

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

(Mark One)

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

For the quarterly period ended September 30, 2024  
OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-39248

**The Oncology Institute, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

84-3562323

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

**18000 Studebaker Road, Suite 800  
Cerritos, California**

**90703**

(Address of Principal Executive Offices)

(Zip Code)

**(562) 735-3226**

Registrant's telephone number, including area code

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	TOI	The Nasdaq Stock Market LLC
Redeemable warrants, each whole warrant exercisable for one share of Common stock, each at an exercise price of \$11.50 per share	TOIIW	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

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

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

As of November 6, 2024, the registrant had 75,559,075 shares of common stock outstanding.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

THE ONCOLOGY INSTITUTE, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(US Dollars in thousands, except share data)

	September 30, 2024 (Unaudited)	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 47,402	\$ 33,4
Marketable securities	—	49,3
Accounts receivable, net	54,502	42,3
Other receivables	358	5
Inventories	10,106	13,6
Prepaid expenses and other current assets	4,057	4,0
<b>Total current assets</b>	<b>116,425</b>	<b>143,4</b>
Property and equipment, net	12,274	10,8
Operating right of use assets	27,083	29,1
Intangible assets, net	15,583	17,9
Goodwill	7,230	7,2
Other assets	588	5
<b>Total assets</b>	<b>\$ 179,183</b>	<b>\$ 209,2</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 24,572	\$ 14,4
Current portion of operating lease liabilities	6,749	6,3
Accrued expenses and other current liabilities	15,436	13,9
<b>Total current liabilities</b>	<b>46,757</b>	<b>34,7</b>
Operating lease liabilities, net of current portion	24,664	26,4
Derivative warrant liabilities	64	6
Conversion option derivative liabilities	514	3,0
Long-term debt, net of unamortized debt issuance costs	91,537	86,8
Other non-current liabilities	133	3
Deferred income taxes liability	32	
<b>Total liabilities</b>	<b>163,701</b>	<b>152,2</b>

**THE ONCOLOGY INSTITUTE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(US Dollars in thousands, except share data)**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
	<b>(Unaudited)</b>	
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Common Stock, \$0.0001 par value, authorized 500,000,000 shares; 77,292,849 shares issued and 75,559,075 shares outstanding at September 30, 2024 and 75,879,025 shares issued and 74,145,251 shares outstanding at December 31, 2023	8	
Series A Convertible Preferred Stock, \$0.0001 par value, authorized 10,000,000 shares; 165,045 shares issued and outstanding at September 30, 2024 and December 31, 2023	—	
Additional paid-in capital	214,124	204,124
Treasury Stock at cost, 1,733,774 shares at September 30, 2024 and December 31, 2023	(1,019)	(1,019)
Accumulated deficit	(197,631)	(146,124)
<b>Total stockholders' equity</b>	<b>15,482</b>	<b>57,005</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 179,183</b>	<b>\$ 209,205</b>

Note: The Company's condensed consolidated balance sheets include the assets and liabilities of its consolidated variable interest entities ("VIEs"). The condensed consolidated balance sheets include total assets that can be used only to settle obligations of the Company's consolidated VIEs totaling \$76,035 and \$71,305 as of September 30, 2024 and December 31, 2023, respectively, and total liabilities of the Company's consolidated VIEs for which creditors do not have recourse to the general credit of the Company totaling \$266,205 and \$210,422 as of September 30, 2024 and December 31, 2023, respectively. See Note 17 for further details.

See accompanying notes to the condensed consolidated financial statements.

**THE ONCOLOGY INSTITUTE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(US Dollars in thousands, except share data)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue				
Patient services	\$ 49,752	\$ 53,634	\$ 154,666	\$ 157,333
Dispensary	48,210	26,792	132,329	76,228
Clinical trials & other	1,939	1,609	6,150	4,890
<b>Total operating revenue</b>	<b>99,901</b>	<b>82,035</b>	<b>293,145</b>	<b>238,451</b>
Operating expenses				
Direct costs – patient services	45,118	44,961	141,137	132,653
Direct costs – dispensary	40,091	21,072	111,701	60,328
Direct costs – clinical trials & other	326	24	946	276
Goodwill impairment charges	—	—	—	16,867
Selling, general and administrative expense	26,646	28,205	82,970	85,761
Depreciation and amortization	1,573	1,698	4,580	4,296
<b>Total operating expenses</b>	<b>113,754</b>	<b>95,960</b>	<b>341,334</b>	<b>300,181</b>
<b>Loss from operations</b>	<b>(13,853)</b>	<b>(13,925)</b>	<b>(48,189)</b>	<b>(61,730)</b>
Other non-operating expense (income)				
Interest expense, net	2,225	1,755	6,328	4,836
Change in fair value of derivative warrant liabilities	(20)	203	(572)	(58)
Change in fair value of earnout liabilities	—	(23)	—	(792)
Change in fair value of conversion option derivative liabilities	—	1,284	(2,568)	(2,034)
Other, net	55	140	104	354
<b>Total other non-operating loss</b>	<b>2,260</b>	<b>3,359</b>	<b>3,292</b>	<b>2,306</b>
Loss before provision for income taxes	(16,113)	(17,284)	(51,481)	(64,036)
Income tax expense	—	(135)	—	(278)
<b>Net loss</b>	<b>\$ (16,113)</b>	<b>\$ (17,419)</b>	<b>\$ (51,481)</b>	<b>\$ (64,314)</b>
<b>Net loss per share attributable to common stockholders:</b>				
Basic	\$ (0.18)	\$ (0.19)	\$ (0.56)	\$ (0.71)
Diluted	\$ (0.18)	\$ (0.19)	\$ (0.56)	\$ (0.71)
<b>Weighted-average number of shares outstanding:</b>				
Basic	75,524,823	73,469,101	74,838,340	73,679,454
Diluted	75,524,823	73,469,101	74,838,340	73,679,454

See accompanying notes to the condensed consolidated financial statements.

**THE ONCOLOGY INSTITUTE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND CHANGES IN STOCKHOLDERS' EQUITY**  
**(US Dollars in thousands, except share and per share data)**  
**(Unaudited)**

	Common Stock		Preferred Stock		Treasury Stock	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2023</b>	75,879,025	\$ 8	165,045	\$ —	\$ (1,019)	\$ 204,186	\$ (146,150)	\$ 57,025
Net loss	—	—	—	—	—	—	(19,889)	(19,889)
Issuance of common stock upon vesting of restricted stock units	83,020	—	—	—	—	—	—	—
Issuance of common stock upon exercise of options	84,649	—	—	—	—	73	—	73
Share-based compensation expense	—	—	—	—	—	4,087	—	4,087
<b>Balance at March 31, 2024</b>	76,046,694	\$ 8	165,045	\$ —	\$ (1,019)	\$ 208,346	\$ (166,039)	\$ 41,296
Net loss	—	—	—	—	—	—	(15,479)	(15,479)
Issuance of common stock upon vesting of restricted stock units	1,174,868	—	—	—	—	—	—	—
Issuance of common stock upon exercise of options	2,701	—	—	—	—	2	—	2
Share-based compensation expense	—	—	—	—	—	3,387	—	3,387
<b>Balance at June 30, 2024</b>	77,224,263	\$ 8	165,045	\$ —	\$ (1,019)	\$ 211,735	\$ (181,518)	\$ 29,206
Net loss	—	—	—	—	—	—	(16,113)	(16,113)
Issuance of common stock upon vesting of restricted stock units	68,586	—	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	2,389	—	2,389
<b>Balance at September 30, 2024</b>	77,292,849	\$ 8	165,045	\$ —	\$ (1,019)	\$ 214,124	\$ (197,631)	\$ 15,482

	Common Stock		Preferred Stock		Treasury Stock	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>Balance at December 31, 2022</b>	73,265,621	\$ 7	165,045	\$ —	\$ —	\$ 186,250	\$ (63,082)	\$ 123,175
Net loss	—	—	—	—	—	—	(29,998)	(29,998)
Issuance of common stock upon vesting of restricted stock units	488,988	—	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	5,229	—	5,229
<b>Balance at March 31, 2023</b>	73,754,609	\$ 7	165,045	\$ —	\$ —	\$ 191,479	\$ (93,080)	\$ 98,406
Net loss	—	—	—	—	—	—	(16,897)	(16,897)
Issuance of common stock upon vesting of restricted stock units	793,607	—	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	4,107	—	4,107
Treasury stock purchase	—	—	—	—	(894)	—	—	(894)
<b>Balance at June 30, 2023</b>	74,548,216	\$ 7	165,045	\$ —	\$ (894)	\$ 195,586	\$ (109,977)	\$ 84,722
Net loss	—	—	—	—	—	—	(17,419)	(17,419)
Issuance of common stock upon vesting of restricted stock units	899,069	1	—	—	—	—	—	1
Issuance of common stock upon exercise of options	14,616	—	—	—	—	13	—	13
Share-based compensation expense	—	—	—	—	—	4,657	—	4,657
Treasury stock purchase	—	—	—	—	(125)	—	—	(125)
<b>Balance at September 30, 2023</b>	75,461,901	\$ 8	165,045	\$ —	\$ (1,019)	\$ 200,256	\$ (127,396)	\$ 71,849

See accompanying notes to the condensed consolidated financial statements.



**THE ONCOLOGY INSTITUTE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(US Dollars in thousands)**  
**(Unaudited)**

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (51,481)	\$ (64,314)
<b>Adjustments to reconcile net loss to cash and cash equivalents used in operating activities:</b>		
Depreciation and amortization	4,580	4,296
Amortization of debt issuance costs and debt discount	4,711	4,633
Goodwill impairment charges	—	16,867
Share-based compensation	9,863	13,731
Change in fair value of liability classified warrants	(572)	(58)
Change in fair value of liability classified earnouts	—	(792)
Change in fair value of liability classified conversion option derivatives	(2,568)	(2,034)
Realized loss on sale of investments	—	11
Unrealized (gain) loss on investments	(134)	(44)
Accretion of discount on investment securities	(499)	(712)
Deferred taxes	—	50
Credit losses	—	31
Loss on disposal of property and equipment	51	—
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(12,142)	(8,657)
Other receivables	193	153
Inventories	3,572	(2,913)
Prepaid expenses and other current assets	(8)	2,728
Operating right-of-use assets	2,086	4,448
Other assets	(27)	(83)
Accounts payable	8,476	3,961
Current and long-term operating lease liabilities	(1,436)	(3,909)
Accrued expenses and other current liabilities	4,815	579
Other non-current liabilities	(204)	(394)
<b>Net cash and cash equivalents used in operating activities</b>	<b>(30,724)</b>	<b>(32,422)</b>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(2,034)	(3,706)
Cash paid for practice acquisitions, net	—	(4,300)
Purchases of marketable securities/investments	—	(9,683)
Sales of marketable securities/investments	50,000	68,702
<b>Net cash and cash equivalents provided by investing activities</b>	<b>47,966</b>	<b>51,013</b>
<b>Cash flows from financing activities:</b>		
Payments made for financing of insurance payments	(1,002)	(3,010)
Payment of deferred consideration liability for acquisition	(2,372)	(959)
Principal payments on financing leases	(29)	(91)
Common stock repurchase	—	(1,019)
Common stock issued for options exercised	75	13
<b>Net cash and cash equivalents used in financing activities</b>	<b>(3,328)</b>	<b>(5,066)</b>
Net increase in cash and cash equivalents	13,914	13,525
<b>Cash and cash equivalents at beginning of period</b>	<b>33,488</b>	<b>14,010</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 47,402</b>	<b>\$ 27,535</b>
<b>Supplemental disclosure of noncash investing and financing activities:</b>		
Deferred consideration as part of practice acquisitions	\$ —	\$ 1,813
Purchases of property and equipment included in accounts payable	\$ 1,667	\$ —
<b>Supplemental disclosure of cash flow information:</b>		
<b>Cash paid for:</b>		

**THE ONCOLOGY INSTITUTE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(US Dollars in thousands)**  
**(Unaudited)**

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Income taxes	\$ —	\$ 226
Interest	\$ 3,337	\$ 3,383

See accompanying notes to the condensed consolidated financial statements.

**THE ONCOLOGY INSTITUTE, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**  
**As of September 30, 2024 and December 31, 2023, and for the three and nine months ended September 30, 2024 and 2023**  
**(US Dollars in thousands, except share data)**

**Note 1. Description of the Business**

**Overview of the Business**

The Oncology Institute, Inc. ("TOI") was formerly known as DFP Healthcare Acquisitions Corp. ("DFPH"). TOI is a Delaware corporation originally formed in 2019 as a publicly-traded special purpose acquisition company for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination ("Business Combination"). The Company (as defined below) was originally founded in 2007 and is a community oncology practice that operates value-based oncology services platforms. TOI has various wholly-owned subsidiaries, including The Oncology Institute, LLC ("TOI LLC") (which was formerly known as TOI Parent, Inc.), The Oncology Institute of Hope and Innovation Patient Safety Organization, LLC, and TOI Management, LLC ("TOI Management"). Additionally, TOI Management holds master services agreements with affiliated physician-owned professional entities ("TOI PCs") that confer controlling financial interest over the professional entities and their wholly-owned subsidiaries (TOI PCs, together with TOI, the "Company").

On November 12, 2021 ("Closing Date"), a series of mergers closed (the "Business Combination"), which resulted in DFPH emerging as the parent of the combined entity Orion Merger Sub II, LLC and TOI Parent (together, "Legacy TOI"). DFPH was renamed "The Oncology Institute, Inc." and its common stock and "public warrants" continued to be listed on Nasdaq under the ticker symbols "TOI" and "TOIHW," respectively.

Operationally, the Company's medical centers provide a complete suite of medical oncology services including: physician services, in-house infusion and pharmacy, clinical trials, radiation, educational seminars, support groups, counseling, and 24/7 patient assistance. TOI's mission is to heal and empower cancer patients through compassion, innovation and state-of-the-art medical care. The Company brings comprehensive, integrated cancer care into the community setting, including clinical trials, palliative care programs, stem cell transplants, and other care delivery models traditionally associated with non-community-based academic and tertiary care settings. In addition, the Company's consolidating subsidiary, TOI Clinical Research, LLC ("TCR"), performs cancer clinical trials through a network of cancer care specialists. TCR conducts clinical trials for a broad range of pharmaceutical and medical device companies from around the world.

The Company has 120 oncologists and mid-level professionals across 72 clinic locations located within four states: California, Florida, Arizona, Oregon and Nevada. The Oncology Institute CA, a Professional Corporation ("TOI CA"), one of the TOI PCs, is comprised of the clinic locations in California, Nevada, and Arizona. The Company has contractual relationships with multiple payors, serving Medicare, including Medicare Advantage, Medi-Cal, and commercial patients.

**Note 2. Summary of Significant Accounting Policies**

**Unaudited Interim Financial Information**

The accompanying interim condensed consolidated financial statements are unaudited and have been prepared in accordance with Article 10 of Regulation S-X issued by the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and note disclosures required by U.S. generally accepted accounting principles ("GAAP") for complete consolidated financial statements. However, the Company believes that the disclosures are adequate to ensure the information is not misleading. In the opinion of management, all adjustments (of normal and recurring nature) considered necessary for fair presentation have been reflected in these interim statements. As such, the information included in the accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes as of and for the year ended December 31, 2023, issued on March 28, 2024 in the Company's Annual Report on Form 10-K.

**Principles of Consolidation**

The accompanying condensed consolidated financial statements include the accounts of TOI, its subsidiaries, all of which are controlled by TOI through majority voting control, and variable interest entities ("VIEs") for which TOI (through TOI Management) is the primary beneficiary. The Company consolidates entities in which it has a controlling financial interest based on either the variable interest entity or voting interest model. All significant intercompany balances and transactions have been eliminated in consolidation.

## **Variable Interest Entities**

The Company consolidates entities for which it has a variable interest and is determined to be the primary beneficiary. Noncontrolling interests in less-than-wholly-owned consolidated subsidiaries of the Company are presented as a component of total equity to distinguish between the interests of the Company and the interests of the noncontrolling owners. Revenues, expenses, and net income or losses from these subsidiaries are included in the consolidated amounts as presented on the Condensed Consolidated Statements of Operations.

The Company holds variable interests in TOI PCs, which it cannot legally own, as a result of entering into master services agreements ("MSAs"). As of September 30, 2024, TOI held variable interests in TOI CA, The Oncology Institute FL, LLC, a Professional Corporation ("TOI FL"), The Oncology Institute OR, a Professional Corporation ("TOI OR"), and The Oncology Institute TX, a Professional Corporation ("TOI TX"), all of which are VIEs. The Company is the primary beneficiary of the TOI PCs and thus, consolidates the TOI PCs in its financial statements. As discussed in Note 17, the shareholders of the Company's consolidating VIEs own a minority of the issued and outstanding shares of common stock of the Company.

## **Business Combinations**

The Company accounts for all transactions that represent business combinations using the acquisition method of accounting under Accounting Standards Codification ("ASC") Topic No. 805, *Business Combinations* ("ASC 805"). The Company first assesses whether an acquisition constitutes a business combination or asset acquisition by applying the screening test and analyzing whether the acquired entity has substantive inputs, processes, and the ability to produce outputs. Upon concluding an acquisition is a business combination, per ASC 805, the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity are recognized and measured at their fair values on the date an acquirer obtains control of the acquiree. Such fair values that are not finalized for reporting periods following the acquisition date are estimated and recorded as provisional amounts. Adjustments to these provisional amounts during the measurement period (defined as the date through which all information required to identify and measure the consideration transferred, the assets acquired, the liabilities assumed, and the noncontrolling interests obtained, limited to one year from the acquisition date) are recorded when identified. Goodwill is determined as the excess of the fair value of the consideration exchanged in the acquisition over the fair value of the net assets acquired.

## **Segment Reporting**

The Company presents the financial statements by segment in accordance with ASC Topic No. 280, *Segment Reporting* ("ASC 280") to provide investors with transparency into how the chief operating decision maker ("CODM") manages the business. The Company determined the CODM is its Chief Executive Officer. The CODM reviews financial information and allocates resources across three operating segments: patient services, dispensary, and clinical trials & other. Each of the operating segments is also a reporting segment as described further in Note 20.

## **Use of Estimates**

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates under different assumptions or conditions. Significant items subject to such estimates and assumptions include judgments related to revenue recognition, estimated accounts receivable and the allowance for credit losses, useful lives and recoverability of long-lived and intangible assets, recoverability of goodwill, fair values of acquired identifiable assets and assumed liabilities in business combinations, fair value of intangible assets and goodwill, fair value of share-based compensation, fair value of liability classified instruments, and judgments related to deferred income taxes.

For the nine months ended September 30, 2024, due to historical Direct and Indirect Remuneration (DIR) fee run out data and low reimbursement, the Company changed its estimates for DIR fees incurred. The result of this change in estimate resulted in a decrease to the dispensary operating revenue segment and net income by approximately \$2.4 million for the nine months ended September 30, 2024.

## **Net Income (Loss) Per Share**

Basic and diluted net income (loss) per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. The Company's Series A Convertible Preferred Stock is classified as a participating security in accordance with ASC 260. Under the two-class method, basic and diluted net income (loss) per share

attributable to common stockholders is computed by dividing the basic and diluted net income (loss) attributable to common stockholders by the basic and diluted weighted-average number of shares of common stock outstanding during the period. Diluted net income per share attributable to common stockholders adjusts basic net income per share for the potentially dilutive impact of stock options, restricted stock units, Medical RSUs (defined in Note 14), earnout shares (defined in Note 14), public warrants, private placement warrants, and Senior Secured Convertible Notes (defined in Note 11).

The treasury stock method is used to calculate the potentially dilutive effect of stock options, RSUs, public warrants, and private placement warrants. The if-converted method is used to calculate the potentially dilutive effect of the Senior Secured Notes. In both methods, diluted net income (loss) attributable to common stockholders and diluted weighted-average shares outstanding are adjusted to account for the impact of the assumed issuance of potential shares of common stock that are dilutive, subject to dilution sequencing rules. The earnout shares are contingently issuable; therefore, the earnout shares are excluded from basic and diluted net income (loss) per share until the market conditions have been met (see more detail on the earnout shares in Note 14). The Medical RSUs are also contingently issuable; therefore, they are excluded from basic net income (loss) per share until the performance and service conditions have been met (see more detail in Note 14). Further, the number of contingently issuable Medical RSUs included in diluted net income (loss) per share is based on the number of shares, if any, that would be issuable if the end of the reporting period were the end of the contingency period and if the result would be dilutive. For the periods presented, the public and private placement warrants are out of the money; therefore, the public and private placement warrants are antidilutive and excluded from diluted net loss per share.

### **Fair Value Measurements**

The Company accounts for fair value measurements under ASC Topic No. 820, *Fair Value Measurements* (“ASC 820”). The Company uses valuation approaches that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels (see Note 7 for further discussion):

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The Company's fair value measurement methodology for cash and cash equivalents, accounts receivable, other receivables, and accounts payable approximates fair value because of the short maturity and high liquidity of these instruments. Fair value measurement of investment securities available for sale is based upon quoted prices from active markets, if available (Level 1). If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation methodologies. Level 2 investment securities include US Treasuries purchased in the secondary market that use pricing inputs other than quoted prices in active markets and fair value is determined using pricing models or other valuation methodologies such as broker price indications, which are based on quoted prices for identical or similar notes, which are Level 2 input measures. Contingent considerations are valued using a present value factor using credit rating yields which are considered to be a Level 3 fair value measurement. Fair value measurements used for the goodwill and intangible assets are based on the discounted cash flow method within the income approach and guideline public company method to value the reporting units, which is considered to be a Level 3 fair value measurement. The unobservable inputs utilized in determining the fair value of goodwill based on the income approach primarily include estimated future cash flows, discounted at a rate that approximates the cost of capital of a market participant. Inputs used to calculate the fair value based on the market approach include the revenue and earnings before interest, taxes, depreciation, and amortization (EBITDA) multiples based on guidelines for similar publicly traded companies and recent transactions. Fair value measurements of derivative warrants and earnout liabilities are based on Binomial Lattice and Monte-Carlo Simulation Models, respectively, which are considered to be Level 3 fair value measurements. The primary unobservable input utilized in determining the fair value of the derivative warrants and earnouts is the expected volatility of the common stock. Fair value measurements of the convertible note warrant and conversion option derivative liabilities are based on the Black-Derman-Toy model implemented in the Binomial Lattice and Black-Scholes Models, which are considered to be Level 3 fair value measurements. The primary unobservable input utilized in determining the fair value of the convertible note warrant and conversion option derivative liabilities is the expected volatility of the common stock.

## **Cash and Cash Equivalents**

Cash primarily consists of deposits with banking institutions. The Company considers all highly liquid investments that are both readily convertible into cash and mature within three months from the date of purchase to be cash equivalents.

## **Accounts Receivable and Allowance for Credit Losses**

The Company's accounts receivables are recorded and stated at the amount expected to be collected determined by each payor, net of an allowance for credit losses, under ASC Topic No. 310, *Receivables* ("ASC 310"). In accordance with ASC Topic No. 326, *Financial Instruments — Credit Losses* ("ASC 326"), the Company recognizes credit losses based on a forward-looking current expected credit losses ("CECL") model. The Company segregates accounts receivables into portfolio segments based on shared risk characteristics, such as line of business and customer type, for evaluation of expected credit losses. The Company makes estimates of expected credit losses based upon its assessment of various factors, including the age of accounts receivable balances, default-based statistics, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The allowance for credit losses is developed using a loss rate method and is recognized in the Condensed Consolidated Statement of Operations. The uncollectible accounts receivables are written off on a quarterly basis in the period when collection activities cease due to a final determination that all or a portion of the balance is no longer collectible and if there is no pending litigation activity related to the receivable. No allowance for credit losses was recorded as of September 30, 2024 and December 31, 2023.

## **Goodwill**

The Company accounts for goodwill under Accounting Standards Codification Topic No. 350, *Intangibles - Goodwill and Other* ("ASC 350"). Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net assets acquired in our business combinations.

Goodwill is not amortized but is required to be evaluated for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company performs its annual testing of impairment for goodwill in the fourth quarter of each year. When impairment indicators are identified, the Company compares the reporting unit's fair value to its carrying amount, including goodwill. An impairment loss is recognized as the difference, if any, between the reporting unit's carrying amount and its fair value to the extent the difference does not exceed the total amount of goodwill allocated to the reporting unit.

We performed a qualitative assessment for the three and nine months ended September 30, 2024 and determined it was not necessary to perform the two-step quantitative analysis. We determined there was no impairment for the three and nine months ended September 30, 2024.

When assessing goodwill for impairment for the nine months ended September 30, 2023, we first performed a qualitative assessment to determine whether it was necessary to perform the two-step quantitative analysis. Based on the qualitative assessment including our share price decrease as well as factors related to macroeconomic conditions, industry and market considerations, cost factors, financial performance and market capitalization, we determined it was likely that our reporting unit fair value was less than its carrying value and the two-step impairment test was performed. It was concluded that, based on the results of our assessment performed, there was a goodwill impairment of \$16,867 for the three months ended March 31, 2023. Goodwill impairment recorded for the three and nine months ended September 30, 2023 was \$0 and \$16,867, respectively.

## **Debt**

The Company accounts for debt net of debt issuance costs and debt discount. Debt issuance costs and debt discount are capitalized, netted against the related debt for presentation purposes, and amortized to interest expense over the terms of the related debt using the effective interest method.

The Company accounts for bifurcated, debt-classified embedded features separately as derivative liabilities pursuant to ASC Topic No. 815, *Derivatives and Hedging* ("ASC 815"). Bifurcated, debt-classified embedded features are recorded at fair value on the Company's balance sheet with subsequent changes in fair value recorded in the Condensed Consolidated Statement of Operations each reporting period.

## **Investments in Marketable Securities**

The Company's investments in marketable securities are classified as available-for-sale and are carried at fair value. The Company accounts for its investment securities available for sale using the fair value election pursuant to ASC 825, *Financial Instruments* ("ASC 825"), where changes in fair value are recorded in unrealized gains (losses), net on the Company's

Condensed Consolidated Statements of Operations. The Company determines the appropriate classification of these investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company's marketable securities are classified as current assets if the maturity date is less than one year from the balance sheet date.

Interest income and accretion on marketable securities are included in interest income in the Consolidated Statements of Operations. Realized gains and losses on sales of securities, and other-than-temporary declines in the fair value of marketable securities, if any, are included as a component of other income (expense), net in the Condensed Consolidated Statements of Operations. The cost of securities sold is based on the First In, First Out method.

At each reporting period, the Company evaluates available-for-sale marketable securities, to the extent the fair value option is not elected, for any credit-related impairment when the fair value of the investment is less than its amortized cost. If the Company determines that the decline in fair value is below the carrying value and this decline is other-than-temporary, credit-related impairment is recognized in the Consolidated Statement of Operations in accordance with ASC 320, *Debt Securities*. As of September 30, 2024, there were no available-for-sale instruments for which the fair value option was not elected.

### **Emerging Growth Company**

The Company qualifies as an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended ("Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and has elected to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect not to use the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. The Company has elected to use the extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company, nor an emerging growth company which has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

### **Comprehensive Loss**

Comprehensive loss includes net loss to common stockholders as well as other changes in equity that result from transactions and economic events other than those with stockholders. There was no difference between comprehensive loss and net loss to common stockholders for the periods presented.

### **Recently Issued and Adopted Accounting Standards**

In August 2020, the FASB issued ASU 2020-06, *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. ASU 2020-06 also removes certain settlement conditions that are required for equity-linked contracts to qualify for the derivative scope exception, and it also simplifies the diluted earnings per share calculation in certain areas. The new standard became effective for the Company on January 1, 2024. The adoption of this standard did not have a material impact on our condensed consolidated financial statements as of September 30, 2024.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"). Under ASU 2021-08, an acquirer must recognize, and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, *Revenue from Contract with Customers* ("ASC 606"). The guidance became effective for interim and annual periods beginning after December 15, 2023, with early adoption permitted. The Company adopted ASU 2021-08 on January 1, 2024 on a prospective basis.

On October 9, 2023, the FASB issued ASU 2023-06: *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* ("ASU 2023-06"), which amends the disclosure and presentation requirements related to various Codification subtopics. The ASU ("ASU 2023-06") was issued in response to the SEC's August 2018 final rule that updated and simplified disclosure requirements the SEC believed were "redundant, duplicative,

overlapping, outdated, or superseded.” The new guidance is intended to align U.S. GAAP and SEC requirements while facilitating the application of U.S. GAAP for all entities. The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. We are currently evaluating the impact of the guidance on our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”)*. The standard requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide, in interim periods, all disclosures about a reportable segment’s profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker. The ASU (“ASU 2023-07”) does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The standard became effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this ASU retrospectively to all prior periods presented in the financial statements. The Company expects this ASU to only impact our disclosures with no impact to our results of operations, cash flows and financial condition.

Moreover, in December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvement to Income Tax Disclosures (“ASU 2023-09”)*. The new standard requires a public business entity (PBE) to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the new standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity may apply the amendments in this ASU prospectively by providing the revised disclosures for the period ending December 31, 2025 and continuing to provide the pre-ASU disclosures for the prior periods, or may apply the amendments retrospectively by providing the revised disclosures for all period presented. The Company expects this ASU to only impact the presentation of our disclosures with no impact to our results of operations, cash flows, and financial condition.



**Note 3. Significant Risks and Uncertainties Including Business and Credit Concentrations****Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, accounts receivable, and investment securities.

Cash accounts in a financial institution may, at times, exceed the Federal Deposit Insurance Corporation coverage of \$250 per account ownership category. The Company has not experienced losses on these accounts, and management believes the Company is not exposed to significant risks on such accounts.

The Company's accounts receivable has implicit collection risk. The Company grants credit without collateral to their patients, most of whom are local residents and are insured under third-party payor agreements. The Company believes this risk is partially mitigated by the Company's establishment of long-term agreements and relationships with third-party payors that provide the Company with insight into historic collectability and improve the collections process.

The Company's investment securities portfolio is managed by a third-party vendor to provide a relatively stable source of investment income from excess liquidity while satisfactorily managing risk, including credit risk, reinvestment risk, liquidity risk, and interest rate risk.

**Revenue Concentration Risk**

The concentration of net revenue on a percentage basis for major payors for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Percentage of Patient Services Net Revenue:				
Payor A	N/A	11 %	N/A	11 %
Payor B	18 %	14 %	17 %	14 %

There was no concentration of gross receivables of patient services revenue on a percentage basis for major payors at September 30, 2024 and December 31, 2023.

All of the Company's revenue is generated from customers located in the United States.

**Vendor Concentration Risk**

The concentration of cost of sales on a percentage basis for major vendors for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Percentage of Direct Costs:				
Vendor A	100 %	100 %	100 %	100 %

The concentration of gross payables on a percentage basis for major payors at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
Percentage of Gross Payables:		
Vendor A	65 %	70 %

#### Note 4. Accounts Receivable

The Company's accounts receivable consist primarily of amounts due from third-party payors and patients. See Note 2 for a summary of the Company's policies relating to accounts receivable and allowance for credit losses.

Accounts Receivable as of September 30, 2024 and December 31, 2023 consist of the following:

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Oral drug accounts receivable (Dispensary)	\$ 9,222	\$ 2,914
Capitated accounts receivable (Patient Services)	5,652	1,757
FFS accounts receivable (Patient Services)	29,921	30,173
Clinical trials accounts receivable	2,309	2,595
Other trade receivables	7,398	4,921
<b>Total</b>	<b>\$ 54,502</b>	<b>\$ 42,360</b>

The Company adopted ASU 2016-13, as amended, effective January 1, 2023, and determined no allowance for credit losses was required as of that date. No allowance for credit losses was recorded as of September 30, 2024 and December 31, 2023.

As of January 1, 2023, the accounts receivable balance amounted to \$39,816.

During the three and nine months ended September 30, 2024, the Company had no net bad debt recoveries or bad debt expense. During the three and nine months ended September 30, 2023, credit losses related to direct write-offs totaled \$31 and \$42, respectively. Credit losses were a result of accounts receivable on completed contracts that were deemed uncollectible during the period. During the three and nine months ended September 30, 2023, the Company had recoveries of credit losses of \$0 and \$11, respectively.

#### Note 5. Revenue

The Company recognizes revenue in accordance with ASC 606 on the basis of its satisfaction of outstanding performance obligations. The Company typically fulfills its performance obligations over time, either over the course of a single treatment (fee-for-service or "FFS"), a month (capitation), or a number of months (clinical research). The Company also has revenue that is satisfied at a point in time (dispensary).

#### Disaggregation of Revenue

The Company categorizes revenue based on various factors such as the nature of contracts, payors, order to billing arrangements, and cash flows received by the Company, as follows:

<i>(in thousands)</i>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Patient services</b>				
Capitated revenue	\$ 14,813	\$ 18,056	\$ 51,182	\$ 51,410
FFS revenue	34,939	35,578	103,484	105,923
Subtotal	49,752	53,634	154,666	157,333
Dispensary revenue	48,210	26,792	132,329	76,228
Clinical trials and other	1,939	1,609	6,150	4,890
<b>Total</b>	<b>\$ 99,901</b>	<b>\$ 82,035</b>	<b>\$ 293,145</b>	<b>\$ 238,451</b>

Refer to Note 20 for Segment Reporting for disaggregation of revenue by reporting segment.

#### Contract Asset and Liabilities

Under ASC 606, contract assets represent rights to payment for performance contingent on something other than the passage of time and accounts receivable are rights to payment for performance without contingencies. The Company does not

have any contract assets as of September 30, 2024, January 1, 2023, and December 31, 2023. Refer to Note 4 for accounts receivable as of September 30, 2024 and December 31, 2023.

Contract liabilities represent cash that has been received for contracts, but for which performance is still unsatisfied. As of September 30, 2024 and December 31, 2023, contract liabilities amounted to \$1,382 and \$545, respectively. As of January 1, 2023, the contract liabilities amounted to \$1,139. Contract liabilities are included within other current liabilities and presented in Note 9 along with refund liabilities due to amounts not being material. During the nine month periods ended September 30, 2024 and 2023, the Company recognized revenue of \$718 and \$432, respectively, related to deferred capitation revenue received (contract liability) as of the beginning of each respective period.

### Remaining Unsatisfied Performance Obligations

The accounting terms for the Company's patient services and dispensary contracts do not extend past a year in duration. Additionally, the Company applies the 'as invoiced' practical expedient to its clinical research contracts.

### Note 6. Inventories

The Company purchases intravenous chemotherapy drugs and oral prescription drugs from primarily one supplier.

The Company's inventories as of September 30, 2024 and December 31, 2023 were as follows:

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Oral drug inventory	\$ 3,761	\$ 3,640
IV drug inventory	6,345	10,038
<b>Total</b>	<b>\$ 10,106</b>	<b>\$ 13,678</b>

### Note 7. Marketable Securities and Fair Value Measurements

#### Marketable Securities

The Company accounts for its investment securities as available for sale using the fair value election pursuant to ASC 825, where changes in fair value are recorded in Other, net non-operating income (expense) on the Company's Condensed Consolidated Statements of Operations. The Company's investments in marketable securities at September 30, 2024 and December 31, 2023 is as follows:

<i>(in thousands)</i>	<b>September 30, 2024</b>			
	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
<b>Cash equivalents:</b>				
U.S. Treasury Bills	\$ 38,028	\$ 6	\$ (4)	\$ 38,030
<b>December 31, 2023</b>				
<i>(in thousands)</i>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
<b>Cash equivalents:</b>				
U.S. Treasury Bills	\$ 22,778	\$ 5	\$ —	\$ 22,783
<b>Marketable securities:</b>				
Short-term U.S. Treasuries	49,501	\$ —	(134)	49,367
<b>Total available for sale securities</b>	<b>\$ 72,279</b>	<b>\$ 5</b>	<b>\$ (134)</b>	<b>\$ 72,150</b>

The contractual maturities of the Company's investments in cash equivalents and marketable securities as of September 30, 2024 and December 31, 2023 is as follows:

<b>September 30, 2024</b> <i>(in thousands)</i>	<b>Due in One Year or Less</b>	<b>Due After One Year through Five Years</b>	<b>Due After Five Years</b>	<b>Total</b>
<b>Cash equivalents:</b>				
U.S. Treasury Bills	\$ 38,030	\$ —	\$ —	\$ 38,030
<b>December 31, 2023</b> <i>(in thousands)</i>				
<b>Cash equivalents:</b>				
U.S. Treasury Bills	\$ 22,783	\$ —	\$ —	\$ 22,783
<b>Marketable securities:</b>				
Short-term U.S. Treasuries	49,367	—	—	49,367
<b>Total available for sale securities</b>	<b>\$ 72,150</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 72,150</b>

The Company recorded a net unrealized loss of \$52 and a net unrealized gain of \$134 for the three and nine months ended September 30, 2024. At September 30, 2024, one security was in an unrealized loss position. The decline in fair value of our securities since acquisition was attributable to a combination of changes in interest rates and general volatility in the credit market conditions in response to economic uncertainty and monetary policy. The Company does not currently intend to sell any of the securities in an unrealized loss position and further believes, it is more likely than not, that the Company will not be required to sell these securities before their anticipated recovery.

Accrued interest receivable on cash equivalents and marketable securities was \$43 and \$242, respectively, at September 30, 2024 and December 31, 2023, and is included within other receivables in the Condensed Consolidated Balance Sheets.

#### *Fair Value Measurements*

The following table presents the carrying amounts of the Company's recurring and non-recurring fair value measurements at September 30, 2024 and December 31, 2023:

<i>(in thousands)</i>	<b>September 30, 2024</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets:</b>				
Cash equivalents	\$ 38,030	\$ —	\$ 38,030	\$ —
<b>Financial liabilities:</b>				
Derivative warrant liabilities	\$ 64	\$ —	\$ 64	\$ —
Conversion option derivative liabilities	514	—	—	514

There were no transfers between levels for the three and nine months ended September 30, 2024.

As of December 31, 2023, derivative warrant liabilities of \$636 were transferred from a Level 3 to a Level 2 financial instrument as a result of the valuation being based on the market price of our public warrants, which management considers to be a similar and comparable instrument, as compared to the previous valuation which was based on the Binomial Lattice Model.

<i>(in thousands)</i>	<b>December 31, 2023</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets:</b>				
Cash equivalents	\$ 22,783	\$ —	\$ 22,783	\$ —
Marketable securities	49,367	—	49,367	—
<b>Financial liabilities:</b>				
Derivative warrant liabilities	\$ 636	\$ —	\$ 636	\$ —
Conversion option derivative liabilities	3,082	—	—	3,082
Contingent consideration liability	1,944	—	1,944	—

The carrying amounts of cash, accounts receivable, other receivables, and accounts payable approximate fair value because of the short maturity and high liquidity of these instruments.

The Company measures its investments (including cash equivalents, marketable securities, and non-current investments) at fair value on a recurring basis and classifies those instruments within Level 2 of the fair value hierarchy. Investment securities, including U.S. Treasury Bills purchased in the secondary market and U.S. Treasury bonds, are classified within Level 2 of the fair value hierarchy because pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined using models or other valuation methodologies.

The Company measures its private derivative warrants at fair value on a recurring basis and classifies those instruments within Level 2 of the fair value hierarchy because the valuation is based on an observable input of a similar instrument. The Company measures its earnout, convertible note warrant derivative liability, optional redemption derivative liability and conversion option derivative liability on a recurring basis and classifies those instruments within Level 3 of the fair value hierarchy because unobservable inputs are used to measure fair value. See Note 2 for a summary of the Company's policies relating to fair value measurements, and Note 11 for more detail on the convertible note warrant, optional redemption, and conversion option derivative liabilities.

The Company measures goodwill at fair value on a nonrecurring basis and classifies goodwill within Level 3 of the fair value hierarchy. It was concluded in connection with the preparation of these financial statements that, based on the results of our most recent qualitative assessment performed as of September 30, 2024, there was no impairment of goodwill recorded for the three and nine months ended September 30, 2024.

The following table presents information about the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis at September 30, 2024:

<i>(in thousands)</i>	<b>Derivative Earnout Liabilities</b>	<b>Conversion Option Derivative Liabilities</b>
Balance at December 31, 2022	\$ 803	\$ 3,960
Decrease in fair value included in other expense	(803)	(878)
Balance at December 31, 2023	\$ —	\$ 3,082
Change in fair value included in other expense	—	(2,568)
<b>Balance at September 30, 2024</b>	<b>\$ —</b>	<b>\$ 514</b>

As of September 30, 2024 and December 31, 2023, the conversion option derivative and earnout liabilities were valued using a Binomial Lattice and Monte-Carlo Simulation Model, respectively, which is considered to be a Level 3 fair value measurements. The derivative warrant liabilities were valued using the public warrant trading price, which is considered to be a Level 2 fair value measurement, and the contingent consideration liability was valued using a present value factor, which is considered to be a Level 2 fair value measurement. A summary of the Level 3 fair value measurements inputs used in the valuations is as follows:

	<b>September 30, 2024</b>			
	<b>First Tranche Earnout</b>	<b>Second Tranche Earnout</b>	<b>Convertible Note Warrant Derivative Liability</b>	<b>Conversion Option Derivative Liabilities</b>
Unit price	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33
Term (in years)	0.12	0.12	2.86	2.86
Volatility	105.20 %	105.20 %	110.10 %	110.10 %
Risk-free rate	4.60 %	4.60 %	3.50 %	3.50 %
Dividend yield	—	—	—	—
Cost of equity	16.10 %	16.10 %	—	—

**December 31, 2023**

	<b>First Tranche Earnout</b>	<b>Second Tranche Earnout</b>	<b>Convertible Note Warrant Derivative Liability</b>	<b>Conversion Option Derivative Liability</b>
Unit price	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04
Term (in years)	0.87	0.87	3.61	3.61
Volatility	49.40 %	49.40 %	58.60 %	58.60 %
Risk-free rate	4.90 %	4.90 %	3.90 %	3.90 %
Dividend yield	—	—	—	—
Cost of equity	16.90 %	16.90 %	0.00 %	0.00 %

#### Uncertainty of Fair Value Measurement from Use of Significant Unobservable Inputs

The inputs to estimate the fair value of the Company's earnout, convertible note warrant, and conversion option derivative liabilities were the market price of the Company's common stock, their remaining expected term, the volatility of the Company's common stock price and the risk-free interest rate over the expected term. Significant changes in any of those inputs in isolation can result in a significant change in the fair value measurement.

Generally, an increase in the market price of the Company's shares of common stock, an increase in the volatility of the Company's shares of common stock, and an increase in the remaining term of the derivative liabilities would each result in a directionally similar change in the estimated fair value of the Company's derivative liabilities. Such changes would increase the associated liability while decreases in these assumptions would decrease the associated liability. An increase in the risk-free interest rate would result in a decrease in the estimated fair value measurement and thus a decrease in the associated liability. The Company has not, and does not plan to, declare dividends on its common stock and, as such, there is no change in the estimated fair value of the derivative warrant liabilities due to the dividend assumption.

#### Note 8. Property and Equipment, Net

The Company accounts for property and equipment at historical cost less accumulated depreciation.

Property and equipment, net, consist of the following:

<i>(in thousands)</i>	<b>Useful lives</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Computers and software	60 months	\$ 3,865	\$ 3,035
Office furniture	84 months	709	724
Leasehold improvements	Shorter of lease term or estimated useful life	10,438	9,214
Medical equipment	60 months	1,441	2,082
Construction in progress		2,241	1,801
Finance lease ROU assets	Shorter of lease term or estimated useful life	207	207
Less: accumulated depreciation		(6,627)	(6,180)
<b>Total property and equipment, net</b>		<b>\$ 12,274</b>	<b>\$ 10,883</b>

Depreciation expense for the three months ended September 30, 2024 and 2023 was \$800 and \$914, respectively. Depreciation expense for the nine months ended September 30, 2024 and 2023 was \$2,259 and \$2,056, respectively.

**Note 9. Accrued Expenses and Other Current and Non-Current Liabilities**

Accrued expenses and other current liabilities as of September 30, 2024 and December 31, 2023 consist of the following:

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Compensation, including bonuses, fringe benefits, and payroll taxes	\$ 7,302	\$ 5,518
Contract liabilities	1,382	545
Directors and officers insurance premiums	—	1,002
Deferred acquisition and contingent consideration (see Note 16)	168	2,206
Accrued interest	1,137	1,124
Other liabilities	5,447	3,601
<b>Total accrued expenses and other current liabilities</b>	<b>\$ 15,436</b>	<b>\$ 13,996</b>

Contract liabilities as of September 30, 2024 and December 31, 2023 consist of cumulative adjustments made to capitated revenue recognized in prior periods.

Pursuant to the Business Combination, the Company has agreed to indemnify members of the Board and certain officers if they are named or threatened to be named as a party to any proceeding by reason of the fact that they acted in such capacity. The Company entered into a \$1,250 financing arrangement in November 2023 with a maturity date of August 2024 at 8.75% annual interest rate to pay 10 monthly principal payments of approximately \$122 in premiums for directors' and officers' ("D&O") insurance coverage through November 2024 to protect against such losses on November 12, 2021. The principal outstanding balance was \$1,002 as of December 31, 2023. As of September 30, 2024, the remaining D&O principal balance was paid in full.

**Note 10. Leases**

The Company leases clinics, office buildings, and certain equipment under noncancellable financing and operating lease agreements that expire at various dates through June 2033. See Note 2 for a summary of the Company's policies relating to leases.

The initial terms of operating leases range from 1 to 10 years and certain leases provide for free rent periods, periodic rent increases, and renewal options. Monthly payments for these leases range from \$0 to \$62. All lease agreements generally require the Company to pay maintenance, repairs, property taxes, and insurance costs, which are generally variable amounts based on actual costs incurred during each applicable period.

The Company has determined that periods covered by options to extend the Company's leases are excluded from the lease terms as it is not reasonably certain the Company will exercise such options.

**Lease Expense**

The components of lease expense were as follows for the three and nine months ended September 30, 2024 and 2023:

<i>(in thousands)</i>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Operating lease costs:	\$ 1,990	\$ 1,971	\$ 6,211	\$ 5,572
Finance lease costs:				
Amortization of ROU asset	\$ 10	\$ 10	\$ 31	\$ 48
Interest expense	\$ 2	\$ 2	\$ 6	\$ 9
Other lease costs:				
Short-term lease costs	\$ 3	\$ 3	\$ 7	\$ 37
Variable lease costs	\$ 415	\$ 308	\$ 1,199	\$ 891

Operating and other lease costs are presented as part of selling, general, and administrative expenses. The components of finance lease costs appear in depreciation and amortization and interest expense.

### Maturity of Lease Liabilities

The aggregate future lease payments for the Company's leases in years subsequent to September 30, 2024 are as follows:

<i>(in thousands)</i>	<b>Operating Leases</b>	<b>Finance Leases</b>
2024 (remaining three months)	\$ 2,130	\$ 12
2025	8,460	42
2026	8,016	39
2027	6,806	29
2028	4,760	—
Thereafter	6,866	—
<b>Total future lease payment</b>	<b>\$ 37,038</b>	<b>\$ 122</b>
Less: amount representing interest	(5,625)	(10)
<b>Present value of future lease payment (lease liabilities)</b>	<b>\$ 31,413</b>	<b>\$ 112</b>
Reported as:		
Lease liabilities, current	\$ 6,749	\$ 40
Lease liabilities, noncurrent	24,664	72
<b>Total lease liabilities</b>	<b>\$ 31,413</b>	<b>\$ 112</b>

### Lease Term and Discount Rate

The following table provides the weighted average remaining lease terms and weighted average discount rates for the Company's leases as of September 30, 2024 and 2023:

	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Weighted-average remaining lease term (in years)		
Operating	4.83	5.43
Finance	2.85	3.75
Weighted-average discount rate		
Operating	6.57 %	6.34 %
Finance	6.58 %	6.45 %

### Supplemental Cash Flow Information

The following table provides certain cash flow and supplemental noncash information related to the Company's lease liabilities for the:

<i>(in thousands)</i>	<b>Nine Months Ended September 30, 2024</b>	<b>Nine Months Ended September 30, 2023</b>
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash payment from operating leases	\$ 6,289	\$ 5,448
Financing cash payments for finance leases	36	91
Lease liabilities arising from obtaining right-of-use assets:		
Operating leases	\$ 2,835	\$ 9,011
Finance leases	—	3

### Lease Modifications

During the three and nine months ended September 30, 2024, the Company had no lease modifications.



## Note 11. Debt

### Senior Secured Convertible Note

On August 9, 2022, TOI entered into a Facility Agreement (the “Facility Agreement”) with certain lenders (“Lenders”) and Deerfield Partners L.P. (“Agent”), pursuant to which, TOI borrowed cash loans from the Lenders in the amount of \$110,000, in exchange for which, TOI issued to each Lender a secured convertible promissory note (“Senior Secured Convertible Note”), which is payable to such Lenders in an amount equal to the unpaid principal amount of loans held by such Lender.

The Senior Secured Convertible Note will mature on August 9, 2027 (the “Maturity Date”) and shall bear interest at the rate of 4.00% per annum from August 9, 2022, on the outstanding principal amount, any overdue interest and any other amounts and obligations. The interest shall be paid in cash quarterly in arrears commencing on October 1, 2022. In case of any prepayment, repayment or redemption of the Senior Secured Convertible Note, the Company shall pay any accrued and unpaid interest on the principal, along with a make whole amount and an exit fee.

The Facility Agreement requires the Company to meet certain operational and reporting requirements, including, but not limited to, customary regulatory, financial reporting, and disclosure requirements. Additionally, limitations are placed on the Company's ability to merge with other companies and enter into other debt arrangements and permitted investments are limited to amounts specified in the Facility Agreement. The Facility Agreement also provides certain restrictions on dividend payments and other equity transactions and requires the Company to make prepayments under specified circumstances. Financial covenants in the Facility Agreement require the Company to maintain a minimum unrestricted cash and cash equivalent balance of \$40,000 and minimum net quarterly revenues of \$75,000 during fiscal year 2024; and \$100,000 during fiscal year 2025. Cash Equivalents as defined by the Facility Agreement means (a) any readily-marketable securities (i) issued by, or directly, unconditionally and fully guaranteed or insured by the United States federal government or (ii) issued by any agency of the United States federal government the obligations of which are fully backed by the full faith and credit of the United States federal government, (b) any readily-marketable direct obligations issued by any other agency of the United States federal government, any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case having a rating of at least “A-1” from S&P or at least “P-1” from Moody's, (c) any commercial paper rated at least “A-1” by S&P or “P-1” by Moody's and issued by any person organized under the laws of any state of the United States, (d) any United States dollar-denominated time deposit, insured certificate of deposit, overnight bank deposit or bankers' acceptance issued or accepted by any commercial bank that (A) is organized under the laws of the United States, any state thereof or the District of Columbia, (B) is “adequately capitalized” (as defined in the regulations of its primary federal banking regulators) and (C) has Tier 1 capital (as defined in such regulations) in excess of \$250,000 and (e) shares of any United States money market fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clause (a), (b), (c) and/or (d) above with maturities as set forth in the proviso below, (ii) has net assets in excess of \$500,000 and (iii) has obtained from either S&P or Moody's the highest rating obtainable for money market funds in the United States; provided, however, that the maturities of all obligations specified in any of clause (a), (b), (c) and (d) above shall not exceed one year. Additionally, the registration rights agreement between the Company and certain stockholders of Legacy TOI and DFPH entered into in connection with the Business Combination requires the Company to have an effective registration statement and calls for payment should the registration statement cease to remain effective. The Company was in compliance with the covenants of the Facility Agreement as of September 30, 2024.

### Conversion Options

The Senior Secured Convertible Note contains several embedded conversion options (the “Conversion Options”) that grant the holders of the Senior Secured Convertible Note the ability to convert the Senior Secured Convertible Note at any time on or after date of issuance of the note. The Conversion Options are convertible into shares of the Company's common stock (such converted shares, “Conversion Shares”) and, in certain circumstances, a combination of cash and shares of the Company's common stock, or a combination of cash, other assets and securities or other property of any Company successor entity. The Conversion Shares or settlement amounts shall be computed on the basis of a predefined formula, with a set conversion price of \$8.567 as one of the inputs and a conversion cap of 14,663,019 shares. The if-converted value did not exceed the principal amount as of September 30, 2024. No Conversion Shares were issued as of September 30, 2024 and December 31, 2023.

The Company evaluated the Conversion Options of the Senior Secured Convertible Note under ASC 815 and concluded that they require bifurcation from the host contract as a separate unit of account. The Conversion Options do not meet the criteria to be classified in shareholders' equity and hence, are accounted for as a derivative liability remeasured at fair value at each balance sheet date with changes in fair value reported in earnings.

The Conversion Options contain certain limits on exercise if, after giving effect to the exercise, the Lender would beneficially own a number of shares of common stock of the Company in excess of those permissible under the terms of the Senior Secured Convertible Note. The number of shares to be issued against these notes and conversion price are each subject to adjustments provided under the terms of Senior Secured Convertible Note.

The holder shall receive dividends on the Senior Secured Convertible Note and distributions of any kind made to the holders of common stock, other than dividends of, or distributions in, shares, to the same extent as if the holder had converted the Senior Secured Convertible Note into such shares and had held such shares on the record date for such dividends and distributions any limitations on conversion options.

### ***Optional Redemption***

The Facility Agreement also provides the Company the right to redeem the outstanding principal amount of each note (“Optional Redemption”) for the Optional Redemption Price. The Company shall not affect any Optional Redemption under this Senior Secured Convertible Note unless along with this, the Company effects an optional redemption under all other notes in accordance with the terms thereof, on a pro rata basis, based upon the respective applicable original principal amount of each of the notes outstanding as of the date the notice for Optional Redemption is delivered to the holders.

The Company evaluated the Optional Redemption feature of the Senior Secured Convertible Note under ASC 815 and concluded that it requires bifurcation from the host contract as a separate unit of account. The Optional Redemption feature does not meet the criteria to be classified in shareholders’ equity and hence, is accounted for as a derivative liability remeasured at fair value at each balance sheet date with changes in fair value reported in earnings. The fair value of the Optional Redemption feature is de minimis.

If the principal redemption amount specified in an Optional Redemption notice is less than the entire principal amount then outstanding, the principal amount specified in each conversion notice shall be applied (i) first, to reduce, on a dollar-for-dollar basis, the principal amount of the note in excess of the principal redemption amount until such excess principal amount is reduced to zero and (ii) to reduce, on a dollar-for-dollar basis, the principal redemption amount until all of such principal redemption amount shall have been converted.

### ***Convertible Note Warrants***

The Facility Agreement also provides for the issuance of warrants (the “Convertible Note Warrants”) on each date any principal amount of any Senior Secured Convertible Note is paid, repaid, redeemed, or prepaid at any time prior to the Maturity Date. Convertible Note Warrants are exercisable from their original issue date to August 9, 2027, for purchase of an aggregate amount of Conversion Shares into which such principal amount of Senior Secured Convertible Note was convertible into, immediately prior to such payment, at an exercise price of \$8.567. The holder of Convertible Note Warrants may pay the exercise price in cash or exercise the warrant on cashless basis or through a reduction of an amount of principal outstanding under any Senior Secured Convertible Note held by such holder. In the event that the Convertible Note Warrant has not been exercised in full as of the last business day during its term, the holder shall be deemed to have exercised the purchase rights represented by the Convertible Note Warrant in full as a cashless exercise, in which event the Company shall issue that number of shares to the holder computed on the basis of a predefined formula.

The Company evaluated the Convertible Note Warrants of the Senior Secured Convertible Note under ASC 815 and concluded that they require bifurcation from the host contract as a separate unit of account. The Convertible Note Warrants do not meet the criteria to be classified in shareholders’ equity and hence, are accounted for as a derivative liability remeasured at fair value at each balance sheet date with changes in fair value reported in earnings.

The Convertible Note Warrant holder shall be entitled to receive any dividend or distribution made by the Company to the holders of common stock to the same extent as if the holder had exercised the Convertible Note Warrants in full in a cash exercise.

The number of shares to be issued against these warrants and exercise price are each subject to adjustments provided under the terms of Convertible Note Warrants. The Convertible Note Warrants contain certain limits on exercise if, after giving effect to the exercise, the Lender would beneficially own a number of shares of common stock of the Company in excess of those permissible under the terms of the Convertible Note Warrants. Further, the Convertible Note Warrants can be fully or partially settled in cash in certain cases in accordance with the terms of issuance such as when shares issuable upon exercise of the warrants exceed a predefined number, upon occurrence of predefined event of default and upon occurrence of predefined events that will bring a fundamental change in the Company such as merger, consolidation, business combination, recapitalization, reorganization, reclassification or other similar event.

As of September 30, 2024 and December 31, 2023, there were no Convertible Note Warrants outstanding.

### **Allocation of Proceeds**

The Company has allocated total issuance proceeds of \$110,000 among the Senior Secured Convertible Note and Convertible Note Warrants based on fair value. Upon issuance of the Convertible Note Warrants, the Company recorded Convertible Note Warrants, Optional Redemption, and Conversion Options of \$0, \$0 and \$28,160, which were recorded as a debt discount to the Senior Secured Convertible Note of \$110,000. The Company will amortize the debt discount over a period of 5 years (of which 2.86 years remain).

The total issuance costs of \$4,924 was allocated among the Senior Secured Convertible Note, Convertible Note Warrants, Optional Redemption, and Conversion Options, by allocating costs of \$0, \$0, and \$1,260 to the Convertible Note Warrants, Optional Redemption, and Conversion Options with the residual cost of \$3,663 being allocated to the Senior Secured Convertible Note (in addition to the debt discount). The Company expensed issuance costs allocated to Warrants, Optional Redemption, and Conversion Options at inception and will amortize the costs allocated to the Senior Secured Convertible Note over a period of 5 years (of which 2.86 years remain).

### **Amounts Outstanding and Recognized during the Periods Presented**

The Senior Secured Convertible Note as of September 30, 2024 and December 31, 2023 consists of the following:

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Senior Secured Convertible Note, due August 9, 2027	\$ 110,000	\$ 110,000
Less: Unamortized debt issuance costs	2,387	2,875
Less: Unamortized debt discount	16,076	20,299
<b>Long-term debt, net of unamortized debt discount and issuance costs</b>	<b>\$ 91,537</b>	<b>\$ 86,826</b>

The amortization of the debt issuance costs and debt discount was charged to interest expense for all periods presented. For the three months ended September 30, 2024 and 2023, the effective yield was 13.38%. The amount of debt issuance costs and debt discount included in interest expense for the three and nine months ended September 30, 2024 was \$1,588 and \$4,711, respectively. The amount of debt issuance costs and debt discount included in interest expense for the three and nine months ended September 30, 2023 was \$1,566 and \$4,633, respectively. The Company had interest expense of \$1,125 and \$3,349, respectively, on the Credit Agreement term loan for the three and nine months ended September 30, 2024. The Company recorded interest of \$1,125 and \$3,337 on the Credit Agreement term loan for the three and nine months ended September 30, 2023, respectively. There was \$1,137 and \$1,100 of accrued interest as of September 30, 2024 and 2023, respectively. There was \$1,124 accrued interest as of December 31, 2023.

On August 9, 2022, the Company also entered into the Guarantee and Security Agreement (“Guarantee Agreement”) with the Agent for the purpose of providing a guarantee of all the obligations under the Facility Agreement (refer to Note 15. Commitments and Contingencies for detail).

### **Debt Maturities**

The following table summarizes the stated debt maturity related to the Senior Secured Convertible Note as of September 30, 2024:

<i>(in thousands)</i>		
2024 (remaining three months)	\$	—
2025		—
2026		—
2027		110,000
<b>Total debt</b>	<b>\$</b>	<b>110,000</b>

### **Note 12. Income Taxes**

The Company recorded income tax expense of \$0 for the three and nine months ended September 30, 2024, as compared to income tax expense of \$135 and \$278 for the three and nine months ended September 30, 2023, respectively. The decrease of

\$278, in income tax expense is primarily related to the corresponding change in the valuation allowance for TOI. The Company's effective tax rate increased to 0.00% for the nine months ended September 30, 2024, from (0.43)% for the nine months ended September 30, 2023.

The Company's effective tax rate for the three and nine months ended September 30, 2024 was different than the U.S. federal statutory tax rate of 21.00%, primarily due to the change in the valuation allowance, partially offset by non-deductible expenses, as well as the Section 162(m) limitation on compensation for covered employees, and Section 163(l) limitation on interest expense related to the convertible note, all of which are non-taxable for federal income tax purposes.

### **Note 13. Stockholders' Equity**

#### **Common Stock**

As of September 30, 2024, there were 77,292,849 shares issued and 75,559,075 shares outstanding of common stock. As of December 31, 2023, there were 75,879,025 shares issued and 74,145,251 shares outstanding of common stock.

#### ***Voting***

The holders of the Company's common stock are entitled to one vote for each share of common stock held at all meetings of stockholders (and written actions in lieu of meetings), and there is no cumulative voting.

#### ***Dividends***

Common stockholders are entitled to receive dividends whenever funds are legally available and when declared by the board of directors. No dividends have been declared as of September 30, 2024 and December 31, 2023.

#### **Preferred Stock**

Upon the Closing Date of the Business Combination, pursuant to the terms of the Amended and Restated Certificate of Incorporation, the Company authorized 10,000,000 shares of Series A Common Equivalent Preferred Stock ("preferred stock") with a par value and liquidation preference of \$0.0001 per share. The Company's board of directors has the authority, without further action by the stockholders to issue such shares of preferred stock in one or more series, to establish, from time to time the number of shares to be included in each such series, and to fix the dividend, voting, and other rights, preferences, and privileges of the shares. Immediately following the Closing Date and as of December 31, 2021, there were 163,510 shares of preferred stock outstanding. As of September 30, 2024 and December 31, 2023, there were 165,045 shares of preferred stock outstanding.

#### ***Conversion***

Each share of preferred stock is convertible, at any time on the part of the holder except with respect to the Beneficial Ownership Limitation (defined below), into 100 shares of common stock.

#### ***Blocker/Beneficial Ownership Limitation***

The preferred stock is subject to a beneficial ownership limitation such that the preferred stock may not, at any time, be convertible into more than 4.9% of the total number of shares of common stock outstanding ("Beneficial Ownership Limitation").

#### ***Voting***

The holders of preferred stock do not have voting rights in the Company.

#### ***Dividends***

The holders of preferred stock are entitled to receive dividends whenever funds are legally available and when declared by the board of directors on an as-converted basis. No dividends have been declared as of September 30, 2024.

#### **Assumed Public Warrants and Private Placement Warrants**

As a result of the Business Combination, holders of the public warrants and private placement warrants are entitled to acquire common stock of the Company. The warrants became exercisable 30 days from the completion of the Business Combination, on December 12, 2021, and will expire five years after the completion of the Business Combination or earlier

upon redemption or liquidation. As of September 30, 2024, there are 5,749,986 public warrants outstanding and 3,177,542 private placement warrants outstanding.

Each warrant entitles the holder to purchase one share of common stock for \$11.50 per share. Private warrants held by the initial purchaser or certain permitted transferees may be exercised on a cashless basis.

If the reported last sale price of the common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders, the Company may redeem all the public warrants at a price of \$0.01 per warrant upon not less than 30 days' prior written notice.

If the Company calls the public warrants for redemption, management will have the option to require all holders that wish to exercise the public warrants to do so on a cashless basis. The Company will not be required to net cash settle the warrants.

The private warrants are exercisable on a cashless basis and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the private warrants are held by someone other than the initial purchasers of their permitted transferees, the private warrants will be redeemable by the Company and exercisable by such holders on the same basis as the public warrants.

### **Share Repurchase Program**

On June 14, 2023, the Company's Board approved a share repurchase program with authorization to purchase up to 5 million shares of the Company's stock. The Company repurchased 1,593,128 shares of its common stock for \$894 through one or more securities broker-dealers, in open market purchases and negotiated market purchases.

On August 28, 2023, the Company's Board approved a share repurchase program with authorization to purchase up to 2 million shares of the Company's common stock. The Company repurchased 140,646 shares of its common stock for \$125 through one or more securities broker-dealers, in open market purchases and negotiated market purchases.

The Company had no repurchases in 2024. The financial impact of the share buybacks, including the change in the number of outstanding shares and its effect on earnings per share (EPS), is disclosed in the earnings per share computation in accordance with ASC 260, Earnings Per Share.

### **Note 14. Share-Based Compensation**

#### **Non-Qualified Stock Option Plan**

On January 2, 2019, the Company issued and adopted the 2019 Non-Qualified Stock Option Plan (the "2019 Plan") to incentivize directors, consultants, advisors, and other key employees of the Company and its subsidiaries to continue their association by providing opportunities to participate in the ownership and further growth of the Company. The 2019 Plan provides for the grant of options (the "Stock Options") to acquire shares of common stock of the Company. In conjunction with the Business Combination, the Company amended and fully restated the 2019 Plan through the establishment of the 2021 Incentive Plan ("2021 Plan").

Stock Options are exercised from the pool of shares designated by the appropriate Committee of the Board of Directors. The grant-date fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. The grant date fair value of the service vesting and the performance vesting options is recognized as an expense over the requisite service period and upon the achievement of the performance condition deemed probable of being achieved, respectively. The exercise price of each Stock Option shall be determined by the Committee and may not be less than the fair market value of the shares of common stock on the date of grant. Stock Options have 10-year terms, after which they expire and are no longer exercisable.

The total number of shares of common stock for which Stock Options may be granted under the 2021 Plan shall not exceed 15,640,000.

Stock Options become vested upon fulfillment of either service vesting conditions, performance vesting conditions, or both, as determined by the award agreement entered into by the Company and optionee. The service vesting requirement states that: (i) 25% of the service vesting options shall vest on the first anniversary of the grant date and (ii) the remaining 75% shall vest on an equal monthly-basis, so long as the optionee has remained continuously employed by the Company from the date of the award through the fourth anniversary of the grant date. The performance vesting requirement states that Stock Options shall vest upon sale of the Company only if the optionee has been continuously employed by the Company or its subsidiaries from the grant date through the date of such sale of the Company. For the awards vesting based on service conditions only and that

have a graded vesting schedule, the Company recognizes compensation expense for vested awards in earnings, net of actual forfeitures in the period they occur, on a straight-line basis over the requisite service period.

As of September 30, 2024, the total number of shares of common stock remaining available for future awards (e.g., non-qualified stock options, incentive stock options, restricted stock units, restricted stock awards) under the 2021 Plan is 6,543,380. There were 1,579,393 Stock Options granted for the nine months ended September 30, 2024.

The weighted average assumptions used in the Black-Scholes-Merton option-pricing model for the Stock Option units granted during the nine months ended September 30, 2024 and 2023 are provided in the following table:

	September 30, 2024	September 30, 2023
<b>Valuation assumptions:</b>		
Expected dividend yield	— %	— %
Expected volatility	80.20 %	64.00 %
Risk-free rate	4.40 %	3.40 %
Expected term (years)	6.25	6.25

The Company used the simplified method to calculate the expected term of stock option grants because sufficient historical exercise data was not available to provide a reasonable basis for the expected term. Under the simplified method, the expected term is estimated to be the mid-point between the vesting date and the contractual term of the option.

Stock option activity during the nine months ended September 30, 2024 and 2023 is as follows:

<b>Stock options</b>	<b>Number of shares</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining contractual term (years)</b>	<b>Aggregate intrinsic value (in thousands)</b>
Balance at January 1, 2024	8,525,262	\$ 1.74		
Granted	1,579,393	2.00		
Exercised	(87,350)	0.86		
Forfeited	(2,034,526)	2.31		
Expired	(220,884)	1.19		
<b>Balance at September 30, 2024</b>	<b>7,761,895</b>	<b>\$ 1.67</b>	<b>6.63</b>	<b>\$ —</b>
Vested Options Exercisable at September 30, 2024	5,407,495	\$ 1.51	5.70	\$ —

<b>Stock options</b>	<b>Number of shares</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining contractual term (years)</b>	<b>Aggregate intrinsic value (in thousands)</b>
Balance at January 1, 2023	8,049,474	\$ 2.14		
Granted	1,948,354	0.48		
Exercised	(14,616)	0.86		
Forfeited	(1,050,646)	2.31		
Expired	(103,184)	1.32		
<b>Balance at September 30, 2023</b>	<b>8,829,382</b>	<b>\$ 1.76</b>	<b>7.09</b>	<b>\$ 4,110</b>
Vested Options Exercisable at September 30, 2023	3,915,306	\$ 1.32	5.91	\$ 1,925

Total share-based compensation expense during the three and nine months ended September 30, 2024 was \$1,551 and \$5,881, respectively. Total share-based compensation expense relating to stock options during the three and nine months ended September 30, 2023 was \$2,563 and \$7,823, respectively.

At September 30, 2024, there was \$1,779 of total unrecognized compensation cost related to unvested service Stock Options granted under the 2021 Plan that are expected to vest. That cost is expected to be recognized over a weighted average period of 2.84 years as of September 30, 2024. During the nine months ended September 30, 2024, the Company received \$75

in cash and \$1 tax benefit from the stock options exercised. The total fair value of shares of common stock vested during the nine months ended September 30, 2024 and 2023 was \$356 and \$1,616, respectively.

### Restricted Stock Units (“RSUs”)

The Company had 1,461,679 and 2,176,422 RSUs outstanding as of September 30, 2024 and December 31, 2023, respectively. The RSUs are service vesting and are valued based on the fair value of the Company’s common stock at the date of grant. The weighted-average grant date fair values of the RSUs granted during the nine months ended September 30, 2024 and 2023, were determined to be \$0.60 and \$0.64, respectively, based on the fair value of the Company’s shares of common stock at the grant date.

A summary of the activity for the RSUs for the nine months ended September 30, 2024 and 2023, respectively, are shown in the following table:

	Nine Months Ended September 30,			
	2024		2023	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at beginning of year	2,176,422	\$ 3.50	2,106,540	\$ 7.25
Granted	1,381,983	0.60	1,899,809	0.64
Vested	(1,326,474)	2.64	(1,208,380)	2.45
Forfeited	(770,252)	2.66	(673,064)	4.49
<b>Unvested at end of year</b>	<b>1,461,679</b>	<b>\$ 1.98</b>	<b>2,124,905</b>	<b>\$ 4.44</b>

The total share-based compensation expense related to RSUs was \$824 and \$3,676, respectively, during the three and nine months ended September 30, 2024 related to the RSUs. The total share-based compensation expense related to RSUs during the three and nine months ended September 30, 2023 was \$1,188 and \$4,715, respectively.

As of September 30, 2024 there was \$2,900 of unrecognized compensation expense related to the RSUs that are expected to vest. That cost is expected to be recognized over a weighted average period of 2.82 years as of September 30, 2024. As of September 30, 2024, 1,326,474 of the RSUs have vested and none were net settled to cover the required withholding tax upon vesting.

### RSUs granted to Medical Employees and Nonemployees

In 2022, the Company entered into arrangements with certain medical directors and supervisors of advanced practice providers employed by or engaged as independent contractors of TOI to issue RSUs of the Company (“Medical RSUs”). Vesting on each annual Medical RSU award is dependent on the participant performing a specified minimum number of service hours during the calendar year (“One-Year Term”) and further contingent upon the participant’s continued service to, or employment by, the Company through the grant date. The Company’s regular grant date for these Medical RSU awards is in the first or second quarter of the calendar year following the one-year Term. During the nine months ended September 30, 2024 and 2023, 387,797 and 824,288 Medical RSU awards were granted, respectively.

The number of Medical RSUs granted to each such participant is determined by dividing a fixed monetary value by the trailing five-day closing price per share of the Common Stock preceding the grant date. Due to the calculation, some Medical RSU awards are liability-classified whereas other Medical RSU awards have a fixed number of shares and are equity-classified. There were no unvested equity-classified Medical RSU awards outstanding as of September 30, 2024 or September 30, 2023.

A summary of the activity for the equity-classified Medical RSUs for the nine months ended September 30, 2024 and 2023, respectively, is shown in the following table:

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Balance at beginning of period	—	147,47
Granted	387,797	824,28
Vested	(387,797)	(971,75
Forfeited	—	—
<b>Balance at end of period</b>	<b>—</b>	<b>—</b>

Total compensation costs for Medical RSUs was \$237 for the three and nine months ended September 30, 2024. Total compensation costs for Medical RSUs was \$814 and \$872 for the three and nine months ended September 30, 2023. As of September 30, 2024, all Medical RSUs had vested.

### **Earnout Shares granted to Employees**

In connection with the Business Combination in 2019, the Company issued Employee Earnout Shares. Employee Earnout Shares vest upon the Company's common stock achieving the price per share as provided for in the agreement, so long as the optionee has remained continuously employed by the Company at that date and may be subject to other vesting requirements.

A summary of the activity for the Employee Earnout Shares for the nine months ended September 30, 2024 and 2023 is shown in the following table:

	<b>Nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Outstanding at beginning of period	1,401,064	1,417,632
Granted	—	—
Vested	—	—
Forfeited	(607,056)	(16,568)
<b>Outstanding at end of period</b>	<b>794,008</b>	<b>1,401,064</b>

The total share-based compensation expense, related to the Employee Earnout Shares during the three and nine months ended September 30, 2024 was \$14 and \$68, respectively. The total share-based compensation expense was \$92 and \$319 for the three and nine months ended September 30, 2023 respectively.

As of September 30, 2024, there was \$3 of unrecognized compensation expense related to the Employees Earnout Shares, that are expected to vest. That cost is expected to be recognized over a weighted average period of 0.01 years as of September 30, 2024. As of September 30, 2024, none of the Employee Earnout Shares have vested.

### **Note 15. Commitments and Contingencies**

The Company evaluates contingencies based upon available evidence. In addition, allowances for losses are provided each year for disputed items which have continuing significance. The Company believes that allowances for losses have been provided to the extent necessary, and that its assessment of contingencies is reasonable. Due to the inherent uncertainties and subjectivity involved in accounting for contingencies, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. To the extent that the resolution of contingencies results in amounts which vary from management's estimates, future operating results will be charged or credited. The principal commitments and contingencies are described below.

#### **Legal Matters**

The Company is subject to certain outside claims and litigation arising in the ordinary course of business. In the opinion of management, the outcome of such matters will not have a material effect on the Company's condensed consolidated financial statements. Loss contingencies entail uncertainty and a possibility of loss to an entity. If the loss is probable and the amount of loss can be reasonably estimated, the loss should be accrued according to ASC No. 450-20, *Disclosure of Certain Loss Contingencies*.



## **Indemnities**

The Company's Amended and Restated Certificate of Incorporation and amended and restated bylaws require it, among other things, to indemnify the respective director or officer against specified expenses and liabilities, such as attorneys' fees, judgments, fines, and settlements, paid by the individual in connection with any action, suit, or proceeding arising out of the individual's status or service as its director or officer, other than liabilities arising from willful misconduct or conduct that is knowingly fraudulent or deliberately dishonest, and to advance expenses incurred by the individual in connection with any proceeding against the individual with respect to which the individual may be entitled to indemnification by the Company. The Company also indemnifies its lessors in connection with its facility leases for certain claims arising from the use of the facilities. These indemnities do not provide for any limitation of the maximum potential future payments it could be obligated to make. Historically, the Company has not incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities in the accompanying condensed consolidated balance sheets.

## **The Health Insurance Portability and Accountability Act**

The Health Insurance Portability and Accountability Act ("HIPAA") assures health insurance portability, reduces healthcare fraud and abuse, guarantees security and privacy of health information, and enforces standards for health information. Organizations are required to be in compliance with HIPAA provisions. The Health Information Technology for Economic and Clinical Health Act ("HITECH") imposes notification requirements in the event of certain security breaches relating to protected health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. The Company believes it is in compliance with these laws.

## **Regulatory Matters**

Laws and regulations governing the Medicare program and healthcare generally, are complex and subject to interpretation. The Company believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medi-Cal programs.

Many of the Company's payor and provider contracts are complex in nature and may be subject to differing interpretations regarding amounts due for the provision of medical services. Such differing interpretations may not come to light until a substantial period of time has passed following contract implementation. Liabilities for claims disputes are recorded when the loss is probable and can be estimated. Any adjustments to reserves are reflected in current operations. The Company does not have any reserves for regulatory matters as of September 30, 2024 and December 31, 2023.

## **Liability Insurance**

The Company believes that its insurance coverage is appropriate based upon the Company's claims experience and the nature and risks of the Company's business. In addition to the known incidents that have resulted in the assertion of claims, the Company cannot be certain that its insurance coverage will be adequate to cover liabilities, arising out of claims asserted against the Company or the Company's affiliated professional organizations, in the future where the outcomes of such claims are unfavorable.

The Company believes that the ultimate resolution of all pending claims, including liabilities in excess of the Company's insurance coverage, will not have a material adverse effect on the Company's financial position, results of operations or cash flows; however, there can be no assurance that future claims will not have such a material adverse effect on the Company's business. Contracted physicians are required to obtain their own insurance coverage.

## **Guarantees**

The Company, along with certain of the Company's subsidiaries from time to time party to the Facility Agreement ("Guarantors"), have pledged a first priority perfected lien on substantially all of their respective personal and real property, as collateral security for the payment of outstanding obligations, under the Facility Agreement.

## **Note 16. Business Combinations**

During the year ended December 31, 2023, the Company closed on two business combinations. There were no business combinations or asset acquisitions during the nine months ended September 30, 2024.

## **Practice Acquisitions**

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

### ***Southland Practice Acquisition***

On June 5, 2023, the Company acquired certain non-clinical assets of Covina Cancer Care Medical Center Inc. d/b/a Southland Radiation Oncology Network from Arvind Lapsiwala, M.D. ("Dr. Arvind" and such acquisition, the "Southland Practice Acquisition"). Intangible assets of \$2,844 were provisionally recognized pursuant to the acquisition in the form of payor contracts and non-compete agreements with a weighted average amortization period of 18 and 5 years, respectively. The Company became liable for purchase consideration that consisted of \$4,300 in cash paid upon closing and contingent consideration of \$2,072. The deferred contingent cash consideration represents a fixed amount that is contingent upon the non-cancellation of the Transition Services Agreement by the seller. The fair value of the deferred cash consideration liability was determined to be \$1,813 at the acquisition date.

The Southland Practice Acquisition was determined to constitute a business combination in accordance with ASC 805. The deferred cash consideration liability was remeasured at each reporting period until the contingent milestone was achieved or the liability was settled. Any changes in the fair value of the deferred cash consideration liability was recognized in the Condensed Consolidated Statements of Operations. The Company recognized \$0 and \$36 for the three and nine months ended September 30, 2024 and \$131 for the year ended December 31, 2023, respectively, in the Condensed Consolidated Statements of Operations for the change in fair value for the deferred cash consideration liability. The Company paid \$2 million in June 2024 in regards to the deferred cash consideration liability. The remaining deferred cash consideration was paid in July 2024. The fair value of the deferred cash consideration liability was \$0 and \$1,944 at September 30, 2024 and December 31, 2023, respectively.

### ***Bolsa Pharmacy Acquisition***

On November 28, 2023, the Company acquired certain clinical and non-clinical assets of Bolsa Medical Pharmacy (the "Bolsa Practice Acquisition"). Intangible assets of \$113 were provisionally recognized pursuant to the acquisition in the form of clinical contracts and licenses with a weighted average amortization period of 10 and 2 years, respectively. The Company became liable for purchase consideration of \$157 in cash which was paid upon closing.

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

### ***Summary of Consideration Transferred***

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Such assets include synergies we expect to achieve, such as the use of our existing infrastructure to support the added membership, and future economic benefits arising from the assembled workforce. The purchase consideration for the acquisitions has been allocated under the acquisition method of accounting to the estimated fair market value of the net assets acquired including a residual amount of tax deductible goodwill as noted in the provisional fair value table below.

There were no acquisition costs for the three and nine months ended September 30, 2024. Acquisition costs amounted to \$41 and \$112 for the three and nine months ended September 30, 2023, respectively, and were recorded as "General and administrative expenses" in the accompanying Condensed Consolidated Statements of Operations.

The following table summarizes the fair values assigned to identifiable assets acquired and liabilities assumed.

<i>(in thousands)</i>	<u>Southland</u>	<u>Bolsa provisional</u>	<u>Total</u>
<b>Consideration:</b>			
Cash	\$ 4,300	\$ 157	\$ 4,457
Deferred	1,813	—	1,813
<b>Fair value of total consideration transferred</b>	<b>6,113</b>	<b>157</b>	<b>6,270</b>
<b>Estimated fair value of identifiable assets acquired and liabilities assumed:</b>			
Inventory	\$ —	\$ 32	\$ 32
Property and equipment	590	12	602
Operating right of use assets	4,246	44	4,290
Clinical contracts and noncompetes	2,844	113	2,957
Goodwill	2,679	—	2,679
<b>Total assets acquired</b>	<b>10,359</b>	<b>201</b>	<b>10,560</b>
Current portion of operating lease liabilities	378	27	405
Operating lease liabilities	3,868	17	3,885
<b>Total liabilities assumed</b>	<b>4,246</b>	<b>44</b>	<b>4,290</b>
<b>Net assets acquired</b>	<b>\$ 6,113</b>	<b>\$ 157</b>	<b>\$ 6,270</b>

The establishment of the allocation to goodwill requires the extensive use of accounting estimates and management judgment. The fair values assigned to the assets acquired are based on estimates and assumptions from data that is readily available.

The Company recognized \$22,643 and \$55,273 in cumulative revenue and \$4,506 and \$10,146 in cumulative net income in its Condensed Consolidated Statement of Operations for the three and nine months ended September 30, 2024, respectively, related to clinical practices acquired in the prior year.

#### Note 17. Variable Interest Entities

The Company prepares its condensed consolidated financial statements in accordance with Accounting Standards Codification Topic No. 810, *Consolidations* (“ASC 810”), which provides for the consolidation of VIEs of which an entity is the primary beneficiary.

Pursuant to the MSAs established with the TOI PCs, TOI Management is entitled to receive a management fee, which represents a variable interest in and the right to receive the benefits of the TOI PCs. Through the terms of the MSAs, TOI Management receives the right to direct the most significant activities of the TOI PCs. Therefore, the TOI PCs are variable interest entities and TOI Management is the primary beneficiary that consolidates the TOI PCs, and their subsidiaries.

The condensed consolidated financial statements include the accounts of TOI and its subsidiaries and VIEs. All inter-company profits, transactions, and balances have been eliminated upon consolidation. The following summarizes the assets and liabilities of the VIEs included in the accompanying condensed consolidated balance sheets.

<i>(in thousands)</i>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 893	\$ 2,282
Accounts receivable, net	54,465	45,175
Other receivables	129	129
Inventories	10,106	13,646
Prepaid expenses and other current assets	1,878	1,136
<b>Total current assets</b>	<b>67,471</b>	<b>62,368</b>

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Property and equipment, net	75	105
Other assets	552	525
Intangible assets, net	5,258	5,628
Goodwill	2,679	2,679
<b>Total assets</b>	<b>\$ 76,035</b>	<b>\$ 71,305</b>
Liabilities		
Current liabilities:		
Accounts payable	\$ 20,652	\$ 12,729
Accrued expenses and other current liabilities	9,802	8,413
Amounts due to affiliates	235,713	189,048
Total current liabilities	266,167	210,190
Other non-current liabilities	17	211
Deferred income taxes liability	21	21
<b>Total liabilities</b>	<b>\$ 266,205</b>	<b>\$ 210,422</b>

Single physician holders, who are officers of the Company, retain equity ownership in TOI CA, TOI FL, TOI OR, and TOI TX, which represents nominal noncontrolling interests. The noncontrolling interests do not participate in the profit or loss of TOI CA, TOI FL, TOI OR or TOI TX, however.

#### Note 18. Goodwill and Intangible Assets

The Company accounts for goodwill at acquisition-date fair value and other intangible assets at acquisition-date fair value less accumulated amortization. See Note 2 for a summary of the Company's policies relating to goodwill and intangible assets.

#### Intangible Assets

As of September 30, 2024, the Company's intangible assets, net consists of the following:

<i>(in thousands)</i>	<b>Weighted average amortization period</b>	<b>Gross carrying amount</b>	<b>Accumulated amortization</b>	<b>Net carrying amount</b>
Intangible assets				
Amortizing intangible assets:				
Payor contracts	13 years	\$ 22,191	\$ (11,544)	\$ 10,647
Trade names	10 years	6,650	(3,084)	3,566
Clinical contracts and noncompete agreements	8 years	3,191	(1,821)	1,370
<b>Total intangible assets</b>		<b>\$ 32,032</b>	<b>\$ (16,449)</b>	<b>\$ 15,583</b>

As of December 31, 2023, the Company's intangible assets, net consists of the following:

<i>(in thousands)</i>	<b>Weighted average amortization period</b>	<b>Gross carrying amount</b>	<b>Accumulated amortization</b>	<b>Net carrying amount</b>
Intangible assets				
Amortizing intangible assets:				
Payor contracts	13 years	\$ 22,191	\$ (10,014)	\$ 12,177
Trade names	10 years	6,650	(2,594)	4,056
Clinical contracts and noncompete agreements	8 years	3,191	(1,520)	1,671
<b>Total intangible assets</b>		<b>\$ 32,032</b>	<b>\$ (14,128)</b>	<b>\$ 17,904</b>

The estimated aggregate amortization expense for each of the five succeeding fiscal years as of September 30, 2024 is as follows:

<i>(in thousands)</i>	<b>Amount</b>
Year ending December 31:	
2024 (remaining three months)	\$ 774
2025	3,091
2026	3,060
2027	2,933
2028	2,828
Thereafter	2,897
<b>Total</b>	<b>\$ 15,583</b>

The aggregate amortization expense during the three months ended September 30, 2024 and 2023 was \$774 and \$784, respectively. The aggregate amortization expense during the nine months ended September 30, 2024 and 2023 was \$2,321 and \$2,240, respectively

### Goodwill

The Company evaluates goodwill at the reporting unit level, which, for the Company, is at the level of the reportable segments, dispensary, patient services, and clinical trials & other. The goodwill allocated to each of the reporting units as of September 30, 2024 and December 31, 2023 is as follows:

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Patient services	\$ 2,679	\$ 2,679
Dispensary	4,551	4,551
Clinical trials & other	—	—
<b>Total goodwill</b>	<b>\$ 7,230</b>	<b>\$ 7,230</b>

The changes in the carrying amount of goodwill for the nine months ended September 30, 2024 and for the year ended December 31, 2023 are as follows:

<i>(in thousands)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Balance as of January 1	\$ 7,230	\$ 21,418
Goodwill acquired	—	2,679
Goodwill impairment charges (see Note 2 and Note 7)	—	(16,867)
<b>The end of the period</b>	<b>\$ 7,230</b>	<b>\$ 7,230</b>

### Note 19. Net Loss Per Share

The following table sets forth the computation of the Company's basic net loss per share to common stockholders for the three and nine months ended September 30, 2024 and 2023.

<i>(in thousands, except share data)</i>	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net loss attributable to TOI	\$ (16,113)	\$ (17,419)	\$ (51,481)	\$ (64,314)
Net loss attributable to TOI available for distribution	(16,113)	(17,419)	(51,481)	(64,314)
Net loss attributable to participating securities, basic	(2,890)	(3,148)	(9,302)	(11,723)
<b>Net loss attributable to common stockholders, basic</b>	<b>\$ (13,223)</b>	<b>\$ (14,271)</b>	<b>\$ (42,179)</b>	<b>\$ (52,591)</b>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(in thousands, except share data)</i>				
Weighted average common shares outstanding, basic	75,524,823	73,469,101	74,838,340	73,679,454
<b>Net loss income per share attributable to common stockholders, basic</b>	<b>\$ (0.18)</b>	<b>\$ (0.19)</b>	<b>\$ (0.56)</b>	<b>\$ (0.71)</b>

The following table sets forth the computation of the Company's diluted net loss per share to common stockholders for the three and nine months ended September 30, 2024 and 2023.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(in thousands, except share data)</i>				
Net loss attributable to TOI	\$ (16,113)	\$ (17,419)	\$ (51,481)	\$ (64,314)
Net loss attributable to TOI available for distribution	(16,113)	(17,419)	(51,481)	(64,314)
Net loss attributable to participating securities, diluted	(2,890)	(3,148)	(9,302)	(11,723)
<b>Net loss attributable to common stockholders, diluted</b>	<b>\$ (13,223)</b>	<b>\$ (14,271)</b>	<b>\$ (42,179)</b>	<b>\$ (52,591)</b>
Weighted average common shares outstanding, basic	75,524,823	73,469,101	74,838,340	73,679,454
Weighted average shares outstanding, diluted	75,524,823	73,469,101	74,838,340	73,679,454
<b>Net loss per share attributable to common stockholders, diluted</b>	<b>\$ (0.18)</b>	<b>\$ (0.19)</b>	<b>\$ (0.56)</b>	<b>\$ (0.71)</b>

The following potentially dilutive outstanding securities were excluded from the computation of diluted net loss per share because their effect would have been anti-dilutive for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Convertible note	12,839,967	12,839,967	12,839,967	12,839,967
Stock options	7,761,895	8,829,382	7,761,895	8,934,259
RSUs	1,461,679	2,124,905	1,461,679	2,314,407
Earnout Shares	794,008	1,401,064	794,008	1,401,064
Public Warrants	5,749,986	5,749,986	5,749,986	5,749,986
Private Warrants	3,177,542	3,177,542	3,177,542	3,177,542

## Note 20. Segment Information

The Company operates its business and reports its results through three operating and reportable segments: dispensary, patient services, and clinical trials & other in accordance with ASC 280. See Note 2 for a summary of the Company's policy on segment information.

Summarized financial information for the Company's segments is shown in the following tables:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<i>(in thousands)</i>				
Revenue				
Patient services	\$ 49,752	\$ 53,634	\$ 154,666	\$ 157,333
Dispensary	48,210	26,792	132,329	76,228
Clinical trials & other	1,939	1,609	6,150	4,890
<b>Consolidated revenue</b>	<b>\$ 99,901</b>	<b>\$ 82,035</b>	<b>\$ 293,145</b>	<b>\$ 238,451</b>

<i>(in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Direct costs</b>				
Patient services	\$ 45,118	\$ 44,961	\$ 141,137	\$ 132,653
Dispensary	40,091	21,072	111,701	60,328
Clinical trials & other	326	24	946	276
<b>Total segment direct costs</b>	<b>\$ 85,535</b>	<b>\$ 66,057</b>	<b>\$ 253,784</b>	<b>\$ 193,257</b>
<b>Depreciation expense</b>				
Patient services	\$ 559	\$ 749	\$ 1,574	\$ 1,601
Dispensary	31	30	92	75
<b>Total segment depreciation expense</b>	<b>\$ 590</b>	<b>\$ 780</b>	<b>\$ 1,666</b>	<b>\$ 1,676</b>
<b>Amortization of intangible assets</b>				
Patient services	\$ 718	\$ 731	\$ 1,437	\$ 2,082
Clinical trials & other	55	53	110	158
<b>Total segment amortization</b>	<b>\$ 773</b>	<b>\$ 784</b>	<b>\$ 1,547</b>	<b>\$ 2,240</b>
<b>Operating income</b>				
Patient services	\$ 3,357	\$ 7,193	\$ 10,518	\$ 20,997
Dispensary	8,088	5,690	20,536	15,825
Clinical trials & other	1,558	1,531	5,094	4,455
<b>Total segment operating income</b>	<b>\$ 13,003</b>	<b>\$ 14,414</b>	<b>\$ 36,148</b>	<b>\$ 41,277</b>
<b>Goodwill impairment charges</b>				
Patient services	\$ —	\$ —	\$ —	\$ 16,235
Clinical trials & other	—	—	—	632
<b>Total impairment charges</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 16,867</b>
Selling, general and administrative expense	\$ 26,646	\$ 28,205	\$ 82,970	\$ 85,761
Non-segment depreciation and amortization	210	134	1,367	379
<b>Total consolidated operating loss</b>	<b>\$ (13,853)</b>	<b>\$ (13,925)</b>	<b>\$ (48,189)</b>	<b>\$ (61,730)</b>

<i>(in thousands)</i>	September 30, 2024	December 31, 2023
<b>Assets</b>		
Patient services	\$ 72,572	\$ 73,551
Dispensary	16,022	8,378
Clinical trials & other	8,410	8,878
Non-segment assets	82,179	118,433
<b>Total assets</b>	<b>\$ 179,183</b>	<b>\$ 209,240</b>

**Note 21. Related Party Transactions**

Related party transactions include payments for consulting services provided to the Company, clinical trials, board fees and expenses. Related party payments for the three and nine months ended September 30, 2024 and 2023 were as follows:

<i>(in thousands)</i>	Type	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
American Institute of Research	Consulting	\$ —	\$ 14	\$ —	\$ 38
Karen M Johnson	Board Fees	19	13	58	38
Richard Barasch	Board Fees	—	—	5	—
Anne M. McGeorge	Board Fees	19	29	56	58
Mohit Kaushal	Board Fees	19	32	58	59
Ravi Sarin	Board Fees	—	29	—	54
Maeve O'Meara Duke	Board Fees	19	13	57	38
M33 Growth LLC (Gabe Ling)	Board Fees	19	33	59	58
Mark L. Pacala	Board Fees	19	29	57	58
Richy Agajanian MD	Clinical Trials	—	5	—	12
Brad Hively	Board Fees	29	2	66	4
<b>Total</b>		<b>\$ 143</b>	<b>\$ 199</b>	<b>\$ 416</b>	<b>\$ 417</b>

There are no outstanding related party balances at September 30, 2024 and December 31, 2023.

**Note 22. Subsequent Events**

On October 22, 2024, the Company reached a settlement agreement through arbitration in connection with a legal dispute involving a contractual disagreement with a provider. The arbitration ruling was favorable to the Company and resulted in a \$4.1 million settlement payment to the Company. Under the terms of the settlement, the Company will receive this payment in four installments by December 31, 2024.



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

*The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of The Oncology Institute, Inc. ("TOI") along with its consolidating subsidiaries (the "Company"). The discussion should be read together with the unaudited condensed consolidated financial statements and the related notes that are included elsewhere in this Report. The information in this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements are based upon current expectations, as well as management's beliefs and assumptions and involve a high degree of risk and uncertainty. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Statements that include the words "believes," "anticipates," "plans," "expects," "intends," and similar expressions that convey uncertainty of future events or outcomes are forward-looking statements. Our actual results could differ materially from those discussed or suggested in the forward-looking statements herein. Factors that could cause or contribute to such differences include those described under the heading "Risk Factors" (Item 1A) in our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed on March 28, 2024. In addition, as a result of these and other factors, our past financial performance should not be relied on as an indication of future performance. All forward-looking statements in this document are based on information available to us as of the filing date of this Quarterly Report on Form 10-Q and we assume no obligation to update any forward-looking statements or the reasons why our actual results may differ. All dollar values are expressed in thousands, unless otherwise noted.*

*Unless the context dictates otherwise, references in this Report on Form 10-Q to the "Company," "we," "us," "our," and similar words are references to The Oncology Institute, Inc., a Delaware corporation ("TOI"), and its consolidated subsidiaries and affiliated entities, as appropriate, including its consolidated variable interest entities ("VIEs").*

### Overview

The Company is a leading value-based oncology company that manages community-based oncology practices for the Company and for independent oncology practices that together serve patients at 86 clinic locations across 14 markets and four states throughout the United States. Additionally, the Company has commenced operations in Oregon in October 2024. Our community-based oncology practices are staffed with 131 oncologists and advanced practice providers. 72 of these clinics are staffed with 120 providers employed by our affiliated physician-owned professional corporations, referred to as the "TOI PCs", which provided care for more than 64,000 patients in 2024 and managed a population of approximately 1.9 million patients under value-based agreements as of September 30, 2024. The Company also provides management services on behalf of 14 clinic locations owned by independent oncology practices. The Company's mission is to heal and empower cancer patients through compassion, innovation, and state-of-the-art medical care.

Operationally, the Company's medical centers provide a complete suite of medical oncology services including: physician services, in-house infusion and pharmacy, clinical trials, radiation, educational seminars, support groups, counseling, and 24/7 patient assistance. Many of our services, such as managing clinical trials, palliative care programs and stem cell transplants, are traditionally accessed through academic and tertiary care settings, while the TOI PCs bring these services to patients in a community setting. As scientific research progresses and more treatment options become available, cancer care is shifting from acute care episodes to chronic disease management. With this shift, it is increasingly important for high-quality, high-value cancer care to be available in a local community setting to all patients in need.

As a value-based oncology company, the Company seeks to deliver both better quality care and lower cost of care. The Company works to accomplish this goal by reducing wasteful, inefficient or counterproductive care that drives up costs but does not improve outcomes. The Company believes payors and employers are aligned with the value-based model due to its enhanced access, improved outcomes, and lower costs. Patients under the Company's affiliated providers' care can benefit from evidence-based and personalized care plans, gain access to sub-specialized care in convenient community locations, and lower out-of-pocket costs. The Company believes its affiliated providers enjoy the stability and predictability of a large multi-state practice, are not incentivized or pressured to overtreat when it may be inconsistent with a patient's goals of care, and can focus on practicing outstanding evidence-based medicine, rather than business building.

### Components of Results of Operations

#### Revenue

The Company receives payments from the following sources for services rendered: (i) commercial insurers; (ii) pharmacy benefit managers ("PBMs"), (iii) the federal government under the Medicare program administered by the Centers for Medicare and Medicaid Services ("CMS"); (iv) state governments under Medicaid and other programs; (v) other third-party payors and

managed care organizations (e.g., risk bearing organizations and independent practice associations (“IPAs”)); and (vi) individual patients and clients.

Revenue primarily consists of capitation revenue, fee-for-service (“FFS”) revenue, dispensary revenue, and clinical trials revenue. Capitation and FFS revenue comprise the revenues within the Company’s patient services segment and are presented together in the results of operations. The following paragraphs provide a summary of the principal forms of our billing arrangements and how revenue is recognized for each type of revenue.

### ***Capitation***

Capitation revenues consist primarily of fees for medical services provided by the TOI PCs to the Company’s patients under a capitated arrangement with various managed care organizations. Capitation revenue is paid monthly based on the number of enrollees by the contracted managed care organization (per member per month or “PMPM”). Capitation contracts generally have a legal term of one year or longer. Payments in capitation contracts are variable since they primarily include PMPM fees associated with unspecified membership that fluctuates throughout the term of the contract; however, based on our experience, our total underlying membership generally increases over time as penetration of Medicare Advantage products grows. Certain contracts include terms for a capitation deduction where the cost of out-of-network referrals of members are deducted from the future payment. Revenue is recognized in the month services are rendered on the basis of the transaction price established at that time.

### ***Fee-for-service revenue***

FFS revenue represents revenue earned under contracts in which we bill and collect for specific medical services rendered by the TOI PCs’ employed physicians. The terms for FFS contracts are short in duration and only last for the period over which services are rendered (typically, one day). FFS revenue consists of fees for medical services provided to patients. As specialist providers, our FFS revenue is dependent on referrals from other physicians, such as primary care physicians. The Company’s affiliated providers build trusted, professional relationships with these physicians and their associated medical groups, which can lead to recurring FFS volume; however, this volume is subject to numerous factors the Company cannot control and can fluctuate over time. The Company also receives FFS revenue for capitated patients that receive medical services which are excluded from the Company’s capitation contracts. Under the FFS arrangements, third-party payors and patients are billed for patient care services provided by the TOI PCs. Payments for services provided are generally less than billed charges. The Company records revenue net of an allowance for contractual adjustments, which represents the net revenue expected to be collected from third-party payors (including managed care, commercial, and governmental payors such as Medicare and Medicaid), and patients. These expected collections are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patient’s healthcare plan, mandated payment rates in the case of Medicare and Medicaid programs, and historical cash collections (net of recoveries). The recognition of net revenue (gross charges less contractual allowances) from such services is dependent on certain factors, such as the proper completion of medical charts following a patient visit, the forwarding of such charts to our billing center for medical coding and entering into the Company’s billing system, and the verification of each patient’s submission or representation at the time services are rendered as to the payor(s) responsible for payment of such services. Revenue is recorded on the date the services are rendered based on the information known at the time of entering of such information into the Company’s billing systems as well as an estimate of the revenue associated with medical services.

### ***Dispensary and pharmacy***

Oral prescription drugs prescribed by doctors to their patients are sold directly through the TOI PCs’ dispensaries. Revenue for the prescriptions is based on fee schedules set by various PBMs and other third-party payors. The fee schedule is often subject to direct and indirect remuneration (“DIR”) fees, which are based primarily on pre-established metrics. DIR fees may be assessed in the periods after payments are received against future payments. The Company recognizes revenue, deducted by estimated DIR fees, at the time the patient takes possession of the oral drug.

### ***Clinical trials & other revenue***

The TOI PCs also enter into contracts to perform clinical research trials. The terms for clinical trial contracts last many months as the clinical research is performed. Each contract represents a single, integrated set of research activities that are satisfied over time as the output of results from the trial is captured for the trial sponsor to review. Under the clinical trial contracts, the TOI PCs receive a fixed payment for administrative, set-up, and close-down fees; a fixed amount for each patient site visit; and certain expense reimbursements. The Company recognizes revenue for these arrangements on the fees earned to date based on the state of the trial, as established under contract with the customer.

## **Operating Expenses**

### ***Direct costs - patient services***

Direct costs - patient services primarily includes chemotherapy drug costs, clinician salaries and benefits, and medical supplies. Clinicians include oncologists, advanced practice providers such as physician assistants and nurse practitioners, and registered nurses employed by the TOI PCs.

### ***Direct costs - dispensary***

Direct costs - dispensary primarily includes the cost of oral medications dispensed in the TOI PCs' clinic locations.

### ***Direct costs - clinical trials & other***

Direct costs - clinical trials & other primarily includes costs related to clinical trial contracts and medical supplies.

### ***Selling, general and administrative expense***

Selling, general and administrative expenses include employee-related expenses, including both clinic and field support staff as well as central administrative and corporate staff. These expenses include salaries and related costs and stock-based compensation for our executives and physicians. The Company's selling, general and administrative expenses also include occupancy costs, technology infrastructure, operations, clinical and quality support, finance, legal, human resources, and business development. Following the consummation of the Business Combination, general and administrative expenses have increased, and the Company expects continued increases over time, due to the additional legal, accounting, insurance, investor relations and other costs that the Company incurs as a public company, as well as other costs associated with continuing to grow the business. While the Company expects its selling, general and administrative expenses to increase in absolute dollars in the foreseeable future. Such expenses are on average expected to decrease as a percentage of revenue over the long term.

## **Results of Operations**

The following table sets forth our Condensed Consolidated Statements of Operations data expressed as a percentage of total revenues for the periods indicated. The Company's management is not aware of material events or uncertainties that would cause the financial information below to not be indicative of future operating results or results of future financial condition, although past results should not be relied upon as an indication of future performance or future financial condition.

	Three Months Ended September 30,		Nine months ended September 30	
	2024	2023	2024	2023
<b>Revenue</b>				
Patient services	49.8 %	65.4 %	52.8 %	65.9 %
Dispensary	48.3 %	32.6 %	45.1 %	32.0 %
Clinical trials & other	1.9 %	2.0 %	2.1 %	2.1 %
<b>Total operating revenue</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
<b>Operating expenses</b>				
Direct costs – patient services	45.2 %	54.8 %	48.1 %	55.6 %
Direct costs – dispensary	40.1 %	25.7 %	38.1 %	25.3 %
Direct costs – clinical trials & other	0.3 %	— %	0.3 %	0.1 %
Goodwill impairment charges	0.0 %	— %	0.0 %	7.1 %
Selling, general and administrative expense	26.7 %	34.4 %	28.3 %	36.0 %
Depreciation and amortization	1.6 %	2.1 %	1.6 %	1.8 %
<b>Total operating expenses</b>	<b>113.9 %</b>	<b>117.0 %</b>	<b>116.4 %</b>	<b>125.9 %</b>
<b>Loss from operations</b>	<b>(13.9)%</b>	<b>(17.0)%</b>	<b>(16.4)%</b>	<b>(25.9)%</b>
<b>Other non-operating expense (income)</b>				
Interest expense, net	2.2 %	2.2 %	2.2 %	2.1 %
Change in fair value of derivative warrant liabilities	— %	0.2 %	(0.2)%	— %
Change in fair value of earnout liabilities	— %	— %	— %	(0.3)%
Change in fair value of conversion option derivative liabilities	— %	1.6 %	(0.9)%	(0.9)%
Gain on loan forgiveness	— %	— %	— %	— %
Other, net	0.1 %	0.2 %	0.1 %	0.2 %
<b>Total other non-operating loss</b>	<b>2.3 %</b>	<b>4.2 %</b>	<b>1.2 %</b>	<b>1.1 %</b>
Loss before provision for income taxes	(16.2)%	(21.2)%	(17.6)%	(27.0)%
Income tax expense	— %	(0.2)%	— %	(0.1)%
<b>Net loss</b>	<b>(16.2)%</b>	<b>(21.4)%</b>	<b>(17.6)%</b>	<b>(27.1)%</b>

### Comparison of the Three and Nine Months Ended September 30, 2024 and 2023

#### Revenue

(dollars in thousands)	Three Months Ended September 30,		Change		Nine months ended September 30		Change	
	2024	2023	\$	%	2024	2023	\$	%
	Patient services	\$ 49,752	\$ 53,634	\$ (3,882)	(7.2)%	\$ 154,666	\$ 157,333	\$ (2,667)
Dispensary	48,210	26,792	21,418	79.9 %	132,329	76,228	56,101	73.6 %
Clinical trials & other	1,939	1,609	330	20.5 %	6,150	4,890	1,260	25.8 %
<b>Total operating revenue</b>	<b>\$ 99,901</b>	<b>\$ 82,035</b>	<b>\$ 17,866</b>	<b>21.8 %</b>	<b>\$ 293,145</b>	<b>\$ 238,451</b>	<b>\$ 54,694</b>	<b>22.9 %</b>

#### Patient services

##### Three Months Ended September 30, 2024 and 2023

The decrease in patient services revenue was primarily due to a 1.6% decrease in FFS revenue and a 5.6% decrease in capitation revenue during the third quarter of 2024. This was primarily due to fluctuations in members and loss of contract. During the three months ended September 30, 2024, we signed an additional 3 capitated contracts across 2 states, including both medical and radiation oncology services. We added a second capitation contract in Florida which is direct to a health plan partner, as well as our first capitation contract in Oregon. Year to date, we have now signed 13 new capitation contracts across the organization. We also achieved certification to begin radio-pharmaceutical therapy in our California radiation oncology practice. This will be an important driver of growth and margin for our radiation oncology business going forward, and we are

one of the few community-based practices on the West Coast to offer this service which traditionally occurs in the hospital setting. We are targeting a December 2024 go-live for this important new therapeutic service at TOI. With the recent execution of our capitation contracts, we expect significant improvement in our net loss in Q4 and beyond. We are well-positioned to handle substantial growth in the markets we serve without needing to add more providers or increase overhead costs.

#### Nine Months Ended September 30, 2024 and 2023

The decrease in patient services revenue was primarily due to a 1.7% decrease in FFS revenue.

#### **Dispensary**

#### Three Months Ended September 30, 2024 and 2023

The increase in dispensary revenue was primarily due to a 86.5% increase in the number of prescriptions filled primarily related to the California pharmacy, offset by a 3.5% decrease in the average revenue per fill. We are continuing to set new monthly fill records and now project revenue of more than \$75 million from our California Pharmacy.

#### Nine Months Ended September 30, 2024 and 2023

The increase in dispensary revenue was primarily due to a 82.5% increase in the number of prescriptions filled primarily related to the California pharmacy, offset by a 4.9% decrease in the average revenue per fill.

#### **Clinical trials & other**

#### Three Months Ended September 30, 2024 and 2023

The increase in clinical trials and other revenue was primarily due to an increase in other revenue compared to the three months ended September 30, 2023.

#### Nine Months Ended September 30, 2024 and 2023

The increase in clinical trials and other revenue was primarily due to an increase in other revenue compared to the nine months ended September 30, 2023.

#### **Operating Expenses**

<i>(dollars in thousands)</i>	<b>Three Months Ended</b>		<b>Change</b>		<b>Nine months ended</b>		<b>Change</b>	
	<b>September 30,</b>				<b>September 30</b>			
	<b>2024</b>	<b>2023</b>	<b>\$</b>	<b>%</b>	<b>2024</b>	<b>2023</b>	<b>\$</b>	<b>%</b>
Direct costs – patient services	\$45,118	\$ 44,961	\$ 157	0.3 %	\$141,137	\$ 132,653	\$ 8,484	6.4 %
Direct costs – dispensary	40,091	21,072	19,019	90.3 %	111,701	60,328	51,373	85.2 %
Direct costs – clinical trials & other	326	24	302	1258.3 %	946	276	670	242.8 %
Goodwill impairment charges	—	—	—	N/A	—	16,867	(16,867)	(100.0)%
Selling, general and administrative expense	26,646	28,205	(1,559)	(5.5)%	82,970	85,761	(2,791)	(3.3)%
Depreciation and amortization	1,573	1,698	(125)	(7.4)%	4,580	4,296	284	6.6 %
<b>Total operating expenses</b>	<b>\$113,754</b>	<b>\$ 95,960</b>	<b>\$ 17,794</b>	<b>18.5 %</b>	<b>\$341,334</b>	<b>\$ 300,181</b>	<b>\$ 41,153</b>	<b>13.7 %</b>

#### **Patient services cost**

#### Three Months Ended September 30, 2024 and 2023

The increase in patient services cost was primarily due to a 4.8% increase in clinical payroll costs due to growth and provider count offset by a 4.0% decrease in intravenous drug costs, as well as a 0.9% decrease in medical supply cost.

Intravenous drug costs are in line with normal seasonality and we expect improvement in the margins as the year progresses as additional rebates are achieved through volume-based tiering in our contractual pricing.

#### Nine Months Ended September 30, 2024 and 2023

The increase in patient services cost was primarily due to a 5.1% increase in clinical payroll costs due to growth and provider count as well as a 1.5% increase in intravenous drug costs, driven by the Company's patient mix and volume.

#### **Dispensary cost**

#### Three Months Ended September 30, 2024 and 2023

The increase in dispensary cost was primarily due to a 86.5% increase in the number of prescriptions filled and by a 2.0% increase in the average cost of the prescriptions filled.

#### Nine Months Ended September 30, 2024 and 2023

The increase in dispensary cost was primarily due to a 82.5% increase in the number of prescriptions filled and by a 1.4% increase in the average cost of the prescriptions filled.

#### **Goodwill impairment charges**

The goodwill impairment charges were \$0 during the three and nine months ended September 30, 2024, compared to \$0 and \$16,867 during the three and nine months ended September 30, 2023. See Note 18 for additional detail.

#### **Selling, general and administrative expense**

#### Three Months Ended September 30, 2024 and 2023

The decrease in selling, general and administrative expense was primarily driven by a 12.2% decrease in salaries and benefits, a 2.1% decrease in business development expenses, offset by a 8.8% increase in operational expenses due to the growth of CA pharmacy business. This decrease is a direct result of our ongoing efforts to streamline operations, improve efficiency, and optimize our cost structure. We are confident that these cost-management efforts, combined with our robust top-line growth, will continue to strengthen our financial performance and position in the quarters ahead.

#### Nine Months Ended September 30, 2024 and 2023

The decrease in selling, general and administrative expense was primarily driven by a 7.9% decrease in salaries and benefits, a 2.3% decrease in business development expenses, offset by a 7.0% increase in operational expenses due to the growth of CA pharmacy business.

#### **Other Expenses (Income)**

	Three Months Ended September 30,		Change		Nine months ended September 30		Change	
	2024	2023	\$	%	2024	2023	\$	%
<i>(dollars in thousands)</i>								
Interest expense, net	\$ 2,225	\$ 1,755	\$ 470	26.8 %	\$ 6,328	\$ 4,836	\$ 1,492	30.9 %
Change in fair value of derivative warrant liabilities	(20)	203	(223)	(109.9)%	(572)	(58)	(514)	886.2 %
Change in fair value of earnout liabilities	—	(23)	23	(100.0)%	—	(792)	792	(100.0)%
Change in fair value of conversion option derivative liabilities	—	1,284	(1,284)	N/A	(2,568)	(2,034)	(534)	N/A
Other, net	55	140	(85)	(60.7)%	104	354	(250)	(70.6)%
<b>Total other non-operating expense (income)</b>	<b>\$ 2,260</b>	<b>\$ 3,359</b>	<b>\$ (1,099)</b>	<b>(32.7)%</b>	<b>\$ 3,292</b>	<b>\$ 2,306</b>	<b>\$ 986</b>	<b>42.8 %</b>

**Interest expense, net**

The increase in net interest expense for the three and nine months ended September 30, 2024 was the result of the decrease in interest income related to marketable treasury securities.

**Change in fair value of liabilities**Three Months Ended September 30, 2024 and 2023

The decrease in change in fair value of liabilities was primarily due to no change in the fair value of conversion option derivative liabilities for the three months ended September 30, 2024, compared to \$1,284 loss for the three months ended September 30, 2023.

Nine Months Ended September 30, 2024 and 2023

The increase in change in fair value of liabilities was primarily due to a \$256 reduction in gain as a result of the decrease in fair value of derivative warrant and conversion option derivative liabilities for the nine months ended September 30, 2024.

**Other, net**

The change in other, net was primarily due to unrealized gains on marketable securities compared to the same period in 2023.

**Key Business Metrics**

In addition to our financial information, the Company's management reviews a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

	<b>Three Months Ended September 30,</b>		<b>Nine months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Clinics <sup>(1)</sup>	86	84	86	84
Markets	14	15	14	15
Lives under value-based contracts (millions)	1.9	1.8	1.9	1.8
Adjusted EBITDA (in thousands) <sup>(2)</sup>	\$ (8,196)	\$ (5,346)	\$ (27,847)	\$ (19,647)

<sup>(1)</sup> Includes independent oncology practices to which we provide limited management services, but do not bear the operating costs.

<sup>(2)</sup> Adjusted EBITDA is a "non-GAAP" financial measure within the meaning of Item 10 of Regulation S-K promulgated by the SEC. The Company defines Adjusted EBITDA as net income (loss) adjusting for:

- Depreciation and amortization,
- Interest expense, net,
- Income tax expense,
- Non-cash addbacks,
- Share-based compensation,
- Goodwill impairment charges
- Changes in fair value of liabilities,
- Unrealized (gains) losses on investments
- Practice acquisition-related costs,

- Post combination compensation expense,
- Consulting and legal fees,
- Infrastructure and workforce costs, and
- Transaction costs.

The Company includes Adjusted EBITDA because it is an important measure 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.

Management believes that this measure provides an additional tool to assess operational performance and trends in, and comparing our financial measures with, other similar companies, many of which present similar non-GAAP financial measures to investors. Be aware that the Company's non-GAAP financial measure may be different from the non-GAAP financial measures used by other companies, including the Company's competitors. The use 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. Management encourages investors and others to review the Company's financial information in its entirety, including the financial statements and the related notes thereto, and not to rely on any single financial measure.

The following tables provide a reconciliation of net loss, the most closely comparable GAAP financial measure, to Adjusted EBITDA:

<i>(dollars in thousands)</i>	Three Months Ended September 30,		Change	
	2024	2023	\$	%
Net loss	\$ (16,113)	\$ (17,419)	\$ 1,306	(7.5)%
Depreciation and amortization	1,573	1,698	(125)	(7.4)%
Interest expense, net	2,225	1,755	470	26.8%
Income tax benefit	—	136	(136)	(100.0)%
Non-cash addbacks <sup>(1)</sup>	(102)	(13)	(89)	684.6%
Share-based compensation	2,388	4,658	(2,270)	(48.7)%
Changes in fair value of liabilities	(20)	1,464	(1,484)	(101.4)%
Unrealized (gains) losses on investments	(18)	(156)	138	(88.5)%
Practice acquisition-related costs <sup>(2)</sup>	—	41	(41)	(100.0)%
Post-combination compensation expense <sup>(3)</sup>	45	399	(354)	(88.7)%
Consulting and legal fees <sup>(4)</sup>	352	1	351	35,100.0%
Infrastructure and workforce costs <sup>(5)</sup>	1,473	1,978	(505)	(25.5)%
Transaction costs <sup>(6)</sup>	—	112	(112)	(100.0)%
<b>Adjusted EBITDA</b>	<b>\$ (8,197)</b>	<b>\$ (5,346)</b>	<b>\$ (2,851)</b>	<b>53.3%</b>

<sup>(1)</sup> During the three months ended September 30, 2024, non-cash addbacks were primarily comprised of non-cash rent of \$104 offset by net credit loss of \$2. During the three months ended September 30, 2023, non-cash addbacks were primarily comprised of net bad debt expense of \$32 offset by non-cash rent of \$45.

<sup>(2)</sup> Practice acquisition-related costs were comprised of consulting and legal fees incurred to perform due diligence, execute, and integrate acquisitions of various oncology practices.

<sup>(3)</sup> Deferred consideration payments for practice acquisitions that are contingent upon the seller's future employment at the Company.

<sup>(4)</sup> Consulting and legal fees were comprised of a subset of the Company's total consulting and legal fees, and related to certain non-recurring advisory projects during the three months ended September 30, 2024. During the three months ended September 30, 2023, these fees related to non-recurring advisory projects, including software implementations.

<sup>(5)</sup> Infrastructure and workforce costs were comprised of recruiting expenses to build out corporate infrastructure of \$218 and \$701, software implementation fees of \$0 and \$37, severance expenses resulting from cost rationalization programs of \$67 and \$633, temporary labor of \$142 and \$310 and non-recurring legal fees related to infrastructure build out of \$948 and \$2 during the three months ended September 30, 2024 and 2023, respectively.



- (6) Transaction costs incurred during the three months ended September 30, 2023 were comprised of consulting, legal, administrative and regulatory fees associated with non-recurring due diligence projects.

<i>(dollars in thousands)</i>	Nine months ended September 30		Change	
	2024	2023	\$	%
Net loss	\$ (51,481)	\$ (64,314)	\$ 12,833	(20.0)%
Depreciation and amortization	4,580	4,296	284	6.6 %
Interest expense, net	6,328	4,836	1,492	30.9 %
Income tax expense	—	278	(278)	(100.0)%
Non-cash addbacks(1)	(210)	152	(362)	(238.2)%
Share-based compensation	9,862	13,730	(3,868)	(28.2)%
Goodwill impairment charges	—	16,867	(16,867)	N/A
Changes in fair value of liabilities	(3,140)	(2,884)	(256)	8.9 %
Unrealized (gains) losses on investments	(134)	(31)	(103)	N/A
Practice acquisition-related costs(2)	—	112	(112)	(100.0)%
Post-combination compensation expense(3)	361	1,561	(1,200)	N/A
Consulting and legal fees(4)	772	1,515	(743)	(49.0)%
Infrastructure and workforce costs(5)	5,197	4,095	1,102	26.9 %
Transaction costs(6)	18	140	(122)	(87.1)%
<b>Adjusted EBITDA</b>	<b>\$ (27,847)</b>	<b>\$ (19,647)</b>	<b>\$ (8,200)</b>	<b>41.7 %</b>

- (1) During the nine months ended September 30, 2024, non-cash addbacks were primarily comprised of non-cash rent of \$261, offset by net reversal of bad debt recovery of \$51. During the nine months ended September 30, 2023, non-cash addbacks were primarily comprised of non-cash rent of \$120 and net credit losses of \$31 .
- (2) Practice acquisition-related costs were comprised of consulting and legal fees incurred to perform due diligence, execute, and integrate acquisitions of various oncology practices.
- (3) Deferred consideration payments for practice acquisitions that are contingent upon the seller's future employment at the Company.
- (4) Consulting and legal fees were comprised of a subset of the Company's total consulting and legal fees, and related to certain non-recurring advisory projects during the nine months ended September 30, 2024. During the nine months ended September 30, 2023, these fees related to non-recurring advisory projects, including software implementations.
- (5) Infrastructure and workforce costs were primarily comprised of non-recurring legal fees related to infrastructure build out of \$3,307 and 2,035, recruiting expenses to build out corporate infrastructure of \$930 and \$1,593, severance expenses resulting from cost rationalization programs of \$219 and \$898, and temporary labor of \$468 and \$1,217 during the nine months ended September 30, 2024 and 2023, respectively.
- (6) Transaction costs incurred during the nine months ended September 30, 2024 were comprised of consulting, legal, administrative and regulatory fees associated with non-recurring due diligence projects.

## Liquidity and Capital Resources

### General

To date, the Company has financed its operations principally through debt facilities, issuances of equity securities and payments received from various payors. As of September 30, 2024, the Company had \$47,402 of cash and cash equivalents.

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

Management believes that its cash and cash equivalents on hand will be sufficient to fund the Company's operating and capital needs for at least the next 12 months. Management's assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. The Company's actual results could vary because of, and its future capital requirements will depend on, many factors, including our growth rate, the timing and extent of spending to open or acquire new clinics and expand into new markets and the expansion of sales and marketing activities. The Company may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. The Company has based this estimate on assumptions that may prove to be wrong, and the Company could use its available capital resources sooner than management currently expects. The Company may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, the Company may not be able to raise it on terms acceptable to management or at all. If unable to raise additional capital when desired, or if the Company cannot expand operations or otherwise capitalize on business opportunities because of the Company's lack of sufficient capital, the Company's business, results of operations, and financial condition would be adversely affected.

Outside of the aforementioned, and any transactions made in the ordinary course of business, there have been no significant changes to our material cash requirements as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

### Cash Flows

The following table presents a summary of the Company's consolidated cash flows from operating, investing, and financing activities for the periods indicated.

<i>(dollars in thousands)</i>	<b>Nine Months Ended September 30,</b>		<b>Change</b>	
	<b>2024</b>	<b>2023</b>	<b>\$</b>	<b>%</b>
Net cash and cash equivalents used in operating activities	\$ (30,724)	\$ (32,422)	\$ 1,698	(5)%
Net cash and cash equivalents provided by investing activities	47,966	51,013	(3,047)	(6)%
Net cash and cash equivalents used in financing activities	(3,328)	(5,066)	1,738	(34)%
<b>Net increase in cash and cash equivalents</b>	<b>\$ 13,914</b>	<b>\$ 13,525</b>	<b>\$ 389</b>	<b>3 %</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>33,488</b>	<b>14,010</b>	<b>19,478</b>	<b>139 %</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 47,402</b>	<b>\$ 27,535</b>	<b>\$ 19,867</b>	<b>72 %</b>

### Operating Activities

Significant changes impacting net cash and cash equivalents used in operating activities for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 was due to \$12,833 reduction in net loss and the following changes to the non-cash net loss adjustments:

- Goodwill impairment of \$16,867 for the nine months ended September 30, 2023 that did not occur in the current year,
- A \$256 reduction in gains related to the change in the fair value of liabilities for the nine months ended September 30, 2024;
- Share based compensation for the nine months ended September 30, 2024 decreased by \$3,868 compared to the nine months ended September 30, 2023;
- Cash used by accounts receivable increased \$3,485 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 due to timing and the growth in the Company's pharmacy business;
- Cash used by inventories decreased \$6,485 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 due to reduction in inventory days on hands.
- Cash provided by accounts payable, accrued expenses and income taxes payable increased \$8,751 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 primarily due to the timing of the payment activities; and

- Cash used by prepaid and other current assets increased \$2,736 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 primarily due to timing.

We have implemented targeted initiatives to optimize our working capital going forward. We are improving our receivables management and are in the process of renegotiating payment terms with key suppliers. The goal is to reduce our days sales outstanding (DSO), while also extending our days payable outstanding (DPO) through ongoing negotiations with our vendors. These efforts are for long and short-term improvement in cash flow from operations and improving liquidity.

### **Investing Activities**

Net cash provided by investing activities decreased \$3,047 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 due to a \$9,019 decrease in net sales of marketable securities, offset by a \$5,972 decrease in cash used in practice acquisitions in and purchases of property and equipment.

### **Financing Activities**

Net cash used in financing activities decreased \$1,738 for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 primarily due to a decrease of \$2,008 related to payments made for financing of insurance payments and a \$1,019 decrease in common stock repurchases offset by a \$1,413 increase of deferred consideration liability payments during the nine months ended September 30, 2024.

### **Material Cash Requirements**

The Company's material cash requirements for the following five years consist of debt servicing requirements, operating leases and deferred acquisition and contingent consideration. Additionally, the Company is subject to certain outside claims and litigation arising out of the ordinary course of business, however, no such litigation requires future cash expenditure as of September 30, 2024.

<i>(dollars in thousands)</i>	<b>Material Cash Requirements Due by the Year Ended December 31,</b>				
	<b>2024</b>	<b>2025-2026</b>	<b>2027-2028</b>	<b>Thereafter</b>	<b>Total</b>
Convertible note <sup>1</sup>	\$ 1,124	\$ 8,922	\$ 112,664	\$ —	\$ 122,711
Operating leases	2,130	16,476	11,566	6,866	37,038
Deferred acquisition and contingent consideration	175	50	—	—	225
Other <sup>2</sup>	12	81	29	—	122
<b>Total material cash requirements</b>	<b>\$ 3,441</b>	<b>\$ 25,529</b>	<b>\$ 124,259</b>	<b>\$ 6,866</b>	<b>\$ 160,096</b>

(1) Includes principal and interest payments due.

(2) Other is comprised of finance leases.

### **JOBS Act**

The Company qualifies as an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and has elected to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company that is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

### **Critical Accounting Policies**

The Company prepares its financial statements in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of

assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates under different assumptions or conditions.

### ***Leases***

The Company evaluates whether an arrangement is or contains a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of an identified asset for a period of time in exchange for consideration. Upon lease commencement, the date on which a lessor makes the underlying asset available to the Company for use, the Company classifies the lease as either an operating or finance lease. The Company applied certain practical expedients permitted under the transition guidance, including the package of practical expedients, which permits the Company not to reassess its prior conclusions related to lease identification, lease classification, and initial direct costs capitalization. The Company solely acts as a lessee and its leases primarily consist of operating leases for its real estate in the states in which the Company operates. The Company has other operating or financing leases for various clinical and non-clinical equipment.

Generally, upon the commencement of a lease, the Company will record a right-of-use (“ROU”) asset and lease liability. An ROU asset represents the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Lease liabilities are measured at the present value of the remaining, fixed lease payments at lease commencement. The Company uses its incremental borrowing rate, based on the information available at the later of adoption, inception, or modification in determining the present value of lease payments. ROU assets are measured at an amount equal to the initial lease liability, plus any prepaid lease payments (less any incentives received) and initial direct costs, at the lease commencement date. The Company has elected to account for lease and non-lease components as a single lease component for all underlying classes of assets. As a result, the fixed payments that would otherwise be allocable to the non-lease components are account for as lease payments and included in the measurement of the Company’s right-of-use asset and lease liability.

Lease arrangements with an initial term of 12 months or less are considered short-term leases and are not recorded on the balance sheet. The short-term lease payments are recognized as an expense on a straight-line basis over the lease term. The lease term includes any period covered by renewal options available that the Company is reasonably certain to exercise and any options to terminate the lease that the Company is not reasonably certain to exercise.

### ***Variable Interest Entities***

The Company consolidates entities for which it has a variable interest and is determined to be the primary beneficiary. The Company holds variable interests in the TOI PCs, comprised of TOI CA, TOI FL, TOI OR, and TOI TX all of which the Company cannot legally own due to jurisdictional laws governing the corporate practice of medicine. The TOI PCs employ physicians and other clinicians in order to provide professional services to patients of our managed clinics, and under substantially similar MSAs, we serve as the exclusive manager and administrator of the TOI PCs’ non-medical functions and services. The TOI PCs are considered variable interest entities (“VIEs”) as they do not have sufficient equity to finance their activities without additional financial support from the Company. An enterprise having a controlling financial interest in a VIE must consolidate the VIE if it has both power and benefits — that is, it has (1) the power to direct the activities of a VIE that most significantly impacts the VIE’s economic performance (power), and (2) the obligation to absorb the losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE (benefits). The Company has the power to control all financial activities of the TOI PCs, the rights to receive substantially all benefits from the VIEs, and consequently consolidates the TOI PCs. Revenues, expenses, and income along with the balance sheet accounts from the TOI PCs are included in the consolidated amounts as presented on the Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets.

### ***Segment Reporting***

The Company presents the condensed consolidated financial statements by segment in accordance with the relevant accounting literature to provide investors with transparency into how the chief operating decision maker (“CODM”) manages the business. The Company’s CODM is our Chief Executive Officer. The CODM reviews financial information and allocates resources across three operating segments: dispensary, patient care, and clinical trials & other.

### ***Revenue Recognition***

The Company recognizes consolidated revenue based upon the principle of the transfer of control of our goods and services to customers in an amount that reflects the consideration to which it expects to be entitled. This principle is achieved through applying the following five-step approach:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, the entity satisfies a performance obligation.

Consolidated revenue primarily consists of capitation revenue, fee-for-service (FFS) revenue, dispensary revenue, and clinical trials revenue. Revenue is recognized in the period in which services are rendered or the period in which the TOI PCs are obligated to provide services. The form of billing and related risk of collection for such services may vary by type of revenue and the payor. The following paragraphs provide a summary of the principal forms of billing arrangements and how revenue is recognized for each.

#### *Capitation*

Capitation contracts have a single performance obligation that is a stand ready obligation to perform specified healthcare services to the population of enrolled members and constitutes a series for the provision of managed healthcare services for the term of the contract, which is deemed to be one month since the mix of patient-customers can and do change month over month. The transaction price for capitation contracts is variable as it primarily includes PMPM fees associated with unspecified membership that fluctuates throughout the term of the contract. Further, we adjust the transaction price for capitation deductions based on historical experience. Revenue is recognized in the month services are rendered on the basis of the transaction price established at that time. If subsequent information resolves uncertainties related to the transaction price, adjustments will be recognized in the period they are resolved. When payment has been received but services have not yet been rendered, the payment is recognized as a contract liability.

#### *Fee For Service*

FFS revenue consists of fees for medical services actually provided to patients. These medical services are distinct since the patient can benefit from the medical services on their own. Each service constitutes a single performance obligation for which the patient accepts and receives the benefit of the medical services as they are performed.

The transaction price from FFS arrangements is variable in nature because fees are based on patient encounters, credits due to patients, and reimbursement of provider costs, all of which can vary from period to period. The Company estimates the transaction price using the most likely methodology and amounts are only included in the net transaction price to the extent that it is probable that a significant reversal of cumulative revenue will not occur once any uncertainty is resolved. As a practical expedient, the Company adopted a portfolio approach to determine the transaction price for the medical services provided under FFS arrangements. Under this approach, the Company bifurcated the types of services provided and grouped health plans with similar fees and negotiated payment rates.

At these levels, portfolios share the characteristics conducive to ensuring that the results do not materially differ from the standard applied to individual patient contracts related to each medical service provided.

Revenue is recorded on the date the services are rendered based on the information known at the time of entering of such information into our billing systems as well as an estimate of the revenue associated with medical services. When the performance obligation is not satisfied, the billing is recognized as a contract liability.

#### *Dispensary*

Dispensed prescriptions that are filled and delivered to the patient are considered a distinct performance obligation. The transaction price for the prescriptions is based on fee schedules set by PBMs and other third-party payors. The fee schedule is often subject to DIR fees, which are based primarily on pre-established metrics. DIR fees may be assessed in periods after payments are received against future payments. The Company estimates DIR fees to arrive at the transaction price for prescriptions. Revenue is recognized based on the transaction at the time the patient takes possession of the oral drug.

#### *Clinical Research & Other*

Clinical research contracts represent a single, integrated set of research activities and thus are a single performance obligation. The performance obligation is satisfied over time as the output is captured in data and documentation that is

available for the customer to consume over the course of arrangement and furthers progress of the clinical trial. The Company has elected to recognize revenue for clinical trials using the 'as-invoiced' practical expedient. The customer is invoiced periodically based on the progress of the trial such that each invoice captures the revenue earned to date based on the state of the trial as established under contract with the customer.

### ***Direct Costs of Sales***

Direct cost of sales primarily consists of wages paid to clinical personnel and other health professionals, oral and IV drug costs, and other medical supplies used to provide patient care. Costs for clinical personnel wages are expensed as incurred and costs for inventory and medical supplies are expensed when used, generally by applying the specific identification method.

### ***Goodwill and Intangible Assets***

The Company accounts for goodwill and intangible assets under Accounting Standards Codification Topic No. 350, *Goodwill and Other* ("ASC 350"). Goodwill represents the excess of the fair value of the consideration conveyed in acquisition over the fair value of net assets acquired.

Goodwill is not amortized but is required to be evaluated for impairment at the same time every year. The Company performs annual testing of impairment for goodwill in the fourth quarter of each year or earlier if potential impairment indicators exist. When impairment indicators are identified, the Company compares the reporting unit's fair value to its carrying amount, including goodwill. An impairment loss is recognized as the difference, if any, between the reporting unit's carrying amount and its fair value to the extent the difference does not exceed the total amount of goodwill allocated to the reporting unit.

Under ASC 350, finite-lived intangible assets are stated at acquisition-date fair value. Intangible assets are amortized using the straight-line method.

Finite-lived intangible assets are stated at acquisition-date fair value. Intangible assets are amortized using the straight-line method. Finite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When circumstances indicate that recoverability may be impaired, the Company assesses its ability to recover the carrying value of the asset group from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. Fair value is determined based on appropriate valuation techniques.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

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

#### ***Interest Rate Risk***

We held cash and cash equivalents of \$47,402 as of September 30, 2024, consisting of bank deposits and U.S. Treasury Debt Securities. Such interest-earning instruments carry a degree of interest rate risk. The goals of our investment policy are liquidity and capital preservation. We believe that we do not have any material exposure to changes in the fair value of these assets as a result of changes in interest rates due to the short-term nature of our cash and cash equivalents.

#### ***Inflation Risk***

In recent years inflation has impacted the U.S. economy. Inflation can adversely affect us by increasing the costs of drugs, clinical trials and research, administration and other costs of doing business. We may experience increases in the prices of labor and other costs of doing business. In an inflationary environment, cost increases may outpace our expectations, causing us to use our cash and other liquid assets faster than forecasted. If this happens, we may need to raise additional capital to fund our operations, which may not be available in sufficient amounts or on reasonable terms, if at all, sooner than expected.

#### ***Impairment Risk***

Impairment risk refers to the risk that the Company will write down a material amount of its goodwill or intangible assets. This risk is assessed at least annually in the fourth quarter each year when the Company performs its impairment testing. To the extent that, among other factors, (i) there is underperformance in one or more reporting units (ii) a potential recession further

disrupts the economic environment or (iii) interest rates continue to rise in response to persistent inflation, the fair value of one or more of the reporting units could fall below their carrying value, resulting in a goodwill or intangible impairment charge.

#### **Item 4. Controls and Procedures**

##### **Evaluation of Disclosure Controls and Procedures**

Our disclosure controls and procedures are designed to ensure that the information relating to our Company, including our consolidated subsidiaries, that are required to be disclosed in our SEC reports, is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow for timely decisions regarding required disclosure. We conducted an evaluation, under the supervision and with the participation of management, including 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) under the Securities Exchange Act of 1934, as amended) as of September 30, 2024. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective in our internal control over financial reporting. Management, including our Chief Executive Officer and Chief Financial Officer, who serve as our principal executive officer and principal financial officer, respectively, believe the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly represent, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in accordance with GAAP.

##### **Changes in Internal Control over Financial Reporting**

There were no changes in the Company's internal control over financial reporting that occurred during the three and nine months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

##### **Limitations on Effectiveness of Disclosure Controls and Procedures**

In designing and evaluating our disclosure controls and procedures, management, including the Chief Executive Officer and Chief Financial Officer, recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

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

### Item 1A. Risk Factors

There have been no material changes, other than noted below, to the risk factors previously described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. These risk factors describe some of the assumptions, risks, uncertainties and other factors that could adversely affect our business or that could otherwise result in changes that differ materially from our expectations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

*There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq.*

Our Common Stock is listed on The Nasdaq Capital Market ("Nasdaq"). In order to maintain that listing, we must satisfy minimum financial and other requirements including, without limitation, a requirement that the closing bid price of our Common Stock be at least \$1.00 per share. On June 20, 2024, we received a letter from Nasdaq indicating that, for the previous 30 consecutive business days, the bid price for the Company's Common Stock had closed below the minimum \$1.00 per share requirement for continued listing on Nasdaq under Nasdaq Listing Rule 5550(a)(2). As reported on our Current Report on Form 8-K filed on June 21, 2024, we have an initial period of 180 calendar days, or until December 17, 2024 to regain compliance. We may be granted an additional 180 days to regain compliance and, if we do not regain compliance by December 17, 2024, we anticipate seeking Nasdaq's grant of the additional 180-day extension of the compliance deadline before December 17, 2024. If we do not regain compliance by December 17, 2024 and that additional compliance period is granted, we intend to regain compliance with the bid price requirement during the second 180-day compliance period, by effecting a reverse stock split if necessary. If we fail to regain compliance with the minimum bid requirement by December 17, 2024 (or during the second 180-day compliance period, if made available) or if we fail to continue to meet all applicable continued listing requirements for Nasdaq in the future, Nasdaq could delist our securities. If Nasdaq delists our shares of Common Stock and Public Warrants for failure to meet the listing standards, we and our securityholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a limited amount of analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

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

Not applicable.

### Item 3. Defaults Upon Senior Securities

Not applicable.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

During the quarter ended September 30, 2024, no director or officer adopted or terminated:

- (i) Any contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c); and
- (ii) Any "non-Rule 10b5-1 trading arrangement" as defined in paragraph (c) of item 408(a) of Regulation S-K.



**Item 6. Exhibits**

Exhibit Number	Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
2.1	<a href="#">Agreement and Plan of Merger, dated as of June 28, 2021, by and among DFP Healthcare Acquisitions Corp., Orion Merger Sub I, Inc., Orion Merger Sub II, LLC and TOI Parent, Inc.</a>	S-4/A	333-258152	2.1	October 20, 2021	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of The Oncology Institute, Inc.</a>	8-K	001-39248	3.1	November 18, 2021	
3.2	<a href="#">Amended and Restated Bylaws of The Oncology Institute, Inc.</a>	8-K	001-39248	3.2	November 18, 2021	
3.3	<a href="#">Certificate of Designation of Series A Common Stock Equivalent Convertible Preferred Stock</a>	8-K/A	001-39248	3.3	November 22, 2021	
4.1	<a href="#">Warrant Agreement, dated March 10, 2020, by and between DFP and Continental Stock Transfer &amp; Trust Company, as warrant agent</a>	8-K	001-39248	4.1	March 13, 2020	
4.2	<a href="#">Specimen Preferred Stock Certificate of The Oncology Institute, Inc.</a>	8-K/A	001-39248	4.2	November 22, 2021	
4.3	<a href="#">Form of Secured Convertible Note</a>	8-K	001-39248	4.1	August 10, 2022	
4.4	<a href="#">Form of Warrant</a>	8-K	001-39248	4.2	August 10, 2022	
10.1	<a href="#">Employment agreement, effective as of September 30, 2024, by and between the Company and Robert Carter</a>					X
31.1*	<a href="#">Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 of the Principal Executive Officer.</a>					X
31.2*	<a href="#">Certification Pursuant to Rule 13a-14(a) under Securities Exchange Act of 1934 of the Principal Financial Officer.</a>					X
32.1**	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Executive Officer.</a>					X
32.2**	<a href="#">Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 of the Principal Financial Officer</a>					X
101*	Interactive Data File — the following financial statements from The Oncology Institute's Quarterly Report on Form 10-Q formatted in inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Convertible Preferred Stock and Changes in Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements (Unaudited).					X
101.INS	XBRL Instance Document					
101.SCH	XBRL Taxonomy Extension Schema Document					

<b>Exhibit Number</b>	<b>Description</b>	<b>Incorporated by Reference</b>				<b>Filed or Furnished Herewith</b>
		<b>Form</b>	<b>File Number</b>	<b>Exhibit</b>	<b>Filing Date</b>	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)					
*	Filed herewith.					
**	Furnished herewith.					

**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned hereunto duly authorized, on November 13, 2024.

THE ONCOLOGY INSTITUTE, INC.

By: /s/ Robert Carter  
Robert Carter  
*Chief Financial Officer*  
*(Principal Financial Officer and Duly Authorized Officer)*

## EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of September 30, 2024 (the "Effective Date"), by and between TOI Management, LLC, a Delaware limited liability company (the "Company"), and Rob Carter (the "Executive"). The Company and the Executive may be referred to together as the "Parties" and individually as a "Party." Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in Section 21.

### RECITALS:

**WHEREAS**, the Company desires to employ the Executive in the capacity hereinafter stated, and the Executive desires to be employed by the Company in such capacity for the period and on the terms and conditions set forth herein; and

**WHEREAS**, the Executive is individually represented in negotiating the terms of this Agreement, including the venue, forum and choice of law provisions.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and incorporating the recitals set forth above, the Parties, intending to become legally bound, hereby covenant and agree as follows:

1. Employment Period. The Company hereby agrees to employ the Executive as the Chief Financial Officer of the Company, and the Executive, in such capacity, agrees to provide services to the Company for the period beginning on the Effective Date and, unless terminated earlier in accordance with Section 5 of this Agreement, ending on the third (3<sup>rd</sup>) anniversary thereof (the "Initial Term"). At the expiration of the Initial Term, this Agreement will automatically renew for successive additional terms of one (1) year (each a "Renewal Term" and, together with the Initial Term, the "Employment Period"), unless notice of nonrenewal is given in writing by either Party to the other Party at least sixty (60) days prior to the expiration of the Initial Term or any successive Renewal Term.

2. Position; Performance of Duties. During the Employment Period Executive will serve in the capacity of the Chief Financial Officer of the Company and perform the duties consistent with such position and such other positions as may reasonably be assigned to the Executive by the Chief Executive Officer of the Company (the "CEO") and/or the Board of Directors of the Company (the "Board"), or such other Person that the CEO and/or the Board will designate, including any such positions at any direct and indirect subsidiaries of the Company. The Executive agrees that, during the Employment Period, while the Executive is employed by the Company, the Executive shall devote the Executive's full time, energies and talents exclusively to, and provide the Executive's efforts in a prudent manner consistent with such position, diligently and conscientiously in discharging, the Executive's duties, promote the interests of the Company honestly, diligently and in a professional manner. The Executive shall observe and comply with all applicable (i) rules, regulations, policies, and procedures established by the Company and provided to the Executive from time to time and (ii) laws, rules, and regulations imposed by any governmental or regulatory authorities from time to time. In such capacity, the Executive shall have such authority and responsibilities that are consistent with the role of Chief Financial Officer, and as shall be delegated to him or her by the Board, CEO, or such other Person that the CEO or the Board will designate. In such capacity, the Executive shall report directly to the Board, CEO, or such other Person that the CEO or the Board will designate. Subject to Section 4(b), during the Employment Period, the Executive shall not, without prior written consent from the Board, serve as or be a consultant to, or employee, officer, agent, representative, manager, or director of, any Person. Notwithstanding anything to the contrary in this Agreement, under no circumstances shall any of the duties or services under this Agreement include the provision of medical care or related patient care services, including the practice of medicine; it being the sole intention of the Parties that the services to be rendered under this Agreement to the Company by the Executive are for the purpose of providing non-clinical administrative and management services.

3. Compensation. Subject to the terms and conditions of this Agreement, during the Employment Period, while the Executive is employed by the Company, the Executive shall be compensated by the Company for all of the Executive's services to the Company and its subsidiaries as follows:

(a) The Executive shall receive, for each 12-consecutive month period beginning on the Effective Date and each anniversary thereof, a rate of base salary equal to three hundred and seventy-five thousand dollars (\$375,00.00) (the "Base Salary"), payable in substantially equal monthly or more frequent installments in accordance with the Company's general payroll practices and subject to normal and applicable tax withholding and other authorized, required and mandatory deductions, as well as voluntary deductions to the extent agreed to by the Executive in writing. During the Employment Period, the Executive's Base Salary shall reviewed by the Board on or before each anniversary of the Effective Date to determine whether an adjustment in the Executive's rate of compensation is appropriate, with such adjustment, if any, to be determined by the Board at its sole and absolute discretion.

(b) The Executive will be eligible to receive an annual bonus payment up to forty percent (40%) of the Executive's then-current Base Salary based on the achievement of mutually agreed performance objectives determined in accordance with the Company's annual budget, (the "Bonus"); provided, that (i) the achievement of such Bonus shall be determined by the Board in its good faith discretion, and (ii) any Bonus payable for the Executive's first calendar year with the Company will be pro-rated based on the Effective Date of this Agreement. Any Bonus payable pursuant to this Section 3(b) shall be paid to the Executive within thirty (30) days of receipt of a financial audit of the Company with respect to the annual period related to such Bonus (the "Bonus Year"); provided, that in no event shall any Bonus due and payable pursuant to this Section 3(b) be paid before January 1 or after December 31 in the year immediately succeeding the Bonus Year.

(c) The Executive shall be entitled to participate in employee and executive benefit plans or programs maintained by the Company for which similarly situated employees of the Company are generally eligible, subject to any eligibility requirements of such plans and programs.

(d) The Executive shall accrue four (4) weeks of paid time off per fiscal year, and such holidays in accordance with the Company's applicable policies and procedures. All vacation time shall be taken upon reasonable advance notice to Human Resources and at such time and manner as shall be mutually satisfactory to Company and Executive but subject always to the reasonable demands of the Company. Any unused vacation time shall be paid out to the Executive in accordance with the Company's regular policies upon termination of employment for any reason.

4. Restrictive Covenants. The Executive acknowledges and agrees that: (i) the Executive has a major responsibility for the operation, development and growth of the Company's Business (as defined in Section 21(b) below); (ii) the Executive's work for the Company has brought and will bring the Executive into close contact with Confidential Information (as defined in paragraph (a)(i) immediately below) of the Company and its direct and indirect subsidiaries (collectively, and together with their respective predecessors and successors, the "Company Group") and each of their respective customers, vendors, suppliers, employees, and independent contractors; (iii) the agreements and covenants contained in this Section 4 are essential to protect the business interests of each member of the Company Group and their respective Affiliates; and (iv) the Company would not enter into this Agreement but for such agreements and covenants. Accordingly, the Executive covenants and agrees to the following:

(a) Confidential Information.

(i) Except as set forth below in Section 4(a)(ii), the Executive agrees to keep confidential and not disclose, directly or indirectly, to any Person or use in any way (other than for the benefit of the Company Group), both during the Employment Period and thirty-six (36) months after the Executive's employment with the Company terminates (the "Non-Disclosure Period"), all Confidential Information concerning any member of the Company Group or any of their respective Affiliates, that was acquired by, or disclosed to, or developed on behalf of the Company by, the Executive during the course of the Executive's employment with the Company or any of its Affiliates. For purposes of this Agreement, "Confidential Information" means, any written or oral proprietary or non-public information of any member of the Company Group or any of their respective Affiliates, including information relating to corporate or organizational documents, contracts, employees, independent contractors, customers, suppliers, sales, promotional, marketing, sales programs, credit history, repayment history, financial information, financial statements, costs, operations, trade secrets, know-how, research and development, software, databases, inventions, processes, technology, sales, pricing, vendors, compensation, marketing, advertising, promotions, product lines, alliances, financial data, plans, prospects, and government and regulatory activities, whether past, current or planned. "Confidential Information" does not include information that: (A) was, is now, or becomes generally available and known to the public or participants in the Company's industry (but, in each case, not as a result of a breach of any duty of confidentiality by which the Executive or the disclosing party is bound); (B) is disclosed by the Company to any Person without a duty of confidentiality prior to disclosure to the Executive; or (C) is independently developed by the Executive without any reference to, or any use of, any Confidential Information and as provided in paragraph (c) below, not in connection with the Executive's performance of legitimate business purposes on behalf of the Company with respect to the Executive's employment with the Company. As to Confidential Information that constitutes a trade secret, the restrictions in this Section 4(a)(i) shall last for as long as the item qualifies as a trade secret under federal or state law. As to Confidential Information that does not constitute a trade secret, the restrictions in this Section 4(a)(i) shall last for so long as the Confidential Information remains confidential, unless applicable law requires a shorter duration and, if that is the case, the restrictions shall last during the Employment Period and for thirty-six (36) months after the Executive's employment with the Company terminates.

(ii) Notwithstanding anything to the contrary set forth in Section 4(a)(i), the Executive may disclose Confidential Information to any Person (A) if, upon the opinion of the Executive's counsel, such Confidential Information is required to be disclosed by applicable law, regulation or legal process, (B) in the ordinary course of the Company's business as a proper part of the Executive's employment in connection with communications with customers, vendors, suppliers, and other proper parties; provided, that it is for a proper purpose for the benefit of any member of the Company Group, and/or (C) to enforce the Executive's rights under this Agreement or any other agreement between the Company or any of its Affiliates and the Executive or any of the Executive's Affiliates. If the Executive is required to disclose any Confidential Information pursuant to Section 4(a)(i)(A), the Executive shall give the Company prompt notice so that the applicable member of the Company Group may seek a protective order or other appropriate remedy and/or waive compliance with Section 4(a) and, in the event such protective order or other remedy is not obtained, or that the applicable member of the Company Group waives compliance with Section 4(a), the Executive shall (1) use commercially reasonable efforts to cooperate with, and assist, the applicable member of the Company Group in connection therewith, at the applicable member of the Company Group's sole cost and expense, (2) disclose only that portion of the Confidential Information which is legally required to be disclosed, and (3) seek to obtain confidential treatment, at the applicable member of the Company Group's sole cost and expense, for such Confidential Information.

(iii) Notwithstanding anything to the contrary set forth in Section 4(a)(i) or Section 4(a)(ii), the Executive understands that nothing contained in this Agreement limits or otherwise prohibits Executive's ability to file a charge or complaint with the Department of Justice, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, any agency Inspector General, or any other federal, state or local governmental agency or commission (the "Government Agencies"), or to make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. The Executive further understands that this Agreement does not limit Executive's ability to communicate with any of the Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any of the Government Agencies, including providing documents or other information, without notice to the Company. This Agreement does not limit Executive's right to receive an award for information provided to any Government Agencies.

(iv) Pursuant to 18 U.S.C. § 1833(b)(1): "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (1) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Additionally, if Executive files a lawsuit against the Company for retaliation for reporting a suspected violation of law, Executive understands that Executive has the right to provide trade secret information to Executive's attorney and use the trade secret information in the court proceeding, although Executive must file any document containing the trade secret under seal and Executive may not disclose the trade secret, except pursuant to court order.

(b) Non-Competition; Non-Solicitation.

(i) Subject to Section 4(b)(iii), the Executive agrees that, for the Employment Period, i.e., the period commencing on the Effective Date and ending on the date on which the Executive's employment with the Company is terminated for any reason (such period also shall be referred to as the "Non-Competition Period"), the Executive shall not directly or indirectly, alone or in association with others, or as a partner, officer, director, employee, consultant, agent, independent contractor, lender, member, manager or equity holder, or on behalf, of any Person, engage in the Business or any business activity that is in competition with the Business of any member of the Company Group within the Restricted Territory.

(ii) The Executive agrees that, for the period commencing on the Effective Date and ending twenty four (24) months after the date on which the Executive's employment with the Company is terminated for any reason (such period shall be referred to as the "Non-Solicitation Period"), the Executive shall not directly or indirectly, in any capacity, either alone, separately or in association with, or on behalf of, any other Person solicit for employment or any business relationship any current or former employee or independent contractor of any member of the Company Group who was employed or engaged by the Company within six (6) months of the solicitation and with whom Executive has had material personal contact, supervised or managed, or otherwise possesses Confidential Information or the Company's goodwill; provided, however, that a general solicitation or advertisement of employment conducted by or on behalf of the Executive or any of the Executive's Affiliates in newspapers, trade journals, the Internet, through recruiters or by any similar means, in each case, not specifically directed at any of the Company Group's employees or independent contractors shall not, in and of itself, be deemed a breach of this subsection (ii).

(iii) Notwithstanding the restrictions set forth in Section 2 and/or Section 4(b)(i), nothing contained in Section 4(b) shall be deemed to prohibit the Executive during the Non-Competition Period from (A) being a passive owner of less than five percent (5%) of any class or series of outstanding securities of publicly traded securities of any entity or (B) volunteering in any capacity with any civic, educational or charitable organization, or any trade association, in each case without seeking or obtaining approval by the Company or the Board; provided, that in each case such activities and services do not materially interfere or conflict with the performance of the Executive's duties hereunder or violate any of the Restrictive Covenants.

(c) Proprietary Rights. The Executive acknowledges and agrees that all right, title and interest in all developments, including inventions, patentable or otherwise, discoveries, improvements, patents, trade secrets, designs, reports, computer software, flow charts and diagrams, procedures, data, documentation, ideas and writings and applications thereof relating to the present or contemplated Business of any member of the Company Group that, alone or jointly with others, the Executive has already or may in the future during the Employment Period conceive, create, make, develop, reduce to practice or acquire (collectively, the "Developments") are works made for hire and shall remain the sole and exclusive property of the Company, and the Executive hereby assigns to the Company all of the Executive's right, title and interest in and to all such Developments, and such Developments shall not be used by the Executive in any way adverse to any member of the Company Group's interests. All items related to the Developments, including memoranda, notes, lists, charts, drawings, records, files, computer software, programs, source and programming narratives and other documentation (and all copies thereof) made or compiled by the Executive, or made available to the Executive, during the Employment Period concerning the Business or planned business of any member of the Company Group shall be the property of the Company, and shall be delivered to the Company promptly upon the earlier of the Company's request or the termination of this Agreement. The Executive shall not deliver, reproduce or in any way allow such documents or Developments to be delivered or used by any third party without the prior written approval of the Board. The Executive will promptly disclose all Developments to the Company and, at the Company's expense, perform all reasonable actions requested by the Company (whether during or after employment) to establish and confirm such ownership (including assignments, consents, powers of attorney and other instruments). Pursuant to California Labor Code 2870, the foregoing provisions regarding the assignment of Developments to the Company does not apply to a Development for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on the Executive's own time, unless (i) the invention relates at the time of conception or use (A) to the business of the Company or (B) to the Company's actual or demonstrably anticipated research or development, or (ii) the invention results from or is the product of any work performed by the Executive for the Company in the scope of the Executive's efforts on behalf of the Company.

(d) Non-Disparagement. Except in order to comply with law, regulation or legal process, or to enforce (or defend) the Executive's rights hereunder or any other agreement with any member of the Company Group or as described in Section 4(a)(iii) or Section 4(a)(iv), the Executive agrees not to make any public disparaging or negative remarks, whether oral or written, with respect to any member of the Company Group or any of their respective equity holders, officers, directors, managers, and/or employees.

(e) Remedies. If the Executive breaches any of the provisions contained in Section 4(a), Section 4(b), Section 4(c), or Section 4(d) (the "Restrictive Covenants"), the Company shall have the remedies set forth below, each of which shall be enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company at law or in equity. The provisions of this Section 4 are intended to be for the benefit of each member of the Company Group and their respective Affiliates (for enforcement purposes only with respect to such Affiliates), each of which Person may enforce such provisions and each of which is an express third party beneficiary of such provisions and this Agreement generally. The Executive acknowledges and agrees that money damages would be an inadequate remedy for any breach of any of the Restrictive Covenants, and, in the event of a violation or a breach or threatened breach of any of the Restrictive Covenants, the Company may have no adequate remedy at law, and the Company, in addition to other rights and remedies existing in its favor, shall be entitled to specific performance, or to enforce each such provision by temporary or permanent injunction or mandatory relief, obtained in any court of competent jurisdiction without the necessity of proving damages, posting any bond or other security, and without prejudice to any other rights and remedies that may be available at law or in equity.





(f) Severability. If any of the Restrictive Covenants, or any part thereof, is held to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid or unenforceable portion(s). Without limiting the generality of the foregoing, if any of the Restrictive Covenants, or any part thereof, is held to be unenforceable because of the scope of the activity restricted, the duration of such provision or the area covered thereby, the Parties agree that the court making such determination (or the Parties together themselves) shall have the power to reduce the scope of activity restricted, the duration and/or area of such provision and, in its reduced form, such provision shall then be enforceable.

(g) Enforceability. The Executive acknowledges that the restrictions and duration of the obligations set forth in this Section 4 (i) are reasonable and no broader than necessary to protect the legitimate business interests of the Company Group and the goodwill thereof and (ii) do not and will not impose an unreasonable burden upon the Executive. The Company and the Executive agree that if, at the time of enforcement of any of the provisions of this Section 4, a court holds that any restriction stated herein is unreasonable under circumstances then existing, then the maximum period, scope or geographical area reasonable under such circumstances will be substituted for the otherwise applicable period, scope or area. Subject to Section 4(b)(iii), in the event of any breach or violation by the Executive of any of the provisions of Section 4(a), Section 4(b)(i) or Section 4(b)(ii), the running of the Non-Disclosure Period, Non-Competition Period, or Non-Solicitation Period, as the case may be, shall be tolled during the continuation of any breach or violation by the Executive.

5. Termination and Compensation Due Upon Termination. The Employment Period shall continue until terminated in accordance with one of Section 5(a) through Section 5(f).

(a) Termination Without Cause. The Company shall have the right to terminate the Executive's employment at any time during the Employment Period without Cause. If the Company terminates the Executive's employment under this Agreement without Cause, the Company shall pay the Executive any compensation and benefits the Company owes to the Executive through the date of termination, in each case, as applicable, pursuant to and in accordance with Section 3 (collectively, the "Accrued Compensation and Benefits"). Additionally, conditioned upon the Executive's voluntary execution of the Release of Claims Agreement in substantially the form of Exhibit A attached hereto, which Release of Claims Agreement shall be subject to modification only to the extent necessary to comply with changes in applicable law, if any, occurring after the Effective Date and prior to the date such Release of Claims Agreement is executed or by mutual agreement (the "Release") (which must become effective on or prior to the sixtieth (60<sup>th</sup>) day following such termination), the Company shall pay to or on behalf of the Executive (i) the Executive's Base Salary at the time of such termination for twelve (12) months thereafter (the "Severance Period"), plus (ii) subject to applicable law, payment or reimbursement of all premiums for medical benefits elected by the Executive pursuant to the continuation of medical coverage under Section 4980B of the Code (as defined below) and Sections 601 through 608, inclusive, of the Employee Retirement Income Security Act of 1974 ("ERISA"), which amounts shall be deemed to be taxable income to the Executive, during the Severance Period (collectively, the payments described in Section 5(a)(i) and Section 5(a)(ii) shall be referred to as the "Severance Payments"). Severance Payments required to be paid pursuant to (A) Section 5(a)(i) shall be paid during the Severance Period in accordance with Section 3(a) and (B) Section 5(a)(ii) shall be paid or reimbursed as when due or incurred by the Executive during the Severance Period in accordance with Section 3, as applicable. Notwithstanding anything in this Section 5(a), the Severance Payments shall be paid to the Executive, in accordance with the Company's payroll policy, beginning on the payroll date which next occurs after the sixty first (61<sup>st</sup>) day following such termination; provided, that the Release is timely executed and delivered to the Company (and becomes effective) within such sixty (60) day period. All Severance Payments due from the date of termination of employment to the sixty first (61<sup>st</sup>) day following such termination shall be paid on the first payroll date of the Company following such period. If the Executive does not voluntarily execute the Release and the Release does not become effective within sixty (60) days of delivery of the Release by the Company to the Executive, the Executive shall not be entitled to the Severance Payments.

(b) Resignation with Good Reason. The Executive shall have the right to terminate the Executive's employment with the Company during the Employment Period for Good Reason upon thirty (30) days' written notice to the Company and the Board; provided, that such notice provides a reasonably detailed explanation of the event or circumstance that constitutes Good Reason and such event or circumstance remains uncured (if curable) for ten (10) days after the Company and the Board have received such written notice. If the Executive terminates the Executive's employment with the Company for Good Reason during the Employment Period, the Executive will be entitled to all payments and benefits as if the Executive had been terminated without Cause pursuant to, and in accordance with, the terms and conditions set forth in Section 5(a) (including the Executive's voluntary execution of the Release). The Executive's right to receive the Severance Payments in connection with the termination of the Executive's employment for Good Reason for any particular event or circumstance shall cease to exist solely with respect to such event or circumstance if the Executive fails to provide written notice to the Company and the Board of such event or circumstance within thirty (30) days after the Executive has actual knowledge of the occurrence or existence thereof.

(c) Voluntary Resignation without Good Reason. The Executive may terminate the Executive's employment with the Company for any reason (or no reason at all), other than Good Reason, at any time during the Employment Period by giving the Company sixty (60) days' prior written notice of the Executive's voluntary resignation; provided, however, that the Company may elect to waive all or any part of such notice period and/or that the Executive's voluntary resignation be effective immediately upon notice of such resignation. The Company shall have no obligation to make any other payments to the Executive in accordance with the provisions of Section 3 (or otherwise in respect of the Executive's employment) for periods after the date on which the Executive's employment with the Company terminates due to the Executive's voluntary resignation (other than for Good Reason), other than any Accrued Compensation and Benefits.

(d) Termination for Cause. The Company shall have the right to terminate the Executive's employment at any time during the Employment Period for Cause; provided, that the Company has delivered written notice to the Executive of a reasonably detailed explanation of the event or circumstance that constitutes Cause and such event or circumstance remains uncured (if curable) for ten (10) business days after the Executive has received such written notice. If the Executive's employment with the Company is terminated for Cause, the Company shall have no obligation to make any payments to the Executive in accordance with the provisions of Section 3 (or otherwise in respect of the Executive's employment) for periods after the Executive's employment with the Company is terminated on account of the Executive's termination for Cause, other than any Accrued Compensation and Benefits. Any event or circumstance that constitutes Cause will be presumed to be curable, unless such event or circumstance arises from, relates to, or is in connection with any of clauses (i), (iii), (iv) (v), (vi), (vii) (viii) or (ix) in the definition of Cause.

(e) Disability. If, during the Employment Period, the Executive is unable to perform, with or without reasonable accommodation, the Executive's essential job functions pursuant to and in accordance with this Agreement due to any physical or mental disability which exists for a period of one hundred eighty (180) days in any twelve (12) consecutive month period during the Employment Period, the Company shall have the right to terminate the Executive's employment hereunder by giving not less than thirty (30) days' prior written notice to the Executive, at the end of which time the Executive's employment shall be terminated. Upon expiration of such thirty (30) day period, the Company shall have no obligation to make payments to the Executive in accordance with the provisions of Section 3 (or otherwise in respect of the Executive's employment) for periods after the date the Executive's employment with the Company terminates on account of disability, other than any Accrued Compensation and Benefits. For purposes of this Section 5(e), determination of whether the Executive is disabled shall be determined in accordance with the Company's long term disability plan (if any) and applicable law (if the Company does not have a long term disability plan).

(f) Death. If the Executive's employment hereunder is terminated by reason of the Executive's death, the Company shall have no obligation to make payments to the Executive in accordance with the provisions of Section 3 (or otherwise in respect of the Executive's employment) for periods after the date of the Executive's death, other than any Accrued Compensation and Benefits.

(g) Duty to Mitigate. If, as of the time of termination of this Agreement, the Executive is indebted to the Company or any of its subsidiaries in any manner whatsoever, evidenced by a written instrument, the Company shall have the right to reduce the amount due to the Executive by such outstanding indebtedness, to the extent consistent with applicable law including without limitation Section 409A of the Code (as later defined); provided, that if, after having reduced the remaining amount due to Executive to zero (or the minimal amount permissible under applicable law), any amount remains due and payable by the Executive to the Company, such amount will remain due to the Company by the Executive.

6. Successors. This Agreement shall be binding on, and inure to the benefit of, the Company and its successors and assigns without further action or consent by the Executive; provided, however, that the Executive hereby agrees to execute an acknowledgement of assignment if requested to do so by the successor, assign or acquiring Person.

7. Nonalienation. The interests of the Executive under this Agreement are not subject to the claims of the Executive's creditors, other than pursuant to law, and may not otherwise be voluntarily or involuntarily assigned, alienated or encumbered except to the Executive's estate upon the Executive's death.

8. Waiver of Breach. The waiver by either the Company or the Executive of a breach of any provision of this Agreement shall not operate as, or be deemed a waiver of, any subsequent breach by either the Company or the Executive.

9. Notice. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given (a) one (1) Business Day after being delivered by hand, (b) five (5) Business Days after being mailed first class or certified with postage paid, (c) one (1) Business Day after being couriered by overnight receipted courier service, or (d) one (1) Business Day if sent by email, in each case to the Parties at the following addresses:

(a) to the Executive addressed as follows:

Rob Carter

\_\_\_\_\_

\_\_\_\_\_

E-Mail: \_\_\_\_\_

(b) to the Company addressed as follows:

TOI Management, LLC  
18000 Studebaker Road, #800  
Cerritos, CA 90703  
Attention: General Counsel

or such other address or to the attention of such other Person as the recipient Party will have specified by prior written notice to the sending Party.

10. Amendment. This Agreement may only be amended or canceled by mutual agreement of the Parties in writing, and, except as expressly provided in this Agreement, no Person, other than the Parties (and the Executive's estate upon the Executive's death), shall have any rights under or interest in this Agreement or the subject matter hereof. The Parties hereby agree that no oral conversations shall be deemed to be a modification of this Agreement and neither Party shall assert the same.

11. Counterparts. This Agreement may be executed in two or more counterparts (including by means of facsimile or electronically transmitted portable document format (.PDF) signature pages), each of which shall be deemed to be an original, but all of which together shall constitute and be one and the same instrument; provided, that facsimile or electronically transmitted signature pages of this Agreement shall be deemed to be originals. Counterpart signatures need not be on the same page.

12. Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, provisions and conditions of this Agreement shall nevertheless remain in full force and effect. Other than in connection with Section 4 (which shall be governed by the severability clause therein) upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

13. Governing Law and Venue. The Parties, each represented by legal counsel in drafting and negotiating this Agreement and provision, agree that California law shall govern the rights and obligations under this Agreement, without giving effect to any conflict of laws principles that would require application of the laws of any other jurisdiction. In the event litigation is necessary, such legal action shall be commenced only in a State or Federal court of competent jurisdiction located in Orange County, California. Any litigation commenced other than in Orange County, California, shall be subject to being dismissed, stayed or having venue transferred to Orange County, California, at the option of the Party not commencing said litigation. The Parties further waive all objections and defenses to litigation being conducted in Orange County, California, based upon venue or under the doctrine of *forum non conveniens*.

14. Assignments. The services provided hereunder by Executive are personal and may not be assigned by him without the prior consent of the Company. This Agreement may be assigned by the Company without the consent of the Executive.

15. Effect of Termination. All of the provisions of this Agreement shall survive termination of this Agreement in accordance with their respective terms. Any termination of the Executive's employment with the Company shall automatically be deemed to be the simultaneous resignation of all other positions and titles, and directorships (or similar position), the Executive holds with the Company and/or any of its direct and indirect subsidiaries.

16. Entire Agreement. This Agreement and the Exhibits attached hereto set forth the entire agreement and understanding between the Company, on the one hand, and the Executive, on the other hand, relating to the subject matter herein and merges all prior discussions between the Parties, including any and all statements made by any officer, director, manager, employee, equity holder or representative of any member of the Company Group or any of their respective Affiliates. The Executive understands and acknowledges that, except as set forth in this Agreement and the agreements referred to herein, (a) no other representation or inducement has been made to the Executive, (b) the Executive has relied on the Executive's own judgment and investigation in executing this Agreement, and (c) the Executive has not relied on any representation or inducement made by any officer, director, manager, employee, equity holder or representative of any member of the Company Group or any of their respective Affiliates. To the extent there is any conflict between the terms and conditions of this Agreement and the terms and conditions of any prior employment or consulting agreement, the terms and conditions of this Agreement shall control.

17. 409A Compliance.

(a) It is intended that this Agreement will comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and any regulations and guideline issued thereunder ("Section 409A") to the extent that any compensation and benefits provided hereunder constitute deferred compensation subject to Section 409A. This Agreement shall be interpreted on a basis consistent with this intent. The Parties will negotiate in good faith to amend this Agreement as necessary to comply with Section 409A in a manner that preserves the original intent of the Parties to the extent reasonably possible. No action or failure to act, pursuant to this Section 17 shall subject the Company to any claim, liability, or expense, and the Company shall not have any obligation to indemnify or otherwise protect the Executive from the obligation to pay any taxes pursuant to Section 409A.

(b) Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A would otherwise be payable or distributable under this Agreement by reason of the Executive's separation from service during a period in which the Executive is a "specified employee" (as defined under Section 409A and the final regulations thereunder), then, subject to any permissible acceleration of payment by the Company under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes):

(i) if the payment or distribution is payable in a lump sum, the Executive's right to receive payment or distribution of such non-exempt deferred compensation will be delayed until the earlier of the Executive's death or the first (1<sup>st</sup>) day of the seventh (7<sup>th</sup>) month following the Executive's separation from service; and

(ii) if the payment or distribution is payable over time, the amount of such non-exempt deferred compensation that would otherwise be payable during the six-month period immediately following the Executive's separation from service will be accumulated and the Executive's right to receive payment or distribution of such accumulated amount will be delayed until the earlier of the Executive's death or the first (1<sup>st</sup>) day of the seventh (7<sup>th</sup>) month following the Executive's separation from service, whereupon the accumulated amount will be paid or distributed to the Executive and the normal payment or distribution schedule for any remaining payments or distributions will resume.

(c) If and to the extent required to comply with Section 409A, any payment or benefit required to be paid hereunder on account of termination of the Executive's employment, service (or any other similar term) shall be made only in connection with a "separation from service" with respect to the Executive within the meaning of Section 409A.

(d) Notwithstanding anything herein to the contrary or otherwise, to the extent necessary to avoid taxes and penalties under Section 409A: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to the Executive in any other calendar year; (ii) the reimbursements for expenses for which the Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred; and (iii) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(e) For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(f) Any "nonqualified deferred compensation" subject to Section 409A of the Code payable under this Agreement shall not be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, garnishment by creditors, or borrowing, to the extent necessary to avoid tax, penalties and/or interest under Section 409A of the Code

18. [Intentionally Omitted].

19. Executive's Compliance with other Agreements. The Executive represents and warrants that (a) the execution of this Agreement by the Executive and the Executive's performance of the Executive's obligations hereunder does not constitute (with or without notice or lapse of time or both) a default, breach or violation of any contract, written or oral, express or implied, to which the Executive is a party or to which the Executive is or may be bound, including any contract with any present or former employer, and (b) this Agreement constitutes a valid and legally binding obligation of the Executive, enforceable against the Executive in accordance with its terms, except as such enforcement may be limited by bankruptcy, general principles of equity or other laws affecting creditors or debtors rights generally. All representations and warranties contained herein will survive the execution and delivery of this Agreement.

20. No Rule of Construction. The Parties, each represented by legal counsel in negotiating this Agreement's terms, have participated jointly in the negotiation of this Agreement and hereby agree that this Agreement shall be construed to be neither against nor in favor of any Party based upon any Party's role in drafting this Agreement, but rather in accordance with the fair meaning hereof. The Executive hereby acknowledges and agrees that the Executive (a) carefully read and understands all of the provisions of this Agreement and the Schedules and Exhibits attached hereto and thereto, and has had the opportunity for this Agreement and the Schedules and Exhibits attached hereto and thereto to be reviewed by the Executive's counsel, and (b) is voluntarily entering into this Agreement, including the Schedules and Exhibits attached hereto and thereto. All references in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. The words "include", "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation" or "but not limited to". The Section headings contained herein are for convenient reference only and shall not affect the meaning or interpretation of this Agreement.

21. Definitions. Terms used in this Agreement and not otherwise defined herein shall have the respective meanings set forth below:

(a) “Affiliate” means, with respect to any Person, a Person that, directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with the first-mentioned Person. For the purposes of this definition, “control,” including the terms “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, as general partner or managing member, by contract, agreement or otherwise, including the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

(b) “Business” means the management of community-based oncology practices.

(c) “Business Day” means any day that is not a Saturday, Sunday or any other day on which banks are required or authorized by law to be closed in Los Angeles, California.

(d) “Cause” means if the Executive is discharged by the Company on account of the occurrence of one or more of the following events: (i) the Executive breaches any of the Restrictive Covenants or the Executive’s employment pursuant to this Agreement is in breach of a restrictive covenant between Executive and any other Person, (ii) the Executive disregards or violates the Executive’s duties, covenants or agreements under this Agreement (including Section 2) in any material respect, (iii) any member of the Company Group is directed by a regulatory or governmental body to terminate the employment of the Executive or the Executive engages in activities that cause actions to be taken by regulatory or governmental authorities that have a material and adverse effect on any member of the Company Group, (iv) (A) the commission by the Executive of a felony crime or (B) the Executive has been convicted of or pled guilty or no contest to any crime involving as a material element fraud or dishonesty, (v) the willful misconduct or gross neglect of the Executive that results, or could reasonably be expected to result, in harm (or be adverse) to the Company, any member of the Company Group or any of their respective businesses or operations, (vi) the Executive commits an act of fraud, theft, misappropriation, gross negligence or dishonesty, or embezzlement or misuse of funds or assets belonging to the Company, any member of the Company Group, or any other Person, (vii) the breach by the Executive of any fiduciary duty (including usurping a corporate opportunity, or a duty of loyalty) owed to the Company or any other member of the Company Group or any of their respective equity holders, including obtaining any personal profit or gain not disclosed in advance to, and approved by, the Board in connection with any transaction entered into by, or on behalf of, or in relation to, any member of the Company Group, (viii) the Executive commits any harassment, discrimination, act of serious moral turpitude or similar conduct, or (ix) the Executive uses illegal drugs (whether or not at the workplace) or other conduct, even if not in conjunction with the Executive’s duties hereunder, which could reasonably be expected to, or which does, cause any member of the Company Group public disgrace or disrepute or economic harm. Under no circumstances will the Company’s decision not to extend the Initial Term, or any subsequent Renewal Term, be considered to be termination without “Cause” under this Agreement.

(e) “Good Reason” means (i) a material breach of any of the provisions of this Agreement, or (ii) greater than a 20% reduction of the Executive’s Base Salary. In no event will the Company’s decision not to extend the Initial Term, or any subsequent Renewal Term, be considered Good Reason” under this Agreement.



(f) “Person” means any individual, partnership, a limited partnership, corporation, limited liability company, association, joint stock company, trust, joint venture, unincorporated organization or other business entity or a governmental body.

(g) “Restricted Territory” means any state in which the Company Group conducts the Business, or is in active development to conduct the Business, during the Employment Period.

22. [Intentionally Omitted].

23. Third-Party Beneficiaries. This Agreement is for the benefit of the Parties and each member of the Company Group and their respective successors, permitted assigns, and Affiliates (for enforcement purposes only with respect to such Affiliates) and this Agreement shall be enforceable by any such Person.

24. 280G. Notwithstanding anything contained in this Agreement to the contrary to the extent that any of the payments and benefits provided for under this Agreement together with any payments or benefits under any other agreement or arrangement between the Company and the Executive (collectively, the “Payments”) would constitute a “parachute payment” within the meaning of Section 280G of the Code, the amount of such Payments shall be reduced to the amount that would result in no portion of the Payments being subject to the excise tax imposed pursuant to Section 4999 of the Code. In the event the Payments are reduced under this Section 24, such Payments shall be reduced as follows: (a) first, cash payments, in reverse chronological order, (b) next, payment or reimbursement of medical premiums incurred pursuant to an election to continue medical coverage under Section 4980B of the Code and Sections 601 through 608, inclusive, of ERISA and (c) last, accelerated vesting of unvested equity awards, if applicable. All determinations required to be made under this Section 24, including whether a payment would result in an “excess parachute payment” and the assumptions utilized in arriving at such determination, shall be made by an accounting firm selected by the Company, using reasonable good faith assumptions.

25. Indemnification. The Executive shall be entitled to indemnification from the Company as provided in the Company’s By-laws, Articles of Incorporation and the Indemnification Agreement attached as Exhibit B hereto.

26. Costs and Expenses. Each Party shall bear its own costs and expenses, including the costs and expenses of its own attorneys, accountants and financial advisors representing it in connection with the negotiation and preparation of this Agreement.

27. WAIVER OF JURY TRIAL. THE EXECUTIVE AND THE COMPANY EXPRESSLY WAIVE ANY RIGHT EITHER MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION OR DEFENSE BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE RELATIONSHIP OF THE PARTIES OR THE CESSATION OF SUCH RELATIONSHIP.

**[Signature Pages Follow]**

IN WITNESS WHEREOF, the Executive and the Company have executed this Employment Agreement as of the day and year first above written.

**COMPANY:**

TOI MANAGEMENT, LLC

By:           /s/ Daniel Virnich          

Name:           Daniel Virnich          

Title:           CEO          

**EXECUTIVE**

          /s/ Rob Carter          

Rob Carter

**EXHIBIT A**

**RELEASE OF CLAIMS AGREEMENT**

This RELEASE OF CLAIMS AGREEMENT (the “Release”) is executed on [REDACTED] [REDACTED], 20[REDACTED], by and among the undersigned (the “Releasor”), and TOI Management, LLC, a Delaware limited liability company (together with its direct and indirect subsidiaries, the “Company”). All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such term in the Employment Agreement (as defined below).

**WITNESSETH:**

**WHEREAS**, the Company and the Releasor are parties to that certain Employment Agreement, dated [REDACTED] [REDACTED], 20[REDACTED] (the “Employment Agreement”);

**WHEREAS**, pursuant to Section 5(a) and Section 5(b) of the Employment Agreement, the execution and delivery by the Releasor of this Release is a condition precedent to the payment of the Severance Payments; and

**WHEREAS**, the Releasor has made an independent, voluntary and informed decision that the transactions contemplated by this Release are in the Releasor’s best interests.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants between the Parties, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and incorporating the recitals set forth above, the Releasor agrees as follows:

1. Release. The Releasor makes this Release on behalf of the Releasor and the Releasor’s successors, assigns, heirs, beneficiaries, executors, administrators, creditors, representatives, agents and Affiliates (the “Releasing Parties”). The Release is given to the Company and its parents, subsidiaries, Affiliates, partners, and each of their predecessors, successors, and assigns and each and all of their respective past, present or future members, officers, directors, equity holders, trustees, representatives, employees, principals, agents, insurers, partners, lenders, attorneys, and other advisors; and any employee benefit plan established or maintained by the foregoing entities and their plan administrators (collectively, the “Released Parties”). In consideration of the promises and covenants set forth herein and in the Employment Agreement, Releasor hereby fully, finally and irrevocably releases, acquits and forever discharges the Released Parties forever and unconditionally of and from any and all commitments, actions, debts, sums of money, claims, counterclaims, suits, causes of action, damages, penalties, demands, liabilities, obligations, costs, expenses, contracts, covenants, controversies, agreements, promises, judgments and compensation of every kind and nature whatsoever, past, present or future, at law or in equity, whether known or unknown, contingent or otherwise, existing or claimed to exist, which such Releasing Parties, or any of them, had, has or may have had at any time arising from the beginning of time through the date Releasor signs this Release, against the Released Parties, or any of them, including those relating to or arising out of or from the Employment Agreement or the Releasor’s service as an employee, officer and/or director of the Company and the Releasor’s termination of employment thereof (the “Claims”). The Claims include Claims for (a) the payment of Base Salary; Bonus; employee benefits; lost wages or benefits; any other compensation or benefits; compensatory damages; punitive damages; penalties; attorneys’ fees or costs; equitable relief; or any other form of damages or relief; (b) any discrimination claim based on race, religion, color, national origin, age, sex, sexual orientation or preference, disability, or other protected classification under the federal, state, municipal, or local laws of employment, including those arising under the common law, and any alleged violation of the Age Discrimination and Employment Act of 1967 (“ADEA”), the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Civil Rights Act of 1991, Americans With Disabilities Act, the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, or the Worker Adjustment and Retraining Notification Act, all as amended, and any other law; (c) wrongful termination, back pay, or future wage loss; (d) any other claim, whether in tort, contract or otherwise; and/or (e) any claim for costs, fees or other expenses, including attorneys’ fees. Nothing herein shall be deemed to release the Released Parties or any of them hereunder from and the term “Claim” shall exclude (i) any claims or other rights that either Party may have arising from a breach by the other Party of its obligations set forth in this Release, (ii) any claim, right or remedy of any of the Releasing Parties under, related to, arising out of or in connection with the provisions of the Employment Agreement

that survive the termination of the Releasor's employment, or any of the Released Parties' obligations under any such agreements in this subsection (ii), (iii) the Company's obligations to make the Severance Payments set forth in the Employment Agreement or to provide benefits under any other plan of the Company, or (iii) any claims or rights that cannot be waived or released as a matter of law.

**2. Release of Unknown Claims.** The Releasor represents that the Releasor is not aware of any claims other than the claims that are released by this Agreement. The Releasor expressly acknowledges and agrees that the releases herein are general in nature and as broad as may be granted under applicable law, and that this Agreement fully and finally settles and forever resolves all of the claims released hereby, even those which are unknown, unanticipated or unsuspected. Upon the advice of legal counsel, the Releasor hereto hereby acknowledges that the Releasor understands, and expressly waives, all benefits and protections under Section 1542 of the Civil Code of California, as well as under any other statutes, legal decisions or common law principles of similar effect to the extent that such benefits or protections may contravene the provisions of this Agreement. Section 1542 of the Civil Code of California states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Releasor hereto acknowledges that the foregoing waiver was separately bargained for and is a key element and material term of this Agreement.

**3. Representations.** Except as set forth on Schedule 1 attached hereto, the Releasor represents and warrants that the Releasor (a) has not filed, and there is not pending with any governmental agency or, any state or federal court, or any other forum, any charge or Claim against any of the Released Parties, and (b) is not aware of any facts that could give rise to a charge or Claim against any of the Released Parties.

**4. No Assignment of Claims.** The Releasor hereby represents to the Released Parties that the Releasor (a) is the sole owner of the Claims, (b) has not assigned any Claims or possible Claims against any Released Party, (c) fully intends to release all Claims against the Released Parties, including unknown and contingent Claims, (d) has the full right and power to grant, execute, and deliver the full and complete releases, undertakings, and agreements herein contained, and (e) has consulted with counsel with respect to the execution and delivery of this Release and has been fully apprised of the consequences hereof.

**5. Covenant Not to Sue.** The Releasor covenants and agrees not to institute, or to authorize any person on behalf of the Releasor to institute, any action or proceeding against any of the Released Parties with respect to the released Claims. The Releasor understands that nothing contained in this Agreement limits Releasor's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local government agency or commission (collectively, the "Government Agencies"). However, the Releasor also understands that the Releasor is waiving Releasor's right to recover monetary damages or other individual relief in connection with any such charge, but not Releasor's right to receive an award pursuant to any whistleblower provisions for information provided to any Government Agencies, consistent with applicable law. The Releasor further understands that this Agreement does not limit Releasor's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company.

6. Remedies. Subject to Section 7, the Releasor understands and agrees that, if the Releasor violates any of the commitments made in this Release, the Company may seek to recover the Severance Payments and the Releasor agrees to pay the actual attorney's fees and expenses incurred by the Released Parties in enforcing this Release or in defending a released Claim. However, nothing herein shall affect the Company's rights to seek restitution, recoupment or setoff or any other remedy in connection with any challenge related to the validity of the release under ADEA.

7. ADEA Rights. In compliance with the Releasor's statutorily protected rights under the ADEA, no penalty, condition precedent (including any requirement that the Releasor tender back the Severance Payments) or other limitation shall be imposed if the Releasor challenges the waiver of rights under Section 1 or covenant not to sue pursuant to Section 5 under the ADEA on the grounds that the waiver or covenant not to sue was not made knowingly and voluntarily. This Section 7 shall apply notwithstanding any other provision in the Release. The Releasor hereby acknowledges that the Company has informed the Releasor that the Releasor has up to twenty-one (21) days to sign this Release and the Releasor may knowingly and voluntarily waive all or any part of that twenty-one (21) day period by signing this Release earlier. The Releasor also understands that the Releasor shall have seven (7) days following the date on which the Releasor signs this Release within which to revoke it by providing a written notice of the Releasor's revocation to the Company at the following address: [REDACTED]. If this Release is not revoked during that seven (7) day period, it shall become final and binding.

8. Adequacy of Information. The Releasor hereby represents and warrants that the Releasor has access to adequate information regarding the scope and effect of the release set forth herein, and all other matters encompassed by this Release, to make a voluntary, informed, and knowledgeable decision with regard to entering into this Release. The Releasor further represents and warrants that the Releasor has not relied upon the Company in deciding to enter into this Release and has instead made the Releasor's own independent analysis and decision to enter into this Release. The Company has advised, and hereby advises, the Releasor to consult an attorney prior to executing this Release which contains a general release and waiver.

9. Sufficiency of Consideration. The Releasor acknowledges and agrees that the obligations of the Released Parties pursuant to the Employment Agreement and the covenants contained therein provide good and sufficient consideration for every promise, duty, release, obligation, agreement and right contained in this Release.

10. Law Governing; Dispute Resolution. The Releasor and the Company, each represented by legal counsel in drafting and negotiating this Release, agree that this Release, and all claims and disputes arising in connection with this Release, or the negotiation, breach, termination, performance or validity hereof or the transactions contemplated hereby, shall be governed by and construed in accordance with the laws of the State of California, without giving effect to the conflicts of laws principles thereof. Any claim or dispute arising out of or relating to this Release, or the negotiation, breach, termination, performance or validity hereof or the transactions contemplated hereby, shall be resolved solely and exclusively in accordance with the terms of the Employment Agreement.

11. Interpretation. Each Party has been represented by counsel in connection with this Release and each provision of this Release shall be interpreted and construed as if it were equally and jointly drafted by the Parties.

12. Severability. Subject to Section 7, if any term or other provision of this Release is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of law or public policy, the Company may elect to enforce the remainder of the Release or cancel it and seek to recover any consideration paid to the Releasor if the Releasor has violated this Release.

13. Counterparts and Facsimile Signatures. This Release may be executed in two or more counterparts (including by means of facsimile or electronically transmitted portable document format (.PDF) signature pages), each of which shall be deemed to be an original, but all of which together shall constitute and be one and the same instrument; provided, that facsimile or electronically transmitted signatures of this Release shall be deemed to be originals. Counterpart signatures need not be on the same page.

14. Entire Agreement. This Release and the Employment Agreement contain the entire understanding and agreement between and among the Parties with respect to the subject matter hereof.

*[Signatures on Next Page]*

IN WITNESS WHEREOF, the Parties have made and entered into this Release of Claims Agreement the date first hereinabove set forth.

**COMPANY:**

TOI MANAGEMENT, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**RELEASOR**

\_\_\_\_\_  
[ADD NAME OF EXECUTIVE]



**Schedule 1**

[TO BE UPDATED/PROVIDED ON EFFECTIVE/EXECUTION DATE OF THE RELEASE]

**EXHIBIT B**  
**FORM OF INDEMNIFICATION AGREEMENT**

**Certification of Chief Executive Officer**  
**RULE 13a-14(a)/15d-14(a) CERTIFICATION PURSUANT TO**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Daniel Virnich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2024 of The Oncology Institute, 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; and
  - (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; and
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2024

/s/ Daniel Virnich

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Daniel Virnich

*Chief Executive Officer*

**Certification of Chief Financial Officer**  
**RULE 13a-14(a)/15d-14(a) CERTIFICATION PURSUANT TO**  
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Carter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2024 of The Oncology Institute, 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; and
  - (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; and
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2024

/s/ Robert Carter

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Robert Carter

*Chief Financial Officer*

**Certification of Chief Executive Officer  
Certification Pursuant to Section 906  
of the Sarbanes-Oxley Act of 2002  
(18 U.S.C. Section 1350)**

In connection with the Quarterly Report of The Oncology Institute, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel Virnich, Chief Executive Officer of the Company, 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 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: November 13, 2024

/s/ Daniel Virnich

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Daniel Virnich  
*Chief Executive Officer*

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities Exchange Commission or its staff upon request.

**Certification of Chief Financial Officer  
Certification Pursuant to Section 906  
of the Sarbanes-Oxley Act of 2002  
(18 U.S.C. Section 1350)**

In connection with the Quarterly Report of The Oncology Institute, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Carter, Chief Financial Officer of the Company, 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 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In witness whereof, the undersigned has executed and delivered this certificate as of the date set forth opposite his signature below.

Date: November 13, 2024

/s/ Robert Carter

Robert Carter  
*Chief Financial Officer*

The foregoing certification is being furnished solely to accompany the Report pursuant to 18. U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities Exchange Commission or its staff upon request.