive will not be entitled to receive the severance pay and benefits set forth in the Severance Agreement.

17. **Other Representations.** Executive agrees: (i) Executive was advised in writing, by getting a copy of this Agreement, to consult with an attorney before signing below; (ii) Executive acknowledges that this Agreement is a negotiated severance agreement under California law because it is voluntary, deliberate, and informed; provides consideration of value to Executive; and provides Executive with notice and an opportunity to retain an attorney to the extent that Executive is not already represented by an attorney; (iii) Executive has relied on Executive's own informed judgment, or that of Executive's attorney (if any), in deciding whether to sign this Agreement; and (iv) Executive is signing this Agreement knowingly and voluntarily.

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18. **Effective Date.** This Agreement shall be effective upon the expiration of the seven (7)-day revocation period set forth in paragraph 16 above.

Dated: September 1, 2022

/s/ WILLIAM LARKIN
WILLIAM LARKIN

Dated: September 1, 2022

ALLIANCE HEALTHCARE SERVICES, INC.

By: /s/ RIADH ZINE

Name: Riadh Zine

Its: Chairman & Chief Executive Officer

Dated: September 1, 2022

AKUMIN INC.

By: /s/ RIADH ZINE

Name: Riadh Zine
Its: Chairman & Chief Executive Officer

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SCHEDULE A to CONFIDENTIAL SEPARATION AGREEMENT AND GENERAL RELEASE

Payment of All Compensation Owed. Executive acknowledges and agrees that Executive has been paid all compensation earned through the Separation Date (as defined in the Confidential Separation Agreement and General Release ("Release Agreement")), including any accrued, unused vacation or PTO.

Treatment of Stock Options and Equity Entitlements. Executive's stock options and equity entitlements will be treated in accordance with the applicable grant agreement and applicable plans related thereto.

Acknowledgment of Consideration. Executive acknowledges that the severance pay and benefits described in the Executive Severance Agreement represent amounts and benefits above and beyond those to which Executive would be entitled if Executive did not enter into the Release Agreement.

Promise Not to Sue. Executive promises not to sue any Releasee (as that term is defined in the Release Agreement) in court ("Promise Not to Sue"). This is different from the General Release in paragraph 4 of the Release Agreement. Besides releasing claims covered by the General Release, Executive agrees never to sue any Releasee for any reason covered by the General Release. Despite this Promise Not to Sue, however, Executive may file suit to enforce the Release Agreement or to challenge its validity under the ADEA. If Executive sues a Releasee in violation of this provision: (i) Executive shall be required to pay that Releasee's reasonable attorneys' fees and other litigation costs incurred in defending against Executive's suit; or alternatively (ii) Company can require Executive to return all but $100.00 of the severance pay and benefits provided to Executive under the Executive Severance Agreement and General Release. In that event, Company shall be excused from any remaining obligations that exist solely because of the Executive Severance Agreement and General Release.

Whistleblowing. Executive agrees that (i) no one has interfered with Executive's ability to report within Company possible violations of any law, and (ii) it is Company's policy to encourage such reporting.

Future Cooperation. Executive agrees to be reasonably available to assist Company with transitioning Executive's duties as well as with any investigations, legal claims, or other matters concerning anything related to Executive's employment. Executive specifically agrees to use reasonable effort to be available to Company upon reasonable notice for interviews and fact investigations; to testify; and to voluntarily provide Company with any Company-related documents Executive possesses or controls. "Cooperation" does not mean Executive must provide information favorable to Company; it means only that Executive will upon Company's request provide information Executive possesses or controls. If Company requests Executive's cooperation, Company will reimburse Executive for reasonable time at the rate of $200.00 per hour and expenses, provided Executive submits documentation sufficient to substantiate the time and expenses. Reimbursement under this provision shall be in addition to the severance benefits payable to Executive under the Executive Severance Agreement and Release Agreement.

Confidentiality of Agreement. Subject to the Release Exclusions and Other Exceptions in paragraph 5 of the Release Agreement, Executive will not communicate the terms of the Release Agreement to any third party, whether verbally or in writing, by any means, including by social media such as Twitter and Facebook and the like. Any disclosure by Executive will cause Company irreparable harm that money cannot undo. Accordingly, violation of this section will entitle Company to temporary and permanent injunctive relief. Except as required by law, Executive has not disclosed and will not disclose any term of the Release Agreement to anyone except Executive's immediate family members and/or legal/financial advisors; provided, however, Executive first must inform Executive's immediate family members and legal/financial advisors of this confidentiality provision and obtain their agreement to comply with this provision. If this Agreement is in the future publicly disclosed by Company in accordance with applicable securities laws, then the unredacted portions of the Agreement are no longer subject to this confidentiality provision as of the date of Company's public disclosure.

Individual Agreement. This Release Agreement has been negotiated individually and is not part of a group exit incentive or other termination program.

Other Representations. Executive agrees:

- Executive has been reimbursed for all reasonable and necessary business expenses that Executive incurred in the course and scope of Executive's employment with Company;
- Executive has not suffered any on the-job injury for which Executive has not already filed a claim, and the end of Executive's employment is not related to any such injury;
- Executive does not have any pending lawsuits against Company (as defined in the Release Agreement) or any other Releasee (as defined in the Release Agreement);

Counterparts. The Release Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, electronic signatures or signatures delivered via facsimile transmission shall have the same force and effect as the originals thereof.

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<u>CONFIDENTIAL SEPARATION AND RELEASE AGREEMENT</u>

The parties to this Confidential Separation Agreement and General Release of Claims ("Agreement") are Matthew Cameron (for yourself, your family, beneficiaries and anyone acting for you) ("you") and Akumin Inc., an Ontario corporation ("Akumin" or the "Company") (collectively referred to herein as "the Parties"), with reference to the following facts:

A. On August 9, 2022, you and Akumin entered into an Amended and Restated Employment Agreement (the "Employment Agreement") in which Akumin agreed to continue employ you in the position of Chief Legal Officer and Corporate Secretary on the terms and conditions contained in the Employment Agreement, which is incorporated by reference herein.

B. On August --12, 2022, Akumin terminated your employment without Cause, as that term is defined in the Employment Agreement, in accordance with section 2.1(5) of the Employment Agreement.

C. Under the terms of the Employment Agreement, you are entitled to certain severance pay if you sign (and do not revoke) a release of all claims that you may have against Akumin, any associated or affiliated entity, and its and their past or current officers, directors, and/or employees, as of the date you sign this Agreement.

NOW, THEREFORE, in consideration of good and valuable consideration the receipt of which is hereby acknowledged, you and Akumin agree as follows:

1. ***End of Employment.*** Pursuant to section 2.1(5) of the Employment Agreement, which is hereby incorporated by reference, Akumin terminated your employment without Cause (as such term is defined in the Employment Agreement) on August --12, 2022 ("Separation Date").

2. ***Payment of All Compensation Owed.*** You acknowledge and agree that subject to payment of the amounts referred to in paragraph 4 below, you have been paid all compensation earned through the Separation Date.

3. ***Treatment of Stock Options and Equity Entitlements.*** Your stock options and equity entitlements will be treated in accordance with the applicable grant agreement(s) and applicable plans related thereto. In accordance with the Company's Amended and Restated Restricted Share Unit Plan, dated November 14, 20--17, as amended from time to time, the 20,000 unvested RSUs granted on March 9, 2021, and the 100,000 RSUs granted on December 17, 2021, vested immediately on the Separation Date. Within five business days of the Effective Date, as defined in paragraph 25 below, "your 120,000 RSUs will be settled for 120,000 common stock of the Company and the Company will deliver a share certificate or enter your name on the share register for the 120,000 common stock. The Company shall deduct any withholding taxes associated therewith from the lump sum payments being made to you in accordance with paragraph 5 below.

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4. ***Accrued Benefits.*** Akumin shall pay you the following Accrued Benefits, as that term is defined in the Employment Agreement:

a. Any unpaid expense reimbursement requests for reimbursable business expenses submitted by you prior to the Separation Date;

b. Your outstanding car allowance for the period from July 1, 2022 through the Separation Date, being $776.77, representing $560 per whole month and prorated daily through the Separation Date; and

c. Your outstanding cell phone and "work from home" expenses due under the Company's policies from July 1, 2022 through the Separation Date, being $138.71, representing $50 per whole month for each cell phone and "work from home" and prorated daily through the Separation Date.

5. ***Separation Pay.*** As consideration for your promises in this Agreement and in the Employment Agreement, if you sign and do not revoke this Agreement, Akumin agrees – upon satisfaction of the conditions identified herein and in the Employment Agreement – to provide you with the following:

a. A lump sum payment in the gross amount of $291,667, which is equal to ten (10) months of your Base Salary, as defined in section 1.3(1) of the Employment Agreement;

b. A lump sum payment in the gross amount of $175,000, representing your Annual Bonus;

c. A lump sum payment in the gross amount of $5,600, representing your car allowance for such ten (10)-month period.

The Company shall make these payments to you by check made payable to you within five (5) business days of the Effective Date, as defined under paragraph 25 below. You and Akumin agree that these payments will represent wages and will therefore be subject to income tax and other legally required withholding, and will be reported by Akumin as income to you on an IRS Form W-2.

6. ***Acknowledgment of Consideration.*** You agree that the payments described in paragraph 5, above, represent amounts beyond those to which you would be entitled if you did not enter into this Agreement.

7. ***Indemnification.*** You understand and agree that Akumin and its attorneys are neither providing tax or legal advice, nor making representations regarding your tax obligations or consequences, if any, related to this Agreement. You further agree to assume any such tax obligations or consequences that may arise from this Agreement and to not seek any indemnification from Akumin in this regard. You agree that in the event that any taxing body determines that additional taxes are due from you in connection with this Agreement, you

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acknowledge and assume all responsibility for the payment of any such taxes and agree to indemnify, defend and hold Akumin harmless for the payment of such taxes, and any failure to withhold; provided, however, Akumin assumes responsibility for any penalties and interest if such amounts are owed as a result of Akumin's failure to withhold the correct amount of taxes where such failure is due to the Company's error rather than to incorrect information provided by you. Subject to the foregoing, you agree to pay, on Akumin's behalf, any interest or penalties imposed as a consequence of such tax obligations, and to pay any judgments, penalties, taxes, costs and attorneys' fees incurred by Akumin as a consequence of your failure to pay any taxes due.

8. ***General Release.*** You release Akumin (plus its subsidiaries, affiliates, predecessors, successors and any other entity controlled by or under common control with Akumin, and all of its and their past and present directors, officers, employees, and agents – all together "Releasees") from all claims of any type to date, known or unknown, suspected or unsuspected, to the fullest extent allowed by law, that you could have against the Company as of the Effective Date set forth in paragraph 25 below, including but not limited to anything to do with your employment or the end of your employment. This means you give up all claims and rights related to:

· pay, compensation, or benefits including bonuses, commissions, equity, expenses, incentives, insurance, paid/unpaid leave, profit sharing, or separation pay/benefits;

· compensatory, emotional or mental distress damages, punitive or liquidated damages, attorney fees, costs, interest or penalties;

· violation of express or implied employment contracts, covenants, promises or duties, intellectual property or other proprietary rights;

· unlawful or tortious conduct such as assault or battery; background check violations; defamation; detrimental reliance; fiduciary breach; fraud; indemnification; intentional or negligent infliction of emotional distress; interference with contractual or other legal rights; invasion of privacy; loss of consortium; misrepresentation; negligence (including negligent hiring, retention, or supervision); personal injury; promissory estoppel; public policy violation; retaliatory discharge; safety violations; posting or records-related violations; wrongful discharge; or other federal, state or local statutory or common law matters;

· discrimination, harassment or retaliation based on age (including Age Discrimination in Employment Act or "ADEA" claims), benefit entitlement, citizenship, color, concerted activity, disability, ethnicity, gender, gender identity and expression, genetic information, immigration status, income source, jury duty, leave rights, military status, national origin, parental status, protected off-duty conduct, race, religion, retaliation, sexual orientation, union activity, veteran status, whistleblower claims in court (including under Sarbanes-Oxley, Dodd-Frank, and the False Claims Act claims), other legally protected status or activity; or any

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allegation that payment under this Agreement was affected by any such discrimination, harassment or retaliation; and

- any participation in any class or collective action against any Releasee.

9. ***Release Exclusions and Other Exceptions.*** The release and Promise Not to Sue provisions of this Agreement exclude: (i) claims arising after you sign this Agreement; (ii) claims for breach of this Agreement; and (iii) claims that cannot be waived, such as for unemployment or worker's compensation benefits. Nothing in any part of this Agreement limits your rights to: (i) file a charge or complaint with any administrative agency, such as the U.S. Equal Employment Opportunity Commission or a state fair employment practices agency, or the U.S. Securities and Exchange Commission (SEC), or communicate directly with or provide information (including testimony) to an agency, or otherwise participate in an agency proceeding; or (ii) communicate with law enforcement or your attorney. You nonetheless give up all rights to any money or other individual relief based on any agency or judicial decision, including class or collective action rulings. However, you may receive money properly awarded by the SEC as a reward for providing information to that agency.

10. ***Promise Not To Sue.*** You promise not to sue any Releasee in court ("Promise Not to Sue") for any claim covered by the General Release (and not excluded from the General Release under paragraph 9 above). Besides releasing claims covered by the General Release, you agree never to sue any Releasee for any reason covered by the General Release (and not excluded from the General Release under paragraph 9 above). Despite this Promise Not to Sue, however, you may file suit to enforce this Agreement or to challenge its validity under the ADEA. If you sue a Releasee in violation of this Agreement: (i) you shall be required to pay that Releasee's reasonable attorney fees and other litigation costs incurred in defending against your suit; or alternatively (ii) Akumin can require you to return all but $100.00 of the money provided to you under this Agreement. In that event, Akumin shall be excused from any remaining obligations that exist solely because of this Agreement.

11. ***Whistleblowing.*** You agree that (i) no one has interfered with your ability to report within Akumin possible violations of any law, and (ii) it is Akumin's policy to encourage such reporting.

12. ***Acknowledgment of Return of Company Property.*** You acknowledge and agree that you have returned all Akumin property and materials relating to the business and affairs of the Company that you possessed or controlled, including all Confidential Information (as defined in section 3.3(2) of the Employment Agreement) and that you otherwise have fully complied with your obligations under section 2.2(a) of the Employment Agreement.

13. ***Future Cooperation.*** You agree to make yourself available to assist Akumin with any investigations, legal claims, or other matters concerning anything related to your employment. You specifically agree to make yourself available to Akumin upon reasonable notice for interviews and fact investigations, to testify without requiring service of a subpoena or other

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legal process, and to voluntarily provide Akumin any employment-related documents you possess or control. "Cooperation" does not mean you must provide information favorable to Akumin; it means only that you will upon Akumin's request provide information you possess or control. If Akumin requests your cooperation, then it will reimburse you for time spent at a rate of $265.00 per hour and reasonable and expenses, provided you submit supporting documentation and provided such expenses are approved in writing by Akumin before you incur them. Akumin agrees to pay you for your time and expenses within thirty (30) calendar days of Akumin's receipt of an invoice and supporting documentation for such time and expenses.

14. ***Non-Disparagement.*** Except as required in connection with any claim brought by you in reliance on paragraph 9 above, the Parties agree that they shall not, directly or indirectly through others, identifiably or anonymously, make any statement or engage in any conduct that has the purpose or effect of disparaging or reflecting negatively upon the other or, in the case of Company, any of its representatives, officers, directors, shareholders or employees. Specifically, and without limiting the generality of the foregoing, the Parties are prohibited from posting to the Internet or any website, dispersing through any electronic or printed medium, conveying to any member of the press or public (whether with or without attribution, anonymously or otherwise), any comment, information, documents, pictures, or any other content in any form that has the intent or is reasonably construed to have the intent to discredit, defame, harm, embarrass, or harass the other; provided, however, for purposes of this paragraph, a disparaging statement or conduct by the Company is a statement or conduct that is authorized to be made by its Board or its Chief Executive Officer or in a public document of the Company. Nothing in this Agreement prevents you from (i) making any statements regarding the Company to your spouse; provided, however, any disparaging statement (as defined herein) by your spouse is a disparaging statement by you; or (ii) making any statements regarding the Company to your legal/financial advisors; provided, however, you first inform your legal/financial advisors of this non-disparagement provision and obtain their agreement to comply with this provision. The Parties agree that the remedy at law for any breach of the covenants contained in this paragraph would be inadequate, and that therefore the non-breaching party shall be entitled to injunctive relief thereon, in addition to such party's right to monetary damages.

15. ***Non-Admission.*** Neither Akumin's offer reflected in this Agreement nor any payment under this Agreement are an admission that you have a viable claim against Akumin or any other Releasee. Each Releasee denies all liability.

16. ***Confidentiality of Agreement.*** Except for disclosure required in connection with any claim brought in reliance on paragraph 9 above, and except as has been or is in the future publicly disclosed by Akumin in accordance with applicable securities laws, this Agreement is strictly confidential. Subject to the foregoing, you will not communicate this Agreement's terms to any third party, whether verbally or in writing, by any means, including by social media such as Twitter and Facebook and the like. Any disclosure by you in violation of this paragraph will cause Akumin irreparable harm that money cannot undo. Accordingly, violation of this paragraph will entitle Akumin to temporary and permanent injunctive relief. Notwithstanding the foregoing, except as has been or is in the future publicly disclosed by Akumin in accordance with applicable securities laws, you will not disclose any term of this Agreement, including any payment under this Agreement, to anyone except (a) your immediate family members and your legal/financial advisors; and (b) as required by applicable law, including the rules of any applicable stock exchange. You will be responsible for any breach of this paragraph by any family member or advisor to whom you disclose this Agreement. Both Akumin and you acknowledge that the Employment Agreement has been publicly filed as part of the Company's Quarterly Report on Form 10-Q filed with the SEC on August 9, 2022.

17. ***Applicable Law.*** This Agreement shall be interpreted under federal law if that law governs, and otherwise under the laws of the State of Arkansas, without regard to its choice of law provisions.

18. ***Dispute Resolution.*** Any dispute regarding this Agreement will be decided through binding arbitration to take place: (i) in the state where you worked when you separated from employment and (ii) under the American Arbitration Association Employment Arbitration Rules and Mediation Procedures, as amended, but excluding application of the Supplementary Rules for Class Arbitrations effective as of October 10, 2003. Also excluded from this Dispute Resolution requirement are pre-judgment actions for injunctive relief to enforce the terms of this Agreement. Both parties waive their right to a jury trial.

19. ***Severability.*** If a court (or arbitrator) finds any part of this Agreement unenforceable, that part shall be modified and the rest enforced. If a court (or arbitrator) finds any such part incapable of being modified, it shall be severed and the rest enforced.

20. ***Enforcement.*** If you breach this Agreement, Akumin shall be entitled to preliminary and permanent injunctive relief plus reasonable attorneys' fees Akumin incurs in enforcing this Agreement, unless otherwise expressly provided elsewhere in this Agreement, plus any additional relief determined to be appropriate. A decision not to enforce this Agreement does not waive any future enforcement. If Akumin breaches this Agreement, you shall be entitled to the reasonable attorneys' fees you incur in enforcing this Agreement, unless otherwise expressly provided elsewhere in this Agreement, plus any additional relief determined to be appropriate.

21. ***Individual Agreement.*** This Agreement has been negotiated individually and is not part of a group exit incentive or other termination program.

22. ***Entire Agreement.*** This Agreement and the Employment Agreement set forth the complete understanding between you and Akumin pertaining to the subject matters of this Agreement. This Agreement replaces any other agreements, representations or promises, written or oral, except for your post-termination obligations contained in the Employment Agreement. Notwithstanding your preexisting obligations with respect to Confidential Information (as defined in the Employment Agreement), pursuant to the federal Defend Trade Secrets Act, you cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret if that disclosure is made: (i) in confidence to a federal, state or local government official, either directly or indirectly, or to any attorney, and for the sole purpose of

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reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or similar proceeding, provided that filing is made under seal.

23. ***Time to Consider.*** You have twenty-one (21) days within which to decide whether to sign this Agreement after receiving it, although you may sign the Agreement at any time during the twenty-one (21)-day consideration period. You must sign and return this Agreement to Akumin within the twenty-one (21)-day consideration period if you want to receive the separation payments provided in paragraph 5 of this Agreement.

24. ***Time to Revoke.*** If you sign this Agreement, you have seven (7) days from the date you sign the Agreement to revoke the Agreement, in which case a written notice of revocation must be delivered to Riadh Zine, Chairman and CEO, at riadh.zine@akumin.com, on or before the seventh (7th) day after your execution of the Agreement. This Agreement is not effective or enforceable until the revocation period expires. If you revoke this Agreement, then you will not receive the separation payments provided in paragraph 5 of this Agreement.

25. ***Effective Date.*** If you sign and do not revoke this Agreement, then this Agreement shall become effective upon the expiration of the seven (7)-day revocation period set forth in paragraph 24 above.

26. ***Other Representations.*** You agree:

- You have not suffered any on-the-job injury for which you have not already filed a claim, and the end of your employment is not related to any such injury;

- You do not have any pending lawsuits against Akumin;

- You were advised in writing, by getting a copy of this Agreement, to consult with an attorney before signing below;

- You have had the opportunity to negotiate this Agreement with Akumin, and this Agreement shall not be construed for or against either party as a drafter of its terms;

- You have relied on your own informed judgment, or that of your attorney if any, in deciding whether to sign this Agreement; and

- You are signing this Agreement knowingly and voluntarily.

AKUMIN®
8300 W Sunrise Blvd
Plantation FL 33322
Telephone:
1-844-730-0050
Website:
akumin.com

/s/ MATTHEW CAMERON September 1, 2022
MATTHEW CAMERON (Date)

AKUMIN INC.

By: /s/ RIADH ZINE September 1, 2022
Name: Riadh Zine (Date)
Title: Chairman & Chief Executive Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Riadh Zine, certify that:

1. I have reviewed this report on Form 10-Q of Akumin Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Akumin Inc.

Date: November 9, 2022

By: /s/ Riadh Zine
Riadh Zine
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Kretschmer, certify that:

1. I have reviewed this report on Form 10-Q of Akumin Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Akumin Inc.

Date: November 9, 2022

By: /s/ David Kretschmer
David Kretschmer
Interim Chief Financial Officer

Exhibit 32.1

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

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350 of chapter 63 of title 18 of the United States Code), the undersigned officer of Akumin Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

This quarterly report on Form 10-Q for the period ended September 30, 2022 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2022	By: /s/ Riadh Zine
	Riadh Zine
	Chief Executive Officer

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

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350 of chapter 63 of title 18 of the United States Code), the undersigned officer of Akumin Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

This quarterly report on Form 10-Q for the period ended September 30, 2022 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2022	By: /s/ David Kretschmer
	David Kretschmer
	Interim Chief Financial Officer