

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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 **June 30, 2025**

Or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period From _____ to _____



CROSS COUNTRY HEALTHCARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
Incorporation or organization)*

0-33169
*Commission
file number*

13-4066229
*(I.R.S. Employer
Identification Number)*

6551 Park of Commerce Boulevard, N.W.
Boca Raton, Florida 33487
(Address of principal executive offices)(Zip Code)

(561) 998-2232
(Registrant's telephone number, including area code)

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, par value \$0.0001 per share	CCRN	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

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

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

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

The registrant had outstanding 32,761,995 shares of common stock, par value \$0.0001 per share, as of July 18, 2025.

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

In addition to historical information, this Quarterly Report on Form 10-Q contains statements relating to our future results (including certain projections and business trends) that are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995, and are subject to the “safe harbor” created by those sections. Statements regarding the proposed Aya Merger (as defined below); the expected timing and closing of the proposed Aya Merger; the Company’s ability to consummate the proposed Aya Merger; the expected benefits of the proposed Aya Merger and other considerations taken into account by the Company’s Board of Directors in approving the proposed Aya Merger; the amounts to be received by stockholders in connection with the proposed Aya Merger; and expectations for the Company prior to and following the closing of the proposed Aya Merger, may be deemed to be forward-looking statements. Forward-looking statements consist of statements that are predictive in nature, depend upon or refer to future events. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, “suggests”, “appears”, “seeks”, “will”, “could”, and variations of such words and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: the timing to consummate the proposed Aya Merger, the risk that a condition of closing of the proposed Aya Merger may not be satisfied or that the closing of the proposed Aya Merger might otherwise not occur, the risk that a regulatory approval that may be required for the proposed Aya Merger is not obtained or is obtained subject to conditions that are not anticipated, the diversion of management time on transaction-related issues, risks related to disruption of management time from ongoing business operations due to the proposed Aya Merger, the risk that any announcements relating to the proposed Aya Merger could have adverse effects on the market price of the common stock of the Company, the risk that the proposed Aya Merger and its announcement could have an adverse effect on the ability of the Company to retain customers and retain and hire key personnel and maintain relationships with its suppliers and customers, the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the Merger Agreement, including in circumstances requiring the Company to pay a termination fee, the risk that competing offers will be made, unexpected costs, charges or expenses resulting from the Aya Merger, potential litigation relating to the Aya Merger that could be instituted against the parties to the Merger Agreement or their respective directors, managers or officers, including the effects of any outcomes related thereto, the overall macroeconomic environment, including increased inflation and interest rates, demand for the healthcare services that we provide, both nationally and in the regions in which we operate, our ability to attract and retain qualified nurses, physicians and other healthcare personnel, costs and availability of short-term housing for our travel healthcare professionals, the functioning of our information systems, the effect of cyber security risks and cyber incidents on our business, the effect of existing or future government regulation and federal and state legislative and enforcement initiatives on our business, including data privacy and protection laws, social, ethical, and security issues relating to the use of artificial intelligence, our customers’ ability to pay us for our services, our ability to successfully implement our acquisition and development strategies, including our ability to successfully integrate acquired businesses and realize synergies from such acquisitions, the effect of liabilities and other claims asserted against us, the effect of competition in the markets we serve, our ability to successfully defend the Company, its subsidiaries, and its officers and directors on the merits of any lawsuit or determine its potential liability, if any, and other factors, including, without limitation, the risk factors set forth in Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as amended by Amendment No. 1 on Form 10-K/A (2024 Form 10-K), as filed and updated in our subsequent Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission (SEC).

Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results and readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s opinions only as of the date of this filing. There can be no assurance that (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors’ likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct or (iv) our strategy, which is based in part on this analysis, will be successful. Except as may be required by law, the Company undertakes no obligation to update or revise forward-looking statements.

All references to “the Company”, “we”, “us”, “our”, or “Cross Country” in this Quarterly Report on Form 10-Q mean Cross Country Healthcare, Inc. and its consolidated subsidiaries.

CROSS COUNTRY HEALTHCARE, INC.

INDEX

FORM 10-Q

June 30, 2025

	PAGE
<u>PART I. – FINANCIAL INFORMATION</u>	<u>1</u>
<u>Item 1. Condensed Consolidated Financial Statements</u>	<u>1</u>
<u>Condensed Consolidated Balance Sheets (Unaudited)</u>	<u>1</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss (Unaudited)</u>	<u>2</u>
<u>Condensed Consolidated Statements of Stockholders' Equity (Unaudited)</u>	<u>3</u>
<u>Condensed Consolidated Statements of Cash Flows (Unaudited)</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	<u>6</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>25</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>38</u>
<u>Item 4. Controls and Procedures</u>	<u>38</u>
<u>PART II. – OTHER INFORMATION</u>	<u>39</u>
<u>Item 1. Legal Proceedings</u>	<u>39</u>
<u>Item 1A. Risk Factors</u>	<u>39</u>
<u>Item 5. Other Information</u>	<u>39</u>
<u>Item 6. Exhibits</u>	<u>40</u>
<u>Signatures</u>	<u>41</u>

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**CROSS COUNTRY HEALTHCARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, amounts in thousands)**

	June 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 81,193	\$ 81,633
Accounts receivable, net of allowances of \$9,563 in 2025 and \$9,301 in 2024	201,694	223,238
Income taxes receivable	5,394	10,389
Prepaid expenses	8,036	7,848
Insurance recovery receivable	11,360	9,255
Other current assets	1,379	2,637
Total current assets	309,056	335,000
Property and equipment, net of accumulated depreciation of \$23,709 in 2025 and \$19,285 in 2024	28,221	28,850
Operating lease right-of-use assets	2,003	2,468
Goodwill	135,060	135,060
Other intangible assets, net	37,744	42,186
Deferred tax assets	8,181	8,104
Insurance recovery receivable	16,163	20,928
Cloud computing	12,070	10,846
Other assets	5,320	5,809
Total assets	\$ 553,818	\$ 589,251
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 49,004	\$ 64,946
Accrued compensation and benefits	45,264	47,646
Operating lease liabilities	1,307	2,089
Earnout liability	—	4,411
Other current liabilities	590	1,310
Total current liabilities	96,165	120,402
Operating lease liabilities	1,461	1,782
Accrued claims	30,288	34,425
Uncertain tax positions	10,265	10,117
Other liabilities	3,397	3,566
Total liabilities	141,576	170,292
Commitments and contingencies		
Stockholders' equity:		
Common stock	3	3
Additional paid-in capital	202,770	202,338
Accumulated other comprehensive loss	(1,441)	(1,441)
Retained earnings	210,910	218,059
Total stockholders' equity	412,242	418,959
Total liabilities and stockholders' equity	\$ 553,818	\$ 589,251

CROSS COUNTRY HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited, amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue from services	\$ 274,072	\$ 339,771	\$ 567,480	\$ 718,945
Operating expenses:				
Direct operating expenses	218,068	268,966	452,818	570,843
Selling, general and administrative expenses	50,050	60,255	102,536	123,507
Credit loss expense	30	18,858	65	20,148
Depreciation and amortization	4,101	4,719	8,873	9,361
Acquisition and integration-related costs	5,995	3	8,036	3
Restructuring costs	588	2,116	889	3,054
Legal and other losses	1,099	3,946	1,099	7,596
Impairment charges	—	114	—	718
Total operating expenses	<u>279,931</u>	<u>358,977</u>	<u>574,316</u>	<u>735,230</u>
Loss from operations	(5,859)	(19,206)	(6,836)	(16,285)
Other expenses (income):				
Interest expense	549	568	1,092	1,030
Interest income	(702)	(235)	(1,383)	(408)
Other income, net	23	23	83	(1,034)
Loss before income taxes	(5,729)	(19,562)	(6,628)	(15,873)
Income tax expense (benefit)	930	(3,512)	521	(2,515)
Net loss attributable to common stockholders	<u>\$ (6,659)</u>	<u>\$ (16,050)</u>	<u>\$ (7,149)</u>	<u>\$ (13,358)</u>
Other comprehensive loss:				
Unrealized foreign currency translation loss, net of tax	(5)	(1)	—	(4)
Comprehensive loss	<u>\$ (6,664)</u>	<u>\$ (16,051)</u>	<u>\$ (7,149)</u>	<u>\$ (13,362)</u>
Net loss per share attributable to common stockholders - Basic	<u>\$ (0.20)</u>	<u>\$ (0.47)</u>	<u>\$ (0.22)</u>	<u>\$ (0.39)</u>
Net loss per share attributable to common stockholders - Diluted	<u>\$ (0.20)</u>	<u>\$ (0.47)</u>	<u>\$ (0.22)</u>	<u>\$ (0.39)</u>
Weighted average common shares outstanding:				
Basic	<u>32,492</u>	<u>33,960</u>	<u>32,388</u>	<u>34,088</u>
Diluted	<u>32,492</u>	<u>33,960</u>	<u>32,388</u>	<u>34,088</u>

See accompanying notes to the condensed consolidated financial statements

CROSS COUNTRY HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended June 30, 2025 and 2024
(Unaudited, amounts in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net	Retained Earnings	Stockholders' Equity
	Shares	Dollars				
Balances at March 31, 2025	32,477	\$ 3	\$ 202,074	\$ (1,436)	\$ 217,569	\$ 418,210
Vesting of restricted stock	46	—	(174)	—	—	(174)
Equity compensation	—	—	870	—	—	870
Foreign currency translation adjustment, net of taxes	—	—	—	(5)	—	(5)
Net loss	—	—	—	—	(6,659)	(6,659)
Balances at June 30, 2025	32,523	\$ 3	\$ 202,770	\$ (1,441)	\$ 210,910	\$ 412,242

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net	(Accumulated Deficit) Retained Earnings	Stockholders' Equity
	Shares	Dollars				
Balances at March 31, 2024	34,326	\$ 4	\$ 228,525	\$ (1,388)	\$ 235,307	\$ 462,448
Vesting of restricted stock	42	—	(247)	—	—	(247)
Equity compensation	—	—	2,259	—	—	2,259
Stock repurchase and retirement	(980)	(1)	(14,945)	—	—	(14,946)
Stock repurchase excise tax	—	—	(143)	—	—	(143)
Foreign currency translation adjustment, net of taxes	—	—	—	(1)	—	(1)
Net loss	—	—	—	—	(16,050)	(16,050)
Balances at June 30, 2024	33,388	\$ 3	\$ 215,449	\$ (1,389)	\$ 219,257	\$ 433,320

See accompanying notes to the condensed consolidated financial statements

CROSS COUNTRY HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2025 and 2024
(Unaudited, amounts in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net	Retained Earnings	Stockholders' Equity
	Shares	Dollars				
Balances at December 31, 2024	32,277	\$ 3	\$ 202,338	\$ (1,441)	\$ 218,059	\$ 418,959
Vesting of restricted stock	246	—	(1,756)	—	—	(1,756)
Equity compensation	—	—	2,188	—	—	2,188
Net loss	—	—	—	—	(7,149)	(7,149)
Balances at June 30, 2025	32,523	\$ 3	\$ 202,770	\$ (1,441)	\$ 210,910	\$ 412,242

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss, net	(Accumulated Deficit) Retained Earnings	Stockholders' Equity
	Shares	Dollars				
Balances at December 31, 2023	34,385	\$ 4	\$ 236,417	\$ (1,385)	\$ 232,615	\$ 467,651
Vesting of restricted stock	293	—	(2,953)	—	—	(2,953)
Equity compensation	—	—	3,457	—	—	3,457
Stock repurchase and retirement	(1,290)	(1)	(21,313)	—	—	(21,314)
Stock repurchase excise tax	—	—	(159)	—	—	(159)
Foreign currency translation adjustment, net of taxes	—	—	—	(4)	—	(4)
Net loss	—	—	—	—	(13,358)	(13,358)
Balances at June 30, 2024	33,388	\$ 3	\$ 215,449	\$ (1,389)	\$ 219,257	\$ 433,320

See accompanying notes to the condensed consolidated financial statements

CROSS COUNTRY HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, amounts in thousands)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Consolidated net loss	\$ (7,149)	\$ (13,358)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	8,873	9,361
Provision for allowances	(335)	20,084
Deferred income tax benefit	(57)	(4,034)
Non-cash lease expense	502	474
Impairment charges	—	718
Equity compensation	2,188	3,457
Other non-cash costs	406	405
Changes in operating assets and liabilities:		
Accounts receivable	21,878	109,935
Prepaid expenses and other assets	(634)	(1,076)
Income taxes	5,212	(1,033)
Accounts payable and accrued expenses	(21,854)	(33,259)
Operating lease liabilities	(1,140)	(1,576)
Other	2,008	(1,686)
Net cash provided by operating activities	9,898	88,412
Cash flows from investing activities		
Purchases of property and equipment	(3,853)	(5,059)
Net cash used in investing activities	(3,853)	(5,059)
Cash flows from financing activities		
Borrowings under Senior Secured Asset-Based revolving credit facility	728	17,319
Repayments on Senior Secured Asset-Based revolving credit facility	(728)	(17,319)
Cash paid for shares withheld for taxes	(1,756)	(2,954)
Stock repurchase and retirement	(314)	(21,313)
Payment of contingent consideration	(4,411)	(6,579)
Net cash used in financing activities	(6,481)	(30,846)
Effect of exchange rate changes on cash	(4)	—
Change in cash and cash equivalents	(440)	52,507
Cash and cash equivalents at beginning of period	81,633	17,094
Cash and cash equivalents at end of period	\$ 81,193	\$ 69,601

See accompanying notes to the condensed consolidated financial statements

CROSS COUNTRY HEALTHCARE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. ORGANIZATION AND BASIS OF PRESENTATION

Nature of Business

The accompanying condensed consolidated financial statements include the accounts of Cross Country Healthcare, Inc. and its direct and indirect wholly-owned subsidiaries (collectively, the Company). In the opinion of management, all adjustments necessary for a fair presentation of such unaudited condensed consolidated financial statements have been included. All such adjustments consisted of all normal recurring items, including the elimination of all intercompany transactions and balances.

The accompanying condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. These operating results are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024 included in the 2024 Form 10-K. The December 31, 2024 condensed consolidated balance sheet included herein was derived from the December 31, 2024 audited consolidated balance sheet included in the 2024 Form 10-K.

Certain prior year amounts have been reclassified to conform to the current year presentation. See the condensed consolidated statements of operations and comprehensive loss.

Aya Healthcare

On December 3, 2024, the Company entered into an Agreement and Plan of Merger (Merger Agreement) with Aya Holdings II Inc., a Delaware corporation (Parent), Spark Merger Sub One Inc., a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub), and, solely for purposes of Section 11.14 thereto, Aya Healthcare, Inc. (Aya Healthcare), pursuant to which Merger Sub will merge with and into the Company, with the Company surviving as a wholly owned subsidiary of Parent (Aya Merger). On February 20, 2025, the Company and Aya Healthcare each received a request for additional information (Second Request) from the U.S. Federal Trade Commission (FTC) in connection with the FTC's review of the transactions contemplated by the Merger Agreement. Issuance of the Second Request extends the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 until 30 days after both the Company and Aya Healthcare substantially comply with the Second Request, unless the waiting period is extended voluntarily by the parties or terminated earlier by the FTC. The Company expects that the Aya Merger will close in the fourth quarter of 2025, subject to the satisfaction or waiver of the other customary closing conditions specified in the Merger Agreement. The Aya Merger was approved by the Company's stockholders at a special meeting held on February 28, 2025. Upon completion of the transaction, the Company will become a private company and its common stock will no longer trade on Nasdaq. During the three and six months ended June 30, 2025, the Company incurred \$6.0 million and \$8.0 million, respectively, in fees associated with the pending Aya Merger, which is included in acquisition and integration-related costs in the condensed consolidated statement of operations and comprehensive loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. Management has assessed various accounting estimates and other matters, including those that require consideration of forecasted financial information, using information that is reasonably available to the Company at the time. Significant estimates and assumptions are used for, but not limited to: (i) the valuation of accounts receivable; (ii) goodwill, trade names, and other intangible assets; (iii) other long-lived assets; (iv) revenue recognition; (v) accruals for health, workers' compensation, and professional liability claims; (vi) valuation of deferred tax assets; (vii) legal contingencies; and (viii) income taxes. Accrued insurance claims and reserves include estimated settlements from known claims and actuarial estimates for claims incurred but not reported. As additional information becomes available to the Company, its future assessment of these

estimates could materially and adversely impact the Company's condensed consolidated financial statements in future reporting periods. Actual results could differ from those estimates.

Risks and Uncertainties

The Company's future results of operations and liquidity could be materially adversely affected by macroeconomic factors contributing to delays in payments from customers and inflationary pressure, uncertain or reduced demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operational challenges faced by its customers. See associated risk factors in Item 1A. Risk Factors in the 2024 Form 10-K.

Accounts Receivable, net

The timing of revenue recognition, billings, and collections results in billed and unbilled accounts receivable from customers, which are classified as accounts receivable on the condensed consolidated balance sheets and are presented net of allowances for credit losses and sales allowances. Estimated revenue for the Company employees', subcontracted employees', and independent contractors' time worked but not yet billed at June 30, 2025 and December 31, 2024 totaled \$50.3 million and \$60.4 million, respectively.

The Company generally does not require collateral and mitigates its credit risk by performing credit evaluations and monitoring at-risk accounts. The allowance for credit losses is established for losses expected to be incurred on accounts receivable balances. Accounts receivable are written off against the allowance for credit losses when the Company determines amounts are no longer collectible. Judgment is required in the estimation of the allowance and the Company evaluates the collectability of its accounts receivable based on a combination of factors. The Company bases its allowance for credit loss estimates on its historical write-off experience, current conditions, an analysis of the aging of outstanding receivable and customer payment patterns, and specific reserves for customers in adverse condition adjusted for current expectations for the customers or industry. Based on the information currently available, the Company also considered expectations of future economic conditions when estimating its allowance for credit losses.

The opening balance of the allowance for credit losses is reconciled to the closing balance for expected credit losses as follows:

	2025	2024
	(amounts in thousands)	
Allowance for Credit Losses		
Balance at January 1	\$ 8,841	\$ 19,640
Credit Loss Expense	35	1,290
Write-Offs, net of Recoveries	473	(1,555)
Balance at March 31	9,349	19,375
Credit Loss Expense	30	18,858
Write-Offs, net of Recoveries	(289)	(3,201)
Balance at June 30	<u>\$ 9,090</u>	<u>\$ 35,032</u>

In addition to the allowance for credit losses, the Company maintains a sales allowance for billing-related adjustments that may arise in the ordinary course of business and adjustments to the reserve are recorded as contra-revenue. The sales allowance balance as of June 30, 2025 and December 31, 2024 was \$0.5 million.

The Company's contract terms typically require payment between 30 to 60 days from the date of invoice and are considered past due based on the particular negotiated contract terms. The majority of the Company's customers are healthcare systems with a significant percentage in acute-care facilities. No single customer accounted for more than 10% of the Company's revenue for the three and six months ended June 30, 2025 and 2024, or the Company's accounts receivable balance as of June 30, 2025 and December 31, 2024.

Restructuring Costs

The Company considers restructuring activities to be programs whereby it fundamentally changes its operations, such as closing and consolidating facilities, reducing headcount, and realigning operations in response to changing market conditions, and are primarily included in accounts payable and accrued expenses on the condensed consolidated balance sheets. Restructuring costs on the condensed consolidated statements of operations and comprehensive loss primarily include employee termination costs and lease-related exit costs.

Reconciliations of the employee termination costs and lease-related exit costs beginning and ending liability balance is presented below:

	Employee Termination Costs	Lease-Related Exit Costs
	(amounts in thousands)	
Balance at January 1, 2025	\$ 100	\$ 788
Charged to restructuring	152	—
Payments	(137)	(184)
Balance at March 31, 2025	115	604
Charged to restructuring	477	—
Payments	(355)	(180)
Balance at June 30, 2025	<u>\$ 237</u>	<u>\$ 424</u>

Recently Adopted Accounting Pronouncements

On November 27, 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, enhances interim disclosure requirements, clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss, provides new segment disclosure requirements for entities with a single reportable segment, and requires certain disclosures related to the chief operating decision maker. The Company adopted this standard for its fiscal year ended December 31, 2024, and its interim periods beginning in the first quarter of 2025, and applied the guidance retrospectively to all prior periods presented in the financial statements. This standard only expanded the Company's disclosures with no impact to results of operations, cash flows, and financial condition. See Note 12 - Segment Data.

Recent Accounting Pronouncements

On November 4, 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which is intended to improve decision usefulness of business entities' income statements through the disaggregation of certain expense captions, such as employee compensation, depreciation, and intangible asset amortization, with required disclosure in a single note to the financial statements. This guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments in this update should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this update, or (2) retrospectively to any or all prior periods presented in the financial statements. The Company expects to adopt this standard for its annual report for the fiscal year ending December 31, 2027. The Company expects this ASU to only impact its disclosures with no impacts to results of operations, cash flows, and financial condition.

On December 14, 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires that public business entities, on an annual basis, (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income (or loss) by the applicable statutory income tax rate). The amendments also require that all entities disclose, on an annual basis, disaggregated information regarding income taxes paid and income tax expense. This guidance is effective for annual periods beginning after December 15, 2024. The amendments should be applied prospectively, but retrospective application is permitted. The Company plans to adopt this standard for its annual report for the fiscal year ended December 31, 2025. The Company expects this ASU to only impact its disclosures with no impacts to results of operations, cash flows, and financial condition.

3. REVENUE RECOGNITION

The Company's revenues from customer contracts are generated from temporary staffing services and other services. Revenue is disaggregated by segment in the following table. Sales and usage-based taxes are excluded from revenue.

	Three Months ended June 30, 2025		
	Nurse And Allied Staffing	Physician Staffing	Total Segments
	(amounts in thousands)		
Temporary Staffing Services	\$ 218,658	\$ 47,270	\$ 265,928
Other Services	5,647	2,497	8,144
Total	\$ 224,305	\$ 49,767	\$ 274,072

	Three Months ended June 30, 2024		
	Nurse And Allied Staffing	Physician Staffing	Total Segments
	(amounts in thousands)		
Temporary Staffing Services	\$ 282,501	\$ 45,836	\$ 328,337
Other Services	8,950	2,484	11,434
Total	\$ 291,451	\$ 48,320	\$ 339,771

	Six Months ended June 30, 2025		
	Nurse And Allied Staffing	Physician Staffing	Total Segments
	(amounts in thousands)		
Temporary Staffing Services	\$ 454,815	\$ 95,970	\$ 550,785
Other Services	11,781	4,914	16,695
Total	\$ 466,596	\$ 100,884	\$ 567,480

	Six Months ended June 30, 2024		
	Nurse And Allied Staffing	Physician Staffing	Total Segments
	(amounts in thousands)		
Temporary Staffing Services	\$ 607,475	\$ 90,325	\$ 697,800
Other Services	16,162	4,983	21,145
Total	\$ 623,637	\$ 95,308	\$ 718,945

See Note 12 - Segment Data.

4. ACQUISITIONS

HireUp

On December 13, 2022, the Company purchased and acquired substantially all of the assets and assumed certain liabilities of HireUp Leadership Inc. (HireUp) for a purchase price of \$6.0 million in cash, subject to adjustment, and \$0.8 million in shares (or 29,811 shares) of the Company's common stock. The transaction was treated as a purchase of assets for income tax purposes.

The sellers were eligible to receive up to an additional \$8.0 million in earnout cash consideration based on HireUp's revenues and Adjusted EBITDA for each of the twelve-month periods ending on the first and second anniversaries of the first day after

the closing date. Quarterly throughout 2023, and during the first quarter of 2024, the Company performed analyses using multiple updated forecasted scenarios and determined that the earnout would only be partially achieved. As a result, the Company recognized a decrease in the fair value of the related liabilities in the second and third quarters of 2023 and the first quarter of 2024. The Company paid the remaining earnout liability of \$1.7 million in the first quarter of 2024. See Note 10 - Fair Value Measurements.

Mint

On October 3, 2022, the Company purchased and acquired substantially all of the assets and assumed certain liabilities of Mint Medical Physician Staffing, LP and Lotus Medical Staffing LLC (collectively, Mint) for a purchase price of \$27.0 million in cash, subject to adjustment, and \$3.6 million in shares (or 114,278 shares) of the Company's common stock. The transaction was treated as a purchase of assets for income tax purposes.

The sellers were eligible to receive up to an additional \$10.0 million in earnout cash consideration based on Mint's revenues and gross profit for each of the twelve-month periods ending on the first and second anniversaries of the first day of the calendar month following the closing date. In the fourth quarter of 2023, the Company performed a calculation for the first measurement period, resulting in the achievement of a \$4.9 million earnout, which was paid in the first quarter of 2024. During the fourth quarter of 2024, the Company performed a calculation for the second measurement period, resulting in the achievement of a \$4.4 million earnout, which was paid in the first quarter of 2025. See Note 10 - Fair Value Measurements.

Acquisition-related costs

Other than the fees associated with the pending Aya Merger as discussed in Note 1 - Organization and Basis of Presentation, the Company did not record any acquisition-related costs associated with the Company's acquisitions for the three and six months ended June 30, 2025, and recorded an immaterial amount for the three and six months ended June 30, 2024.

5. COMPREHENSIVE LOSS

Total comprehensive loss includes net income or loss and foreign currency translation adjustments, net of any related deferred taxes, and is included within the accompanying condensed consolidated statements of operations and comprehensive loss. Certain of the Company's foreign subsidiaries use their respective local currency as their functional currency. Assets and liabilities of these operations are translated at the exchange rates in effect on the balance sheet date. Income statement items are translated at the average exchange rates for the period. The cumulative impact of currency fluctuations related to the balance sheet translation is included in accumulated other comprehensive loss in the accompanying condensed consolidated balance sheets and was an unrealized loss of \$1.5 million as of June 30, 2025 and December 31, 2024.

The income tax impact related to components of other comprehensive loss for the three and six months ended June 30, 2025 and 2024 is included in unrealized foreign currency translation loss, net of tax in the condensed consolidated statements of operations and comprehensive loss.

6. EARNINGS PER SHARE

The following table sets forth the components of the numerator and denominator for the computation of the basic and diluted earnings per share:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	(amounts in thousands, except per share data)			
Numerator:				
Net loss attributable to common stockholders - Basic and Diluted	\$ (6,659)	\$ (16,050)	\$ (7,149)	\$ (13,358)
Denominator:				
Weighted average common shares - Basic	32,492	33,960	32,388	34,088
Effect of diluted shares:				
Share-based awards	—	—	—	—
Weighted average common shares - Diluted ^a	32,492	33,960	32,388	34,088
Net loss per share attributable to common stockholders - Basic	\$ (0.20)	\$ (0.47)	\$ (0.22)	\$ (0.39)
Net loss per share attributable to common stockholders - Diluted	\$ (0.20)	\$ (0.47)	\$ (0.22)	\$ (0.39)

(a) For the three and six months ended June 30, 2025 and 2024, the effect of diluted shares was not included in the weighted average share calculation due to the Company's net operating loss position.

The following table represents the share-based awards that could potentially dilute net loss per share attributable to common stockholders in the future that were not included in the computation of diluted net loss per share attributable to common stockholders because to do so would have been anti-dilutive for the periods presented.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	(amounts in thousands)			
Share-based awards	245	507	124	256

7. GOODWILL, TRADE NAMES, AND OTHER INTANGIBLE ASSETS

The Company had the following acquired intangible assets:

	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
(amounts in thousands)						
Intangible assets subject to amortization:						
Databases	\$ 36,530	\$ 24,112	\$ 12,418	\$ 36,530	\$ 21,945	\$ 14,585
Customer relationships	52,538	33,112	19,426	52,538	30,837	21,701
Other intangible assets, net	\$ 89,068	\$ 57,224	\$ 31,844	\$ 89,068	\$ 52,782	\$ 36,286
Intangible assets not subject to amortization:						
Trade names, indefinite-lived			\$ 5,900			\$ 5,900

As of June 30, 2025, estimated future annual amortization expense was as follows:

	(amounts in thousands)	
Years Ending December 31:		
2025	\$	4,209
2026		7,482
2027		6,191
2028		4,791
2029		4,107
Thereafter		5,064
	\$	<u>31,844</u>

Goodwill, Trade Names, and Other Intangible Assets Impairment

The Company tests reporting units' goodwill and intangible assets with indefinite lives for impairment annually during the fourth quarter and more frequently if impairment indicators exist. The Company performs quarterly qualitative assessments of significant events and circumstances, such as reporting units' historical and current results, assumptions regarding future performance, strategic initiatives and overall economic factors, and macro-economic developments, to determine the existence of potential indicators of impairment and assess if it is more likely than not that the fair value of reporting units or intangible assets is less than their carrying value. If indicators of impairments are identified a quantitative impairment test is performed.

As of June 30, 2025, the Company performed a qualitative assessment of each of its reporting units and determined that it was not more likely than not that the fair value of its reporting units dropped below their carrying value. Although management believes that the Company's current estimates and assumptions utilized in its qualitative testing are reasonable and supportable, there can be no assurance that the estimates and assumptions management used for purposes of its assessment as of June 30, 2025 will prove to be accurate predictions of future performance.

As of June 30, 2025, goodwill by reporting segment was \$112.2 million for Nurse and Allied Staffing and \$22.9 million for Physician Staffing, for a total of \$135.1 million.

For its long-lived assets and definite-lived intangible assets, the Company reviews for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. As of June 30, 2025 and 2024, the Company performed a qualitative assessment of its trade names and other intangible assets and determined it was not more likely than not that their carrying value may not be recoverable.

8. DEBT

The Company's debt consists of the following:

	June 30, 2025		December 31, 2024	
	Principal	Debt Issuance Costs	Principal	Debt Issuance Costs
	(amounts in thousands)			
Senior Secured Asset-Based Loan, interest of 6.25% and 6.31% at June 30, 2025 and December 31, 2024, respectively	\$ —	\$ (1,403)	\$ —	\$ (1,807)
Debt	\$ —	\$ (1,403)	\$ —	\$ (1,807)

As of June 30, 2025 and December 31, 2024, there was no debt outstanding on the condensed consolidated balance sheets. The Company has elected to present the debt issuance costs associated with its senior secured asset-based credit facility as an asset, included in other assets on the condensed consolidated balance sheets.

2019 Asset-Based Loan Agreement

Effective October 25, 2019, the Company terminated its prior senior credit facility and entered into an asset-based loan agreement, by and among the Company and certain of its domestic subsidiaries, as borrowers or guarantors, Wells Fargo Bank, N.A., and PNC Bank N.A., as well as other Lenders (as defined therein) from time to time parties thereto (Loan Agreement). The Loan Agreement provided for a five-year revolving senior secured asset-based credit facility (ABL) in the aggregate principal amount of up to \$120.0 million, including a sublimit for swing loans up to \$15.0 million and a \$35.0 million sublimit for standby letters of credit.

On June 30, 2020, the Company amended the Loan Agreement (First Amendment), which increased the current aggregate committed size of the ABL from \$120.0 million to \$130.0 million. All other terms, conditions, covenants, and pricing of the Loan Agreement remained the same.

On March 8, 2021, the Company amended the Loan Agreement (Second Amendment), which increased the current aggregate committed size of the ABL from \$130.0 million to \$150.0 million, increased certain borrowing base sub-limits, and decreased both the cash dominion event and financial reporting triggers.

On June 8, 2021, the Company amended the Loan Agreement (Third Amendment), which permitted the incurrence of indebtedness and grant of security as set forth in the Loan Agreement and in accordance with the Intercreditor Agreement (as defined in the Loan Agreement), and provides mechanics relating to a transition away from the London Interbank Offered Rate (LIBOR) as a benchmark interest rate to a replacement alternative benchmark rate or mechanism for loans made in U.S. dollars.

On November 18, 2021, the Company amended the Loan Agreement (Fourth Amendment), whereby the permitted indebtedness (as defined in the Loan Agreement), was increased to \$175.0 million.

On March 21, 2022, the Company amended the Loan Agreement (Fifth Amendment), which increased the current aggregate committed size of the ABL from \$150.0 million to \$300.0 million, extended the term of the credit facility for an additional five years, through March 21, 2027, and increased certain borrowing base sub-limits. In addition, the agreement provides the option for all or a portion of the borrowings to bear interest at a rate based on the Secured Overnight Financing Rate (SOFR) or the Base Rate (as defined in the Loan Agreement), at the election of the borrowers, plus an applicable margin. The applicable margin increased 10 basis points due to the credit spread associated with the transition to SOFR.

On September 29, 2023, the Company amended the Loan Agreement (Sixth Amendment), which changed the minimum fixed charge coverage ratio from a maintenance covenant to a springing covenant based on excess availability, which provides for compliance with the covenant only during a compliance period (any time that excess availability falls below a certain threshold), and in such case, the financial covenant shall be tested during this period.

On July 29, 2024, the Company amended the Loan Agreement (Seventh Amendment), which allows for all share repurchases paid in cash prior to June 30, 2024 and thereafter to be excluded as restricted payments in the fixed charge coverage ratio calculation, if as of the date of the share repurchase, there is no revolving ABL balance (except for interest and fees payable in accordance with the terms of the Loan Agreement).

These amendments were treated as modifications of debt and, as a result, the associated fees and costs were included in debt issuance costs and are amortized ratably over the remaining term of the Loan Agreement.

The ABL availability is subject to a borrowing base of up to 85% of secured eligible accounts receivable, subject to adjustment at certain quality levels, minus customary reserves and subject to customary adjustments. Revolving loans and letters of credit

issued under the Loan Agreement reduce availability under the ABL on a dollar-for-dollar basis. At June 30, 2025, there were no borrowings drawn under the ABL, and borrowing base availability under the ABL was \$140.6 million, with \$125.7 million of availability net of \$14.9 million of letters of credit outstanding related to workers' compensation and professional liability policies.

As of June 30, 2025, the interest rate spreads and fees under the ABL were based on SOFR plus 1.85% for the revolving portion of the borrowing base. The Base Rate margin would have been 0.75% for the revolving portion. The SOFR and Base Rate margins are subject to monthly adjustments, pursuant to a pricing matrix based on the Company's excess availability under the revolving credit facility. In addition, the facility is subject to an unused line fee, letter of credit fees, and an administrative fee. The unused line fee is 0.375% of the average daily unused portion of the revolving credit facility.

The Loan Agreement contains various restrictions applicable to the Company and its subsidiaries. For the three months ended June 30, 2025, the excess availability did not fall below the stated threshold and, as a result, there was no covenant compliance period. Obligations under the ABL are secured by substantially all of the assets of the borrowers and guarantors, subject to customary exceptions.

9. LEASES

The Company's lease population of its right-of-use assets and lease liabilities is substantially related to the rental of office space. The Company enters into lease agreements as a lessee that may include options to extend or terminate early. Some of these real estate leases require variable payments of property taxes, insurance, and common area maintenance, in addition to base rent. Certain of the leases have provisions for free rent during the lease term and/or escalating rent payments and, particularly for the Company's longer-term leases for its corporate offices, it has received incentives to enter into the leases, such as receiving up to a specified dollar amount to construct tenant improvements. These leases do not include residual value guarantees, covenants, or other restrictions.

The table below presents the lease-related assets and liabilities included on the condensed consolidated balance sheets:

Classification on Condensed Consolidated Balance Sheets:	June 30, 2025		December 31, 2024	
	(amounts in thousands)			
Operating lease right-of-use assets	\$	2,003	\$	2,468
Operating lease liabilities - current	\$	1,307	\$	2,089
Operating lease liabilities - non-current	\$	1,461	\$	1,782
		June 30, 2025		December 31, 2024
Weighted average remaining lease term		2.5 years		2.6 years
Weighted average discount rate		7.19 %		7.05 %

The table below reconciles the undiscounted cash flows for each of, and total of, the remaining years to the operating lease liabilities (which do not include short-term leases) recorded on the condensed consolidated balance sheets as of June 30, 2025:

		(amounts in thousands)	
Years Ending December 31:			
2025		\$	1,050
2026			746
2027			602
2028			522
2029			136
Thereafter			—
Total minimum lease payments			3,056
Less: amount of lease payments representing interest			(288)
Present value of future minimum lease payments			2,768
Less: operating lease liabilities - current			(1,307)
Operating lease liabilities - non-current		\$	1,461

Other Information

The table below provides information regarding supplemental cash flows:

	Six Months Ended June 30,	
	2025	2024
	(amounts in thousands)	
Supplemental Cash Flow Information:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 1,254	\$ 1,734
Right-of-use assets acquired under operating lease	\$ 39	\$ 1,047

The components of lease expense are as follows:

	Three Months Ended June 30,	
	2025	2024
	(amounts in thousands)	
Amounts Included in Condensed Consolidated Statements of Operations and Comprehensive Loss:		
Operating lease expense	\$ 308	\$ 363
Short-term lease expense	\$ 304	\$ 358
Variable and other lease costs	\$ 71	\$ (45)

	Six Months Ended June 30,	
	2025	2024
	(amounts in thousands)	
Amounts Included in Condensed Consolidated Statements of Operations and Comprehensive Loss:		
Operating lease expense	\$ 621	\$ 686
Short-term lease expense	\$ 572	\$ 777
Variable and other lease costs	\$ 131	\$ 580

Operating lease expense, short-term lease expense, and variable and other lease costs are included in selling, general and administrative expenses, direct operating expenses, and restructuring costs in the condensed consolidated statements of operations and comprehensive loss, depending on the nature of the leased asset. Operating lease expense is reported net of sublease income, which is not material.

As of June 30, 2025, the Company did not have any material operating leases that had not yet commenced, and does not have any finance lease contracts.

10. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy was established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Items Measured at Fair Value on a Recurring Basis:

The Company’s financial assets/liabilities required to be measured on a recurring basis were primarily its: (i) deferred compensation asset included in other assets; and (ii) deferred compensation liability included in other liabilities on its condensed consolidated balance sheets.

Deferred compensation—The Company utilizes Level 1 inputs to value its deferred compensation assets and liabilities. The Company’s deferred compensation assets and liabilities are measured using publicly available indices, as per the plan documents.

The estimated fair value of the Company’s financial assets and liabilities measured on a recurring basis is as follows:

Fair Value Measurements		June 30, 2025	December 31, 2024
		(amounts in thousands)	
Financial Assets:			
(Level 1)			
Deferred compensation asset	\$	2,739	\$ 2,889
Financial Liabilities:			
(Level 1)			
Deferred compensation liability	\$	2,721	\$ 2,926

Items Measured at Fair Value on a Non-Recurring Basis:

The Company’s non-financial assets, such as goodwill, trade names, other intangible assets, right-of-use assets, and property and equipment, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized.

The Company did not record any material impairment charges during the three and six months ended June 30, 2025 and 2024.

Other Fair Value Disclosures:

Financial instruments not measured or recorded at fair value in the condensed consolidated balance sheets consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses. The estimated fair value of accounts receivable and accounts payable and accrued expenses approximate their carrying amount due to the short-term nature of these instruments.

Other financial instruments not measured or recorded at fair value include earnout liabilities related to the (i) Mint and (ii) HireUp acquisitions, as discussed below.

(i) Potential earnout payments related to the Mint acquisition were contingent upon meeting certain performance requirements based on 2022 through 2024 performance. On a quarterly basis, the Company performed an analysis using multiple forecasted scenarios to determine the fair value of the earnout liability. In the fourth quarter of 2023, the Company performed the earnout calculation for the first measurement period, resulting in an earnout of \$4.9 million, which was paid in the first quarter of 2024. During the fourth quarter of 2024, the Company performed a calculation for the second measurement period, resulting in the achievement of a \$4.4 million earnout, which was paid in the first quarter of 2025. See Note 4 - Acquisitions.

(ii) Potential earnout payments related to the HireUp acquisition were contingent upon meeting certain performance requirements based on 2022 through 2024 performance. Quarterly throughout 2023 and in the first quarter of 2024, the Company performed analyses using multiple updated forecasted scenarios and determined that the earnout would only be

partially achieved. As a result, the Company recognized a decrease in the fair value of the related liabilities in the second and third quarters of 2023 and the first quarter of 2024. The remaining liability of \$1.7 million was paid in the first quarter of 2024. See Note 4 - Acquisitions.

Concentration of Credit Risk:

See discussion of credit losses and allowance for credit losses in Note 2 - Summary of Significant Accounting Policies. Overall, based on the large number of customers in differing geographic areas, primarily throughout the United States and its territories, the Company believes that the concentration of credit risk is limited.

11. STOCKHOLDERS' EQUITY

Stock Repurchase Program

On May 1, 2023, the Company's Board of Directors authorized approximately \$59.0 million in additional share repurchases, such that, effective for trades made after May 3, 2023, the aggregate amount available for stock repurchases was set at \$100.0 million (the Repurchase Program). The shares can be repurchased from time-to-time in the open market or in privately negotiated transactions. The Repurchase Program does not obligate the Company to repurchase any particular number of shares of common stock and may be discontinued by the Board of Directors at any time. Decisions regarding the amount and the timing of repurchases under the Repurchase Program will be subject to the Company's available liquidity and cash on hand, applicable legal requirements, the terms of the Company's Loan Agreement, general market conditions, and other factors.

During the third quarter of 2023, the Company entered into a Rule 10b5-1 Repurchase Plan to allow for share repurchases during the Company's blackout periods, beginning on January 2, 2024 and effective through November 7, 2024.

During the three months ended June 30, 2024, the Company repurchased a total of 979,921 shares of common stock for \$14.9 million, at an average price of \$15.23 per share. During the six months ended June 30, 2024, the Company repurchased a total of 1,290,156 shares of common stock for \$21.3 million, at an average price of \$16.50 per share. During the three and six months ended June 30, 2025, the Company did not repurchase any shares of its common stock, but did pay \$0.3 million in excise tax related to previous share repurchases.

As of June 30, 2025, the Company had \$40.5 million remaining for share repurchase under the Repurchase Program, subject to certain conditions in the Company's Loan Agreement. As of June 30, 2025, the Company had 32,523,317 unrestricted shares of common stock outstanding.

Share-Based Payments

On May 14, 2024, the Company's stockholders approved the Cross Country Healthcare, Inc. 2024 Omnibus Incentive Plan (2024 Plan). Pursuant to the 2024 Plan, awards may be granted to employees, non-employee directors, consultants, and key advisors of the Company and its subsidiaries, including stock options (including incentive stock options and nonqualified stock options), stock appreciation rights, stock awards, stock units, other stock-based awards, and cash awards. The 2024 Plan was adopted principally to serve as a successor plan to the Cross Country Healthcare, Inc. 2020 Omnibus Incentive Plan (2020 Plan) and to increase the number of shares of Company common stock reserved for equity-based awards to 2,400,000 shares (in addition to the share reserve amount that remained available under the 2020 Plan immediately prior to the adoption of the 2024 Plan and other eligible returning shares). No awards may be granted under the 2024 Plan after May 13, 2034.

The following table summarizes restricted stock awards and performance stock awards activity issued under the 2020 Plan and the 2024 Plan (Plans) for the six months ended June 30, 2025:

	Restricted Stock Awards		Performance Stock Awards	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Target Shares	Weighted Average Grant Date Fair Value
Unvested restricted stock awards, January 1, 2025	538,589	\$ 19.53	409,698	\$ 20.68
Granted	—	\$ —	—	\$ —
Vested	(280,399)	\$ 19.27	(85,001)	\$ 21.61
Forfeited	(18,293)	\$ 19.86	(27,586)	\$ 21.61
Unvested restricted stock awards, June 30, 2025	239,897	\$ 19.82	297,111	\$ 20.33

Restricted stock awards granted under the Company's Plans entitle the holder to receive, at the end of a vesting period, a specified number of shares of the Company's common stock. Share-based compensation expense is measured by the market value of the Company's stock on the date of grant.

Awards granted to non-employee directors under the Plans will vest on the first anniversary of such grant date, or earlier subject to retirement eligibility. In addition, effective for the three months ended June 30, 2020, the Company implemented modified guidelines that provide for accelerated vesting of restricted stock grants on the last date of service when a retirement-eligible director retires.

Pursuant to the Plans, the number of target shares that are issued for performance-based stock awards are determined based on the level of attainment of the targets. During the first quarter of 2025, the Company's Compensation Committee of the Board of Directors approved a 75.5% level of attainment for the 2022 performance-based share awards, resulting in the issuance of 85,001 performance shares that vested on March 31, 2025.

During the three and six months ended June 30, 2025, \$0.9 million and \$2.2 million, respectively, was included in selling, general and administrative expenses related to share-based payments, and a net of 46,334 and 245,922 shares, respectively, of common stock were issued upon the vesting of restricted and performance stock.

During the three and six months ended June 30, 2024, \$2.3 million and \$3.5 million, respectively, was included in selling, general and administrative expenses related to share-based payments, and a net of 42,227 and 293,251 shares, respectively, of common stock were issued upon the vesting of restricted and performance stock.

12. SEGMENT DATA

The Company has two operating and reportable segments, Nurse and Allied Staffing and Physician Staffing, which align with its management structure and reflect how the operating results are regularly reviewed by the Chief Executive Officer, who the Company has determined to be its Chief Operating Decision Maker (CODM). The Company's segments offer services to its customers as described below:

- Nurse and Allied Staffing** – Nurse and Allied Staffing provides traditional staffing, recruiting, and value-added total talent solutions including: temporary and permanent placement of travel nurse and allied professionals, per diem, and healthcare leaders within nursing, allied, human resources, and finance, managed service programs services, education healthcare services, in-home care services, and outsourcing services. In addition, Nurse and Allied Staffing provides executive search services for healthcare professionals, as well as contingent search and recruitment process outsourcing services, and offers the Company's SaaS-based, proprietary, vendor management technology, Intellify[®] to facilities in order to manage all or a portion of their agency services. Its customers include: public and private acute care hospitals, non-acute care hospitals, government facilities, local healthcare plans, national healthcare plans, managed care providers, public schools, charter schools, academic medical centers, Programs of All-Inclusive Care for the Elderly (PACE) programs, outpatient clinics, ambulatory care facilities, physician practice groups, and many other healthcare providers throughout the United States.
- Physician Staffing** – Physician Staffing provides physicians in many specialties, as well as certified registered nurse anesthetists, nurse practitioners, and physician assistants as independent contractors on temporary assignments

throughout the United States at various healthcare facilities, such as acute and non-acute care facilities, medical group practices, government facilities, and managed care organizations.

Revenue, and the profit and loss measure of contribution income, are reported to the CODM by each of the operating segments to assess performance. Contribution income is the profit and loss measure used by the CODM to allocate operating and capital resources to each segment. The Company defines contribution income as income (loss) from operations before depreciation and amortization, acquisition and integration-related (benefits) costs, restructuring (benefits) costs, legal and other losses, impairment charges, and corporate overhead. Management believes that its measure of contribution income is most consistent with that used to measure the corresponding amounts on its condensed consolidated financial statements.

The information in the following tables is derived from the segments' internal financial information as used for corporate management purposes. Certain corporate expenses are not allocated to and/or among the operating segments. Those include corporate overhead and the remaining line items below contribution income in the consolidated column in the tables below, and are presented to the CODM on a consolidated basis only.

Information on reportable segments and a reconciliation to loss before income taxes for the period indicated are as follows:

	Three Months Ended June 30, 2025		
	Nurse and Allied Staffing	Physician Staffing	Consolidated
	(amounts in thousands)		
Revenue from services	\$ 224,305	\$ 49,767	\$ 274,072
Direct operating expenses	178,739	39,329	
Employee compensation	21,452	4,870	
Benefits	2,733	539	
Marketing	1,904	197	
Credit loss expense (income)	92	(62)	
Divisional corporate G&A	3,824	80	
Other segment items ^(a)	1,674	237	
Contribution Income	\$ 13,887	\$ 4,577	\$ 18,464
Reconciliation of profit or loss:			
Corporate overhead ^(b)			12,540
Depreciation and amortization			4,101
Acquisition and integration-related costs			5,995
Restructuring costs			588
Legal and other losses			1,099
Interest expense			549
Interest income			(702)
Other expense, net			23
Loss before income taxes			<u>\$ (5,729)</u>

(a) For each reportable segment, the other segment items category includes the following expenses: rent, insurance, maintenance, utilities, professional services, office, software and hardware, taxes, and miscellaneous employee expenses.

(b) Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs such as finance, IT, legal, and human resources, as well as public company expenses and corporate-wide projects (initiatives).

Information on reportable segments and a reconciliation to income before income taxes for the period indicated are as follows:

	Three Months Ended June 30, 2024		
	Nurse and Allied Staffing	Physician Staffing	Consolidated
	(amounts in thousands)		
Revenue from services	\$ 291,451	\$ 48,320	\$ 339,771
Direct operating expenses	230,528	38,438	
Employee compensation	25,503	5,023	
Benefits	2,456	680	
Marketing	2,087	174	
Credit loss expense (income)	19,085	(227)	
Divisional corporate G&A	4,143	77	
Other segment items ^(a)	1,829	122	
Contribution Income	\$ 5,820	\$ 4,033	\$ 9,853
Reconciliation of profit or loss:			
Corporate overhead ^(b)			18,161
Depreciation and amortization			4,719
Acquisition and integration-related costs			3
Restructuring costs			2,116
Legal and other losses			3,946
Impairment charges			114
Interest expense			568
Interest income			(235)
Other expense, net			23
Loss before income taxes			\$ (19,562)

(a) For each reportable segment, the other segment items category includes the following expenses: rent, insurance, maintenance, utilities, professional services, office, software and hardware, taxes, and miscellaneous employee expenses.

(b) Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs such as finance, IT, legal, and human resources, as well as public company expenses and corporate-wide projects (initiatives).

Information on reportable segments and a reconciliation to income before income taxes for the period indicated are as follows:

	Six Months Ended June 30, 2025		
	Nurse and Allied Staffing	Physician Staffing	Consolidated
	(amounts in thousands)		
Revenue from services	\$ 466,596	\$ 100,884	\$ 567,480
Direct operating expenses	372,772	80,046	
Employee compensation	42,821	10,235	
Benefits	5,282	1,032	
Marketing	3,573	406	
Credit loss expense (income)	82	(17)	
Divisional corporate G&A	7,543	161	
Other segment items ^(a)	3,392	415	
Contribution Income	\$ 31,131	\$ 8,606	\$ 39,737
Reconciliation of profit or loss:			
Corporate overhead ^(b)			27,676
Depreciation and amortization			8,873
Acquisition and integration-related costs			8,036
Restructuring costs			889
Legal and other losses			1,099
Interest expense			1,092
Interest income			(1,383)
Other expense, net			83
Loss before income taxes			<u>\$ (6,628)</u>

(a) For each reportable segment, the other segment items category includes the following expenses: rent, insurance, maintenance, utilities, professional services, office, software and hardware, taxes, and miscellaneous employee expenses.

(b) Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs such as finance, IT, legal, and human resources, as well as public company expenses and corporate-wide projects (initiatives).

Information on reportable segments and a reconciliation to income before income taxes for the period indicated are as follows:

	Six Months Ended June 30, 2024		
	Nurse and Allied Staffing	Physician Staffing	Consolidated
	(amounts in thousands)		
Revenue from services	\$ 623,637	\$ 95,308	\$ 718,945
Direct operating expenses	495,408	75,435	
Employee compensation	53,868	10,452	
Benefits	4,782	1,187	
Marketing	4,296	405	
Credit loss expense	20,075	73	
Divisional corporate G&A	8,480	198	
Other segment items ^(a)	3,725	387	
Contribution Income	\$ 33,003	\$ 7,171	\$ 40,174
Reconciliation of profit or loss:			
Corporate overhead ^(b)			35,727
Depreciation and amortization			9,361
Acquisition and integration-related costs			3
Restructuring costs			3,054
Legal and other losses			7,596
Impairment charges			718
Interest expense			1,030
Interest income			(408)
Other income, net			(1,034)
Loss before income taxes			\$ (15,873)

(a) For each reportable segment, the other segment items category includes the following expenses: rent, insurance, maintenance, utilities, professional services, office, software and hardware, taxes, and miscellaneous employee expenses.

(b) Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs such as finance, IT, legal, and human resources, as well as public company expenses and corporate-wide projects (initiatives).

Revenue is based on services provided. During the three and six months ended June 30, 2025 and 2024, all revenue was generated in the U.S., and all of the Company's long-lived assets were located in the U.S. and India. The Company provides its staffing services and workforce solutions in all 50 states. The India location is a cost center with no revenues and an immaterial amount of long-lived assets. The Company had no intersegment revenues between reportable segments for the three and six months ended June 30, 2025 and 2024.

The Company does not evaluate, manage, or measure performance of segments using asset information; accordingly, total asset information by segment is not prepared or disclosed.

The accounting policies of the segments are the same as those described in Note 2 – Summary of Significant Accounting Policies, which also provides information about major customers.

See the tables in Note 3 - Revenue Recognition, which present segment revenues by services.

13. CONTINGENCIES

Legal Proceedings

From time to time, the Company is involved in various litigation, claims, investigations, and other proceedings that arise in the ordinary course of its business. These proceedings primarily relate to employee-related matters that include individual and collective claims, professional liability, tax, and payroll practices. The Company establishes reserves when available information indicates that a loss is probable and an amount or range of loss can be reasonably estimated. These assessments are performed at least quarterly and are based on the information available to management at the time and involve significant management judgment to determine the probability and estimated amount of potential losses, if any. Based on the available information considered in its reviews, the Company adjusts its loss contingency accruals and its disclosures as may be required. Actual outcomes or losses may differ materially from those estimated by the Company's current assessments, including available insurance recoveries, which would impact the Company's profitability. Adverse developments in existing litigation claims or legal proceedings involving the Company or new claims could require management to establish or increase litigation reserves or enter into unfavorable settlements or satisfy judgments for monetary damages for amounts in excess of current reserves, which could adversely affect the Company's financial results. During the second quarter of 2025, the Company recorded \$1.1 million in legal fees and settlement charges related to various cases and claims. The Company believes that the outcome of any outstanding loss contingencies, individually or in the aggregate, as of June 30, 2025 will not have a material adverse effect on its business, financial condition, results of operations, or cash flows.

Sales and Other State Non-Income Tax Liabilities

The Company's sales and other state non-income tax filings are subject to routine audits by authorities in the jurisdictions where it conducts business in the United States which may result in assessments of additional taxes. The Company accrues sales and other non-income tax liabilities based on the Company's best estimate of its probable liability utilizing currently available information and interpretation of relevant tax regulations. Given the nature of the Company's business, significant subjectivity exists as to both whether sales and other state non-income taxes can be assessed on its activity and how the sales tax will ultimately be measured by the relevant jurisdictions. The Company makes a determination for each reporting period whether the estimates for sales and other non-income taxes in certain states should be revised. The expense is included in selling, general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive loss and the liability is reflected in sales tax payable within other current liabilities in its condensed consolidated balance sheets.

14. INCOME TAXES

For the three and six months ended June 30, 2025, the Company calculated its effective tax rate estimating its Annual Effective Tax Rate (AETR). For the three and six months ended June 30, 2024, the Company used actual results to calculate the provision for income taxes since it determined that small changes in estimated ordinary income would result in significant changes in the estimated AETR and would not provide a reasonable estimate for the three- and six-month periods ended June 30, 2024. The Company's effective tax rate for the three and six months ended June 30, 2025 was -16.2% and -7.9%, respectively, including the impact of discrete items. The Company's effective tax rate for the three and six months ended June 30, 2024 was 18.0% and 15.8%, respectively, including the impact of discrete items. The effective tax rates for the three and six months ended June 30, 2025 and 2024 were primarily impacted by federal and state taxes. The decrease in the effective tax rates for both periods was primarily related to an increase in book income relative to nondeductible items.

As of June 30, 2025, the Company had approximately \$10.3 million of unrecognized tax benefits included in other non-current liabilities, \$11.4 million, net of deferred taxes, which would impact the effective tax rate if recognized. During the three and six months ended June 30, 2025, the Company had net increases of \$0.4 million and \$0.7 million, respectively, to its current year unrecognized tax benefits related to federal and state tax provisions.

Effective January 1, 2024, many international jurisdictions implemented the Pillar Two rules issued by the Organization for Economic Co-operation and Development. In general, large multinational entity groups with consolidated revenue in excess of 750 million Euros in at least two of the preceding four years could be subject to the new rules in jurisdictions with an effective tax rate below fifteen percent. The Company currently operates in one country that has adopted the Pillar Two rules, but should meet the safe harbor rules. The Company does not expect the adoption of the Pillar Two rules by any jurisdiction in which it currently operates to have a material impact on its financial statements.

On July 4, 2025, President Trump signed the One Big Beautiful Bill Act (the Act) into legislation, which among other changes, restored the full expensing of domestic research and experimental expenditures (R&E) in the year incurred. Further, the Act provides taxpayers the option to deduct unamortized domestic R&E expenditures incurred in taxable years 2022 through 2024 over a one or two-year period. The Company is not aware of any provision in the Act that would have a material adverse impact to the Company's results of operations, cash flows, or financial condition.

The tax years 2012 through 2024 remain open to examination by certain taxing jurisdictions to which the Company is subject to tax, other than certain states in which the statute of limitations has been extended.

15. RELATED PARTY TRANSACTIONS

The Company has entered into an arrangement for digital marketing services provided by a firm that is related to a certain member of the Company's Board of Directors, who is a minority shareholder in the firm's parent company and is a member of the parent company's Board of Directors. Management believes that the terms of the arrangement are equivalent to those prevailing in an arm's-length transaction and have been approved by the Audit Committee of the Company's Board of Directors through the Company's related party transaction approval process. The digital marketing firm manages a limited number of digital publishers covering various Company brands for a monthly management fee. During the three and six months ended June 30, 2025 and 2024, the Company incurred an immaterial amount in expenses and had no payable balance at June 30, 2025 and an immaterial payable balance at December 31, 2024.

The Company provides services to entities that are affiliated with certain members of the Company's Board of Directors. Management believes that the services were conducted on terms equivalent to those prevailing in an arm's-length transaction. Revenue related to these transactions was \$2.5 million and \$4.5 million, respectively, for the three and six months ended June 30, 2025 and an immaterial amount for the three and six months ended June 30, 2024. Accounts receivable due from these entities was an immaterial amount at June 30, 2025 and December 31, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of the following Management's Discussion and Analysis (MD&A) is to help facilitate the understanding of significant factors influencing the quarterly operating results, financial condition, and cash flows of the Company. Additionally, MD&A also conveys our current expectations of the potential impact of known trends, events, or uncertainties that may impact future results. MD&A is provided as a supplement to, and should be read in conjunction with, our Annual Report on Form 10-K

for the year ended December 31, 2024, as amended by Amendment No. 1 on Form 10-K/A (2024 Form 10-K) (including Part I, Item 1A. “Risk Factors”), our financial statements and the accompanying notes to our financial statements.

Business Overview

We provide total talent management services, including strategic workforce solutions, contingent staffing, permanent placement, and consultative services for healthcare customers across the continuum of care, by recruiting and placing highly qualified healthcare professionals in virtually every specialty and area of expertise. In addition to clinical roles such as school nurses, speech language, and behavioral therapists, we place non-clinical professionals such as teachers, substitute teachers, and other education specialties at educational facilities across the nation. Our diverse customer base includes both public and private acute care and non-acute care hospitals, outpatient clinics, ambulatory care facilities, single- and multi-specialty physician practices, rehabilitation facilities, Program of All-Inclusive Care for the Elderly (PACE) programs, urgent care centers, local and national healthcare systems, managed care providers, public and charter schools, correctional facilities, government facilities, pharmacies, and many other healthcare providers. Through our national staffing teams, we offer our workforce solutions and place clinicians on travel and per diem assignments, local short-term contracts, and permanent positions. In addition, we continually evaluate opportunities to acquire companies that would complement or enhance our business, like Workforce Solutions Group, Inc. (WSG) and Mint Medical Physician Staffing, LP and Lotus Medical Staffing LLC (collectively, Mint).

Our workforce solutions include managed service programs (MSPs), vendor management systems (VMS), in-home care services, education health services, recruitment process outsourcing (RPO), project management, and other outsourcing and consultative services as described in Item 1. “Business” in our 2024 Form 10-K. By utilizing the solutions that we offer, customers are able to better plan their personnel needs, optimize their talent acquisition and management processes, strategically flex and balance their workforce, have access to quality healthcare personnel, and provide continuity of care for improved patient outcomes.

The Company’s two reportable segments offer services to its customers as described below:

- *Nurse and Allied Staffing* – Nurse and Allied Staffing represented approximately 82% of total revenue in the second quarter of 2025. The Nurse and Allied Staffing segment provides workforce solutions and traditional staffing, including temporary and permanent placement of travel nurses and allied professionals, as well as per diem and contract nurses and allied personnel. We also provide clinical and non-clinical professionals on short-term and long-term assignments to customers such as local and national healthcare plans, managed care providers, public and charter schools, correctional facilities, skilled nursing facilities, and other non-acute settings. In addition, Nurse and Allied Staffing provides executive search services for healthcare professionals, as well as contingent search. We provide flexible workforce solutions to our healthcare customers through diversified offerings designed to meet their unique needs, including MSP, RPO, and consulting services. We also offer our SaaS-based, proprietary, vendor management technology, Intellify[®] to facilities to manage all or a portion of their agency services.
- *Physician Staffing* – Physician Staffing represented approximately 18% of total revenue in the second quarter of 2025. Physician Staffing provides physicians in many specialties, as well as certified registered nurse anesthetists, nurse practitioners, and physician assistants as independent contractors on temporary assignments throughout the United States.

Summary of Operations

For the quarter ended June 30, 2025, consolidated revenue declined 19.3% year-over-year to \$274.1 million, as there continued to be a decline in both volume and average bill rates in travel nurse and allied, and per diem. These declines were partly offset by continued growth in Homecare Staffing, which was up 31.3% over the prior year, as well as growth in our Physician Staffing segment, which was up 3.0% over the prior year. Net loss attributable to common stockholders in the second quarter of 2025 was \$6.7 million, as compared to net loss of \$16.1 million for the same period in the prior year.

For the three months ended June 30, 2025, cash and cash equivalents totaled \$81.2 million. Cash flow provided by operating activities for the three months ended June 30, 2025 was \$4.2 million. As of June 30, 2025, there were no borrowings drawn under the revolving senior-secured asset-based credit facility (ABL), and borrowing base availability under the ABL was \$140.6 million, with \$125.7 million of availability net of \$14.9 million of letters of credit. See Note 8 - Debt to our condensed consolidated financial statements.

On December 3, 2024, Cross Country entered into an Agreement and Plan of Merger (Merger Agreement) with Aya Holdings II Inc., a Delaware corporation (Parent), Spark Merger Sub One Inc., a Delaware corporation and a wholly owned subsidiary of Parent (Merger Sub), and, solely for purposes of Section 11.14 thereto, Aya Healthcare, Inc. (Aya Healthcare), pursuant to which Merger Sub will merge with and into the Company, with the Company surviving as a wholly owned subsidiary of Parent (Aya Merger). On February 20, 2025, the Company and Aya Healthcare each received a request for additional information from the U.S. Federal Trade Commission in connection with their review of the transactions contemplated by the Merger Agreement. The Company expects that the Aya Merger will close in the fourth quarter of 2025, subject to the satisfaction of other customary closing conditions, including regulatory approvals. The Aya Merger was approved by the Company's stockholders at a special meeting held on February 28, 2025. Upon completion of the Aya Merger, Cross Country will become a private company and its common stock will no longer trade on Nasdaq. See Note 1 - Organization and Basis of Presentation to our condensed consolidated financial statements.

See Results of Operations, Segment Results, and Liquidity and Capital Resources sections that follow for further information.

Operating Metrics

We evaluate our financial condition by tracking operating metrics and financial results specific to each of our segments. Key operating metrics include hours worked, days filled, number of contract personnel on a full-time equivalent (FTE) basis, revenue per FTE, and revenue per day filled. Other operating metrics include number of open orders, candidate applications, contract bookings, length of assignment, bill and pay rates, renewal and fill rates, number of active searches, and number of placements. These operating metrics are representative of trends that assist management in evaluating business performance. Due to the timing of our business process and other factors, certain of these operating metrics may not necessarily correlate to the reported U.S. GAAP results for the periods presented. Some of the segment financial results analyzed include revenue, operating expenses, and contribution income. In addition, we monitor cash flow, as well as operating and leverage ratios, to help us assess our liquidity needs.

Business Segment	Business Measurement
Nurse and Allied Staffing	FTEs represent the average number of Nurse and Allied Staffing contract personnel on a full-time equivalent basis. Average revenue per FTE per day is calculated by dividing the Nurse and Allied Staffing revenue, excluding permanent placement, per FTE by the number of days worked in the respective periods.
Physician Staffing	Days filled is calculated by dividing the total hours invoiced during the period, including an estimate for the impact of accrued revenue, by eight hours. Revenue per day filled is calculated by dividing revenue as reported by days filled for the period presented.

Results of Operations

The following table summarizes, for the periods indicated, selected condensed consolidated statements of operations and comprehensive loss data expressed as a percentage of revenue. Our historical results of operations are not necessarily indicative of future operating results.

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025	2024	2025	2024
Revenue from services	100.0 %	100.0 %	100.0 %	100.0 %
Direct operating expenses	79.6	79.2	79.8	79.4
Selling, general and administrative expenses	18.2	17.7	18.1	17.2
Credit loss expense	—	5.6	—	2.8
Depreciation and amortization	1.5	1.4	1.6	1.3
Acquisition and integration-related costs	2.2	—	1.4	—
Restructuring costs	0.2	0.6	0.1	0.4
Legal and other losses	0.4	1.2	0.2	1.1
Impairment charges	—	—	—	0.1
Loss from operations	(2.1)	(5.7)	(1.2)	(2.3)
Interest expense	0.2	0.2	0.2	0.1
Interest income	(0.2)	(0.1)	(0.2)	(0.1)
Other income, net	—	—	—	(0.1)
Loss before income taxes	(2.1)	(5.8)	(1.2)	(2.2)
Income tax expense (benefit)	0.3	(1.1)	0.1	(0.3)
Net loss attributable to common stockholders	<u>(2.4)%</u>	<u>(4.7)%</u>	<u>(1.3)%</u>	<u>(1.9)%</u>

Comparison of Results for the Three Months Ended June 30, 2025 and the Three Months Ended June 30, 2024

	Three Months Ended June 30,			
	2025	2024	Increase (Decrease) \$	Increase (Decrease) %
	(Amounts in thousands)			
Revenue from services	\$ 274,072	\$ 339,771	\$ (65,699)	(19.3)%
Direct operating expenses	218,068	268,966	(50,898)	(18.9)%
Selling, general and administrative expenses	50,050	60,255	(10,205)	(16.9)%
Credit loss expense	30	18,858	(18,828)	(99.8)%
Depreciation and amortization	4,101	4,719	(618)	(13.1)%
Acquisition and integration-related costs	5,995	3	5,992	NM
Restructuring costs	588	2,116	(1,528)	(72.2)%
Legal and other losses	1,099	3,946	(2,847)	(72.1)%
Impairment charges	—	114	(114)	(100.0)%
Loss from operations	(5,859)	(19,206)	13,347	69.5 %
Interest expense	549	568	(19)	(3.3)%
Interest income	(702)	(235)	(467)	(198.7)%
Other expense, net	23	23	—	— %
Loss before income taxes	(5,729)	(19,562)	13,833	70.7 %
Income tax expense (benefit)	930	(3,512)	4,442	126.5 %
Net loss attributable to common stockholders	\$ (6,659)	\$ (16,050)	\$ 9,391	58.5 %

NM - Not meaningful

Revenue from services

Revenue from services decreased 19.3% to \$274.1 million for the three months ended June 30, 2025, as compared to \$339.8 million for the three months ended June 30, 2024, due to volume and bill rate declines in the Nurse and Allied Staffing segment partially offset by higher average bill rates in the Physician Staffing segment. See further discussion in Segment Results.

Direct operating expenses

Direct operating expenses consist primarily of field employee compensation and independent contractor expenses, housing expenses, travel expenses, and related insurance expenses. Direct operating expenses decreased \$50.9 million, or 18.9%, to \$218.1 million for the three months ended June 30, 2025, as compared to \$269.0 million for the three months ended June 30, 2024, as a result of revenue decreases and the tightening of the bill/pay spreads. As a percentage of total revenue, direct operating expenses increased to 79.6%, as compared to 79.2% in the prior year period.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased 16.9% to \$50.1 million for the three months ended June 30, 2025, as compared to \$60.3 million for the three months ended June 30, 2024, primarily due to decreases in compensation and benefit expense, as well as decreases in professional fees. As a percentage of total revenue, selling, general and administrative expenses increased to 18.2% for the three months ended June 30, 2025, as compared to 17.7% for the three months ended June 30, 2024.

Credit loss expense

Credit loss expense for the three months ended June 30, 2025 was immaterial, as compared to \$18.9 million for the three months ended June 30, 2024, which was related to a customer bankruptcy. As a percentage of revenue, credit loss expense was 0.0% for the three months ended June 30, 2025 and 5.6% for the three months ended June 30, 2024.

Depreciation and amortization expense

Depreciation and amortization expense for the three months ended June 30, 2025 was \$4.1 million, as compared to \$4.7 million for the three months ended June 30, 2024. As a percentage of revenue, depreciation and amortization expense was 1.5% for the three months ended June 30, 2025 and 1.4% for the three months ended June 30, 2024.

Acquisition and integration-related costs

Acquisition and integration-related costs of \$6.0 million for the three months ended June 30, 2025 relate primarily to fees associated with the pending Aya Merger. See Note 1 - Organization and Basis of Presentation to our condensed consolidated financial statements. There were no such costs for the three months ended June 30, 2024.

Restructuring costs

Restructuring costs of \$0.6 million and \$2.1 million for the three months ended June 30, 2025 and 2024, respectively, were primarily comprised of employee termination costs. See Note 2 - Summary of Significant Accounting Policies to our condensed consolidated financial statements.

Legal and other losses

During the second quarter of 2025, the Company recorded \$1.1 million in legal fees and settlement charges related to various cases and claims. During the second quarter of 2024, the Company recorded legal and other losses of \$3.9 million which included the settlement of a class action lawsuit, as well as costs related to an unrecoverable asset.

Impairment charges

Non-cash impairment charges for the three months ended June 30, 2024 related to real estate restructuring activities. There were no such charges for the three months ended June 30, 2025.

Interest income

Interest income of \$0.7 million for the three months ended June 30, 2025 related to higher average cash on hand deposited in interest bearing accounts during the quarter. Interest income was immaterial for the three months ended June 30, 2024.

Income tax expense (benefit)

Income tax expense totaled \$0.9 million for the three months ended June 30, 2025, as compared to an income tax benefit of \$3.5 million for the three months ended June 30, 2024. The income tax expense for the second quarter of 2025 and the income tax benefit for the second quarter of 2024 were primarily driven by federal and state taxes. The increase in income tax expense was primarily related to an increase in book income. See Note 14 - Income Taxes to our condensed consolidated financial statements.

Comparison of Results for the Six Months Ended June 30, 2025 and the Six Months Ended June 30, 2024

	Six Months Ended June 30,			
	2025	2024	Increase (Decrease) \$	Increase (Decrease) %
	(Amounts in thousands)			
Revenue from services	\$ 567,480	\$ 718,945	\$ (151,465)	(21.1)%
Direct operating expenses	452,818	570,843	(118,025)	(20.7)%
Selling, general and administrative expenses	102,536	123,507	(20,971)	(17.0)%
Credit loss expense	65	20,148	(20,083)	(99.7)%
Depreciation and amortization	8,873	9,361	(488)	(5.2)%
Acquisition and integration-related costs	8,036	3	8,033	NM
Restructuring costs	889	3,054	(2,165)	(70.9)%
Legal and other losses	1,099	7,596	(6,497)	(85.5)%
Impairment charges	—	718	(718)	(100.0)%
Loss from operations	(6,836)	(16,285)	9,449	58.0 %
Interest expense	1,092	1,030	62	6.0 %
Interest income	(1,383)	(408)	(975)	(239.0)%
Other expense (income), net	83	(1,034)	1,117	108.0 %
Loss before income taxes	(6,628)	(15,873)	9,245	58.2 %
Income tax expense (benefit)	521	(2,515)	3,036	120.7 %
Net loss attributable to common stockholders	\$ (7,149)	\$ (13,358)	\$ 6,209	46.5 %

NM - Not meaningful

Revenue from services

Revenue from services decreased 21.1% to \$567.5 million for the six months ended June 30, 2025, as compared to \$718.9 million for the six months ended June 30, 2024, due to volume and bill rate declines in the Nurse and Allied Staffing segment partially offset by higher average bill rates in the Physician Staffing segment. See further discussion in Segment Results.

Direct operating expenses

Direct operating expenses decreased \$118.0 million, or 20.7%, to \$452.8 million for the six months ended June 30, 2025, as compared to \$570.8 million for the six months ended June 30, 2024, as a result of revenue decreases and the tightening of the bill/pay spreads. As a percentage of total revenue, direct operating expenses increased to 79.8%, as compared to 79.4% in the prior year period.

Selling, general and administrative expenses

Selling, general and administrative expenses decreased 17.0% to \$102.5 million for the six months ended June 30, 2025, as compared to \$123.5 million for the six months ended June 30, 2024, primarily due to decreases in compensation and benefit expense, as well as decreases in professional fees, marketing expense, and software and hardware costs. As a percentage of total revenue, selling, general and administrative expenses increased to 18.1% for the six months ended June 30, 2025, as compared to 17.2% for the six months ended June 30, 2024.

Credit loss expense

Credit loss expense for the six months ended June 30, 2025 was immaterial, as compared to \$20.1 million for the six months ended June 30, 2024, which was related to a customer bankruptcy. As a percentage of revenue, credit loss expense was 0.0% for the six months ended June 30, 2025 and 2.8% for the six months ended June 30, 2024.

Depreciation and amortization expense

Depreciation and amortization expense for the six months ended June 30, 2025 was \$8.9 million, as compared to \$9.4 million for the six months ended June 30, 2024. As a percentage of revenue, depreciation and amortization expense was 1.6% for the six months ended June 30, 2025 and 1.3% for the six months ended June 30, 2024.

Acquisition and integration-related costs

Acquisition and integration-related costs of \$8.0 million for the six months ended June 30, 2025 relate primarily to fees associated with the pending Aya Merger. See Note 1 - Organization and Basis of Presentation to our condensed consolidated financial statements. There were no such costs for the six months ended June 30, 2024.

Restructuring costs

Restructuring costs of \$0.9 million for the six months ended June 30, 2025 were primarily comprised of employee terminations costs, and costs of \$3.1 million for the six months ended June 30, 2024 were primarily comprised of employee termination costs and ongoing lease exit costs. See Note 2 - Summary of Significant Accounting Policies to our condensed consolidated financial statements.

Legal and other losses

During the six months ended June 30, 2025, the Company recorded \$1.1 million in legal fees and settlement charges related to various cases and claims. During the six months ended June 30, 2024, the Company recorded legal and other losses of \$7.6 million, which included the settlement of a class action lawsuit, as well as costs related to an unrecoverable asset.

Impairment charges

Non-cash impairment charges totaled \$0.7 million for the six months ended June 30, 2024 related to real estate restructuring activities. There were no such charges for the six months ended June 30, 2025.

Interest income

Interest income of \$1.4 million for the six months ended June 30, 2025 related to higher average cash on hand deposited in interest bearing accounts during the period. Interest income was immaterial for the six months ended June 30, 2024.

Other expense (income), net

For the six months ended June 30, 2024, other income, net included a \$0.9 million decrease of the remaining earnout liability related to the Mint acquisition. There were no such adjustments for the six months ended June 30, 2025.

Income tax expense (benefit)

Income tax expense totaled \$0.5 million for the six months ended June 30, 2025, as compared to income tax benefit of \$2.5 million for the six months ended June 30, 2024. The income tax expense for the first six months of 2025 and the income tax benefit for the first six months of 2024 were primarily driven by federal and state taxes. The increase in income tax expense was primarily related to an increase in book income. See Note 14 - Income Taxes to our condensed consolidated financial statements.

Segment Results

Information on operating segments and a reconciliation to loss from operations for the periods indicated are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(amounts in thousands)			
Revenue from services:				
Nurse and Allied Staffing	\$ 224,305	\$ 291,451	\$ 466,596	\$ 623,637
Physician Staffing	49,767	48,320	100,884	95,308
	<u>\$ 274,072</u>	<u>\$ 339,771</u>	<u>\$ 567,480</u>	<u>\$ 718,945</u>
Contribution income:				
Nurse and Allied Staffing	\$ 13,887	\$ 5,820	\$ 31,131	\$ 33,003
Physician Staffing	4,577	4,033	8,606	7,171
	<u>18,464</u>	<u>9,853</u>	<u>39,737</u>	<u>40,174</u>
Corporate overhead	12,540	18,161	27,676	35,727
Depreciation and amortization	4,101	4,719	8,873	9,361
Restructuring costs	588	2,116	889	3,054
Legal and other losses	1,099	3,946	1,099	7,596
Impairment charges	—	114	—	718
Acquisition and integration-related costs	5,995	3	8,036	3
Loss from operations	<u>\$ (5,859)</u>	<u>\$ (19,206)</u>	<u>\$ (6,836)</u>	<u>\$ (16,285)</u>

See Note 12 - Segment Data to our condensed consolidated financial statements.

Certain statistical data for our business segments for the periods indicated are as follows:

	Three Months Ended		Change	Percent Change
	June 30, 2025	June 30, 2024		
<u>Nurse and Allied Staffing statistical data:</u>				
FTEs	7,035	8,415	(1,380)	(16.4)%
Average Nurse and Allied Staffing revenue per FTE per day	\$ 348	\$ 377	\$ (29)	(7.7)%
<u>Physician Staffing statistical data:</u>				
Days filled	22,228	24,252	(2,024)	(8.3)%
Revenue per day filled	\$ 2,239	\$ 1,992	\$ 247	12.4%
	Six Months Ended		Change	Percent Change
	June 30, 2025	June 30, 2024		
<u>Nurse and Allied Staffing statistical data:</u>				
FTEs	7,223	8,770	(1,547)	(17.6)%
Average Nurse and Allied Staffing revenue per FTE per day	\$ 354	\$ 388	\$ (34)	(8.8)%
<u>Physician Staffing statistical data:</u>				
Days filled	44,920	48,037	(3,117)	(6.5)%
Revenue per day filled	\$ 2,246	\$ 1,984	\$ 262	13.2%

See definition of Business Measurements under the Operating Metrics section of the MD&A.

Segment Comparison - Three Months Ended June 30, 2025 and Three Months Ended June 30, 2024

Nurse and Allied Staffing

Revenue decreased \$67.2 million, or 23.0%, to \$224.3 million for the three months ended June 30, 2025, as compared to \$291.5 million for the three months ended June 30, 2024, driven primarily by a 16.4% decline in professionals on assignment and, to a lesser extent, a 7.7% normalization in bill rates. However, within the segment Homecare Staffing experienced year-over-year revenue growth of 31.3% and sequential revenue growth of 7.0% for the three months ended June 30, 2025.

Contribution income increased \$8.1 million, or 138.6%, to \$13.9 million for the three months ended June 30, 2025, as compared to \$5.8 million for the three months ended June 30, 2024. As a percentage of segment revenue, contribution income margin increased to 6.2% for the three months ended June 30, 2025, as compared to 2.0% for the three months ended June 30, 2024.

The average number of FTEs on contract during the three months ended June 30, 2025 decreased 16.4% from the three months ended June 30, 2024, primarily due to headcount decline in travel nurse and allied, per diem, and education. The average revenue per FTE per day decreased 7.7%.

Physician Staffing

Revenue increased \$1.5 million, or 3.0%, to \$49.8 million for the three months ended June 30, 2025, as compared to \$48.3 million for the three months ended June 30, 2024, primarily due to the impact from higher rates and favorable specialty mix.

Contribution income increased \$0.6 million, or 13.5%, to \$4.6 million for the three months ended June 30, 2025, as compared to \$4.0 million for the three months ended June 30, 2024. As a percentage of segment revenue, contribution income was 9.2% for the three months ended June 30, 2025, as compared to 8.3% for the three months ended June 30, 2024.

Total days filled for the three months ended June 30, 2025 decreased 8.3% to 22,228, as compared to 24,252 in the prior year. Revenue per day filled was \$2,239, as compared with \$1,992 in the prior year, due to price increases.

Corporate Overhead

Corporate overhead includes unallocated executive leadership and other centralized corporate functional support costs, such as finance, IT, legal, and human resources, as well as public company expenses and corporate-wide projects. Corporate overhead decreased to \$12.5 million for the three months ended June 30, 2025, from \$18.2 million for the three months ended June 30, 2024, primarily due to decreases in compensation and benefit expense, and a decrease in professional fees. As a percentage of consolidated revenue, corporate overhead was 4.6% for the three months ended June 30, 2025 and 5.3% for the three months ended June 30, 2024.

Segment Comparison - Six Months Ended June 30, 2025 and Six Months Ended June 30, 2024

Nurse and Allied Staffing

Revenue decreased \$157.0 million, or 25.2%, to \$466.6 million for the six months ended June 30, 2025, as compared to \$623.6 million for the six months ended June 30, 2024, driven primarily by a 17.6% decline in professionals on assignment and, to a lesser extent, an 8.8% normalization in bill rates. However, within the segment Homecare Staffing experienced year-over-year revenue growth of 30.4% for the six months ended June 30, 2025.

Contribution income decreased \$1.9 million, or 5.7%, to \$31.1 million for the six months ended June 30, 2025, as compared to \$33.0 million for the six months ended June 30, 2024. As a percentage of segment revenue, contribution income margin increased to 6.7% for the six months ended June 30, 2025, as compared to 5.3% for the six months ended June 30, 2024.

The average number of FTEs on contract during the six months ended June 30, 2025 decreased 17.6% from the six months ended June 30, 2024, primarily due to headcount decline in travel nurse and allied, per diem, and education. The average revenue per FTE per day decreased 8.8%.

Physician Staffing

Revenue increased \$5.6 million, or 5.9%, to \$100.9 million for the six months ended June 30, 2025, as compared to \$95.3 million for the six months ended June 30, 2024, primarily due to the impact from higher rates and favorable specialty mix.

Contribution income increased \$1.4 million, or 20.0%, to \$8.6 million for the six months ended June 30, 2025, as compared to \$7.2 million for the six months ended June 30, 2024. As a percentage of segment revenue, contribution income was 8.5% for the six months ended June 30, 2025, as compared to 7.5% for the six months ended June 30, 2024.

Total days filled for the six months ended June 30, 2025 decreased 6.5% to 44,920, as compared to 48,037 in the prior year. Revenue per day filled was \$2,246, as compared with \$1,984 in the prior year, due to price increases.

Corporate Overhead

Corporate overhead decreased to \$27.7 million for the six months ended June 30, 2025, from \$35.7 million for the six months ended June 30, 2024, primarily due to decreases in compensation and benefit expense, as well as professional fees and software and hardware expense. As a percentage of consolidated revenue, corporate overhead was 4.9% for the six months ended June 30, 2025 and 5.0% for the six months ended June 30, 2024.

Liquidity and Capital Resources

As of June 30, 2025, we reported \$81.2 million in cash and cash equivalents, with no borrowings drawn under the ABL. Working capital decreased by \$1.7 million to \$212.9 million as of June 30, 2025, as compared to \$214.6 million as of December 31, 2024, primarily due to a decrease in net receivables and the timing of disbursements. As of June 30, 2025, days' sales outstanding, net of amounts owed to subcontractors, was 58 days, up 4 days year-over-year and up 1 day sequentially. As of June 30, 2025, we did not have any off-balance sheet arrangements.

Operating cash flow constitutes our primary source of liquidity and, historically, has been sufficient to fund working capital, capital expenditures, internal business expansion, and debt service. This includes commitments, both short-term and long-term, of interest expense on our debt and operating lease commitments, and future principal payments on the ABL. We expect to meet our future cash needs from a combination of cash on hand, operating cash flows, and funds available through the ABL. See debt discussion which follows.

On May 1, 2023, the Company's Board of Directors authorized approximately \$59.0 million in additional share repurchases, such that, effective for trades made after May 3, 2023, the aggregate amount available for stock repurchases was set at \$100.0 million (the Repurchase Program). In the third quarter of 2023, we entered into a Rule 10b5-1 Repurchase Plan to allow for share repurchases during the Company's blackout periods, beginning on January 2, 2024 and effective through November 7, 2024. During the six months ended June 30, 2024, we repurchased and retired a total of 1,290,156 shares of common stock for \$21.3 million, at an average price of \$16.50 per share. During the six months ended June 30, 2025, we did not repurchase any shares of our common stock, but did pay \$0.3 million in excise tax related to previous share repurchases. As of June 30, 2025, we had \$40.5 million remaining for share repurchase under the Repurchase Program, subject to certain conditions in the Loan Agreement (as defined below).

Net cash provided by operating activities decreased \$78.5 million to \$9.9 million for the six months ended June 30, 2025, as compared to \$88.4 million for the six months ended June 30, 2024.

Net cash used in investing activities was \$3.9 million for the six months ended June 30, 2025, as compared to \$5.1 million for the six months ended June 30, 2024, for capital expenditures in both years.

Net cash used in financing activities during the six months ended June 30, 2025 was \$6.5 million, as compared to \$30.8 million during the six months ended June 30, 2024. During the six months ended June 30, 2025, we used cash to pay \$1.8 million for income taxes on share-based compensation, \$0.3 million for excise tax related to previous share repurchases, and \$4.4 million for contingent consideration. During the six months ended June 30, 2024, we used cash to pay \$2.9 million for income taxes on share-based compensation, \$21.3 million for share repurchases, and \$6.6 million for contingent consideration.

Debt

2019 Asset-Based Loan Agreement

Effective October 25, 2019, the prior senior credit facility entered into in August 2017 was replaced by a \$120.0 million asset-based loan agreement (Loan Agreement), which provided for a five-year senior secured revolving credit facility. On June 30, 2020, we amended the Loan Agreement (First Amendment), which increased the current aggregate committed size of the ABL from \$120.0 million to \$130.0 million. All other terms, conditions, covenants, and pricing of the Loan Agreement remained the same. On March 8, 2021, we amended the Loan Agreement (Second Amendment), which increased the current aggregate committed size of the ABL from \$130.0 million to \$150.0 million, increased certain borrowing base sub-limits, and decreased both the cash dominion event and financial reporting triggers. On June 8, 2021, we amended the Loan Agreement (Third Amendment), which permitted the incurrence of indebtedness and grant of security as set forth in the Loan Agreement and in accordance with the Intercreditor Agreement, and provides mechanics relating to a transition away from LIBOR as a benchmark interest rate to a replacement alternative benchmark rate or mechanism for loans made in U.S. dollars. On November 18, 2021, we amended the Loan Agreement (Fourth Amendment), whereby the permitted indebtedness (as defined in the Loan Agreement) was increased to \$175.0 million. On March 21, 2022, we amended the Loan Agreement (Fifth Amendment), which increased the current aggregate committed size of the ABL from \$150.0 million to \$300.0 million, extended the credit facility for an additional five years, increased certain borrowing base sub-limits, and provided the option for all or a portion of the borrowings to bear interest at a rate based on the Secured Overnight Financing Rate (SOFR) or Base Rate (as defined in the Loan Agreement), at the election of the borrowers, plus an applicable margin. On September 29, 2023, we amended the Loan Agreement (Sixth Amendment), which changed the minimum fixed charge coverage ratio from a maintenance covenant to a springing covenant based on excess availability. On July 29, 2024, we amended the Loan Agreement (Seventh Amendment), which allows for all share repurchases paid in cash prior to June 30, 2024 and thereafter to be excluded as restricted payments in the fixed charge coverage ratio calculation if there is no revolving ABL balance.

As of June 30, 2025, the interest rate spreads and fees under the ABL were based on SOFR plus 1.85% for the revolving portion of the borrowing base. The Base Rate margin would have been 0.75% for the revolving portion. The SOFR and Base Rate margins are subject to monthly adjustments, pursuant to a pricing matrix based on our excess availability under the revolving credit facility. In addition, the facility is subject to an unused line fee, letter of credit fees, and an administrative fee. Borrowing base availability under the ABL was \$140.6 million as of June 30, 2025, with no borrowings drawn and \$125.7 million of availability net of \$14.9 million of letters of credit. For the three months ended June 30, 2025, the excess availability did not fall below the stated threshold and, as a result, there was no covenant compliance period.

See Note 8 - Debt to our condensed consolidated financial statements.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates remain consistent with those reported in our 2024 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are exposed to variable interest rate risk associated with our Loan Agreement entered into on October 25, 2019. This agreement charges interest at a rate based on either SOFR or Base Rate (as defined in the Loan Agreement) plus an applicable margin.

A 1.0% change in interest rates would have resulted in interest expense fluctuating an immaterial amount for the six months ended June 30, 2025 and 2024, respectively. See Note 8 - Debt to our condensed consolidated financial statements.

Other Risks

There have been no material changes to our other exposures as disclosed in our 2024 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our “disclosure controls and procedures” (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, or the Exchange Act), as of the end of the period covered by this report. Based upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report. Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, communicated to management, including the Chief Executive Officer and the Chief Financial Officer, and reported within the time periods specified in the SEC’s rules and forms. The disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports required under the Exchange Act is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, in order to allow timely decisions regarding any required disclosure.

There were no changes in our internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information with respect to certain legal proceedings is included in Part I, Item 1, Note 13 - Contingencies - *Legal Proceedings* of this Quarterly Report on Form 10-Q, and is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There are no material changes to our Risk Factors as previously disclosed in our 2024 Form 10-K.

ITEM 5. OTHER INFORMATION

(c) Trading Plans

Certain directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) of the Company may execute purchases and sales of the Company's common stock through Rule 10b5-1 and non-Rule 10b5-1 equity trading plans. Pursuant to Item 408(a) of Regulation S-K, we are required to disclose whether any director or officer adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as that term is defined in Item 408(c) of Regulation S-K) during the most recently completed quarter.

During the three months ended June 30, 2025, neither the Company nor any of its Section 16 officers or directors adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of the Company's securities, under either a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (in each case, as defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

No.	Description
*31.1	<u>Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by John A. Martins, President, Chief Executive Officer, Director (Principal Executive Officer)</u>
*31.2	<u>Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by William J. Burns, Executive Vice President, Chief Financial Officer (Principal Financial Officer)</u>
**32.1	<u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by John A. Martins, President, Chief Executive Officer, Director (Principal Executive Officer)</u>
**32.2	<u>Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by William J. Burns, Executive Vice President, Chief Financial Officer (Principal Financial Officer)</u>
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)
#	Represents a management contract or compensatory plan or arrangement
*	Filed herewith
**	Furnished herewith

SIGNATURES

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

Date: August 6, 2025

CROSS COUNTRY HEALTHCARE, INC.

By: /s/ William J. Burns

William J. Burns
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

Certification

I, John A. Martins, certify that:

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

Date: August 6, 2025

/s/ John A. Martins

John A. Martins
President & Chief Executive Officer
(Principal Executive Officer)

Certification

I, William J. Burns, certify that:

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

Date: August 6, 2025

/s/ William J. Burns

William J. Burns
Executive Vice President & Chief Financial Officer (Principal Financial Officer)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of Cross Country Healthcare, Inc. (the Company) for the quarterly period ended June 30, 2025, (the "Periodic Report"), I, John A. Martins, President and Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2025

/s/ John A. Martins

John A. Martins
President & Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cross Country Healthcare, Inc. and will be retained by Cross Country Healthcare, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying Quarterly Report on Form 10-Q of Cross Country Healthcare, Inc. (the "Company") for the quarterly period ended June 30, 2025, (the "Periodic Report"), I, William J. Burns, Executive Vice President and Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2025

/s/ William J. Burns

William J. Burns

Executive Vice President & Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cross Country Healthcare, Inc. and will be retained by Cross Country Healthcare, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002.