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 March 31, 2022

OR

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

For the transition period from _____ to _____

Commission file number 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 Rd, 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
Warrants to purchase common stock	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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

As of May 9, 2022, the registrant had 73,276,230 shares of common stock outstanding.

Table of Contents

PART I

Item 1. Financial Statements and Supplementary Data

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

	March 31, 2022 (Unaudited)	December 31, 2021
Assets		
Current assets:		
Cash (includes restricted cash of $875 and $875 as of March 31, 2022 and December 31, 2021)	$ 95,534	$ 115,174
Accounts receivable	24,513	20,007
Other receivables	1,279	1,237
Inventories, net	7,770	6,438
Prepaid expenses	10,744	11,200
Total current assets	139,840	154,056
Property and equipment, net	4,909	4,192
Operating right of use assets	17,233	—
Intangible assets, net	17,572	18,245
Goodwill	26,626	26,626
Other assets	332	320
Total assets	$ 206,512	$ 203,439
Liabilities and stockholders’ equity		
Current liabilities:		
Current portion of operating lease liabilities	$ 4,277	$ —
Current portion of long-term debt	—	183
Accounts payable	12,596	15,559
Income taxes payable	132	132
Accrued expenses and other current liabilities	14,516	13,924
Total current liabilities	31,521	29,798
Operating lease liabilities	14,409	—
Derivative warrant liabilities	3,654	2,193
Derivative earnout liabilities	20,578	60,018
Other non-current liabilities	3,801	6,900
Deferred income taxes liability	551	371
Total liabilities	74,514	99,280
Commitments and contingencies (Note 15)	—	—
Stockholders’ equity:		
TOI Common shares, $0.0001 par value, Authorized 500,000,000 shares; 73,276,230 and 73,249,042 shares issued and outstanding at March 31, 2022 and December 31, 2021	7	7
TOI Convertible Series A Common Equivalent Preferred Shares, $0.0001 par value. Authorized 10,000,000 shares; 163,510 shares issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Additional paid-in capital	175,939	167,386
Accumulated deficit	(43,948)	(63,234)
Total stockholders’ equity	131,998	104,159
Total liabilities, cumulative preferred shares and stockholders’ equity	$ 206,512	$ 203,439

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 $49,238 and $42,332 as of March 31, 2022 and December 31, 2021, 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 $96,129 and $79,579 as of March 31, 2022 and December 31, 2021, respectively. See Note 17 for further details.

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Revenue		
Patient services	$ 35,057	$ 29,622
Dispensary	18,679	17,618
Clinical trials & other	1,425	1,340
Total operating revenue	55,161	48,580
Operating expenses		
Direct costs – patient services	27,378	23,086
Direct costs – dispensary	15,324	15,123
Direct costs – clinical trials & other	137	169
Selling, general and administrative expense	29,806	11,178
Depreciation and amortization	987	777
Total operating expenses	73,632	50,333
Loss from operations	(18,471)	(1,753)
Other non-operating expense (income)		
Interest expense	74	101
Change in fair value of derivative warrant liabilities	1,461	—
Change in fair value of earnout liabilities	(39,440)	—
Gain on debt extinguishment	(183)	—
Other, net	151	(1,076)
Total other non-operating income	(37,937)	(975)
Income before provision for income (loss) taxes	19,466	(778)
Income tax expense	(180)	(218)
Net income (loss)	$ 19,286	$ (996)
Net income (loss) per share attributable to common stockholders:		
Basic	$ 0.22	$ (0.02)
Diluted	$ 0.21	$ (0.02)
Weighted-average number of shares outstanding:		
Basic	73,252,365	62,853,419
Diluted	76,247,966	62,853,419

See accompanying notes to the condensed consolidated financial statements.

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

	Common stock		Preferred stock				
	Shares	Amount	Shares	Amount	Additional paid in capital	Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
Balance at December 31, 2021	73,249,042	$ 7	163,510	$ —	$ 167,386	$ (63,234)	$ 104,159
Net Income	—	—	—	—	—	19,286	19,286
Issuance of common stock upon vesting of RSUs	27,188	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	8,553	—	8,553
Balance at March, 31, 2022	73,276,230	$ 7	163,510	$ —	$ 175,939	$ (43,948)	$ 131,998

	Legacy TOI preferred stock		Legacy TOI common stock		Common stock		Preferred stock				
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Additional paid in capital	Retained Earnings/ (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
Balance at December, 31, 2020 (as previously reported)	11,451	$ 100	—	$ —	—	$ —	—	$ —	$ 294	$ (52,307)	$ (52,013)
Retroactive application of the recapitalization due to the Business Combination (refer to Note 1)	(11,451)	(100)	—	—	59,160,192	6	—	—	80,108	—	80,114
Balance at December 31, 2020, effect of Business Combination (refer to Note 1)	—	$ —	—	$ —	59,160,192	$ 6	—	$ —	$ 80,402	$ (52,307)	$ 28,101
Net loss	—	—	—	—	—	—	—	—	—	(996)	(996)
Legacy TOI preferred stock issued and issuance of common stock	—	—	—	—	6,861,637	1	—	—	19,998	—	19,999
Share-based compensation expense	—	—	—	—	—	—	—	—	42	—	42
Balance at March, 31, 2021	—	$ —	—	$ —	66,021,829	$ 7	—	$ —	$ 100,442	$ (53,303)	$ 47,146

See accompanying notes to the condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net income (loss)	$ 19,286	$ (996)
Adjustments to reconcile net loss to cash (used in) provided by operating activities:		
Depreciation and amortization	987	777
Amortization of debt issuance costs	—	18
Share-based compensation	8,553	42
Increase in fair value of liability classified warrants	1,461	—
Decrease in fair value of liability classified earnouts	(39,440)	—
Deferred taxes	180	221
Gain on debt extinguishment	(183)	—
Bad debt expense	154	—
Loss on disposal of property and equipment	14	—
Changes in operating assets and liabilities:		
Accounts receivable	(4,660)	(550)
Inventories	(1,332)	10
Other receivables	(42)	(20)
Prepaid expenses	456	56
Other current assets	—	(353)
Operating lease right-of-use assets	942	—
Other assets	(11)	(37)
Accrued expenses and other current liabilities	526	358
Income taxes payable	—	102
Accounts payable	(2,963)	474
Current and long-term operating lease liabilities	(909)	—
Other non-current liabilities	—	362
Net cash and restricted cash (used in) provided by operating activities	(16,981)	464
Cash flows from investing activities:		
Purchases of property and equipment	(1,002)	(619)
Cash paid for practice acquisitions, net	—	(827)
Net cash and restricted cash used in investing activities	(1,002)	(1,446)
Cash flows from financing activities:		
Advances from line of credit	—	2,500
Payments made for financing of insurance payments	(1,235)	—
Payment of deferred consideration liability for acquisition	(409)	—
Principal payments on long-term debt	—	(94)
Principal payments on financing leases	(13)	(10)
Issuance of Legacy TOI preferred stock	—	20,000
Net cash and restricted cash (used in) provided by financing activities	(1,657)	22,396
Net (decrease) increase in cash and restricted cash	(19,640)	21,414
Cash and restricted cash at beginning of period	115,174	5,998
Cash and restricted cash at end of period	$ 95,534	$ 27,412
Supplemental disclosure of cash flow information:		
Interest and principal forgiven from Paycheck Protection Program loans	$ 183	$ —
Cash paid for:		
Income taxes	$ —	$ 4
Interest	$ 74	$ —

See accompanying notes to the condensed consolidated financial statements.

THE ONCOLOGY INSTITUTE, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As of March 31, 2022 and December 31, 2021 and for the three months ended March 31, 2022 and 2021
(US Dollars in thousands, except share data)

Note 1. Description of the Business

Overview of the Business

The Oncology Institute, Inc. (“TOI”) is the successor entity to DFP Healthcare Acquisitions Corp. ("DFPH"). DFPH 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"). TOI was originally founded in 2007 and is a community oncology practice that operates value-based oncology services platforms. TOI has three wholly-owned subsidiaries, TOI Parent, Inc. ("TOI Parent"), TOI Acquisition, LLC (“TOI Acquisition”) 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"), the Business Combination closed following a series of mergers, 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 common stock and "Public Warrants" continued to be listed on Nasdaq under the ticker symbols “TOI” and “TOIIW,” respectively (See Note 16).

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, transfusions, and other care delivery models traditionally associated with non-community-based academic and tertiary care settings. In addition, the Company, through it consolidating subsidiary Innovative Clinical Research Institute, LLC ("ICRI"), performs cancer clinical trials through a network of cancer care specialists. ICRI conducts clinical trials for a broad range of pharmaceutical and medical device companies from around the world.

The Company has 84 oncologists and mid-level professionals across 53 clinic locations located within four states: California, Nevada, Arizona, and Florida. 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, MediCal, 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 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 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, 2021, issued on March 11, 2022.

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 (“VIE”) 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 from these subsidiaries are included in the consolidated amounts as presented on the condensed consolidated statements of operations.

The Company holds variable interests in clinical practices, TOI PCs, for which it cannot legally own, as a result of entering into master services agreements ("MSAs"). As of March 31, 2022, TOI held variable interest in The Oncology Institute CA, a Professional Corporation (TOI CA) and The Oncology Institute FL, LLC, a Professional Corporation ("TOI FL,"), both 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 common shares 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 Topic No. 805, *Business Combinations* (“ASC 805”). 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 entity 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.

The DFPH-Legacy TOI Business Combination was accounted for as a reverse recapitalization. Under this method of accounting, DFPH was treated as the “acquired” company for accounting purposes and the Business Combination was treated as the equivalent of Legacy TOI issuing stock for the net assets of DFPH, accompanied by a recapitalization. The net assets of DFPH are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination were those of TOI Parent.

Segment Reporting

The Company presents the financial statements by segment in accordance with Accounting Standard Codification 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 care, 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 condensed 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 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. Significant items subject to such estimates and assumptions include judgements related to revenue recognition, estimated accounts receivable, useful lives and recoverability of long-lived and intangible assets, recoverability of goodwill, fair values of acquired 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 judgements related to deferred income taxes.

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. Basic and diluted net income (loss) per share has been retrospectively adjusted for all periods presented prior to the Business Combination. The retroactive adjustment is based on the same number of weighted average shares outstanding in each historical period.

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, earnout shares (defined in Note 14), public warrants and private placement warrants. For periods where the Company has net losses, diluted net loss per share is the same as basic net loss per share because inclusion of potential common shares in the diluted net loss per share calculation has an antidilutive effect.

The treasury stock method is used to calculate the potentially dilutive effect of stock options, RSUs, public warrants and private placement warrants. The earnout shares are contingently issuable; therefore, the earnout shares are excluded from basic and diluted EPS until the market conditions have been met (see more detail on the earnout shares in Note 14). 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 income per share.

Emerging Growth Company

Pursuant to the Business Combination, the Company qualifies as an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, 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 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 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.

Recently Adopted Accounting Standards

Leases

On January 1, 2022, the Company adopted Accounting Standards Update 2016-02, *Leases*, with various amendments issued in 2018 and 2019 (collectively, "ASC 842") using the modified retrospective approach, for leases that existed on January 1, 2022. ASC 842 requires lessees to recognize assets and liabilities for most 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 and 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 accounted 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 operating 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.

The Company displays ROU assets, current lease liabilities, and long term lease liabilities arising from operating leases as separate line items on the condensed consolidated balance sheet. The Company includes ROU assets, current lease liabilities, and long term lease liabilities arising from finance leases within property and equipment, net; accrued expenses and other current liabilities; and other non-current liabilities. As a result of the Company's adoption of ASC 842, the Company recorded an initial adjustment to the opening balance sheet of $16,439 to operating ROU assets, $3,970 to current portion of operating lease liabilities, $13,796 to long term operating lease liabilities, $43 to property and equipment, net; $19 to other current liabilities; and $21 to other non-current liabilities. The impact of ASC 842 was not material to the consolidated statement of income (operations).

Other

In May 2021, the FASB issued Accounting Standards Update 2021-04, *Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options* ("ASU 2021-04"). The guidance in ASU 2021-04 requires the issuer to treat a modification of an equity-classified written call option that does not cause the option to become liability-classified as an exchange of the original option for a new option. This guidance applies whether the modification is structured as an amendment to the terms and conditions of the option or as termination of the original option and issuance of a new option. The Company adopted ASU 2021-04 as of January 1, 2022. The adoption of this guidance did not have a material impact on the Company's consolidated financial position or results of operations.

Recently Issued Accounting Standards

In June 2016, the FASB issued Accounting Standards Update 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), which changes the way entities recognize impairment of many financial assets by requiring immediate recognition of estimated credit losses expected to occur over their remaining life, instead of when incurred. In November 2018, the FASB issued Accounting Standard Update 2018-19, *Codification Improvements to Topic 326, Financial Instruments — Credit Losses* ("ASU 2018-19"), which amends Subtopic 326-20 (created by ASU 2016-13) to explicitly state that operating lease receivables are not in the scope of Subtopic 326-20. Additionally, in April 2019, the FASB issued Accounting Standard Update 2019-04, *Codification Improvements to Topic 326, Financial Instruments — Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments* ("ASU 2019-04"); in May 2019, the FASB issued Accounting Standards Update 2019-05, *Financial Instruments — Credit Losses (Topic 326): Targeted Transition Relief* ("ASU 2019-05"); and in November 2019, the FASB issued Accounting Standards Update 2019-10, *Financial Instruments — Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates* and *ASU 2019-11, Codification Improvements to Topic 326, Financial Instruments — Credit Losses* ("ASU 2019-10"), to provide further clarifications on certain aspects of ASU 2016-13 and to extend the nonpublic entity effective date of ASU 2016-13. The changes (as amended) are effective for the Company for annual and interim periods in fiscal years beginning after December 15, 2022. An entity may early adopt ASU 2016-13, as amended, for annual and interim periods in fiscal years beginning after December 15, 2018. While the Company expects its allowance for credit losses to increase upon adoption of ASU 2016-13, the Company does not expect the adoption of ASU 2016-13 to have a material effect on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which amends ASC 740, Income Taxes. This new standard is intended to simplify accounting for income taxes by removing certain exceptions to the general principles in ASC 740 and amending existing guidance to improve consistent application of ASC 740. The new standard is effective for the Company beginning January 1, 2022, and for interim periods beginning January 1, 2023. The guidance in the new standard has various elements, some of which are applied on a prospective basis and others on a retrospective basis with earlier application permitted. The Company is currently evaluating the effect of ASU 2019-12 on the Company's consolidated financial statements and related disclosures.

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 is effective for the Company beginning January 1, 2024. The Company is currently evaluating the effect of ASU 2020-06 on the Company's consolidated financial statements and related disclosures.

In October 2021, the FASB issued ASU 2021-08, *Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("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. The guidance is effective for interim and annual periods beginning after December 15, 2023, with early adoption permitted. The Company will adopt ASU 2021-08 on January 1, 2024 on a prospective basis. The Company does not expect the adoption of this standard to have a material impact on the Company's consolidated financial statements and related disclosures.

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 and accounts receivable.

Cash accounts in a financial institution may, at times, exceed the Federal Deposit Insurance Corporation ("FDIC") 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.

Revenue Concentration Risk

The concentration of net revenue on a percentage basis for major payors for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,	
	2022	2021
Percentage of Net Revenue:		
Payor A	16 %	17 %
Payor B	17 %	13 %

The concentration of gross receivables on a percentage basis for major payors at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
Percentage of Gross Receivables:		
Payor B	21 %	19 %
Payor C	13 %	14 %

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 months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,	
	2022	2021
Percentage of Cost of Sales:		
Vendor A	51 %	48 %
Vendor B	47 %	50 %

The concentration of gross payables on a percentage basis for major payors at March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
Percentage of Gross Payables:		
Vendor B	55 %	47 %
Vendor A	28 %	39 %
All others	17 %	14 %

COVID-19 Pandemic

In January 2020, the Secretary of the U.S. Department of Health and Human Services ("HHS") declared a national public health emergency due to a novel strain of coronavirus ("COVID-19"). In March 2020, the World Health Organization declared the outbreak of COVID-19, a disease caused by this coronavirus, a pandemic. The resulting measures to contain the spread and impact of COVID-19 and other developments related to COVID-19 have affected the Company's results of operations during 2022. Where applicable, the impact resulting from the COVID-19 pandemic during the three months ended March 31, 2022 has been considered, including updated assessments of the recoverability of assets and evaluation of potential credit losses. As a result of the COVID-19 pandemic, federal and state governments have passed legislation, promulgated regulations, and taken other administrative actions intended to assist healthcare providers in providing care to COVID-19 and other patients during the public health emergency. Sources of relief include the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which was enacted on March 27, 2020, the Paycheck Protection Program and Health Care Enhancement Act (the "PPPHCE Act"), which was enacted on April 24, 2020, and the Consolidated Appropriations Act, 2021 (the "CAA"), which was enacted on December 27, 2020. In total, the CARES Act, PPPHCE Act and the CAA authorize $178,000,000 in funding to be distributed to hospitals and other healthcare providers through the Public Health and Social Services Emergency Fund (the "PHSSEF"). In addition, the CARES Act provides for an expansion of the Medicare Accelerated and Advance Payment Program whereby inpatient acute care hospitals and other eligible providers were able to request accelerated payment of up to 100% of their Medicare payment amount for a six-month period to be repaid through withholding of future Medicare fee-for-service payments. Various other state and local programs also exist to provide relief, either independently or through distribution of monies received via the CARES Act. During the year ended December 31, 2021, the Company was a beneficiary of these stimulus measures. The Company's accounting policies for the recognition of these stimulus monies is as follows.

The Company directly received $4,993 in Paycheck Protection Program ("PPP") loans under the CARES Act and indirectly received an additional $332 in PPP loans through acquisitions (see Note 16). PPP loans may be eligible for forgiveness if the funds were used for eligible payroll costs, payments on business mortgage interest payments, rent, or utilities during either the 8- or 24-week period after disbursement. The Company elected to account for the loans as current debt until such loans were forgiven. Forgiveness for $5,142 of the PPP loans was received during the year ended December 31, 2021, with the balance of $183 being received during the three months ended March 31, 2022. As such, the Company recognized the loan principal balance and accrued interest as a gain on debt extinguishment in the condensed consolidated statement of operations.

The Company received $2,727 from CMS under the Accelerated and Advance Payment Program which is an advance on future Medicare payments and will be recouped from future payments due to the Company by Medicare after 120 days. Effective October 1, 2020, the program was amended such that providers are required to repay accelerated payments beginning one year after the payment was issued. After such one-year period, Medicare payments owed to providers will be recouped against Medicare payments according to the repayment terms. As of December 31, 2021, the Medicare accelerated payments are reflected within accrued expenses and other current liabilities in the condensed consolidated balance sheets. As of March 31, 2022, the Company repaid all advances received from CMS under the Accelerated and Advance Payment Program.

The Company received funding from United States Department of HHS as part of the Provider Relief Funding under the CARES Act. Provider Relief Funding is paid in the form of a grant and does not require repayment if used to cover lost revenue, as defined, attributable to COVID-19 and healthcare-related expenses, as defined, including qualifying direct labor, paid or purchased to prevent, prepare for, and respond to COVID-19. Under International Accounting Standard No. 20, *Accounting for Government Grants* ("IAS 20"), grants are recognized when an entity has reasonable assurance that 1) it will comply with the relevant conditions and 2) the grant will be received. The Company recognized $0 and $1,023 in other income related to the HHS funding during the three months ended March 31, 2022 and 2021 by applying IAS 20 by analogy.

Note 4. Accounts Receivable and Notes Receivable

The Company's accounts receivable consists 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.

Accounts Receivable as of March 31, 2022 and December 31, 2021 consist of the following:

(in thousands)	March 31, 2022	December 31, 2021
Oral drug accounts receivable	$ 2,535	$ 2,097
Capitated accounts receivable	721	665
FFS accounts receivable	15,518	12,530
Clinical trials accounts receivable	1,849	1,823
Other trade receivables	3,890	2,892
Total	$ 24,513	$ 20,007

During the three months ended March 31, 2022 and 2021 bad debt related to direct write-offs totaled $177 and $0, respectively. Bad debt write-offs were a result of accounts receivable on completed contracts that were deemed uncollectible during the period due to delayed collection efforts. In the three months ended March 31, 2022 and 2021, the Company had bad debt recoveries of $23 and $0, respectively

Note 5. Revenue

Management recognizes revenue in accordance with ASC 606 on the basis of its satisfaction of outstanding performance obligations. Management typically fulfills its performance obligations over time, either over the course of a single treatment (FFS), a month (capitation), or a number of months (clinical research). Management also has revenue that is satisfied at a point in time (dispensary). See Note 2 for summary of the Company's policies and significant assumptions related to revenue recognition.

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:

	Three Months Ended March 31,	
(in thousands)	2022	2021
Patient services		
Capitated revenue	$ 14,516	$ 12,330
FFS revenue	20,541	17,292
Subtotal	35,057	29,622
Dispensary revenue	18,679	17,618
Clinical research trials and other revenue	1,425	1,340
Total	$ 55,161	$ 48,580

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 March 31, 2022 and December 31, 2021. Refer to Note 4 for accounts receivable as of March 31, 2022 and December 31, 2021.

Contract liabilities represent cash that has been received for contracts, but for which performance is still unsatisfied. As of March 31, 2022 and December 31, 2021, contract liabilities amounted to $220 and $220, respectively. Contract liabilities are included within other current liabilities and presented in Note 9 along with refund liabilities due to materiality.

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 various suppliers. See Note 2 for a summary of the Company's policies relating to intravenous chemotherapy and oral prescription drugs inventory.

The Company's inventories as of March 31, 2022 and December 31, 2021 were as follows:

(in thousands)	March 31, 2022	December 31, 2021
Oral drug inventory	$ 2,787	$ 1,484
IV drug inventory	4,983	4,954
Total	$ 7,770	$ 6,438

Note 7. Fair Value Measurements and Hierarchy

See Note 2 for a summary of the Company's policies relating to fair value measurements.

The following table presents the carrying amounts of the Company's financial instruments at March 31, 2022 and December 31, 2021:

(in thousands)	March 31, 2022	December 31, 2021
Financial assets:		
Cash and restricted cash	$ 95,534	$ 115,174
Accounts receivable	24,513	20,007
Other receivables	1,279	1,237
Financial liabilities:		
Accounts payable	$ 12,596	$ 15,559
Derivative warrant liabilities	3,654	2,193
Earnout liabilities	20,578	60,018

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 following table presents information about the Company's Level 3 liabilities that are measured at fair value on a recurring basis at March 31, 2022:

(in thousands)	Derivative Warrant Liability	Earnout Liability
Balance at December 31, 2021	$ 2,193	$ 60,018
Change in fair value included in other expense	1,461	(39,440)
Balance at March 31, 2022	$ 3,654	$ 20,578

The derivative warrant and earnout liabilities were valued using a Binomial Lattice and Monte-Carlo Simulation Model, respectively, which are considered to be Level 3 fair value measurements. The primary unobservable input utilized in determining the fair value of the warrant and earnouts is the expected volatility of the common stock. A summary of the inputs used in valuing the derivative warrant and earnout liabilities is as follows:

	March 31, 2022			December 31, 2021		
	Derivative Warrant Liability	First Tranche Earnout	Second Tranche Earnout	Derivative Warrant Liability	First Tranche Earnout	Second Tranche Earnout
Unit price	$ 7.13	$ 7.13	$ 7.13	$ 9.75	$ 9.75	$ 9.75
Term (in years)	4.62	1.27	1.75	4.87	1.87	2.87
Volatility	36.10 %	35.00 %	35.00 %	12.80 %	35.00 %	35.00 %
Risk-free rate	2.41 %	2.38 %	2.38 %	1.24 %	0.94 %	0.94 %
Dividend yield	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Cost of equity	—	13.20 %	13.20 %	—	11.14 %	11.14 %

There were no transfers between fair value measurement levels during the three months ended March 31, 2022 and 2021.

Uncertainty of Fair Value Measurement from Use of Significant Unobservable Inputs

The inputs to estimate the fair value of the Company's derivative warrant and earnout 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. See Note 2 for a summary of the Company's policies relating to property and equipment.

Property and equipment, net, consist of the following:

(in thousands)	Useful lives	March 31, 2022	December 31, 2021
Computers and software	60 months	$ 1,144	$ 961
Office furniture	80 months	378	343
Leasehold improvements	Shorter of lease term or estimated useful life	4,168	3,387
Medical equipment	60 months	885	805
Construction in progress		423	518
Finance lease ROU assets	Shorter of lease term or estimated useful life	205	162
Less: accumulated depreciation		(2,294)	(1,984)
Total property and equipment, net		$ 4,909	$ 4,192

Depreciation expense for the three months ended March 31, 2022 and 2021 was $314 and $165, respectively.

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

Accrued expenses and other current liabilities as of March 31, 2022 and December 31, 2021 consist of the following:

(in thousands)	March 31, 2022	December 31, 2021
Compensation, including bonuses, fringe benefits, and payroll taxes	$ 4,186	$ 3,325
Contract liabilities and refund liabilities	220	592
Directors and officers insurance premiums	5,057	5,009
Deferred acquisition consideration (see Note 16)	2,050	2,359
Other liabilities	3,003	2,639
Total accrued expenses and other current liabilities	$ 14,516	$ 13,924

Refund liabilities as of March 31, 2022 and December 31, 2021 primarily consist of cumulative adjustments made to capitated and FFS revenue recognized in prior years.

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 financing arrangement to pay premiums for directors' and officers' ("D&O") insurance coverage to protect against such losses on November 12, 2021. As of March 31, 2022, the remaining D&O principal balance was $6,785, of which $1,728 is due to be paid after March 31, 2023 and classified as an other non-current liability. Additionally, the Company includes $2,309 of deferred consideration (see Note 16 for details) in other non-current liabilities to reflect when the deferred consideration will be paid.

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 November 2031. See Note 2 for a summary of the Company's policies relating to leases.

The initial terms of operating leases range from 0 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 $37. 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.

Lease Expense

The components of lease expense were as follows for the three months ended March 31, 2022:

(in thousands)	Three Months Ended March 31, 2022
Operating lease costs:	$ 1,168
Finance lease costs:	
Amortization of ROU asset	$ 14
Interest expense	1
Other lease costs:	
Short-term lease costs	$ 109
Variable lease costs	205

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 March 31, 2022 are as follows:

(in thousands)	Operating Leases	Finance Leases
2022	$ 3,717	$ 42
2023	4,734	46
2024	4,089	38
2025	3,370	4
2026	2,442	1
Thereafter	2,505	—
Total future lease payment	$ 20,857	$ 131
Less: amount representing interest	(2,171)	(7)
Present value of future lease payment (lease liability)	$ 18,686	$ 124
Reported as:		
Lease liabilities, current	$ 4,277	$ 50
Lease liabilities, noncurrent	14,409	74
Total lease liabilities	$ 18,686	$ 124

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 March 31, 2022:

	March 31, 2022
Weighted-average remaining lease term (in years)	
Operating	4.81
Finance	2.58
Weighted-average discount rate	
Operating	4.21 %
Finance	4.39 %

Supplemental Cash Flow Information

The following table provides certain cash flow and supplemental noncash information related to the Company's lease liabilities for the three months ended March 31, 2022.

(in thousands)	Three Months Ended March 31, 2022
Supplemental cash flow information	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash payment from operating leases	$ 1,145
Financing cash payments for finance leases	17
Lease liabilities arising from obtaining right-of-use assets:	
Operating leases	$ 19,598
Finance leases	40

Lease Modifications

Effective March 1, 2022, the Company expanded its lease space and extended its lease term for a clinic in California, with a revised end date of March 1, 2028. This expansion and extension constitute a lease modification that qualifies as a change of accounting for the original lease and not a separate contract. Accordingly, in the first quarter of fiscal 2022, the Company recognized the difference of $775 as an increase to the operating lease liability; $682, net of lease incentives, as an increase to operating lease right-of-use asset, and $3 as rent expense.

Note 11. Debt

The Company recorded a PPP loan as a result of the acquisition of the practice of Leo E. Orr, MD on November 12, 2021 with Pacific Western Bank in the amount of $183, with interest bearing at 1%. The maturity date of the loan is October 24, 2026. The application for the PPP funds required an entity to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the entity. This certification further required the entity to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the entity having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. During the three months ended March 31, 2022, the Company received notice of forgiveness of its PPP loan and accordingly has recognized the loan principal balance and accrued interest as a gain on debt extinguishment in the condensed consolidated statement of operations.

Note 12. Income Taxes

The Company recorded income tax expense of $180 for the three months ended March 31, 2022, as compared to income tax expense of $218 for the three months ended March 31, 2021. The decrease of $38 in income tax expense is primarily related to the corresponding increase in the valuation allowance for TOI. The Company's effective tax rate increased to 0.92% for the three months ended March 31, 2022, from (28.02)% for the three months ended March 31, 2021, primarily due to the increase of the valuation allowance.

The Company's effective tax rate for the three months ended March 31, 2022, was different than the U.S. federal statutory tax rate of 21.00%, primarily due to the increased valuation allowance, partially offset by the tax effect of the change in fair market value of the warrant and earn out liability and Section 162(m) limitation on compensation for covered employees, which is not taxable for federal income tax purposes.

Note 13. Stockholders' Equity

The condensed consolidated statement of stockholders’ equity has been retroactively adjusted for all periods presented to reflect the Business Combination and reverse recapitalization described in Note 1. The balances as of March 31, 2021 from the condensed consolidated financial statements of Legacy TOI as of that date, share activity (Legacy TOI preferred stock, Legacy TOI common stock, and additional paid-in capital) and per share amounts were retroactively adjusted, where applicable, using the Common Stock Exchange Ratio.

Common Stock

Upon the Closing Date of the Business Combination, pursuant to the terms of the Amended and Restated Certificate of Incorporation, the Company authorized 500,000,000 shares of common stock with a par value of $0.0001. Immediately following the Closing Date and as of March 31, 2022, there were 73,276,230 shares of common stock outstanding.

In connection with the Closing Date, all previously issued and outstanding shares of Legacy TOI preferred stock were converted into Legacy TOI common stock and received i) shares of Company common stock pursuant to a 591:1 ratio of Company common shares to Legacy TOI common shares (the "Common Stock Exchange Ratio") and ii) cash. The Company has retroactively adjusted shares issued and outstanding prior to November 11, 2021 to give effect to the Common Stock Exchange Ratio to determine the number of shares of common stock into which they were converted.

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 March 31, 2022.

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 March 31, 2022, there were 163,510 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 March 31, 2022.

Assumed Public Warrants and Private Placement Warrants

Following the consummation 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 March 31, 2022 there are 5,749,986 public warrants outstanding and 3,177,543 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.

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 common shares of the Company.

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 common shares on the date of grant. Stock Options have 10-year terms, after which they expire and are no longer exercisable.

The total number of common shares for which Stock Options may be granted under the 2019 Plan shall not exceed 13,640. The 2019 Plan was amended on November 6, 2020, pursuant to which the total number of common shares for which Stock Options may be granted under the 2019 Plan shall not exceed 15,640.

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.

Conversion of the Stock Options

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"). Pursuant to the 2021 Plan, each remaining legacy Stock Option from the 2019 Plan that was outstanding immediately prior to the Business Combination, whether vested or unvested, was converted into an option to purchase a number of shares of common stock (each such option, an "Exchanged Option") equal to the product (rounded down to the nearest whole number) of (i) the number of shares of Legacy TOI stockholders subject to such Stock Option immediately prior to the Business Combination, and (ii) an exercise price per share equal to (A) the exercise price per share of such Stock Option immediately prior to the consummation of the Business Combination, divided by (B) the Common Stock Exchange Ratio ("Stock Option Exchange Ratio"). Following the Business Combination, each Exchanged Option that was previously subject to time vesting only, will continue to be governed by the same terms and conditions (including vesting and exercisability terms) as were applicable to the corresponding former old Stock Option immediately prior to the consummation of the Business Combination. Each Exchanged Option that was previously subject to performance vesting, will no longer be subject to the sale of the Company, and was modified to include service requirements only, under which, the Exchange Options will vest on a monthly-basis, so long as the optionee has remained continuously employed by the Company from the date of the Business Combination through the third anniversary of the Closing Date. The Company treated the Exchanged Options that were previously subject to performance conditions as a new award granted at the Closing Date. The Exchanged Options that were previously subject to service vesting only were not modified as a result of the Business Combination. All stock option activity was retroactively restated to reflect the Exchanged Options.

As of the Closing Date, the 11,850 Stock Options outstanding under the 2019 Plan were converted into 6,925,219 Exchanged Options after effect of the Common Stock Exchange Ratio. This effect of the Common Stock Exchange Ratio has been retroactively adjusted throughout the Company's condensed consolidated financial statements.

At March 31, 2022 the total number of common shares for which Stock Options may be granted under the 2021 Plan shall not exceed 5,318,054.

The weighted average assumptions used in the Black-Scholes-Merton option-pricing model for the units granted during the three months ended March 31, 2022 and three months ended March 31, 2021 Stock Options are provided in the following table:

	2022	2021
Valuation assumptions:		
Expected dividend yield	— %	— %
Expected volatility	35.00 %	38.60% to 40.20%
Risk-free interest rate	2.33% to 2.44%	0.76% to 1.12%
Expected term (years)	6.07 to 6.65	7.00

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 periods indicated is as follows:

Stock options	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value (in thousands)
Balance at January 1, 2022	6,921,180	$ 0.88		
Granted	1,385,108	7.09		
Exercised/Cashed-Out	—	—		
Forfeited	(190,621)	1.23		
Expired	(526)			
Balance at March 31, 2022	8,115,141	$ 1.94	8.87	$ 42,151
Vested Options Exercisable at March 31, 2022	1,858,885	$ 0.86	7.58	$ 11,662

Stock options	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value (in thousands)
Balance at January 1, 2021	8,683,952	$ 0.85		
Granted	407,903	0.86		
Exercised	—	—		
Forfeited	(385,697)	0.86		
Expired	—	—		
Balance at March 31, 2021	8,706,158	$ 0.85	8.73	$ 80
Vested Options Exercisable at March 31, 2021	1,014,914	$ 0.85	8.15	$ —

Total share-based compensation expense during the three months ended March 31, 2022 and 2021 was $3,255 and $42, related to the Stock Options, respectively.

At March 31, 2022, there was $28,445 of total unrecognized compensation cost related to unvested service Stock Options that are expected to vest. That cost is expected to be recognized over a weighted average period of 2.59 years. The total fair value of common shares vested during the three months ended March 31, 2022 and 2021 was $2,198 and $537, respectively.

Restricted Stock Awards ("RSAs") and Restricted Stock Units ("RSUs")

Agajanian Holdings ("Holdings"), a holder of Series A Preferred Shares of Legacy TOI, entered into arrangements with physicians employed by the TOI PCs to issue RSAs which represent Series A Preferred Shares of Legacy TOI. The Legacy TOI RSAs only have performance vesting requirements linked to the sale of the Company so long as the grantee remains continuously and actively employed by the Company's subsidiaries through the vesting date.

Conversion of the RSAs

Each of the Legacy TOI RSAs, from the Plan that was outstanding immediately prior to the Business Combination, whether vested or unvested, was converted into an RSU equal to the product (rounded down to the nearest whole number) of (i) the number of shares of RSAs immediately prior to the Business Combination, (ii) conversion rate of 1:10 of the Series A Preferred Shares of Legacy TOI, and (iii) the Common Stock Exchange Ratio. Following the Business Combination, each RSU will no longer be subject to the sale of the Company event in order to vest, but was modified to include service requirements only. The service vesting requirement states that: (i) 16.67% of the RSUs shall vest on the sixth month anniversary of the Closing Date, and (ii) the remaining 83.33% shall vest on an equal quarterly-basis, so long as the grantee has remained continuously employed by the Company from the date of the award through the third anniversary of the grant date. The Company treated the RSUs that were previously subject to performance conditions as a new award granted at the Closing Date. All RSAs activity was retroactively restated to reflect the RSUs.

As of the Closing Date, the 2,210 RSAs outstanding under the Plan were converted into 1,291,492 RSUs upon the completion of the Business Combination after effect of the Common Stock Exchange Ratio. This effect of the Common Stock Exchange Ratio has been retroactively adjusted throughout our condensed consolidated financial statements.

The grant date fair value of the RSUs granted during three months ended March 31, 2022 and as of Closing Date was determined to be $7.09 and $10.98, respectively, based on the fair value of the Company's common share at the grant date.

A summary of the activity for the RSUs and RSAs for the three months ended March 31, 2022 and 2021, respectively, are shown in the following table:

	Number of shares
Balance at January 1, 2022	1,291,492
Granted	727,424
Vested	(27,188)
Forfeited	—
Balance at March 31, 2022	1,991,728

	Number of shares
Balance at January 1, 2021	1,390,839
Granted	—
Vested	—
Forfeited	—
Balance at March 31, 2021	1,390,839

The total share-based compensation expense during the three months ended March 31, 2022 was $1,491 related to the RSUs. The sale of the Company was not considered probable until consummation of the transaction, and therefore, for the three months ended March 31, 2021 and prior to the Business Combination, no compensation costs were recognized related to the RSAs.

As of March 31, 2022 there was $17,207 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 2.61 years as of March 31, 2022. As of March 31, 2022, 27,188 of the RSUs have vested.

2020 Sale Bonus Plan

Starting December 2020, the Company issued bonus awards under the 2020 Sale Bonus Plan (the "Bonus Plan") along with the Stock Options with performance vesting conditions to certain physicians of the Practice. The Stock Options and the bonus awards under the Bonus Plan vest upon the sale of the Company. The bonus award the optionee was eligible for was equal to the exercise price of the Stock Option, and was intended to incentivize the physicians to remain employed with the Practice.

The Company accounted for the bonus awards in accordance with ASC Topic No. 710, *Compensation — General* ("ASC 710"). The sale of the Company was not considered probable until consummation of the transaction, and therefore, for the three months ended March 31, 2021, no liability associated with the bonus awards was recognized by the Company.

In conjunction with the Business Combination, the Company settled the 2020 Sale Bonus Plan obligation in cash at the Closing Date, in the amount of $635.

Earnout Shares granted to Employees

As part of the Business Combination, DFPH issued to eligible Legacy TOI stockholders and Legacy TOI employees the contingent right to receive up to $12.5 million additional shares of common stock ("Legacy TOI Earnout Shares"), in two tranches of $5.0 millions ("First Earnout Tranche") and $7.5 million ("Second Earnout Tranche"), respectively, upon the Company common stock achieving a price per share of $12.50 during the two-year period following the Closing or a price per share of $15.00 during the three-year period following the Closing Date, in each case, as its last reported sales price per share for any 20 trading days within any 30 consecutive trading day period within the applicable period ("Earnout Terms"); provided, that (i) if one or both of the share price triggers has not been achieved prior to the end of the three-year period following the Closing Date, (ii) the Company enters into a definitive agreement that would result in a change of control and (iii) the price per share of the Company's common stock in such transaction is equal to or greater than one or both of the share price triggers, then at the Closing Date of such transaction, the Company shall issue the applicable portion of the Legacy TOI Earnout Shares as if such share price trigger had been achieved.

In addition, certain DFPH common stockholders deposited 575,000 shares of DFPH common stock in an escrow account that will vest and be released to such holders in two tranches of 50%, each ("DFPH Earnout Shares"), upon the Company common stock achieving the Earnout Terms as described above; provided, that (i) if one or both of the share price triggers has not been achieved prior to the end of the three-year period following the closing, (ii) the Company enters into a definitive agreement that would result in a change of control and (iii) the price per share of common stock in such transaction is equal to or greater than one or both of the share price triggers, then at the closing of such transaction, the Company shall issue the applicable portion of the DFPH Earnout Shares as if such share price trigger had been achieved. To the extent any DFPH Earnout Shares remain unvested at the expiration of the three-year period following the closing, such DFPH Earnout Shares shall be forfeited and cancelled without any consideration.

Collectively, the Legacy TOI Earnout Shares and DFPH Earnout Shares constitute the "Earnout Shares", the "Earnout", and the "Earnout Liability".

The Company issued Legacy TOI Earnout Shares to Legacy TOI option holders and Legacy RSU holders ("Option-holders Earnout" and "RSU-holders Earnout", respectively, together "Employees Earnout Shares").

The Option-holders Earnout vests upon the Company common stock achieving the price per share as provided above, so long as the optionee has remained continuously employed by the Company at that date. The RSU-holders Earnout vests upon (a) the Company common stock achieving the price per share as provided above, and (b) the underlying RSU vested, so long as the optionee has remained continuously employed by the Company at that date.

The grant date fair value of the First Earnout Tranche and Second Earnout Tranche as of Closing Date was determined to be $8.35 and $6.76, respectively. The assumptions used in the Monte-Carlo Simulation model for the Earnout Shares granted on the Closing Date are provided in the following table:

	November 12, 2021
Valuation assumptions	
Expected dividend yield	— %
Expected volatility	35.00 %
Risk-free interest rate	0.85 %

A summary of the activity for the Employees Earnout Shares for the three months ended March 31, 2022 is shown in the following table:

	Number of shares
Balance at January 1, 2022	$ 1,602,435
Granted	—
Forfeited	(41,578)
Balance at March 31, 2022	$ 1,560,857

The total share-based compensation expense during the three months ended March 31, 2022 was $3,807.

As of March 31, 2022, there was $5,324 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 0.62 years as of March 31, 2022. As of March 31, 2022, 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 Accounting Standards Codification No. 450-20, *Disclosure of Certain Loss Contingencies*. As of the end of December 31, 2021, the Company settled a loss contingency for a legal matter related to an employee lawsuit for $350.

Indemnities

The Company's Articles of Incorporation and bylaws require it, among other things, to indemnify the 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 lessor in connection with its facility lease 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 March 31, 2022 and December 31, 2021.

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.

Note 16. Business Combinations

During the year ended December 31, 2021, the Company merged with DFPH with the intent to raise capital and gain access to the public markets. Additionally, the Company closed on five business combinations and one asset acquisition, consistent with the intent to strategically grow its existing markets and expand into new markets.

DFPH-Legacy TOI Merger

On June 28, 2021, DFPH, Orion Merger Sub I, Inc. ("First Merger Sub"), and Orion Merger Sub II, LLC ("Second Merger Sub") entered into an agreement and plan of merger ("Merger Agreement") with Legacy TOI to affect the Business Combination. In connection with the Business Combination, DFPH entered into subscription agreements with certain investors (the "PIPE Investors"), whereby it issued 17.5 million shares of common stock at $10.00 per share and 100,000 shares of preferred share (collectively, the "PIPE Shares") for an aggregate investment of $275,000 ("PIPE Investment"), which closed simultaneously with the consummation of the Business Combination.

On the Closing Date, (i) First Merger Sub merged with and into Legacy TOI, with Legacy TOI being the surviving corporation and (ii) immediately following, Legacy TOI merged with and into Second Merger Sub, with Second Merger Sub being the surviving entity and a wholly owned subsidiary of DFPH.

The total merger consideration on the Closing Date was $762,052, consisting of $595,468 in share consideration (consisting of 51.3 million shares of DFPH common stock issued to Legacy TOI at $10.00 per share as well as shares of DFPH common stock issuable per restricted stock units and the exercise of Legacy TOI stock options), and $166,584 in cash. Gross proceeds from the transaction were $333,946. Of that, $167,510 was cash consideration to Legacy TOI equity holders. Legacy TOI also issued 12.5 million shares of common stock pursuant to the terms of an earnout ("Earnout Shares"). The earnout shares are allocable to both Legacy TOI stockholders and Legacy TOI option holders. In connection with the Business Combination, the Company incurred $39,914 of equity issuance costs, consisting of advisory, legal, deferred underwriting, share registration, and other professional fees, of which $6,769 was ascribed to the earnout liability and expensed with the remainder being netted against additional paid-in capital.

On the Closing Date, shares of DFPH common stock that were not otherwise redeemed as part of the DFPH public stockholder vote were automatically converted into shares of TOI common stock on a one-for-one basis. Further, PIPE Shares as well as DFPH common stock that was not otherwise forfeited or subject to earnout automatically converted into TOI common stock on a one-for-one basis. Additionally, holders of DFPH forfeited 555,791 Private Placement Warrants.

All periods prior to the Closing Date reflect the balances and activity of Legacy TOI. The consolidated balances as of December 31, 2020 from the audited consolidated financial statements of Legacy TOI as of that date, share activity (convertible redeemable preferred stock and common stock) and per share amounts in these condensed consolidated statements of equity were retroactively adjusted, where applicable, using the recapitalization exchange ratio of 591:1. All previously issued and outstanding shares of Legacy TOI preferred stock classified as mezzanine equity were converted into Legacy TOI common stock and was retroactively adjusted and reclassified to permanent equity as a result of the reverse recapitalization. As a result of the Business Combination, $142,557 of additional paid-in capital was recognized.

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.

Raiker Practice Acquisition

On February 12, 2021 ("Raiker Acquisition Date"), the Company entered into an asset purchase agreement and master services agreement ("Raiker MSA") with Anil N Raiker, M.D., P.L.C., d/b/a Pinellas Cancer Center (the "Raiker Practice") and Anil Raiker, M.D., an individual. Pursuant to the asset purchase agreement, the Company purchased from PCC certain non-clinical assets, properties, and rights. Pursuant to the Raiker MSA, TOI Management established an ongoing management services agreement which grants TOI Management the right to control the non-clinical and management operations of the Raiker Practice. Anil Raiker, M.D. continued to own all of the issued and outstanding equity interests of the Raiker Practice.

Pursuant to the Raiker MSA, and as further described in Note 17, TOI Management became the Raiker Practice's primary beneficiary and thus consolidated the Raiker Practice and its subsidiaries. The consolidation of the Raiker Practice (the "Raiker Practice Acquisition") at the Raiker Acquisition Date constituted a business combination in accordance with ASC 805.

The total consideration for the Acquisition was $1,710, comprised of a cash payment of $892 and deferred consideration of $818. The deferred cash consideration is to be paid in two equal installments on the first and second anniversary of the transaction closing date (February 12, 2022 and 2023, respectively). During the three months ended March 31, 2022, the Company transferred the first installment of deferred consideration of $409. Considering the Company's incremental borrowing rate, the present value of the deferred cash consideration is not materially different than its stated value.

Subsequent to the Acquisition, the Company filed an amendment to the articles of incorporation of PCC to legally change the name to The Oncology Institute FL, LLC (TOI FL). The change was solely nominal, and the legal form, tax attributes, and books and records of PCC all remained.

Grant Practice Acquisition

On November 12, 2021 ("Grant Acquisition Date"), the Company acquired certain non-clinical assets of Ellsworth Grant, M.D., A Medical Corporation (the “Grant Practice”) from Ellsworth Grant, M.D. (“Dr. Grant”). Further TOI CA (the “Clinical Buyer”, and together with TOI Management, “Buyers”) acquired certain clinical assets of the Grant Practice from Dr. Grant. Intangible assets of $450 were recognized pursuant to the acquisition in the form of clinical contracts with a weighted average amortization period of 10 years The Buyers transferred cash consideration of $849 and deferred consideration of $200 to Dr. Grant for the purchase. The deferred cash consideration is to be paid in two equal installments on the first and second anniversary of the transaction closing date (November 12, 2022 and 2023, respectively). Considering the Company's incremental borrowing rate, the present value of the deferred cash consideration is not materially different than its stated value.

Orr Practice Acquisition

On November 12, 2021 ("Orr Acquisition Date"), the Company acquired certain non-clinical assets of Leo E. Orr, M.D., Inc. (the “Orr Practice”) from Leo E. Orr, M.D. (“Dr. Orr”). Further TOI CA (the “Clinical Buyer”, and together with TOI Management, “Buyers”) acquired certain clinical assets of the Orr Practice from Dr. Orr. Intangible assets of $150 were recognized pursuant to the acquisition in the form of clinical contracts with a weighted average amortization period of 10 years The Buyers transferred cash consideration of $816 and deferred consideration of $200 to Dr. Orr for the purchase. The deferred cash consideration is to be paid in two equal installments on the first and second anniversary of the transaction closing date (November 12, 2022 and 2023, respectively). Considering the Company's incremental borrowing rate, the present value of the deferred cash consideration is not materially different than its stated value.

Dave Practice Acquisition

On November 19, 2021 ("Dave Acquisition Date"), the Company acquired certain non-clinical assets of Sulaba Dave M.D., d.b.a. Radiation Oncology Associates (the “Dave Practice”) from Sulaba Dave M.D. (the “Dr. Dave”). Further TOI CA (the Clinical Buyer, and together with the TOI Management, Buyers) acquired certain clinical assets of the Dave Practice from Dr. Dave. Intangible assets of $77 were recognized pursuant to the acquisition in the form of clinical contracts with a weighted average amortization period of 10 years. The Buyers transferred cash consideration of $2,000 and deferred consideration of $750 to Dr. Dave for the purchase. The deferred cash consideration is to be paid in three equal installments on the six, twelfth, and eighteen month anniversaries of the transaction closing date (May 19, 2022, November 19, 2022, and May 19, 2023, respectively). Considering the Company's incremental borrowing rate, the present value of the deferred cash consideration is not materially different than its stated value.

Yang Practice Acquisition

On December 9, 2021 ("Yang Acquisition Date"), the Company, acquired certain non-clinical assets of Global Oncology, Inc. (the “Yang Practice”) from Dr. Honghao Yang M.D. (“Dr. Yang”). Further TOI CA (together with TOI Management, Buyers) acquired certain clinical assets of the Practice from Dr. Yang. Intangible assets of $68 were recognized pursuant to the acquisition in the form of clinical contracts with a weighted average amortization period of 10 years. The Buyers transferred cash consideration of $4,615 and deferred consideration of $2,500 to Dr. Yang for the purchase. The deferred cash consideration is to be paid in two equal installments on the first and second anniversary of the transaction closing date (December 9, 2022 and 2023, respectively). The Transaction resulted in the sale of nearly all assets of the practice. Additionally, on the Yang Acquisition Date, Dr. Yang entered into an employment agreement with the Clinical Buyer whereupon Dr. Yang will provide professional services to the Clinical Buyer.

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 of $1,454 for the Raiker acquisition, $550 for the Grant acquisition, $837 for the Orr acquisition, $2,645 for the for the Dave acquisition, and $6,913 for the Yang acquisition.

Acquisition costs amounted to $76 in the aggregate for the three months ended March 31, 2021, and were recorded as “General and administrative expenses” in the accompanying condensed consolidated statements of operations.

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

	Acquisition					
(in thousands)	**Raiker**	**Grant**	**Orr**	**Dave**	**Yang**	**Total**
Consideration:						
Cash	$ 892	$ 849	$ 816	$ 2,000	$ 4,615	$ 9,172
Deferred	818	200	200	750	2,500	4,468
Fair value of total consideration transferred	$ 1,710	$ 1,049	$ 1,016	$ 2,750	$ 7,115	$ 13,640
Estimated fair value of assets acquired and liabilities assumed:						
Cash	$ 65	$ —	$ —	$ —	$ —	$ 65
Accounts receivable	398	—	183	—	—	581
Inventory	62	49	16	—	115	242
Property and equipment, net	—	—	13	35	19	67
Clinical contracts	—	450	150	77	68	745
Goodwill	1,454	550	837	2,645	6,913	12,399
Total assets acquired	1,979	1,049	1,199	2,757	7,115	14,099
Accounts payable	120	—	—	—	—	120
Accrued liabilities	—	—	—	7	—	7
Current portion of long term debt	149	—	183	—	—	332
Total liabilities assumed	269	—	183	7	—	459
Net assets acquired	$ 1,710	$ 1,049	$ 1,016	$ 2,750	$ 7,115	$ 13,640

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

Summary of Unaudited Supplemental Pro Forma Information

The revenues, earnings, and pro forma effects of the Raiker Practice Acquisition, which occurred during the three months ended March 31, 2021, are not, and would not have been, material to the results of operations, individually and in aggregate.

Mendez Asset Acquisition

On May 1, 2021, TOI Management, through PCC, entered into a purchase agreement to acquire certain clinical assets from Oncology Association, P.A. ("OA") from Pedro Mendez, M.D. Management determined the acquisition of OA is an asset acquisition. The Company paid $500, consisting of cash and deferred cash consideration, in exchange for intangible assets in the form of payor contracts. The entire $500 was assigned to the payor contract intangible asset class with a weighted average amortization period of 10 years.

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.

(in thousands)	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and restricted cash	$ 2,248	$ 1,618
Accounts receivable	24,513	20,007
Other receivables	1,028	935
Inventories, net	7,770	6,438
Prepaid expenses	1,146	781
Total current assets	36,705	29,779
Property and equipment, net	44	—
Other assets	273	276
Intangible assets, net	1,120	1,181
Goodwill	11,096	11,096
Total assets	$ 49,238	$ 42,332
Liabilities		
Current liabilities:		
Accounts payable	$ 11,876	$ 14,204
Income taxes payable	132	132
Accrued expenses and other current liabilities	5,228	5,539
Current portion of long-term debt	—	183
Amounts due to affiliates	76,960	56,312
Total current liabilities	94,196	76,370
Other non-current liabilities	1,917	3,203
Deferred income taxes liability	16	6
Total liabilities	$ 96,129	$ 79,579

Single physician holders, who are officers of the Company, retain equity ownership in TOI CA and TOI FL, which represents nominal noncontrolling interests. The noncontrolling interests do not participate in the profit or loss of TOI CA or TOI FL, however. As such, for the three months ended March 31, 2022, net income of $19,286 and $0 were attributable to TOI and to the noncontrolling interest, respectively. For the three months ended March 31, 2021, net loss of $996 and $0 were attributable to TOI and to the noncontrolling interest, respectively.

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 depreciation. See Note 2 for a summary of the Company's policies relating to goodwill and intangible assets.

Intangible Assets

As of March 31, 2022, the Company's intangible assets, net consists of the following:

(in thousands)	Weighted average amortization period	Gross carrying amount		Accumulated amortization		Net carrying amount	
Intangible assets							
Amortizing intangible assets:							
Payor contracts	10 years	$	19,400	$	(6,623)	$	12,777
Trade names	10 years		4,170		(1,451)		2,719
Clinical contracts	9 years		2,909		(833)		2,076
Total intangible assets		$	26,479	$	(8,907)	$	17,572

As of December 31, 2021, the Company's intangible assets, net consists of the following:

(in thousands)	Weighted average amortization period	Gross carrying amount		Accumulated amortization		Net carrying amount	
Intangible assets							
Amortizing intangible assets:							
Payor contracts	10 years	$	19,400	$	(6,152)	$	13,248
Trade names	10 years		4,170		(1,350)		2,820
Clinical contracts	10 years		2,909		(732)		2,177
Total intangible assets		$	26,479	$	(8,234)	$	18,245

The estimated aggregate amortization expense for each of the five succeeding fiscal years as of March 31, 2022 is as follows:

(in thousands)	Amount	
Year ending December 31:		
2022	$	2,011
2023		2,639
2024		2,639
2025		2,639
2026		2,617
Thereafter		5,027
Total	$	17,572

The aggregate amortization expense during the three months ended March 31, 2022 and 2021 were $673 and $612, 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 March 31, 2022 and December 31, 2021 is as follows:

(in thousands)	March 31, 2022		December 31, 2021	
Patient services	$	21,443	$	21,443
Dispensary		4,551		4,551
Clinical trials & other		632		632
Total goodwill	$	26,626	$	26,626

The changes in the carrying amount of goodwill for the three months ended March 31, 2022 and for the year ended December 31, 2021 are as follows:

(in thousands)	2022	2021
Balance as of January 1:		
Gross goodwill	$ 26,626	$ 14,227
Goodwill acquired during the period	—	12,399
Accumulated impairment losses	—	—
Goodwill, net as of March 31 and December 31	$ 26,626	$ 26,626

Note 19. Net Income (Loss) Per Share

The following table sets forth the computation of the Company's basic net income (loss) per share to common stockholders for the three months ended March 31, 2022 and 2021.

	Three Months Ended March 31,	
(in thousands, except share data)	2022	2021
Net income (loss) attributable to TOI	$ 19,286	$ (996)
Less: Net income attributable to participating securities, basic	3,519	—
Net income (loss) attributable to common stockholders, basic	$ 15,767	$ (996)
Weighted average common shares outstanding, basic	73,252,365	62,853,419
Net income (loss) per share attributable to common stockholders, basic	$ 0.22	$ (0.02)

The following table sets forth the computation of the Company's diluted net income (loss) per share to common stockholders for the three months ended March 31, 2022 and 2021.

	Three Months Ended March 31,	
(in thousands, except share data)	2022	2021
Net income (loss) attributable to TOI	$ 19,286	$ (996)
Less: Net income attributable to participating securities, diluted	3,405	—
Net income (loss) attributable to common stockholders, diluted	$ 15,881	$ (996)
Weighted average shares outstanding, diluted	76,247,966	62,853,419
Net income (loss) per share attributable to common stockholders, diluted	$ 0.21	$ (0.02)

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 March 31,	
	2022	2021
Stock options	4,609,124	8,706,158
RSUs	1,991,728	1,390,839
Earnout Shares	1,560,857	—
Public Warrants	5,749,986	—
Private Warrants	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 March 31,	
(in thousands)	2022	2021
Revenue		
Patient services	$ 35,057	$ 29,622
Dispensary	18,679	17,618

Clinical trials & other	1,425	1,340
Consolidated revenue	55,161	48,580
Direct costs		
Patient services	27,378	23,086
Dispensary	15,324	15,123
Clinical trials & other	137	169
Total segment direct costs	42,839	38,378
Depreciation expense		
Patient services	250	127
Dispensary	—	—
Clinical trials & other	47	29
Total segment depreciation expense	297	156
Amortization of intangible assets		
Patient services	621	560
Dispensary	—	—
Clinical trials & other	53	53
Total segment amortization	674	613
Operating income		
Patient services	6,808	5,849
Dispensary	3,355	2,495
Clinical trials & other	1,188	1,089
Total segment operating income	11,351	9,433
Selling, general and administrative expense	29,806	11,178
Non-segment depreciation and amortization	16	8
Total consolidated operating loss	$ (18,471)	$ (1,753)

(in thousands)	**March 31, 2022**	**December 31, 2021**
Assets		
Patient services	$ 47,086	$ 44,223
Dispensary	6,172	4,277
Clinical trials & other	13,717	14,504
Non-segment assets	139,537	140,435
Total assets	$ 206,512	$ 203,439

Note 21. Related Party Transactions

Related party transactions include payments for consulting services provided to the Company, clinical trials, and board fees. Related party payments for the three months ended March 31, 2022 and 2021 were as follows:

(in thousands)	Type	Three Months Ended March 31, 2022	2021
American Institute of Research	Consulting	$ 40	$ 24
Karen M Johnson	Board Fees	19	—
Richard Barasch	Board Fees	5	—
Anne M. McGeorge	Board Fees	19	—
Mohit Kaushal	Board Fees	19	—
Ravi Sarin	Board Fees	19	—
Maeve O'Meara Duke	Board Fees	19	—
Richy Agajanian MD	Clinical Trials	16	4
Veeral Desai	Board Fees	—	13
Total		$ 156	$ 41

Note 22. Subsequent Events

Perkins Practice Acquisition

On April 29, 2022, the Company entered into an Asset Purchase Agreement with California Oncology of the Central Valley Medical Group, Inc., (the "Perkins Practice") and Christopher Perkins, M.D., an individul. In conjunction with the acquisition, the Company also entered into a Professional Service Agreement with Oncology Associates of Fresno Medical Group, Inc. Christopher Perkins, M.D. owns all of the issued and outstanding equity interests of the Perkins Practice. The terms of the agreement states that the Company will purchase from the Perkins Practice certain assets, properties, and rights owned by the Perkins Practice, and the intangible assets associated with the asset acquisition. The Company will pay $10,400, with $8,400 of the consideration being paid in cash at closing and the remainder paid equally in two cash installments on each annual anniversary thereafter.

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 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, and Section 21E of the Securities and Exchange Act of 1934, as amended. 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" in our Annual Report on Form 10-K for the year ended December 31, 2021. 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.

Overview

The Company is a leading value-based oncology company that manages community-based oncology practices that serve patients at 67 clinic locations across 11 markets and four states throughout the United States, which are staffed with 96 oncologists and advanced practice providers. 53 of these clinics are staffed with 84 providers employed by our affiliated physician-owned professional corporations, which management refers to as the "TOI PCs", which have provided care for more than 51,000 patients in 2021 and managed a population of approximately 1.5 million patients under value-based agreements as of March 31, 2022. 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.

The Company's managed clinics provide a range of medical oncology services, including physician services, in-house infusion and dispensary, clinical trial services, radiation, innovative programs like outpatient stem cell transplants and transfusions, along with 24/7 patient support. 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.

The Business Combination

On June 28, 2021, DFP Healthcare Acquisition Corp. ("DFPH"), Orion Merger Sub I, Inc. ("First Merger Sub") and Orion Merger Sub II, LLC ("Second Merger Sub") entered into an agreement and plan of merger ("Merger Agreement") with TOI Parent, Inc. ("TOI Parent") (collectively, the "Business Combination"). In connection with the Business Combination, DFPH entered into subscription agreements with certain investors (the "PIPE Investors"), whereby it issued 17.5 million shares of common stock at $10.00 per share and 100,000 shares of preferred stock at $1,000.00 per share ("PIPE Shares") for an aggregate investment of $275,000 ("PIPE Investment"), which closed simultaneously with the consummation of the Business Combination.

The Business Combination closed on November 12, 2021 ("Closing Date"). On the Closing Date, (i) First Merger Sub merged with and into TOI Parent, with TOI Parent being the surviving corporation and (ii) immediately following, TOI Parent merged with and into Second Merger Sub ("Legacy TOI"), with Second Merger Sub being the surviving entity and a wholly owned subsidiary of DFPH. DFPH was renamed "The Oncology Institute, Inc." and TOI Common Stock and Public Warrants continued to be listed on Nasdaq under the ticker symbols "TOI" and "TOIIW," respectively.

The total merger consideration on the Closing Date was $762,052, consisting of 51.3 million shares of common stock, valued at $10.00 per share (aggregate $595,468, inclusive of shares of DFPH common stock issuable per restricted stock units and the exercise of Legacy TOI stock options), and $166,584 in cash. Legacy TOI also issued 12.5 million shares of common stock pursuant to the terms of an earnout ("Earnout Shares"). The earnout shares are allocable to both Legacy TOI stockholders and Legacy TOI option holders. On the Closing Date, shares of DFPH common stock that were not otherwise redeemed as part of the DFPH public stockholder vote and PIPE Shares automatically converted into shares of TOI stock on a one-for-one basis.

The Business Combination was accounted for as a reverse recapitalization in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Under this method of accounting, DFPH was treated as the "acquired" company for accounting purposes and the Business Combination was treated as the equivalent of Legacy TOI issuing stock for the net assets of DFPH, accompanied by a recapitalization. The net assets of DFPH are stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination were those of Legacy TOI.

Public Company Costs

Subsequent to the Business Combination, the Company continues as an SEC-registered and Nasdaq-listed company. The Company expects to hire additional staff and implement new processes and procedures to address public company requirements. The Company also expects to incur substantial additional expenses for, among other things, directors' and officers' liability insurance, director fees, and additional internal and external costs for investor relations, accounting, audit, legal and other functions.

Impact of COVID-19

The measures to contain the spread and impact of COVID-19 and other developments related to COVID-19 have affected the way in which the Company conducts its day-to-day business. The Company has followed U.S. guidance to protect its employees and operations during the pandemic and implemented a partially remote environment for certain business activities. The Company cannot predict the ongoing impacts of the COVID-19 pandemic or the distribution of vaccines on its business or operations, but will continue to actively monitor the related issues and may take further action that alters its business operations, including as may be required by federal, state, local or foreign authorities or that it determines are in the best interests of its employees, payors, partners and stockholders.

As a result of the COVID-19 pandemic, federal and state governments have passed legislation, promulgated regulations, and taken other administrative actions intended to assist healthcare providers in providing care to COVID-19 and other patients during the public health emergency. Sources of relief include the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), which was enacted on March 27, 2020, the Paycheck Protection Program and Health Care Enhancement Act (the "PPPHCE Act"), which was enacted on April 24, 2020, and the Consolidated Appropriations Act, 2021 (the "CAA"), which was enacted on December 27, 2020. In addition, the CARES Act provides for an expansion of the Medicare Accelerated and Advance Payment Program whereby inpatient acute care hospitals and other eligible providers were able to request accelerated payment of up to 100% of their Medicare payment amount for a six-month period to be repaid through withholding of future Medicare fee-for-service payments. Various other state and local programs also exist to provide relief, either independently or through distribution of monies received via the CARES Act. During 2021 and 2020, the Company obtained loans of $4,993 pursuant to the CARES Act; $2,727 under the Accelerated and Advance Payment Program; and $2,001 from Provider Relief Funding under the CARES Act. Additionally, the Company obtained loans of $332 under the CARES Act as a result of acquisitions of physician practices. As of March 31, 2022, all loans obtained by the Company had been forgiven.

Key Factors Affecting Performance

Through the TOI PCs, the Company serves adult and senior cancer patients in markets that have Medicare Advantage ("MA") plans. The Company plans to leverage its long-established, strong relationships with payors to continue to build out its network and increase access to cancer patients in adjacent markets, while at the same time, decreasing oncology care costs for both patients and payors. The Company seeks to provide high quality and lower cost care delivery through the following capabilities:

- a recruiting process focused on selecting physicians that want to practice evidence-based medicine;
- technology-enabled care pathways ensuring adherence to evidence-based clinical protocols;
- strong clinical culture and physician oversight;

- care management to prevent unnecessary hospitalizations;
- care delivered in community clinics versus hospital setting;
- clinically appropriate integration of palliative care and hospice aligned with patients' goals for care;
- access to clinical trials providing cutting-edge treatment options at low or no cost to patients or payors; and
- appropriate provider training on clinical documentation to ensure proper risk adjustment and reimbursement for complex patients.

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.

	Three Months Ended March 31,	
	2022	2021
Clinics [1]	67	55
Markets	11	8
Lives under value-based contracts (millions)	1.5	1.2
Adjusted EBITDA (in thousands)	$ (5,184)	$ 69

[1] Includes independent oncology practices to which we provide limited management services, but do not bear the operating costs.

The Company defines adjusted EBITDA as net income (loss) excluding:

- Depreciation and amortization,
- Interest expense,
- Income tax expense,
- Board and management fees,
- Non-cash addbacks,
- Changes in fair value of liabilities,
- Stock-based compensation,
- Practice acquisition-related costs,
- Consulting and legal fees,
- Public company transaction costs, and
- Other specific charges.

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

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

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

	Three Months Ended March 31,		Change	
(dollars in thousands)	2022	2021	$	%
Net income (loss)	$ 19,286	$ (996)	$ 20,282	(2036.3)%
Depreciation and amortization	987	777	210	27.0 %
Interest expense	74	101	(27)	(26.7)%
Income tax expense	180	218	(38)	(17.4)%
Board and management fees	45	106	(61)	(57.5)%
Non-cash addbacks[(1)]	197	(13)	210	(1615.4)%
Share-based compensation	8,552	42	8,510	20261.9 %
Change in fair value of liabilities	(37,979)	—	(37,979)	N/A
Practice acquisition-related costs[(2)]	422	90	332	368.9 %
Consulting and legal fees[(3)]	655	387	268	69.3 %
Other, net[(4)]	953	(643)	1,596	(248.2)%
Public company transaction costs	1,444	—	1,444	N/A
Adjusted EBITDA	$ (5,184)	$ 69	$ (5,253)	(7613.0)%

(1) During the three months ended March 31, 2022, non-cash addbacks were primarily comprised of bad debt write-offs of $154, non-cash rent of $29 and other miscellaneous charges of $14. During the three months ended March 31, 2021, non-cash addbacks were primarily comprised of a $13 tenant improvement allowance.

(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) Consulting and legal fees were comprised of a subset of the Company’s total consulting and legal fees during the three months ended March 31, 2022 and 2021, and related to certain advisory projects, software implementations, and legal fees for debt financing and predecessor litigation matters.

(4) Other, net is comprised of severance expenses resulting from cost rationalization programs of $18 and $0, as well as temporary labor of $485 and $223, recruiting expenses to build out corporate infrastructure of $424 and $155 and other miscellaneous charges of $26 and $0 during the three months ended March 31, 2022 and 2021, respectively. During the three months ended March 31, 2022 and 2021 such expenses were partially offset by $0 and $1,023, respectively, of stimulus funds received under the CARES Act.

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 MA 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 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

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 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

Cost of services

Cost of 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.

Dispensary cost

Dispensary cost primarily includes the cost of oral medications dispensed in the TOI PCs' clinic locations.

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 includes occupancy costs, technology infrastructure, operations, clinical and quality support, finance, legal, human resources, and business development. The Company expects its general and administrative expenses to increase over time following the consummation of the Business Combination due to the additional legal, accounting, insurance, investor relations and other costs that the Company will incur as a public company, as well as other costs associated with continuing to grow the business. While 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 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.

	Three Months Ended March 31,	
	2022	**2021**
Revenue		
Patient services	63.6 %	61.0 %
Dispensary	33.8 %	36.2 %
Clinical trials & other	2.6 %	2.8 %
Total operating revenue	100.0 %	100.0 %
Operating expenses		
Direct costs – patient services	49.6 %	47.5 %
Direct costs – dispensary	27.8 %	31.1 %
Direct costs – clinical trials & other	0.2 %	0.3 %
Selling, general and administrative expense	54.0 %	23.0 %
Depreciation and amortization	1.8 %	1.6 %
Total operating expenses	133.4 %	103.5 %
Loss from operations	(33.4)%	(3.5)%
Other non-operating expense (income)		
Interest expense	0.1 %	0.2 %
Change in fair value of derivative warrant liabilities	2.6 %	— %
Change in fair value of earnout liabilities	(71.5)%	— %
Gain on debt extinguishment	(0.3)%	— %
Other, net	0.3 %	(2.2)%
Total other non-operating income	(68.8)%	(2.0)%
Income before provision for income (loss) taxes	35.4 %	(1.5)%
Income tax (expense) benefit	(0.3)%	(0.4)%
Net income (loss)	35.1 %	(1.9)%

Comparison of the Three Months Ended March 31, 2022 and 2021

Revenue

	Three Months Ended March 31,		Change	
(dollars in thousands)	**2022**	**2021**	**$**	**%**
Patient services	$ 35,057	$ 29,622	$ 5,435	18.3 %
Dispensary	18,679	17,618	1,061	6.0 %
Clinical trials & other	1,425	1,340	85	6.3 %
Total operating revenue	$ 55,161	$ 48,580	$ 6,581	13.5 %

Patient services

The increase in patient services revenue was primarily due to a 11.0% increase in FFS revenue as a result of the Q4 2021 practice acquisitions and an overall increase in clinic count as well as a 7.4% increase in capitation revenue due to new capitation contracts entered into in the latter half of 2021.

Dispensary

The increase in dispensary revenue was primarily due to a 18.5% increase in the average revenue per fill offset by a 10.6% decline in the number of fills due to the new Medi-Cal reimbursement policy that was implemented in 2022 that transitioned claims processing from medical claims to pharmacy claims.

Clinical trials & other

The increase in clinical trials and other revenue was primarily due to an increase in clinical trials volumes which were negatively impacted in the prior year due to the COVID-19 pandemic.

Operating Expenses

	Three Months Ended March 31,		Change	
(dollars in thousands)	**2022**	**2021**	**$**	**%**
Direct costs – patient services	$ 27,378	$ 23,086	$ 4,292	18.6 %
Direct costs – dispensary	15,324	15,123	201	1.3 %
Direct costs – clinical trials & other	137	169	(32)	(18.9)%
Selling, general and administrative expense	29,806	11,178	18,628	166.6 %
Depreciation and amortization	987	777	210	27.0 %
Total operating expenses	$ 73,632	$ 50,333	$ 23,299	46.3 %

Patient services cost

The increase in patient services cost was primarily due to a 6.3% increase in intravenous drug costs, driven by the Company's patient mix and volume, as well as 11.4% increase in clinical payroll costs due to the growth in clinic count.

Dispensary cost

The increase in dispensary cost was primarily due to a 13.3% increase in the average cost of the prescriptions filled offset by a decline in the number of prescriptions filled.

Selling, general and administrative expense

The increase in selling, general and administrative expense was primarily driven by an increase in share-based compensation expense of 76.1% and transaction costs of 12.9% due to the Business Combination as well as an increase in salaries and benefits of 30.3%, due to the growth in the Company's management and corporate team. The remainder of the increases were primarily to support the continued growth of our business.

Other Expenses (Income)

	Three Months Ended March 31,		Change	
(dollars in thousands)	**2022**	**2021**	**$**	**%**
Interest expense	$ 74	$ 101	$ (27)	(26.7)%
Change in fair value of derivative warrant liabilities	1,461	—	1,461	N/A
Change in fair value of earnout liabilities	(39,440)	—	(39,440)	N/A
Gain on debt extinguishment	(183)	—	(183)	N/A
Other, net	151	(1,076)	1,227	(114.0)%
Total other non-operating (income) expense	$ (37,937)	$ (975)	$ (36,962)	3791.0 %

Interest expense

The decrease in interest expense was due to the pay-off of our term loan balance in Q4 2021.

Change in fair value of liabilities

The increase in non-operating (income) expense was primarily due to a loss of $1,461 and a gain of $39,440 for three months ended March 31, 2022 as a result of an increase in the fair value of derivative warrant liabilities and decrease in the fair value of derivative earnout liabilities, respectively, which were created as part of the Business Combination.

Gain on debt extinguishment

The increase in gain on debt extinguishment was a result of forgiveness of a CARES Act loan during the three months ended March 31, 2022. The Cares Act loan was acquired as part of an acquisition of a physician practice in 2021.

Other, net

The change in other, net was primarily due to Provider Relief Funding under the CARES Act received during the three months ended March 31, 2021.

Liquidity and Capital Resources

General

To date, the Company has financed its operations principally through private placements of its equity securities and payments received from various payors. As of March 31, 2022, the Company had $95,534 of cash including $875 of restricted cash.

The Company may incur operating losses and generate negative cash flows from operations for the foreseeable future due to the investments management intends to continue 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 the cash on hand and cash conferred from the Business Combination 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 the Company's lack of sufficient capital, the Company's business, results of operations, and financial condition would be adversely affected.

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.

	Three Months Ended March 31,		Change	
(dollars in thousands)	**2022**	**2021**	**$**	**%**
Net cash and restricted cash (used in) provided by operating activities	$ (16,981)	$ 464	$ (17,445)	(3,760)%
Net cash and restricted cash used in investing activities	(1,002)	(1,446)	444	(31)%
Net cash and restricted cash (used in) provided by financing activities	(1,657)	22,396	(24,053)	(107)%
Net (decrease) increase in cash and restricted cash	$ (19,640)	$ 21,414	$ (41,054)	(192)%
Cash and restricted cash at beginning of period	115,174	5,998	109,176	1,820 %
Cash and restricted cash at end of period	$ 95,534	$ 27,412	$ 68,122	249 %

Operating Activities

Significant changes impacting net cash (used in) provided by operating activities for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021 were as follows:

- Net income declined by $20,282 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021 and the fair value of earnout liabilities decreased $39,440, offset by a $8,511 increase in share-based compensation expense and a $1,461 increase in the fair value of warrant liabilities;
- Cash used by accounts receivable increased $4,110 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021 due to the growth in the Company's business;
- Cash used by accounts payable, accrued expenses and income taxes payable increased $3,371 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021 primarily due to an increase in vendor payables due to the growth in the Company's business; and
- Cash used by inventory increased $1,342 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021 due to the growth in the Company's business.

Investing Activities

Net cash used in investing activities decreased $444 for the three months ended March 31, 2022 as compared to the three months ended March 31, 2021 due to acquisitions that occurred in Q1 2021, offset by an increase in cash used for purchases of property and equipment of $383 for new clinic builds and clinic remodels.

Financing Activities

Net cash used in financing activities for the three months ended March 31, 2022 primarily relates to cash payments made on the directors and officers insurance policy financing arrangement. For the three months ended March 31, 2021, net cash provided by financing activities primarily relates to the issuance of $20,000 of Legacy Preferred Stock.

Material Cash Requirements

The Company's material cash requirements for the following five years consist of operating leases and other miscellaneous administrative expenses. 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 March 31, 2022.

	Material Cash Requirements Due by the Year Ended December 31,				
(dollars in thousands)	**2022**	**2023-2024**	**2025-2026**	**Thereafter**	**Total**
Operating leases	$ 3,717	$ 8,823	$ 5,812	$ 2,505	$ 20,857
Deferred acquisition consideration	2,050	2,309	—	—	4,359
Other[1]	3,961	3,132	5	—	7,098
Total material cash requirements	$ 9,728	$ 14,264	$ 5,817	$ 2,505	$ 32,314

(1) Other is comprised of finance leases and directors and officers insurance premiums.

JOBS Act

The Company qualifies as an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, 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 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

On January 1, 2022, the Company adopted ASU 2016-02, *Leases*, with various amendments issued in 2018 and 2019 (collectively, “ASC 842”) using the modified retrospective approach, for leases that existed on January 1, 2022. ASC 842 requires lessees to recognize assets and liabilities for most 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 consolidate 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 The Oncology Institute, A Professional Corporation (“TOI CA”) and The Oncology Institute FL, LLC (“TOI FL”), 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 from the TOI PCs are included in the consolidated amounts as presented on the consolidated statements of operations.

Segment Reporting

The Company presents the 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 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

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

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. 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.

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 restricted cash equivalents of $95,534 as of March 31, 2022, consisting of bank deposits. 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 results of changes in interest rates due to the short-term nature of our cash, cash equivalents and restricted cash equivalents.

Inflation Risk

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

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 required to be disclosed in our Securities and Exchange Commission ("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 March 31, 2022. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2022, our disclosure controls and procedures were not effective due to material weaknesses in our internal control over financial reporting, as described below.

Material Weaknesses in Internal Controls Over Financial Reporting

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Accordingly, a material weakness increases the risk that the financial information we report contains material errors. If we fail to remediate these material weaknesses, determine that our internal controls over financial reporting are not effective, discover areas that need improvement in the future or discover additional material weaknesses, these shortcomings could have an adverse effect on our business and financial results, and the price of our common stock could be negatively affected.

As of March 31, 2022, we have identified deficiencies in our control environment. These deficiencies include material weaknesses relate to: (i) segregation of duties in the financial closing and reporting process; (ii) internal controls over review of complex accounting transactions and (iii) internal control over reviews of revenue process.

During 2022, our management continued to execute against the remediation plan under the oversight of the Audit Committee. This involves hiring and training additional qualified personnel, performing detailed risk assessments in key process areas to identify risks of material misstatement, further document and implement control procedures to address the identified risks of material misstatements, and implement monitoring activities over such control procedures.

Changes in Internal Control over Financial Reporting

Except for the progress that has been made toward remediating the material weaknesses noted above, there were no changes in the Company’s internal control over financial reporting that occurred during the three months ended March 31, 2022 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

Item 1. Legal Proceedings

See Item 1A. “Risk Factors”.

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. Regardless of the outcome, litigation has the potential to have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously described in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. 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.

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

Not applicable.

Item 3. Defaults Upon Senior Disclosures

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
2.1	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.	S-4/A	333-258152	2.1	October 20, 2021	
3.1	Amended and Restated Certificate of Incorporation of The Oncology Institute, Inc.	8-K	001-39248	3.1	November 18, 2021	
3.2	Amended and Restated Bylaws of The Oncology Institute, Inc.	8-K	001-39248	3.2	November 18, 2021	
3.3	Certificate of Designation of Series A Common Stock Equivalent Convertible Preferred Stock	8-K/A	001-39248	3.3	November 22, 2021	
4.1	Warrant Agreement, dated March 10, 2020, by and between DFP and Continental Stock Transfer & Trust Company, as warrant agent	8-K	001-39248	4.1	March 13, 2020	
4.2	Specimen Preferred Stock Certificate of The Oncology Institute, Inc.	8-K/A	001-39248	4.2	November 22, 2021	
10.1	Executive Employment Agreement - Mihir Shah					X
31.1	Certification Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934 of the Principal Executive Officer.					X
31.2	Certification Pursuant to Rule 13a-14(a) under Securities Exchange Act of 1934 of the Principal Financial Officer.					X
32.1	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.					X
32.2	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					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 Income (Operations), (iii) the Condensed Consolidated Statements of Convertible Preferred Shares and Changes in Stockholders' Equity (Deficit), (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.					
101.INS	XBRL Instance Document					
101.SCH	XBRL Taxonomy Extension Schema Document					
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)					

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 this the day of May 10, 2022.

THE ONCOLOGY INSTITUTE, INC.

By: Shah

Shah

Financial Officer

Financial Officer and Duly Authorized Officer)

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of April 4, 2022 (the "Effective Date"), by and between TOI Management, LLC, a Delaware limited liability company (the "Company"), and Mihir Shah (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 (3rd) 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 CEO, or such other Person that the CEO 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 four hundred and five thousand dollars ($405,000) (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 be entitled to four 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 and 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)(ii)(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^{th}) 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 three (3) 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^{st}) 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^{st}) 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:

Mihir Shah
____
____
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^{st}) day of the seventh (7^{th}) 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^{st}) day of the seventh (7^{th}) 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. [Intentionally Omitted].

24. 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.

25. 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 25, 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 25, 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.

26. 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.

27. 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.

28. 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/Mark Hueppelsheuser ____________________

Name: Mark Hueppelsheuser ______________________

Title: General Counsel ___________________________

EXECUTIVE:

MIHIR SHAH

By: /s/ Mihir Shah ______________________________

Name: Mihir Shah ________________________________

EXHIBIT A

RELEASE OF CLAIMS AGREEMENT

This RELEASE OF CLAIMS AGREEMENT (the "Release") is executed on [_________] [___], 20[__], 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 [_________] [___], 20[__] (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: [____________________]. 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:

MIHIR SHAH

By: _______________________________________

Name: _______________________________________

Schedule 1

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

<u>EXHIBIT B</u>
FORM OF INDEMNIFICATION AGREEMENT

INDEMNIFICATION AND ADVANCEMENT AGREEMENT

This Indemnification and Advancement Agreement ("Agreement") is made as of April 4, 2022 by and between The Oncology Institute, Inc., a Delaware corporation (the "Company"), and Mihir Shah, an officer of the Company ("Indemnitee"). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering indemnification and advancement.

RECITALS

WHEREAS, the Board of Directors of the Company (the "Board") believes that highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers, or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification and advancement of expenses against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Bylaws and Certificate of Incorporation of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Bylaws, Certificate of Incorporation, and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification and advancement of expenses;

WHEREAS, the uncertainties relating to such insurance, to indemnification, and to advancement of expenses may increase the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws, Certificate of Incorporation and any resolutions adopted pursuant thereto, and is not a substitute therefor, nor diminishes or abrogates any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Bylaws, Certificate of Incorporation, DGCL and insurance as adequate in the present circumstances, and may not be willing to serve or continue to serve as an officer or director without adequate additional protection, and the Company desires Indemnitee to serve or continue to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified and be advanced expenses.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as an officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law). This Agreement does not create any obligation on the Company to continue Indemnitee in such position and is not an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions. As used in this Agreement:

(a) "Agent" means any person who is authorized by the Company or an Enterprise to act for or represent the interests of the Company or an Enterprise, respectively.

(b) A "Change in Control" occurs upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative beneficial ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

vi. For purposes of this Section 2(b), the following terms have the following meanings:

1 "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

2 "Person" has the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person excludes (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

3 "Beneficial Owner" has the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner excludes any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "Corporate Status" describes the status of a person who is or was acting as a director, officer, employee, fiduciary, or Agent of the Company or an Enterprise.

(d) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" means any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other entity for which Indemnitee is or was serving at the request of the Company as a director, officer, employee, or Agent.

(f) "Expenses" includes all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. Expenses, however, do not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" does not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) The term "Proceeding" includes any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee (or a failure to take action by Indemnitee) or of any action (or failure to act) on Indemnitee's part while acting pursuant to Indemnitee's Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. A Proceeding also includes a situation the Indemnitee believes in good faith may lead to or culminate in the institution of a Proceeding.

Section 3. Indemnity in Third-Party Proceedings. The Company will indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, the Company will indemnify Indemnitee to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that Indemnitee's conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company will indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, the Company will indemnify Indemnitee to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. The Company will not indemnify Indemnitee for Expenses under this Section 4 related to any claim, issue or matter in a Proceeding for which Indemnitee has been finally adjudged by a court to be liable to the Company, unless, and only to the extent that, the Delaware Court of Chancery or any court in which the Proceeding was brought determines upon application by Indemnitee that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. To the fullest extent permitted by applicable law, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding the extent that Indemnitee is successful, on the merits or otherwise. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, will be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. To the fullest extent permitted by applicable law, the Company will indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with any Proceeding to which Indemnitee is not a party but to which Indemnitee is a witness, deponent, interviewee, or otherwise asked to participate.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company will indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification. Notwithstanding any limitation in Sections 3, 4, or 5, the Company will indemnify Indemnitee to the fullest extent permitted by applicable law (including but not limited to, the DGCL and any amendments to or replacements of the DGCL adopted after the date of this Agreement that expand the Company's ability to indemnify its officers and directors) if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor).

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company is not obligated under this Agreement to make any indemnification payment to Indemnitee in connection with any Proceeding:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except to the extent provided in Section 16(b) and except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 15(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act) or (iii) any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or clawback policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act; or

(c) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Proceeding or part of any Proceeding is to enforce Indemnitee's rights to indemnification or advancement, of Expenses, including a Proceeding (or any part of any Proceeding) initiated pursuant to Section 14 of this Agreement, (ii) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses.

(a) The Company will advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee or any Proceeding (or any part of any Proceeding) initiated by Indemnitee if (i) the Proceeding or part of any Proceeding is to enforce Indemnitee's rights to obtain indemnification or advancement of Expenses from the Company or Enterprise, including a proceeding initiated pursuant to Section 14 or (ii) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation. The Company will advance the Expenses within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding.

(b) Advances will be unsecured and interest free. Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company, thus Indemnitee qualifies for advances upon the execution of this Agreement and delivery to the Company. No other form of undertaking is required other than the execution of this Agreement. The Company will make advances without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement.

Section 11. Procedure for Notification of Claim for Indemnification or Advancement.

(a) Indemnitee will notify the Company in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. Indemnitee will include in the written notification to the Company a description of the nature of the Proceeding and the facts underlying the Proceeding and provide such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. Indemnitee's failure to notify the Company will not relieve the Company from any obligation it may have to Indemnitee under this Agreement, and any delay in so notifying the Company will not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company will, promptly upon receipt of such a request for indemnification or advancement, advise the Board in writing that Indemnitee has requested indemnification or advancement.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Unless a Change of Control has occurred, the determination of Indemnitee’s entitlement to indemnification will be made:

i. by a majority vote of the Disinterested Directors, even though less than a quorum of the Board;

ii. by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board;

iii. if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by written opinion provided by Independent Counsel selected by the Board; or

iv. if so directed by the Board, by the stockholders of the Company.

(b) If a Change in Control has occurred, the determination of Indemnitee’s entitlement to indemnification will be made by written opinion provided by Independent Counsel selected by Indemnitee (unless Indemnitee requests such selection be made by the Board)

(c) The party selecting Independent Counsel pursuant to subsection (a)(iii) or (b) of this Section 12 will provide written notice of the selection to the other party. The notified party may, within ten (10) days after receiving written notice of the selection of Independent Counsel, deliver to the selecting party a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Section 2 of this Agreement, and the objection will set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected will act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within thirty (30) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, Independent Counsel has not been selected or, if selected, any objection to has not been resolved, either the Company or Indemnitee may petition the Delaware Court for the appointment as Independent Counsel of a person selected by such court or by such other person as such court designates. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel will be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) Indemnitee will cooperate with the person, persons or entity making the determination with respect to Indemnitee’s entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company will advance and pay any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making the indemnification determination irrespective of the determination as to Indemnitee’s entitlement to indemnification and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing of the determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied and providing a copy of any written opinion provided to the Board by Independent Counsel.

(e) If it is determined that Indemnitee is entitled to indemnification, the Company will make payment to Indemnitee within thirty (30) days after such determination.

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination will, to the fullest extent not prohibited by law, presume Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company will, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, will be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the determination of the Indemnitee's entitlement to indemnification has not made pursuant to Section 12 within sixty (60) days after the later of (i) receipt by the Company of Indemnitee's request for indemnification pursuant to Section 11(a) and (ii) the final disposition of the Proceeding for which Indemnitee requested Indemnification (the "Determination Period"), the requisite determination of entitlement to indemnification will, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee will be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law. The Determination Period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, the Determination Period may be extended an additional fifteen (15) days if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a)(iv) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee will be deemed to have acted in good faith if Indemnitee acted based on the records or books of account of the Company, its subsidiaries, or an Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Company, its subsidiaries, or an Enterprise in the course of their duties, or on the advice of legal counsel for the Company, its subsidiaries, or an Enterprise or on information or records given or reports made to the Company or an Enterprise by an independent certified public accountant or by an appraiser, financial advisor or other expert selected with reasonable care by or on behalf of the Company, its subsidiaries, or an Enterprise. Further, Indemnitee will be deemed to have acted in a manner "not opposed to the best interests of the Company," as referred to in this Agreement if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan. The provisions of this Section 13(d) is not exclusive and does not limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise may not be imputed to Indemnitee for purposes of determining Indemnitee's right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Indemnitee may commence litigation against the Company in the Delaware Court of Chancery to obtain indemnification or advancement of Expenses provided by this Agreement in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) the Company does not advance Expenses pursuant to Section 10 of this Agreement, (iii) the determination of entitlement to indemnification is not made pursuant to Section 12 of this Agreement within the Determination Period, (iv) the Company does not indemnify Indemnitee pursuant to Section 5 or 6 or the second to last sentence of Section 12(d) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor, (v) the Company does not indemnify Indemnitee pursuant to Section 3, 4, 7, or 8 of this Agreement within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder. Indemnitee must commence such Proceeding seeking an adjudication or an award in arbitration within one hundred and eighty (180) days following the date on which Indemnitee first has the right to commence such Proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause does not apply in respect of a Proceeding brought by Indemnitee to enforce Indemnitee's rights under Section 5 of this Agreement. The Company will not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) If a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 will be conducted in all respects as a *de novo* trial, or arbitration, on the merits and Indemnitee may not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company will have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and will not introduce evidence of the determination made pursuant to Section 12 of this Agreement.

(c) If a determination is made pursuant to Section 12 of this Agreement that Indemnitee is entitled to indemnification, the Company will be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company is, to the fullest extent not prohibited by law, precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and will stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company, to the fullest extent permitted by law, will (within thirty (30) days after receipt by the Company of a written request therefor) advance to Indemnitee such Expenses which are incurred by Indemnitee in connection with any action concerning this Agreement, Indemnitee's right to indemnification or advancement of Expenses from the Company, or concerning any directors' and officers' liability insurance policies maintained by the Company, and will indemnify Indemnitee against any and all such Expenses unless the court determines that each of the Indemnitee's claims in such action were made in bad faith or were frivolous or are prohibited by law.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The indemnification and advancement of Expenses provided by this Agreement are not exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. The indemnification and advancement of Expenses provided by this Agreement may not be limited or restricted by any amendment, alteration or repeal of this Agreement in any way with respect to any action taken or omitted by Indemnitee in Indemnitee's Corporate Status occurring prior to any amendment, alteration or repeal of this Agreement. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Bylaws, Certificate of Incorporation, or this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy is cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement of Expenses and/or insurance provided by one or more other Persons with whom or which Indemnitee may be associated. The relationship between the Company and such other Persons, other than an Enterprise, with respect to the Indemnitee's rights to indemnification, advancement of Expenses, and insurance is described by this subsection, subject to the provisions of subsection (d) of this Section 15 with respect to a Proceeding concerning Indemnitee's Corporate Status with an Enterprise.

i. The Company hereby acknowledges and agrees:

1) the Company is the indemnitor of first resort with respect to any request for indemnification or advancement of Expenses made pursuant to this Agreement concerning any Proceeding;

2) the Company is primarily liable for all indemnification and indemnification or advancement of Expenses obligations for any Proceeding, whether created by law, organizational or constituent documents, contract (including this Agreement) or otherwise;

3) any obligation of any other Persons with whom or which Indemnitee may be associated to indemnify Indemnitee and/or advance Expenses to Indemnitee in respect of any proceeding are secondary to the obligations of the Company's obligations;

4) the Company will indemnify Indemnitee and advance Expenses to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated or insurer of any such Person; and

ii. the Company irrevocably waives, relinquishes and releases (A) any other Person with whom or which Indemnitee may be associated from any claim of contribution, subrogation, reimbursement, exoneration or indemnification, or any other recovery of any kind in respect of amounts paid by the Company to Indemnitee pursuant to this Agreement and (B) any right to participate in any claim or remedy of Indemnitee against any Person, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Person, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right.

iii. In the event any other Person with whom or which Indemnitee may be associated or their insurers advances or extinguishes any liability or loss for Indemnitee, the payor has a right of subrogation against the Company or its insurers for all amounts so paid which would otherwise be payable by the Company or its insurers under this Agreement. In no event will payment by any other Person with whom or which Indemnitee may be associated or their insurers affect the obligations of the Company hereunder or shift primary liability for the Company's obligation to indemnify or advance of Expenses to any other Person with whom or which Indemnitee may be associated.

iv. Any indemnification or advancement of Expenses provided by any other Person with whom or which Indemnitee may be associated is specifically in excess over the Company's obligation to indemnify and advance Expenses or any valid and collectible insurance (including but not limited to any malpractice insurance or professional errors and omissions insurance) provided by the Company.

(c) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company, the Company will obtain a policy or policies covering Indemnitee to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies, including coverage in the event the Company does not or cannot, for any reason, indemnify or advance Expenses to Indemnitee as required by this Agreement. If, at the time of the receipt of a notice of a claim pursuant to this Agreement, the Company has director and officer liability insurance in effect, the Company will give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company will thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. Indemnitee agrees to assist the Company efforts to cause the insurers to pay such amounts and will comply with the terms of such policies, including selection of approved panel counsel, if required.

(d) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee for any Proceeding concerning Indemnitee's Corporate Status with an Enterprise will be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such Enterprise. The Company and Indemnitee intend that any such Enterprise (and its insurers) be the indemnitor of first resort with respect to indemnification and advancement of Expenses for any Proceeding related to or arising from Indemnitee's Corporate Status with such Enterprise. The Company's obligation to indemnify and advance Expenses to Indemnitee is secondary to the obligations the Enterprise or its insurers owe to Indemnitee. Indemnitee agrees to take all reasonably necessary and desirable action to obtain from an Enterprise indemnification and advancement of Expenses for any Proceeding related to or arising from Indemnitee's Corporate Status with such Enterprise.

(e) In the event of any payment made by the Company under this Agreement, the Company will be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee from any Enterprise or insurance carrier. Indemnitee will execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 16. Duration of Agreement. This Agreement continues until and terminates upon the later of: (a) ten (10) years after the date that Indemnitee ceases to have a Corporate Status or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of Expenses rights provided by or granted pursuant to this Agreement are binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

Section 17. Severability. If any provision or provisions of this Agreement is held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) will not in any way be affected or impaired thereby and remain enforceable to the fullest extent permitted by law; (b) such provision or provisions will be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) will be construed so as to give effect to the intent manifested thereby.

Section 18. Interpretation. Any ambiguity in the terms of this Agreement will be resolved in favor of Indemnitee and in a manner to provide the maximum indemnification and advancement of Expenses permitted by law. The Company and Indemnitee intend that this Agreement provide to the fullest extent permitted by law for indemnification and advancement in excess of that expressly provided, without limitation, by the Certificate of Incorporation, the Bylaws, vote of the Company stockholders or disinterested directors, or applicable law.

Section 19. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and is not a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 20. Modification and Waiver. No supplement, modification or amendment of this Agreement is binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement will be deemed or constitutes a waiver of any other provisions of this Agreement nor will any waiver constitute a continuing waiver.

Section 21. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company does not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 22. Notices. All notices, requests, demands and other communications under this Agreement will be in writing and will be deemed to have been duly given if (a) delivered by hand to the other party, (b) sent by reputable overnight courier to the other party or (c) sent by facsimile transmission or electronic mail, with receipt of oral confirmation that such communication has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee provides to the Company.

(b) If to the Company to:

Name: The Oncology Institute, Inc.
Address: 1800 Studebaker Rd., Suite 800
Cerritos, CA 90703

Attention: Mark Hueppelsheuser, General Counsel
Email: markhueppelsheuser@theoncologyinstitute.com

or to any other address as may have been furnished to Indemnitee by the Company.

Section 23. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, will contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 24. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties are governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this

Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or Proceeding arising out of or in connection with this Agreement may be brought only in the Delaware Court of Chancery and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or Proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or Proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or Proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 25. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which will for all purposes be deemed to be an original but all of which together constitutes one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 26. Headings. The headings of this Agreement are inserted for convenience only and do not constitute part of this Agreement or affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

COMPANY.	INDEMNITEE
By:/s/Mark Hueppelsheuser	/s/Mihir Shah
Name: Mark Hueppelsheuser	Name: Mihir Shah
Office: General Counsel	Address:______

EXHIBIT 31.1

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, Brad Hively, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2022 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;

   (b) [Omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: May 10, 2022

/s/ Brad Hively

Brad Hively
Chief Executive Officer

EXHIBIT 31.2

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, Mihir Shah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended March 31, 2022 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;

   (b) [Omitted];

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: May 10, 2022

/s/ Mihir Shah

Mihir Shah
Chief Financial Officer

EXHIBIT 32.1

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 March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brad Hively, 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:	May 10, 2022	/s/ Brad Hively
		Brad Hively *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.

EXHIBIT 32.2

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 March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mihir Shah, 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:	May 10, 2022	/s/ Mihir Shah
		Mihir Shah
		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.