



**The Oncology Institute  
of Hope & Innovation**



# **Investor Presentation**

## **November 2022**

# Disclaimer

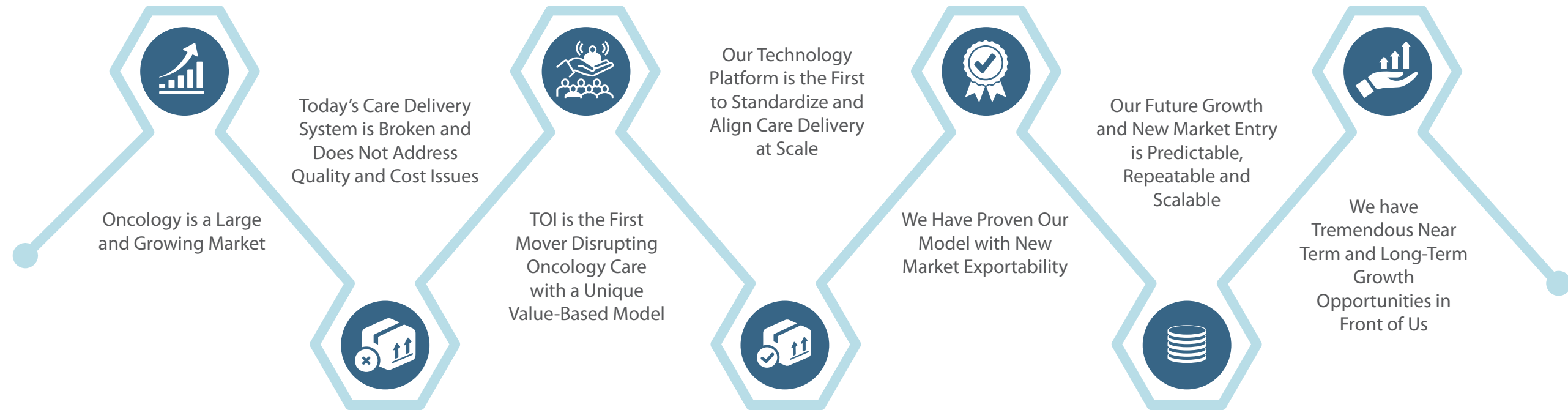
## Forward Looking Statements

This presentation includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “preliminary,” “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “project,” “predict,” “potential,” “guidance,” “approximately,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding projections, estimates and forecasts of revenue and other financial and performance metrics and projections of market opportunity and expectations. These statements are based on various assumptions and on the current expectations of The Oncology Institute, Inc. (“TOI”) and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of TOI. These forward-looking statements are subject to a number of risks and uncertainties, including the outcome of judicial and administrative proceedings to which TOI may become a party or governmental investigations to which TOI may become subject that could interrupt or limit TOI’s operations, result in adverse judgments, settlements or fines and create negative publicity; changes in TOI’s clients’ preferences, prospects and the competitive conditions prevailing in the healthcare sector; the risk that any required regulatory approvals could adversely affect TOI; failure to continue to meet stock exchange listing standards; the impact of COVID-19 on the TOI’s business; those factors discussed in the documents of TOI filed, or to be filed, with the SEC. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that TOI does not presently know or that TOI currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect TOI’s, plans or forecasts of future events and views as of the date of this press release. TOI anticipates that subsequent events and developments will cause TOI’s assessments to change. TOI does not undertake any obligation to update any of these forward-looking statements. These forward-looking statements should not be relied upon as representing TOI’s assessments as of any date subsequent to the date of this press release. Accordingly, undue reliance should not be placed upon the forward-looking statements

## Financial Information; Non-GAAP Financial Measures

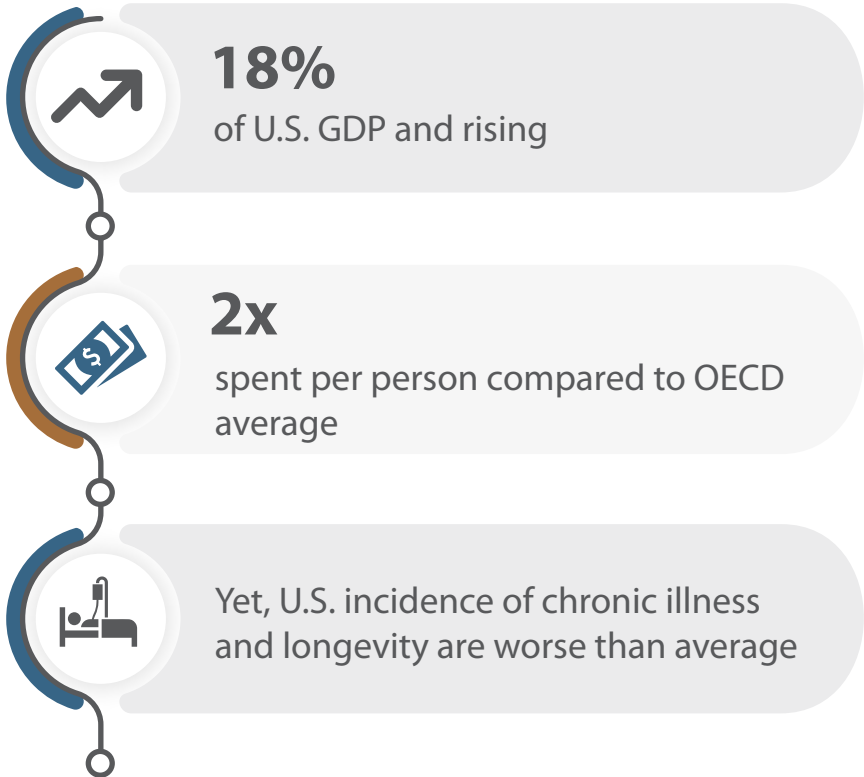
Some of the financial information and data contained in this presentation, such as Adjusted EBITDA, have not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). TOI believes that the use of Adjusted EBITDA provides an additional tool to assess operational performance and trends in, and in comparing our financial measures with, other similar companies, many of which present similar non-GAAP financial measures to investors. TOI’s non-GAAP financial measures may be different from non-GAAP financial measures used by other companies. The presentation of non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial measures determined in accordance with GAAP. The principal limitation of Adjusted EBITDA is that it excludes significant expenses and income that are required by GAAP to be recorded in the Company’s financial statements. Because of the limitations of non-GAAP financial measures, you should consider the non-GAAP financial measures presented in this presentation in conjunction with TOI’s financial statements and the related notes thereto

# TOI Investment Highlights

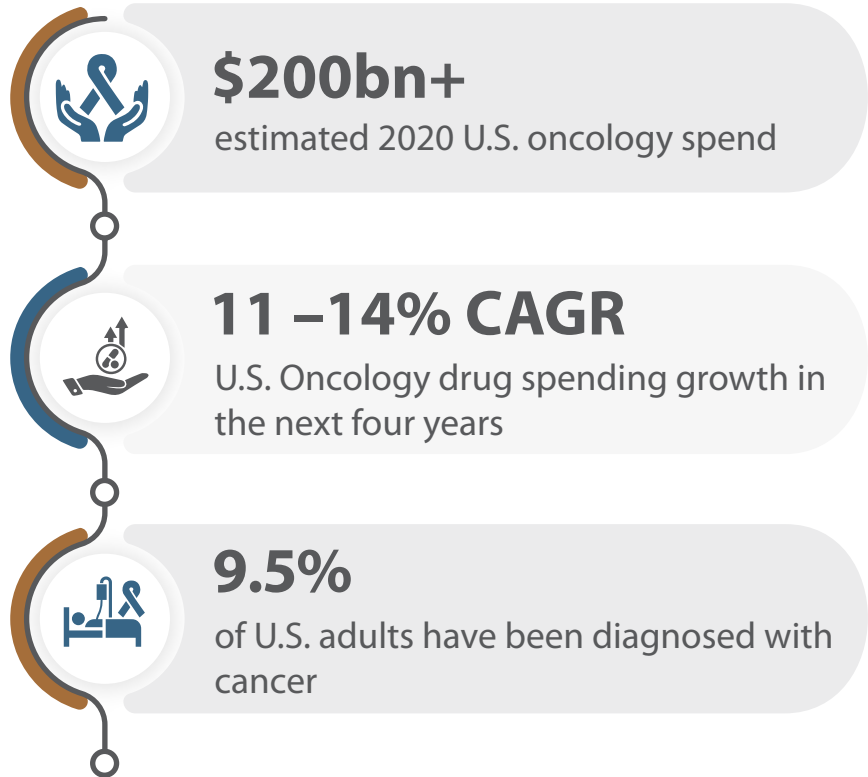


# Rising Cost of Oncology Care is a Massive Problem in the U.S.

## Healthcare is Unaffordable and Inefficient in the U.S.



## U.S. Oncology Spend Growth Continues to Accelerate



Massive Market with Accelerating Growth Driven by Misalignment, Complex and Variable Clinical Pathways and High-Cost Drugs

Sources: Cancer Epidemiology, Biomarkers & Prevention –American Association For Cancer Research, July 2020; National Center for Health Statistics; IQVIA Institute; National Health Expenditure Data –CMS; Spending on Health: Latest Trends –OECD, June 2018.

# We Are Disrupting the Status Quo in Cancer Care



## Our Disruptive Value-Based Oncology Care

- Incentivized by **quality**
- Incentivized to use **high-value therapies**
- Physician compensation model aligned to **quality and patient satisfaction**
- Practice tailored to address **individualized patient needs**
- **Supported by patient and payors**
- Aligned to support **appropriate transitions** to palliative and hospice care

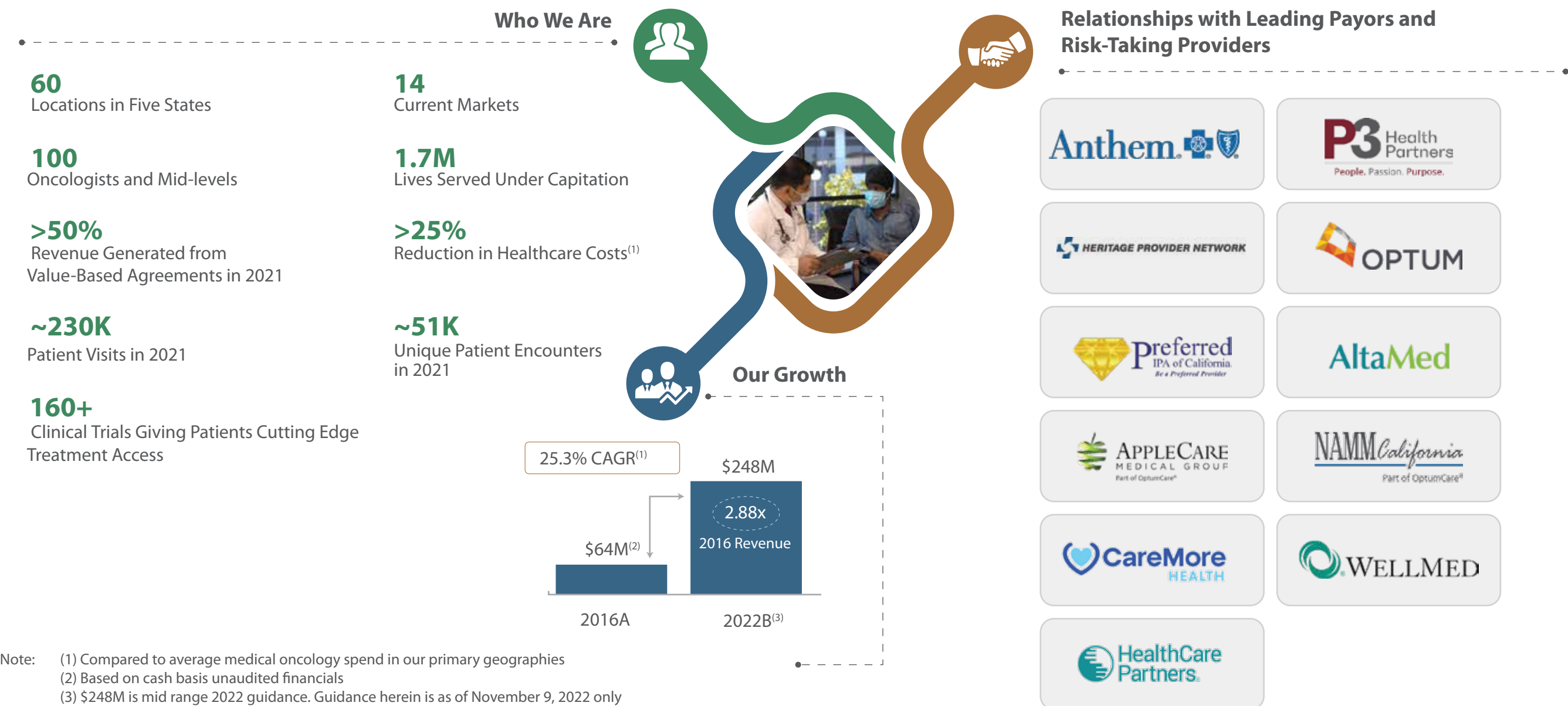


## Today's Traditional Fee-for-Service Oncology Care

- Incentivized by **volume**
- Incentivized to use **high-cost therapies**
- Physician compensation model aligned to **high cost**
- Practice **tailored to profit**
- **Supported by drug manufacturers** and distributors
- **No incentives** to utilize appropriate care transitions

Our Healthcare System is Being Rebuilt with New Value-Based Care Models

# We are a Leading Value-Based Oncology Care Platform



# We are shifting the market to value-based oncology care

## We Are Shifting the Market to Value-Based Oncology Care

- Growth in value-based primary care propels TOI's growth
- Value-based payments comprised of **36% of healthcare spending in 2018** vs. 20% in 2014
- Since 2013, Humana has increased PCPs within value-based arrangements by **145%**
- Primary / preventative care only encompasses **less than 3%** of Medicare spend; vast majority of spend occurs outside of primary care clinics



## Oncology Spend is a Major Pain Point for Value-Based Primary Care

### Illustrative Value Based Primary Care Group Funds Flow



### TOI is a Market Leader in Value-Based Oncology Care

Sources: American Society of Clinical Oncology; Cancer Epidemiology, Biomarkers & Prevention –American Association For Cancer Research, July 2020; Global Market Insights; IQVIA Institute; Wall Street research.  
Note: MA = Medicare Advantage.



# Our Value-Based Oncology Care Model is Disrupting the Market

TOI is a Leading Value-Based Oncology Care Practice that is Aligning both Physicians and Payors with Incentives to Simultaneously Enhance Quality and Lower Costs

## Physician Practices

Aligned with physicians, practice-based models are incentivized to over prescribe expensive therapeutics and over utilize care which results in higher costs



## Benefits Managers

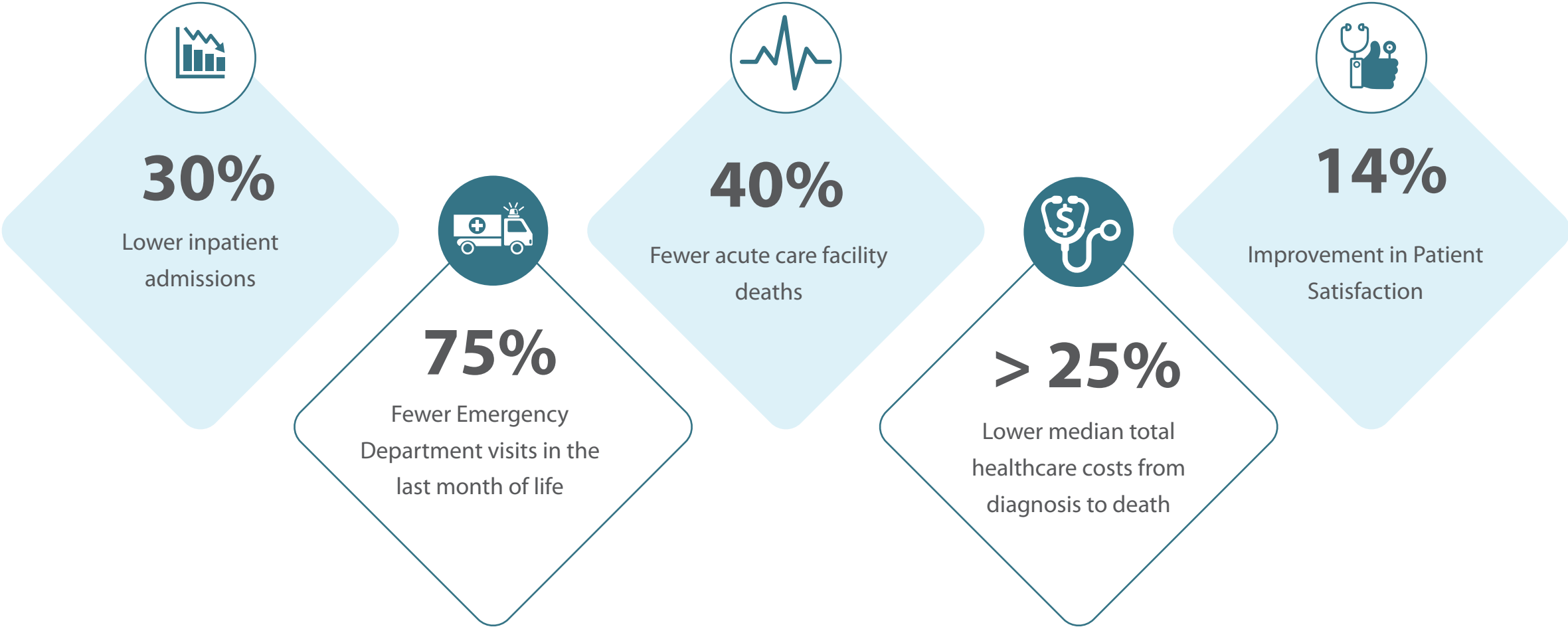
Aligned with payors, benefit managers seek to change provider behavior which has limited success and typically results in an antagonistic relationship with physicians





# Our Results are Peer-Reviewed and Published

Highly Effective in Delivering Quality, Value-Based Oncology Care

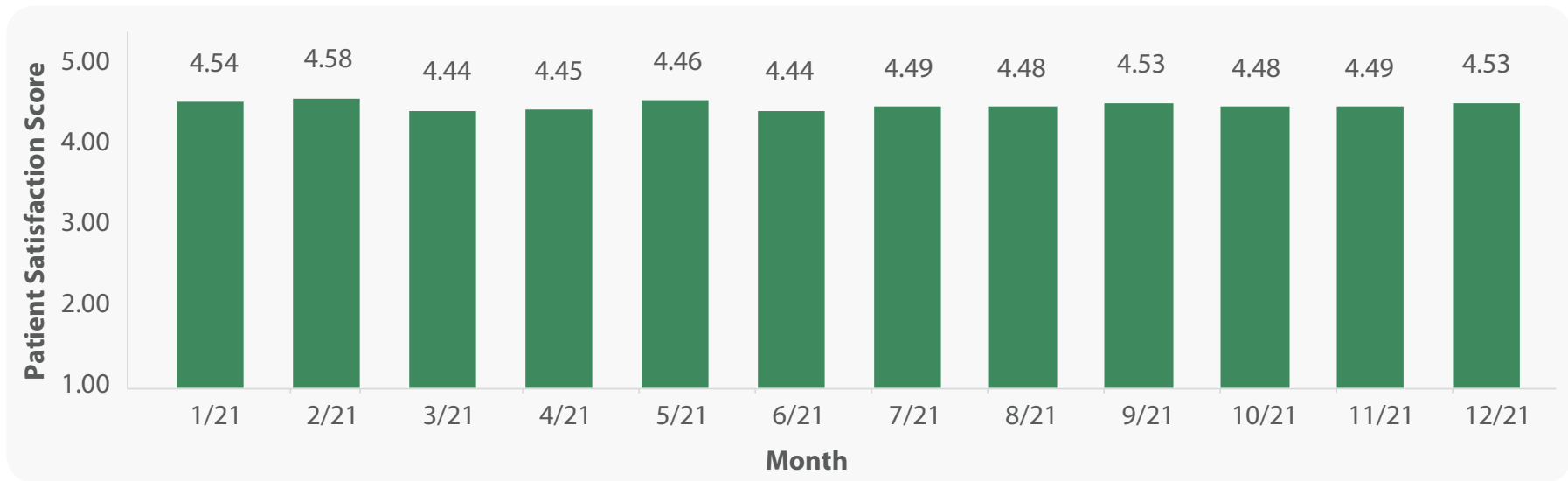


Study on TOI Patient Population Conducted by Researchers at Stanford University

Note: Based on TOI patient population conducted by researchers at Stanford University, as of April 11, 2021.

# Our Patient-Centric Focus Drives High Levels of Satisfaction

## Highly Satisfied Patient Base Supports Care Delivery Model While Strengthening Payor Relationships



- Thousands of same-day patient surveys via text and email.
- Overall survey average 4.5/5 across all sites over 12 months.
- Survey feedback loop to operations managers drives service excellence.

“Thank you all for **helping me through this life test...**From the front desk to the specialist – when it comes to cancer, **you are all needed and appreciated; your kindness and selflessness makes a world of difference** to the patients and their families.”

*–Lynwood Clinic Patient*

“**Awesome place**, from the support staff and Dr. Morrison. He was the BEST! **Would highly recommend** this clinic to everyone who needs it.”

*–Downey Clinic Patient*

“I am very thankful and happy to have found his group. Dr. Baghian and staff are kind, compassionate, and knowledgeable. Everyone I have interacted with has made me feel as though they **truly care about making sure I receive quality care in a timely manner.** Exceptional!”

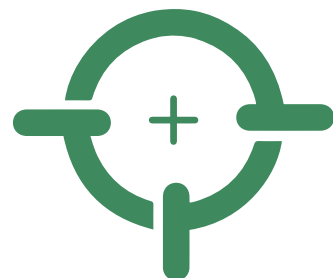
*–Riverside Clinic Patient*

# We Use Multiple Levers to Reduce Cost of Care

## Where We Focus

### Treatments

- Reduce practice pattern variability
- Access to clinical trials in the community
- Vertical integration of dispensary and scaled drug purchasing



### High-Value Cancer Care Program

- Algorithm driven action plan
- 24/7 Health Care Coach
- Patient education and engagement

### Palliative and Hospice Collaboration

- Providers trained in advanced care planning
- Close coordination between network providers



## Savings

> **25%**

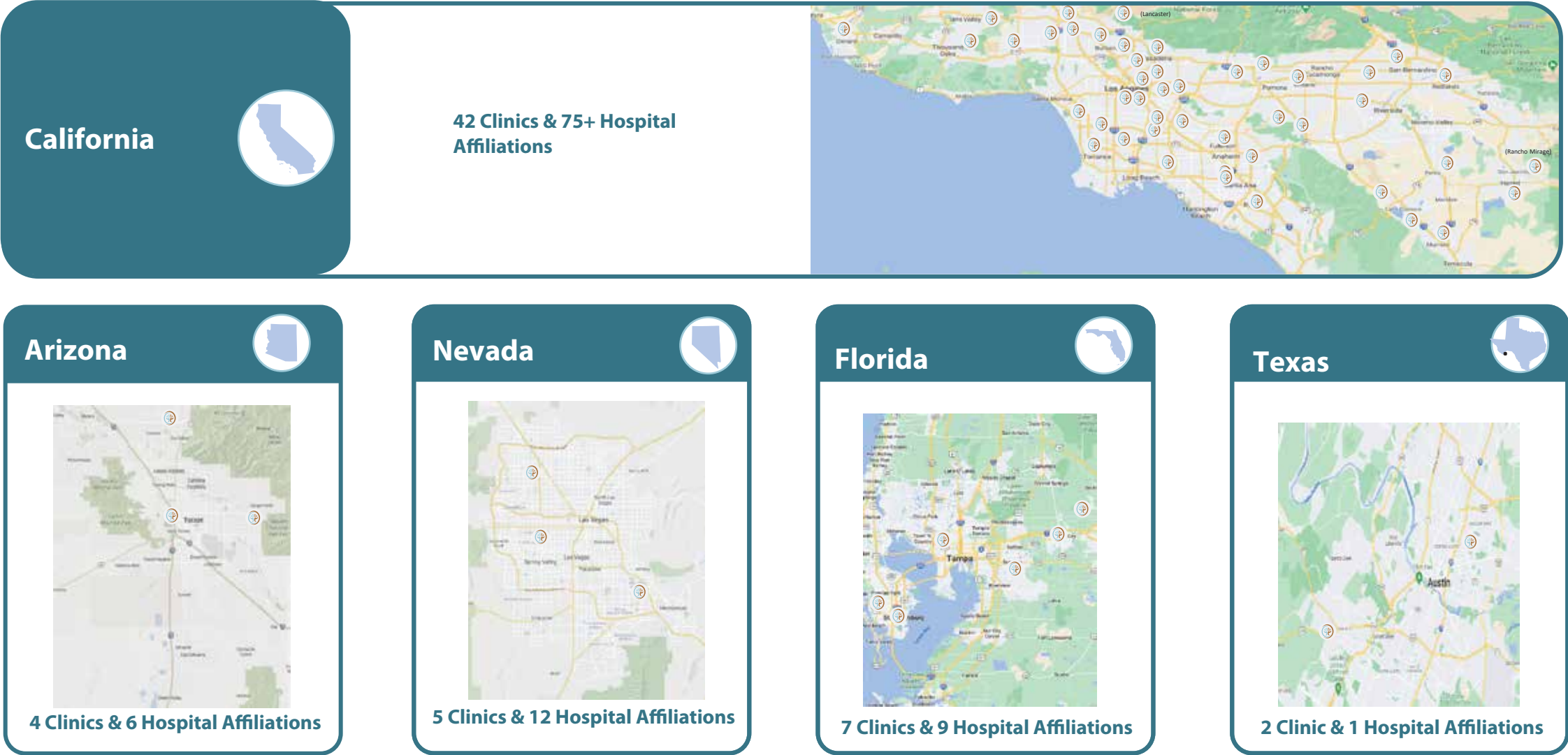
Reduction in Spend<sup>(1)</sup>

**Experience in relatively low-cost California market**

Sources: Lay Health care Worker Led Cancer Screening Interventions and the Effecton Patient-Reported Satisfaction, Health Status, Health care Use, and Total Costs; Journal Of Oncology Practice; August 16, 2019.

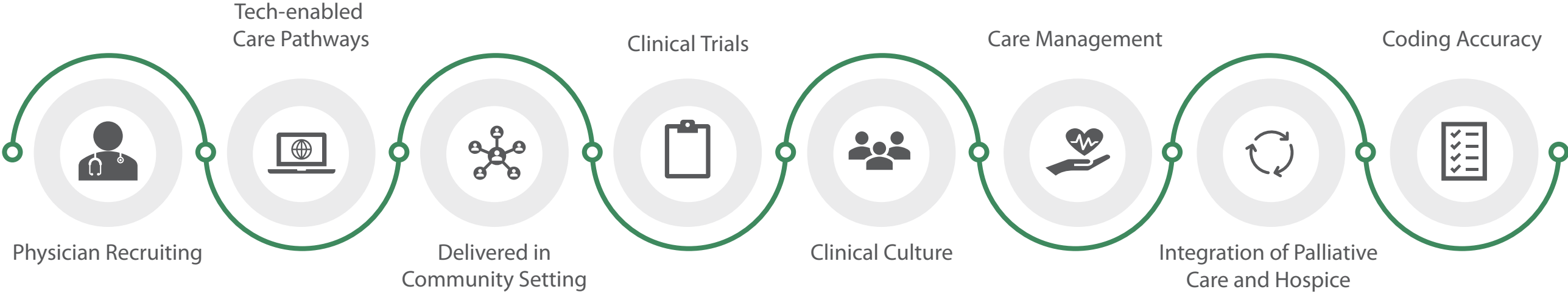
Note: (1) Compared to average Per Member Per Month costs in our primary geographies.

# Proven Portability with Rapidly Expanding Footprint



# Our Care Model is Hard to Replicate

TOI has Developed Many Highly Specific and Difficult to Replicate Capabilities that Collectively Comprise our Competitive Strengths



# Our Technology Platform is Purpose Built for Oncology Care



## Collect

Work with health plans and primary care doctors on front-end collection of extensive patient data sets



## Analyze

Leverage proprietary algorithms and data science to refine relevant clinical care pathways



## Apply

Use results from our data analysis to dictate appropriate care pathways

## Key attributes



- **Actionable**
- **Efficient**
- **Scalable**
- **Flexible**

- Proprietary custom-built regimens and pathways embedded into EHR
- Full availability of practice data enables analytic insights and data-sharing collaborations
- Heavily customized where unique to TOI model; leverage vendor-partner solutions where needs are common
- Integrations across systems enable workflows, ensure seamless experience and consistent tracking and reporting
- Cloud-based application set deployed readily and managed centrally, supporting rapid expansion
- No limitation on number of sites or clinicians; supports roles in clinic, regionalized/centralized, or nearshore/offshore
- Supports different contract structures and lines of business, regional flexibility as needed
- Workflow and analytics tools built to be quickly iterated, vendor-partnerships include custom feature development

# Strong Unit Economics Drives Increasing Profitability

## Embedded Gross Margin Expansion Potential as TOI Scales

### Margin Expansion Drivers



**Value-Based Volume Mix:**

As our mix of value-based revenue increases our margins are expected to improve; **pods today with highest mix of value-based contract achieve 30%+ margins**



**Provider Utilization:**

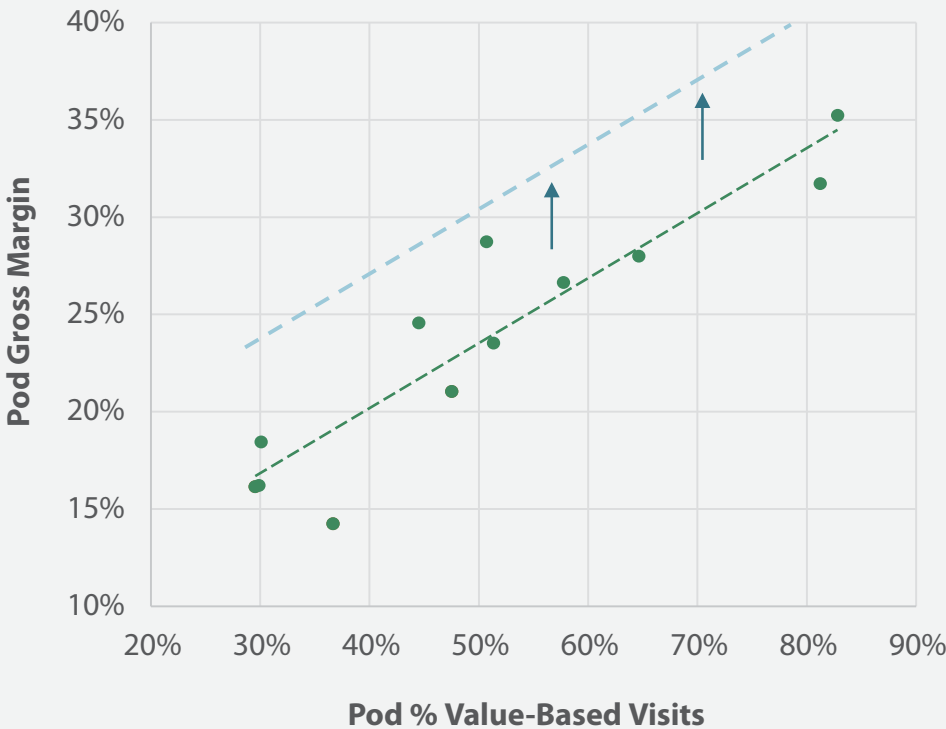
- Margins expected to improve as
- Provider **productivity increases** in maturing clinics
  - The ratio of **APPs<sup>(1)</sup> to MDs increases**



**Market Dynamics:**

Certain expansion markets have higher-cost fee-for-service oncology, therefore we believe **TOI can deliver better value and savings to our customers and capture higher margins**

### TOI Pod<sup>(2)</sup> Gross Margin vs. % Value-Based Visits

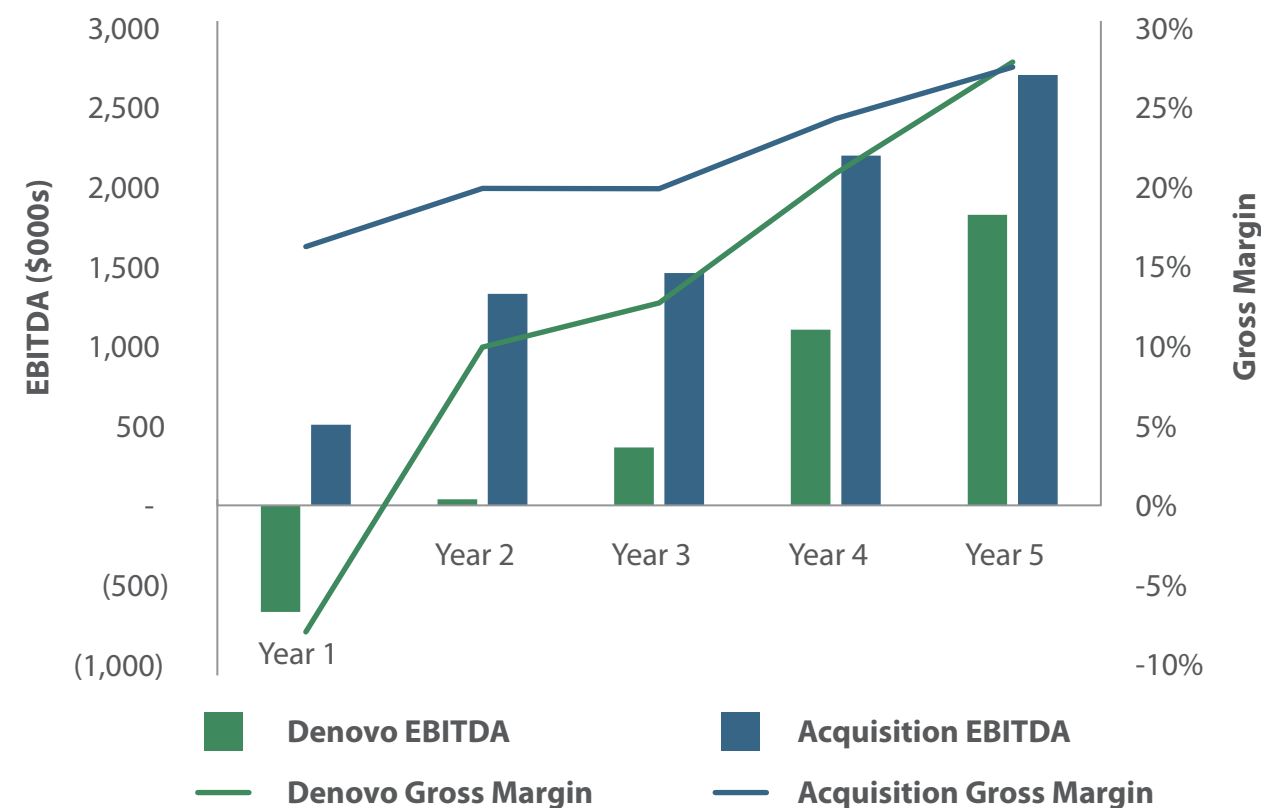


Note: (1) Advanced Practice Providers (APPs) include Physician Assistants and Nurse Practitioners;  
(2) Each pod is an operational unit consisting of 2-5 clinics, grouped together based on geographic proximity and visit volume. This analysis was performed in 2020.



# Strong Unit Economics Provide the Foundation of Future Growth

## Illustrative New Market Ramp

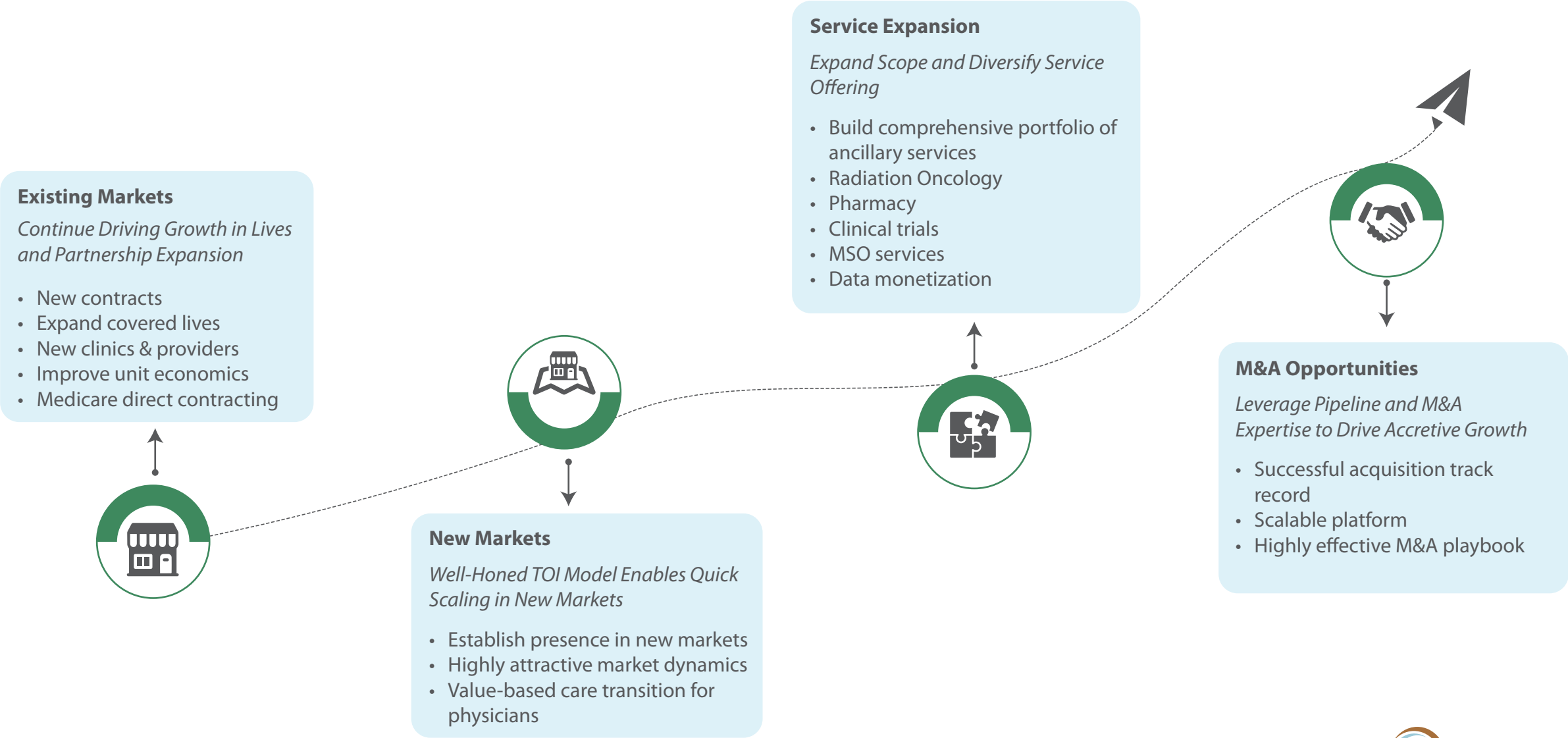


- New Markets launch with **FFS + Gainshare**
- Acquisition CAGR (Top-line): **18%**
- Acquisition EBITDA accretive: **Year 1**
- DeNovo CAGR (Top-line): **53%**
- Conversion to Capitated Contracts by year 4: enabling **Gross Margins >25%**

Note: Actual results may vary materially

# Multiple Levers to Sustain Long Term Growth Trajectory

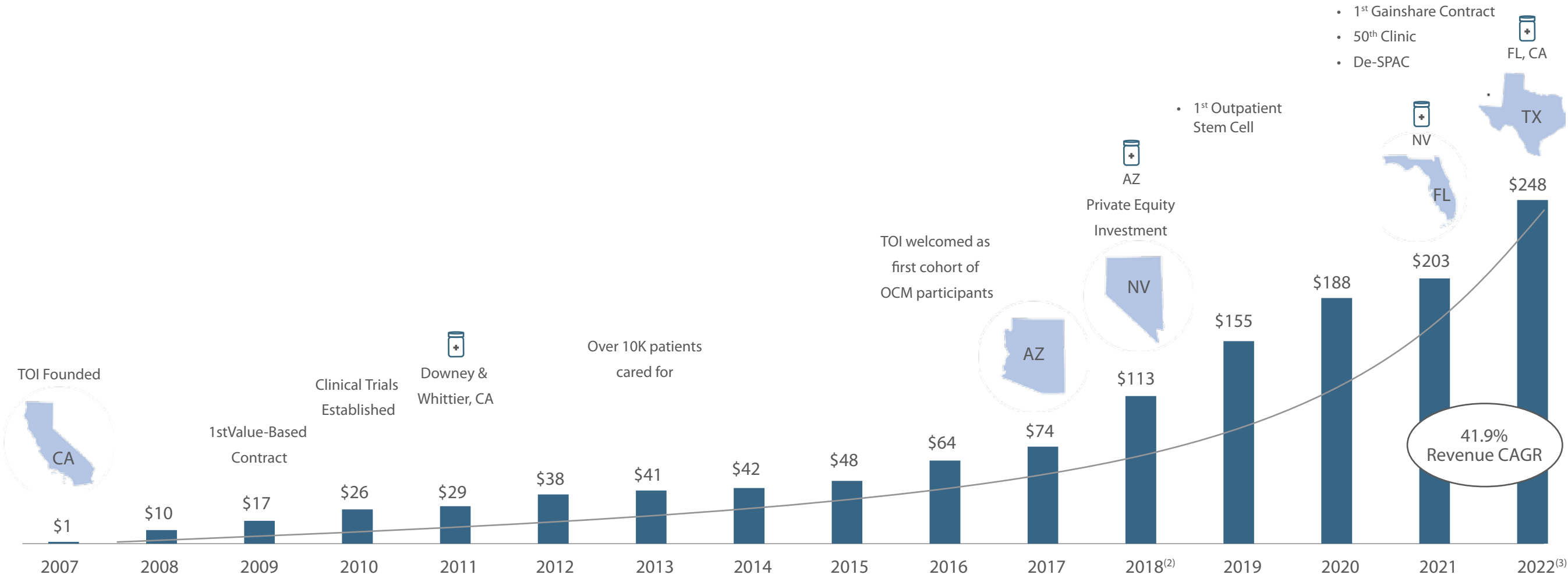
TOI represents 0.01% of the U.S. Oncology Market providing substantial growth opportunity





# Financial Overview

# Revenue<sup>(1)</sup> and Milestone Timeline



Notes: (1) 2007-2017 revenue is cash basis, unaudited and pertains to the Predecessor entity only  
(2) Predecessor revenue of \$76M; Successor revenue of \$37M  
(3) \$248M is mid range 2022 guidance. Guidance herein is as of November 9, 2022 only



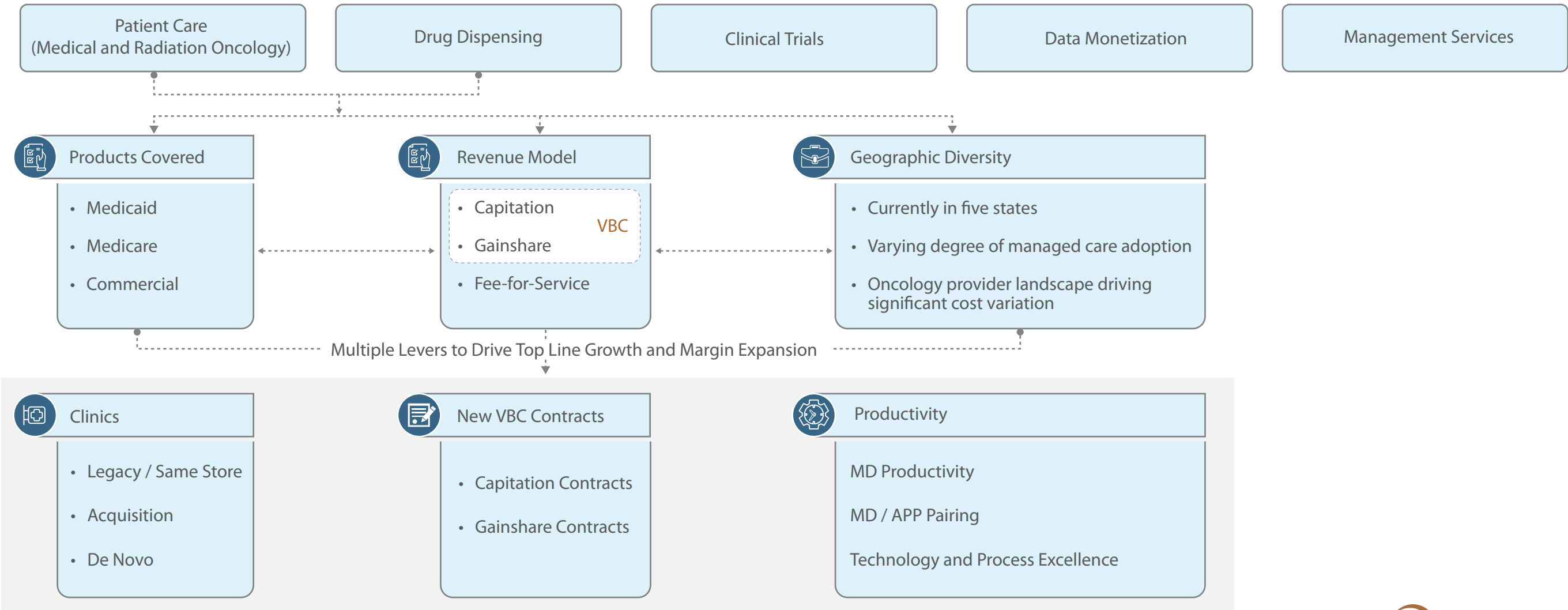
Dispensary Opening



New State Entry

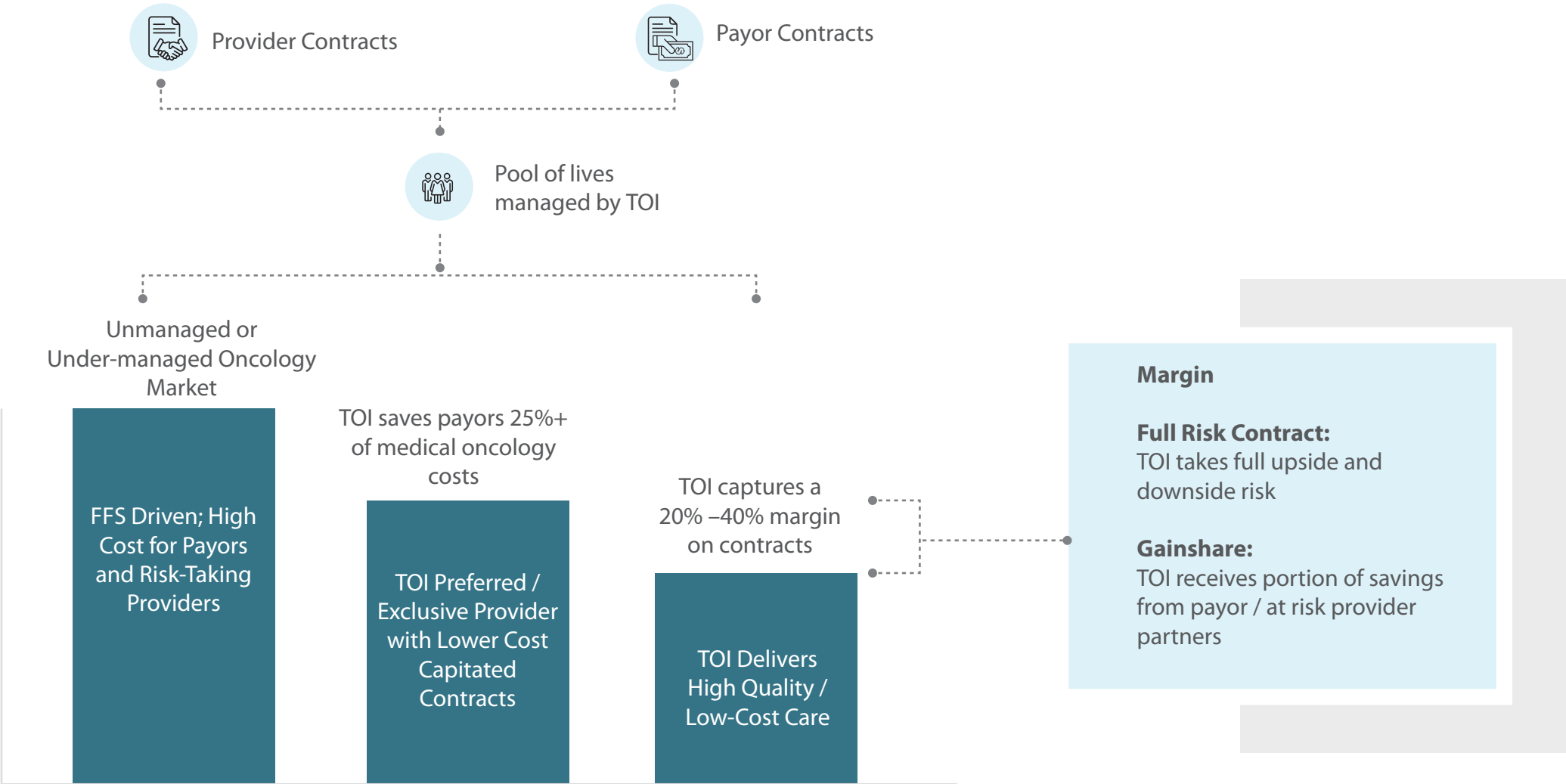
# Diversified Business Model with Multiple Drivers of Revenue Growth and Margin Expansion

## Diverse Line of Business



# Value Driven Highly Attractive Economic Model

## Illustrative Economic Model

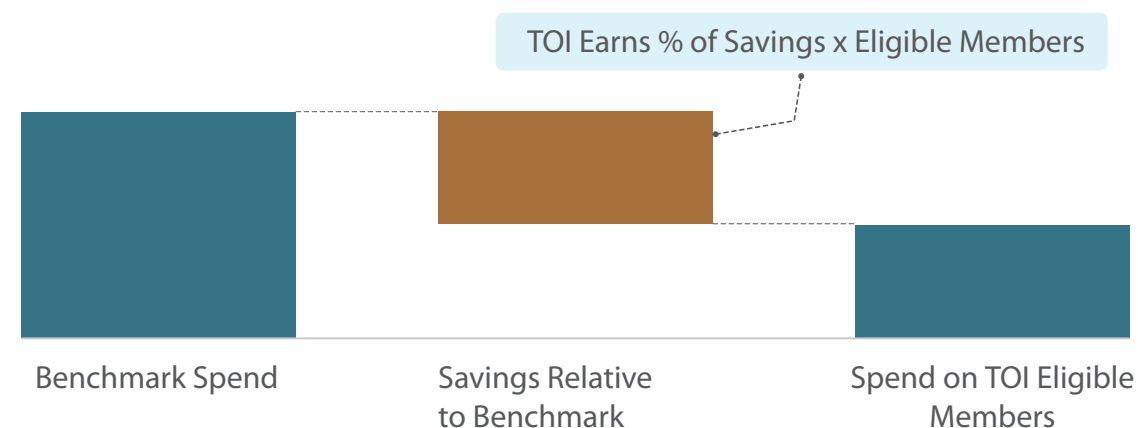


# Gain Share Contracts

## Gain Share Contracts Offer TOI an Entry Point with Payors in New Markets

- **Gain share contracts offer payors an alternative to full capitation**, with incentives for TOI to drive reductions in cost of care and improvements in quality of care
- Typically structured with an upside-only share of savings generated on patients seen by TOI relative to a benchmark
- Creative solution for risk-bearing primary care groups that aren't delegated for contracting
- Can include quality incentives for TOI to further improve patient care and lower overall cost
- Acts as a steppingstone to a broader capitation relationship as TOI demonstrates the value of its model of care

## Illustrative Gain Share Contract Structure



TOI Can Earn Additional Incentives by Achieving Quality Measures



# Proven economic model shows 20+% Gross Margins in Mature, Value-Based driven markets



## Same Store Markets

- Established Value-Based Partnerships
- Continued Strategic Growth
- **Same-Store Gross Margin 20+%**

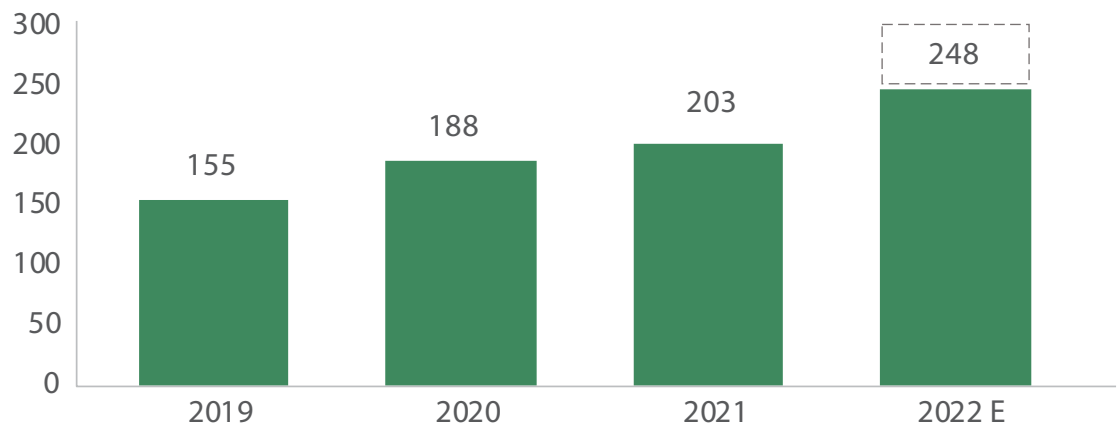


## Growth Markets

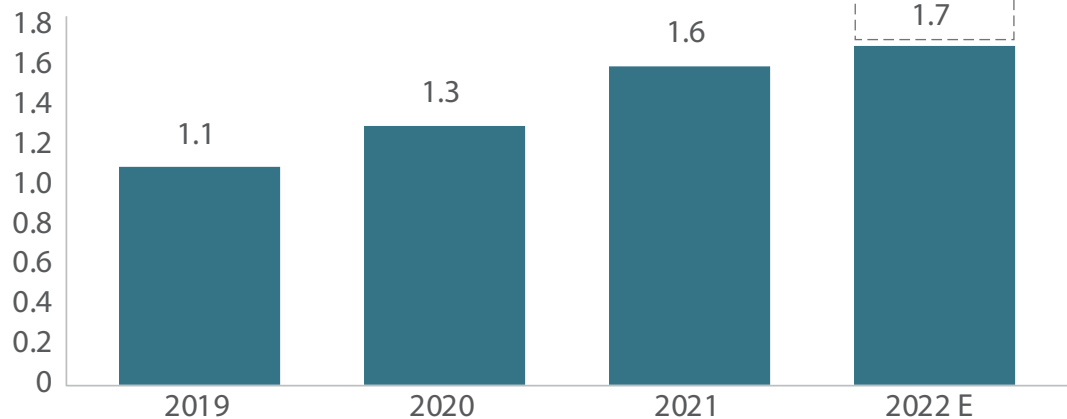
- Recently opened markets
- Launched in partnership with national value-based primary care groups
- **Ramping Gross Margins**

# Historic growth supports continued scale to drive increased revenue

Revenue (\$ in millions)



Capitated Lives (in millions)



## 2019-2022 Growth

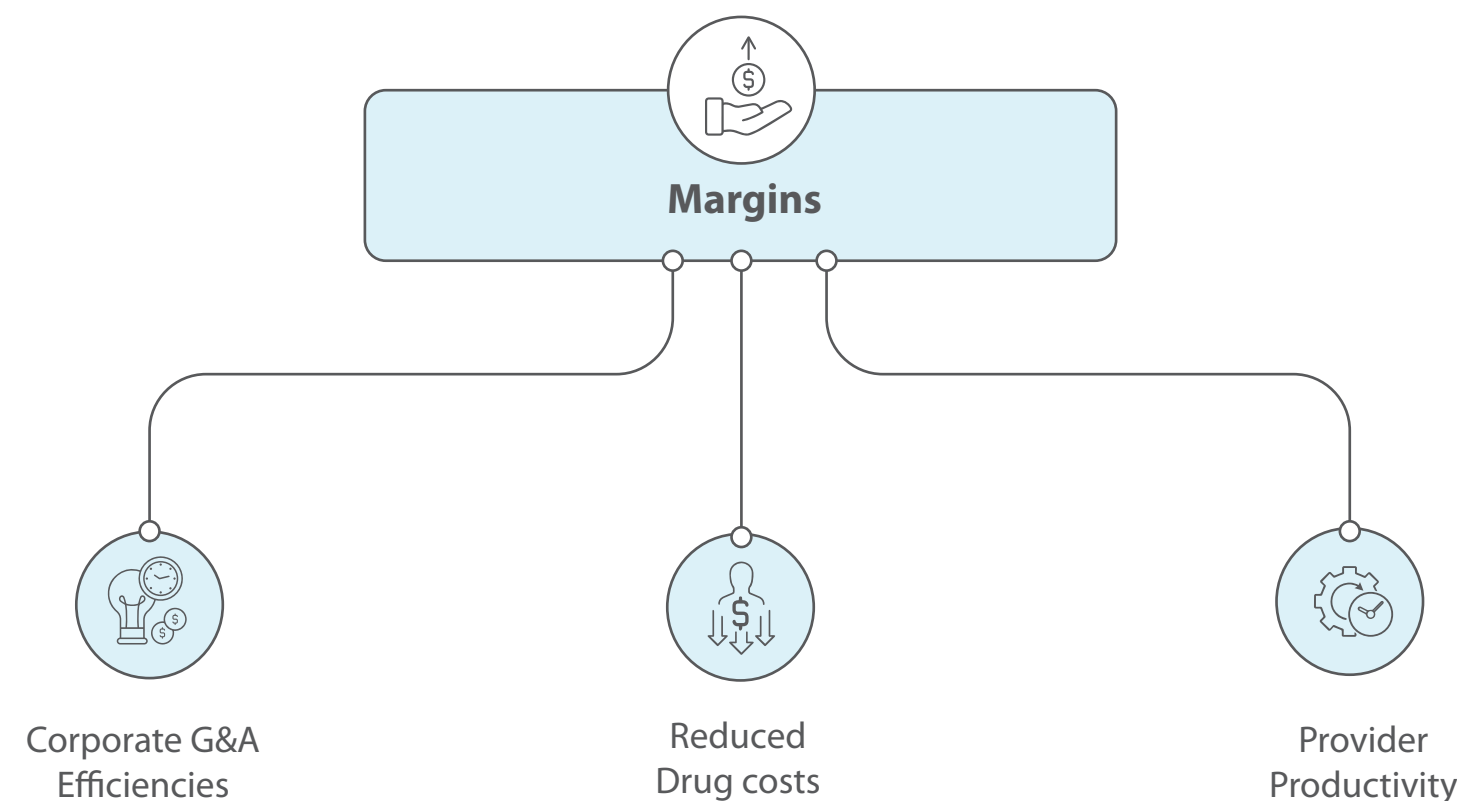
✓ New Value-Based Contracts +10 new contracts +624K lives

✓ New Markets – 7 (in 3 states)



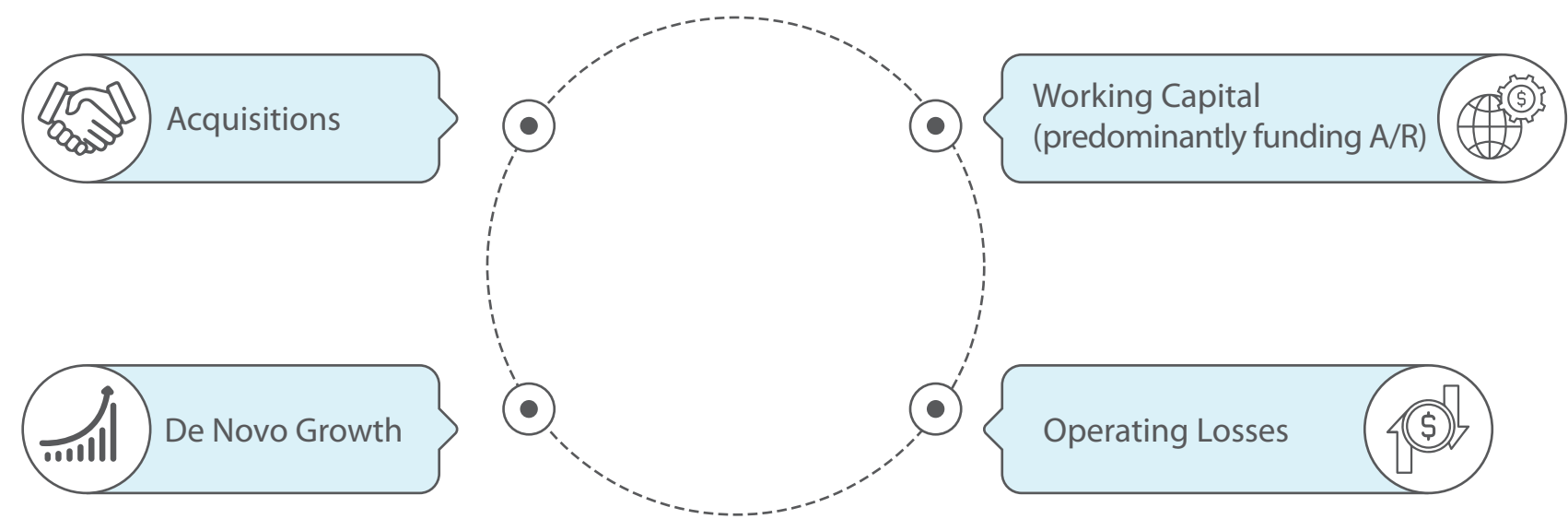
✓ New Clinics – 10 through acquisition, 11 through DeNovo

# Benefits of scale go beyond top line



TOI's growth allows us to scale our infrastructure, driving better margins due to lower drug costs, and more efficient providers – all leading to more savings for our payor partners and patients

# Capital Deployment Strategy fueled by recent \$110 million strategic investment by Deerfield Management



Adjusted EBITDA and Net Income Profitability projected in 2024

# 2022 Guidance

Metric	Updated Guidance Range
Revenue	\$245 to \$250 million, representing 21% to 23% growth over 2021 revenue
Gross Profit	\$45 to \$50 million
Adjusted EBITDA	\$(25) to (28) million
Value-Based Lives	1.65 to 1.75 million lives representing 3% growth over 2021 year-end-lives

Note: TOI's achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the U.S. Securities and Exchange Commission. The outlook does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of TOI's acquisitions, dispositions or financings during 2022. TOI's outlook assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented.

# Key Takeaways



Early Market Leader in Large and Growing Market



Proven Economic Model with Imbedded Scalability



Well Capitalized, with Disciplined Deployment Strategy



Our growth enables high-quality, affordable care for more patients



# Historical Financials



# Historical Financials

		For Three Months Ended				For Three Months Ended			For Year Ended	
		Mar 31, 2021	Jun 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2020	Dec 31, 2021
Revenue	Patient services									
	Capitated revenue	\$12,330	\$12,897	\$14,124	\$14,934	\$14,516	\$13,944	\$16,355	\$37,381	\$54,285
	FFS revenue	17,292	16,889	18,843	16,765	20,541	25,165	28,272	79,436	69,789
	Subtotal	29,622	29,786	32,967	31,699	35,057	39,109	44,627	116,817	124,074
	Dispensary	17,618	17,782	17,918	19,232	18,679	20,218	18,839	63,890	72,550
	Clinical trials & other	1,340	2,276	1,390	1,373	1,425	1,594	1,511	6,808	6,379
	<b>Total operating revenue</b>	<b>48,580</b>	<b>49,844</b>	<b>52,275</b>	<b>52,304</b>	<b>55,161</b>	<b>60,921</b>	<b>64,977</b>	<b>187,515</b>	<b>203,003</b>
Expenses	Operating expenses									
	Direct costs – patient services	23,086	23,574	25,391	27,350	27,378	32,875	36,126	95,747	99,401
	Direct costs – dispensary	15,123	15,237	15,279	16,463	15,324	16,754	15,738	53,907	62,102
	Direct costs – clinical trials & other	169	143	182	158	137	150	113	982	652
	Selling, general and administrative expense	11,178	11,212	12,729	48,246	29,806	28,348	31,963	41,898	83,365
	Depreciation and amortization	777	794	850	920	987	1,098	1,134	3,178	3,341
	<b>Total operating expenses</b>	<b>\$50,333</b>	<b>\$50,960</b>	<b>\$54,432</b>	<b>\$93,136</b>	<b>\$73,632</b>	<b>\$79,225</b>	<b>85,074</b>	<b>\$195,712</b>	<b>\$248,861</b>

(\$ in thousands)

To be continued..

# Historical Financials

		For Three Months Ended				For Three Months Ended			For Year Ended	
		Mar 31, 2021	Jun 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sept 30, 2022	Dec 31, 2020	Dec 31, 2021
Income (Loss)	Loss from operations	(1,753)	(1,116)	(2,157)	(40,832)	(18,471)	(18,304)	(20,097)	(8,197)	(45,858)
	Other non-operating expense (income)									
	Interest expense	101	81	78	60	74	61	1,497	347	320
	Change in fair value of derivative warrant liabilities	-	-	-	(3,686)	1,461	(2,065)	159	-	(3,686)
	Change in fair value of earnout liabilities	-	-	-	(24,891)	(39,440)	(10,800)	(3,581)	-	(24,891)
	Change in fair value of conversion option derivative liabilities	-	-	-	(24,891)	(39,440)	(10,800)	(15,510)	-	(24,891)
	Gain on debt extinguishment	-	(5,186)	-	229	(183)	-	-	-	(4,957)
	Other, net	(1,076)	4	(54)	80	151	(15)	36	6,271	(1,046)
	<b>Total other non-operating income</b>	(975)	(5,101)	24	(28,208)	(37,937)	(12,819)	(17,399)	6,618	(34,260)
	Income (loss) before provision for income taxes	(778)	3,985	(2,181)	(12,624)	19,466	(5,485)	(2,698)	(14,815)	(11,598)
	Income tax (expense) benefit	(218)	(780)	(799)	2,468	(180)	32	24	493	671
	<b>Net (loss) income</b>	(996)	3,205	(2,980)	(10,156)	19,286	(5,453)	(2,674)	(14,322)	(10,927)
	<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$69</b>	<b>\$343</b>	<b>\$110</b>	<b>\$(5,346)</b>	<b>\$(5,184)</b>	<b>\$(6,867)</b>	<b>\$(6,680)</b>	<b>\$5,773</b>	<b>\$(4,824)</b>

Note: (1) Adjusted EBITDA is a non-GAAP measure. For a discussion and reconciliation to the nearest GAAP measure please see Slide 32 of this presentation.

# Adjusted EBITDA Reconciliation

The Company includes adjusted EBITDA because it is an important measure upon which our management uses to assess the results of operations, to evaluate factors and trends affecting the business, and to plan and forecast future periods.

Adjusted EBITDA is “non-GAAP” financial measure within the meaning of Item 10 of Regulation S-K promulgated by the SEC. Management believes that this measure provides an additional way of viewing aspects of the Company's operations that, when viewed with the GAAP results, provides a more complete understanding of the Company's results of operations and the factors and trends affecting the business. However, non-GAAP financial measures should be considered a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with U.S. GAAP. Non-GAAP financial measures used by management may differ from the non-GAAP measures used by other companies, including the Company's competitors. Management encourages investors and others to review the Company's financial information in its entirety, not to rely on any single financial measure.

**The following table provides a reconciliation of net income (loss), the most closely comparable GAAP financial measure, to Adjusted EBITDA:**

	Three Months Ended						Year Ended	Year Ended
	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Dec 31, 2020	Dec 31, 2021
(in thousands)								
Net (loss) income	\$(996)	\$3,205	\$(2,980)	\$(10,156)	\$19,286	\$(5,653)	\$(14,322)	\$(10,927)
Depreciation and amortization	777	794	850	919	987	1,098	3,178	3,341
Interest expense	101	81	78	60	74	61	347	320
Income tax expense	218	780	799	(2,467)	180	(32)	(493)	(671)
Board and management fees	106	102	106	239	45	62	\$620	553
Non-cash addbacks	(13)	(5,728)	99	526	197	108	11,972	(5,115)
Share-based compensation	42	51	59	24,382	8,552	6,515	151	24,535
Change in fair value of liabilities	-	-	-	-	-	-	-	-
Unrealized (gains) losses on investments			-				33	
Practice acquisition-related costs	90	107	71	208	422	111	374	476
Practice acquisition deferred purchase price			-				2,088	
Consulting and legal fees	387	543	221	676	655	1,144	1,495	1,826
Other, net	(643)	408	807	1,120	953	1,634	2,451	1,692
Public company transaction costs	-	-	-	7,723	1,444	750	-	7,723
<b>Adjusted EBITDA</b>	<b>\$69</b>	<b>\$343</b>	<b>\$110</b>	<b>\$(5,347)</b>	<b>\$(5,184)</b>	<b>\$(7,067)</b>	<b>\$5,773</b>	<b>\$(4,824)</b>