



**The Oncology Institute
of Hope & Innovation**

Investor Presentation

August 2022

Disclaimer

Forward Looking Statements

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

Financial Information; Non-GAAP Financial Measures

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

TOI Investment Highlights

1. Oncology is a Large and Growing Market

2. Today's Care Delivery System is Broken and Does Not Address Quality and Cost Issues

3. TOI is the First Mover Disrupting Oncology Care with a Unique Value-Based Model

4. Our Technology Platform is the First to Standardize and Align Care Delivery at Scale

5. We Have Proven Our Model with New Market Exportability

6. Our Future Growth and New Market Entry is Predictable, Repeatable and Scalable

7. We have Tremendous Near Term and Long-Term Growth Opportunities in Front of Us



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

Healthcare is Unaffordable and Inefficient in the U.S.

18%
of U.S. GDP and rising

2x
spent per person compared to OECD average


Yet, U.S. incidence of chronic illness and longevity are worse than average

U.S. Oncology Spend Growth Continues to Accelerate

\$200bn+
estimated 2020 U.S. oncology spend

11 – 14% CAGR
U.S. Oncology drug spending growth
in the next four years

9.5%
of U.S. adults have been diagnosed with cancer

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



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

We Are Disrupting the Status Quo in Cancer Care

Today's Traditional Fee-for-Service Oncology Care

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

Our Disruptive Value-Based Oncology Care

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

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



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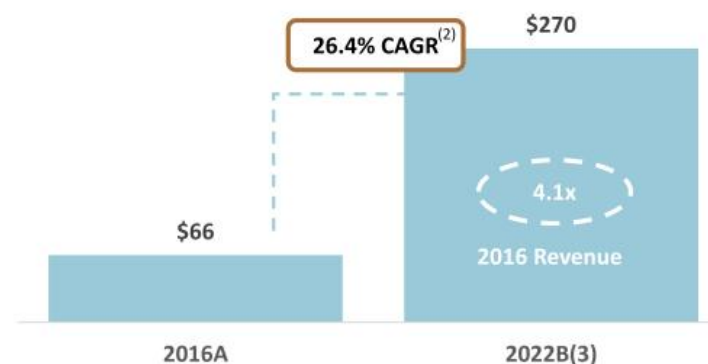
We are a Leading Value-Based Oncology Care Platform

Who We Are



Our Growth

(Revenue, \$ millions)



Relationships with Leading Payors and Risk-Taking Providers



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Note: (1) Compared to average medical oncology spend in our primary geographies

(2) Based on cash basis unaudited financials

(3) \$270M is low-end 2022 guidance. Guidance herein is as of August 9, 2022 only

Our Value-Based Oncology Care Model is Disrupting the Market

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



Traditional Care

Physician Practices

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



Benefits Managers

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



Our Results are Peer-Reviewed and Published

Highly Effective in Delivering Quality, Value-Based Oncology Care

30%

Lower inpatient
admissions

75%

Fewer Emergency
Department visits in
the last month of life



40%

Fewer acute care
facility deaths



> 25%

Lower median total
healthcare costs from
diagnosis to death

14%

Improvement in
Patient Satisfaction



Study on TOI Patient Population Conducted by Researchers at Stanford University



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Our Patient-Centric Focus Drives High Levels of Satisfaction

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



Thousands of same-day patient surveys via text and email.

Overall survey average 4.5/5 across all sites over 12 months.

Survey feedback loop to operations managers drives service excellence.

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

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

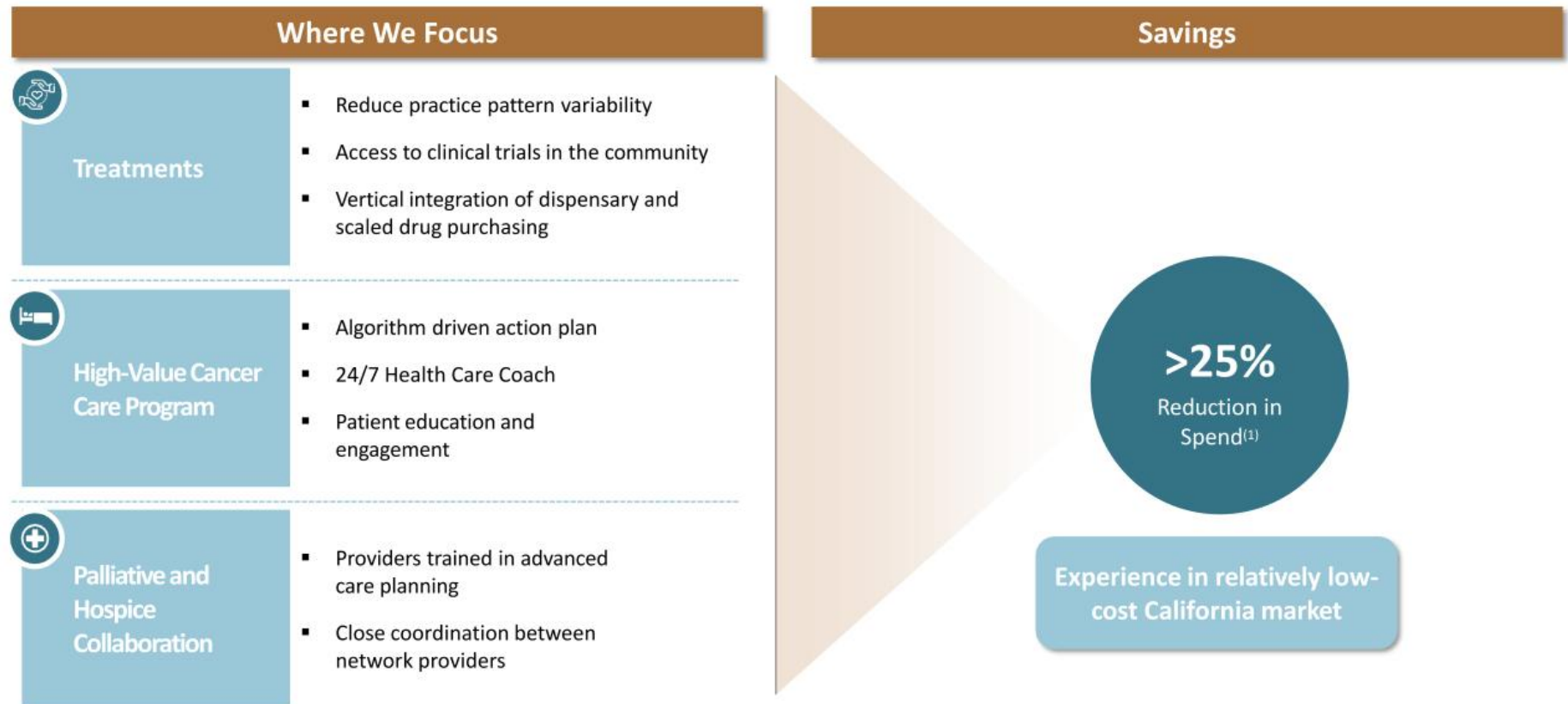
– Downey Clinic Patient

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



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We Use Multiple Levers to Reduce Cost of Care

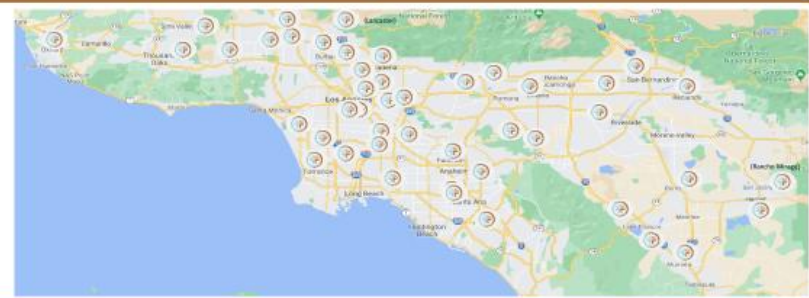


Proven Portability with Rapidly Expanding Footprint

California



41 Clinics &
75+ Hospital
Affiliations



Arizona



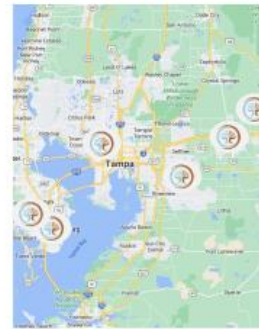
4 Clinics & 6 Hospital Affiliations

Nevada



3 Clinics & 12 Hospital Affiliations

Florida



6 Clinics & 9 Hospital Affiliations

Texas



1 Clinic & 1 Hospital Affiliations



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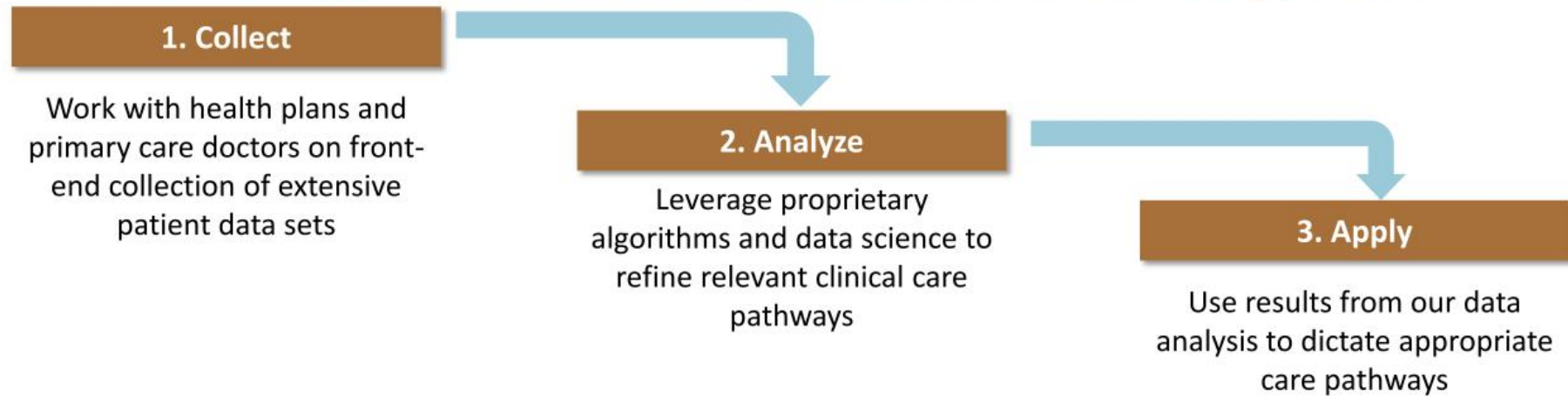
Note: Map does not include recently announced Fresno acquisition

Our Care Model is Hard to Replicate

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



Our Technology Platform is Purpose Built for Oncology Care



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

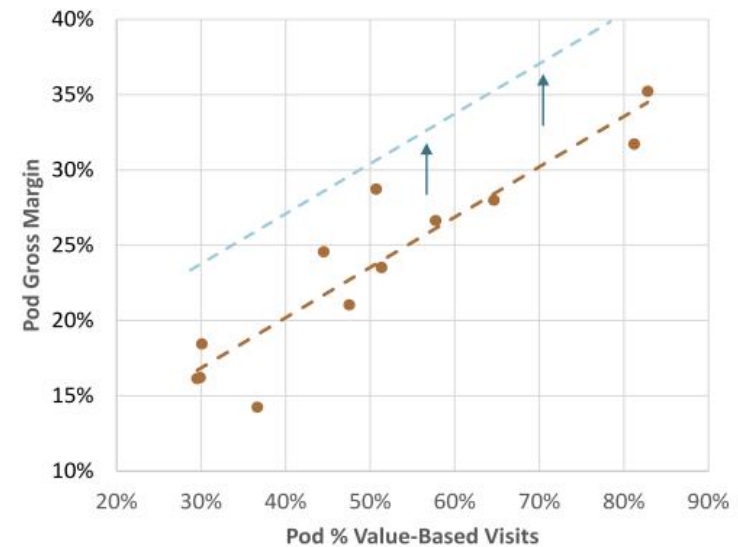
Strong Unit Economics Drives Increasing Profitability

Embedded Gross Margin Expansion Potential as TOI Scales

Margin Expansion Drivers

- 1 Value-Based Volume Mix:** As our mix of value-based revenue increases our margins are expected to improve; **pods today with highest mix of value-based contract achieve 30%+ margins**
- 2 Provider Utilization:** Margins expected to improve as
 - 1) Provider **productivity increases** in maturing clinics
 - 2) The **ratio of APPs⁽¹⁾ to MDs increases**
- 3 Market Dynamics:** Certain expansion markets have higher-cost fee-for-service oncology, therefore we believe **TOI can deliver better value and savings to our customers and capture higher margins**

TOI Pod⁽²⁾ Gross Margin vs. % Value-Based Visits

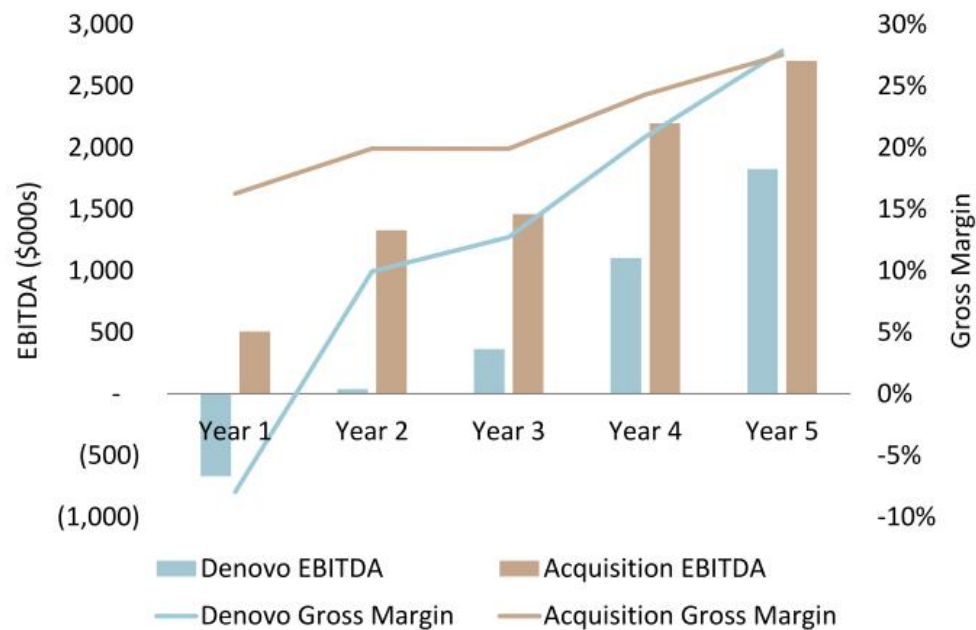


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Note: (1) Advanced Practice Providers (APPs) include Physician Assistants and Nurse Practitioners; (2) Each pod is an operational unit consisting of 2-5 clinics, grouped together based on geographic proximity and visit volume. This analysis was performed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

Strong Unit Economics Provide the Foundation of Future Growth

Illustrative New Market Ramp



New Markets launch with **FFS + Gainshare**

Acquisition CAGR (Top-line): **18%**

Acquisition EBITDA accretive: **Year 1**

DeNovo CAGR (Top-line): **53%**

Conversion to Capitated Contracts by year 4:
enabling **Gross Margins >25%**



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Note: Actual results may vary materially

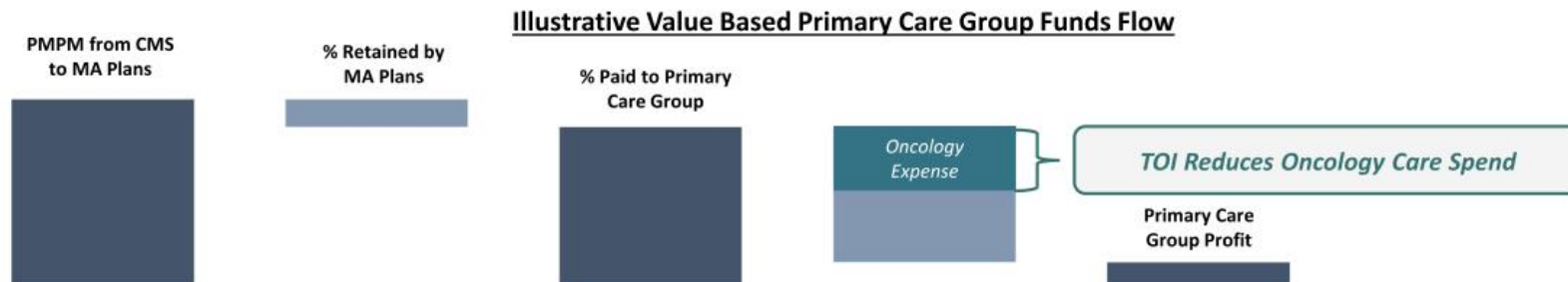
We Are Shifting the Market to Value-Based Oncology Care

We Are Shifting the Market to Value-Based Oncology Care

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



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



TOI is a Market Leader in Value-Based Oncology Care

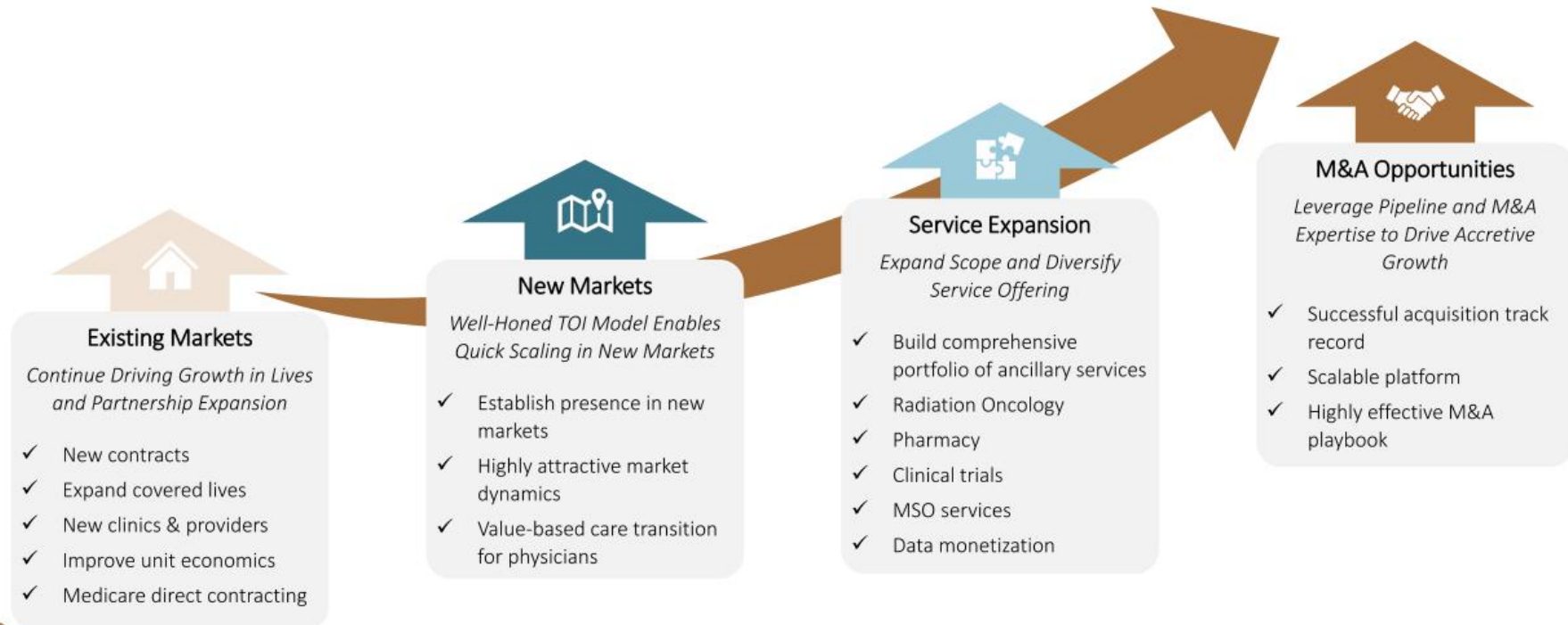


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Sources: American Society of Clinical Oncology; Cancer Epidemiology, Biomarkers & Prevention – American Association For Cancer Research, July 2020; Global Market Insights; IQVIA Institute; Wall Street research.
Note: MA = Medicare Advantage.

Multiple Levers to Sustain Long Term Growth Trajectory

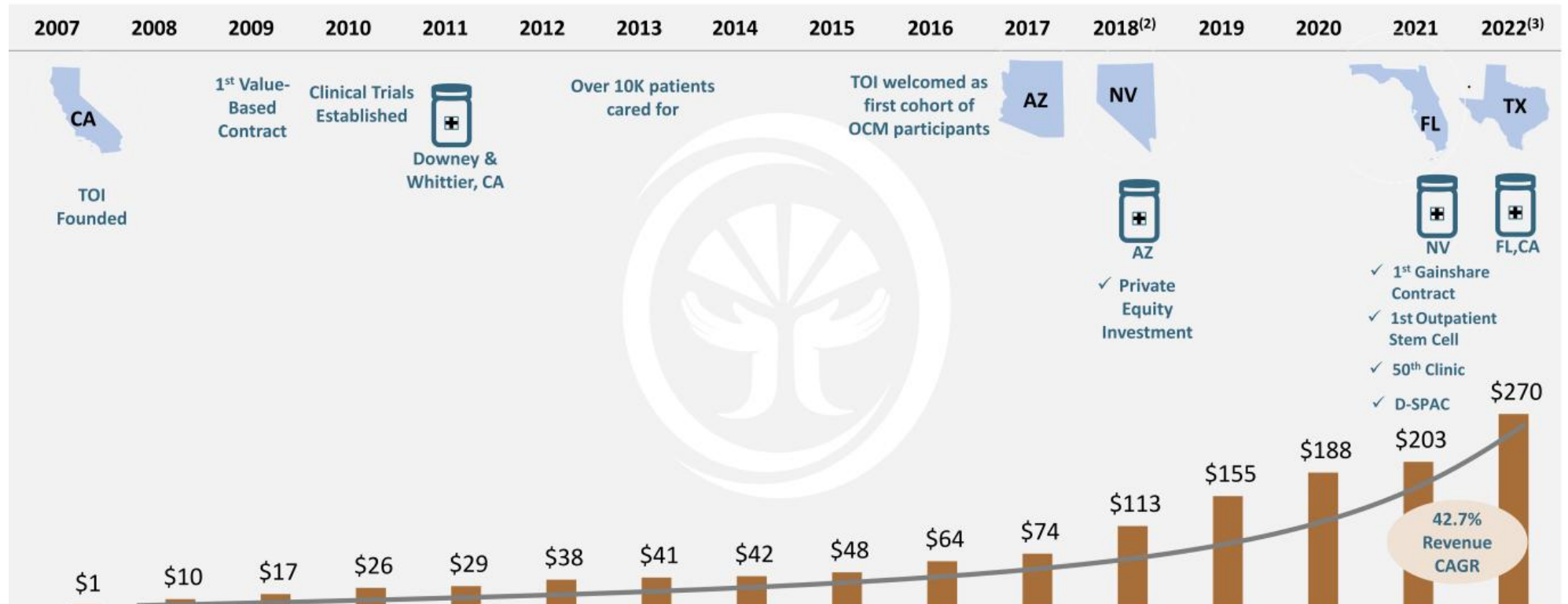
TOI represents 0.01% of the U.S. Oncology Market providing substantial growth opportunity



Financial Overview



Revenue⁽¹⁾ and Milestone Timeline



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Notes:

(1) 2007-2017 revenue is cash basis, unaudited and pertains to the Predecessor entity only

(2) Predecessor revenue of \$76M; Successor revenue of \$37M

(3) \$270M is low-end 2022 guidance; guidance herein is as of August 9, 2022, only

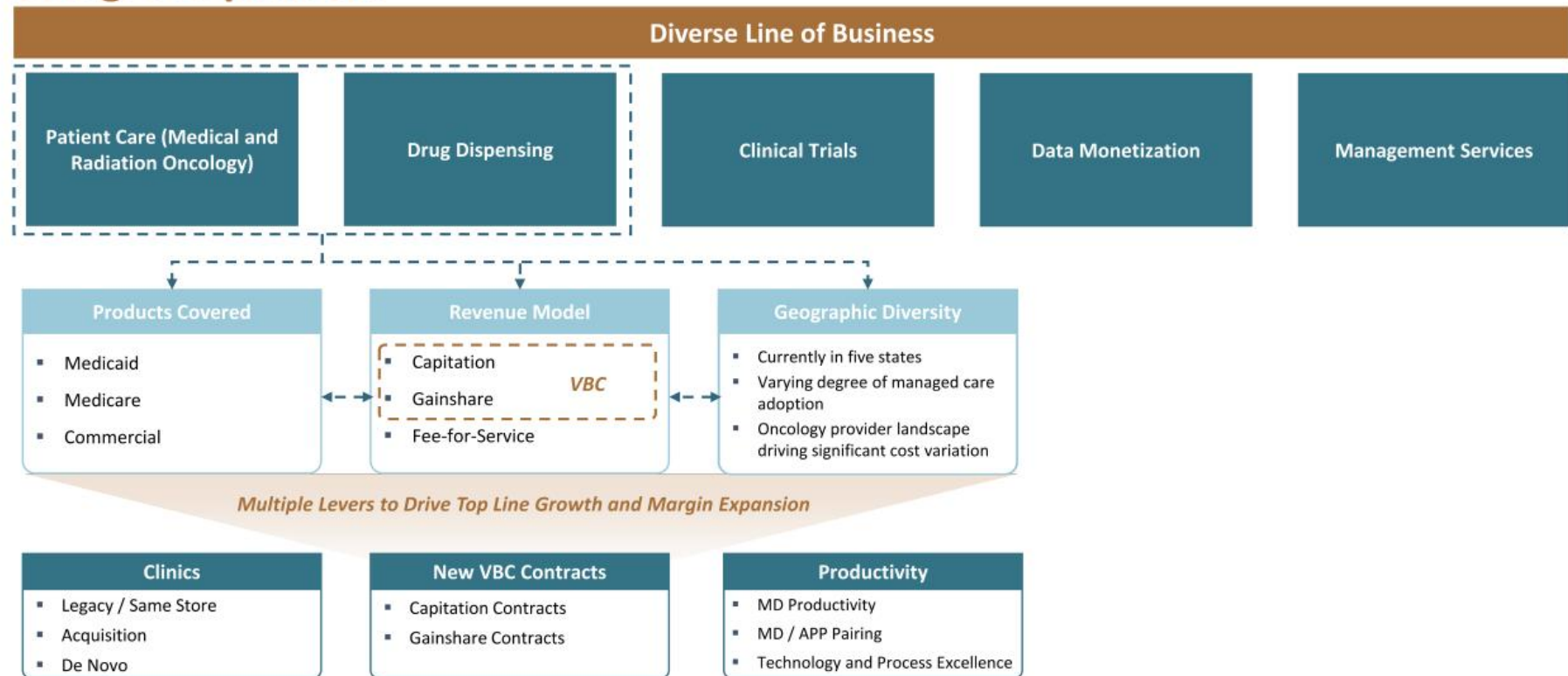


Dispensary Opening



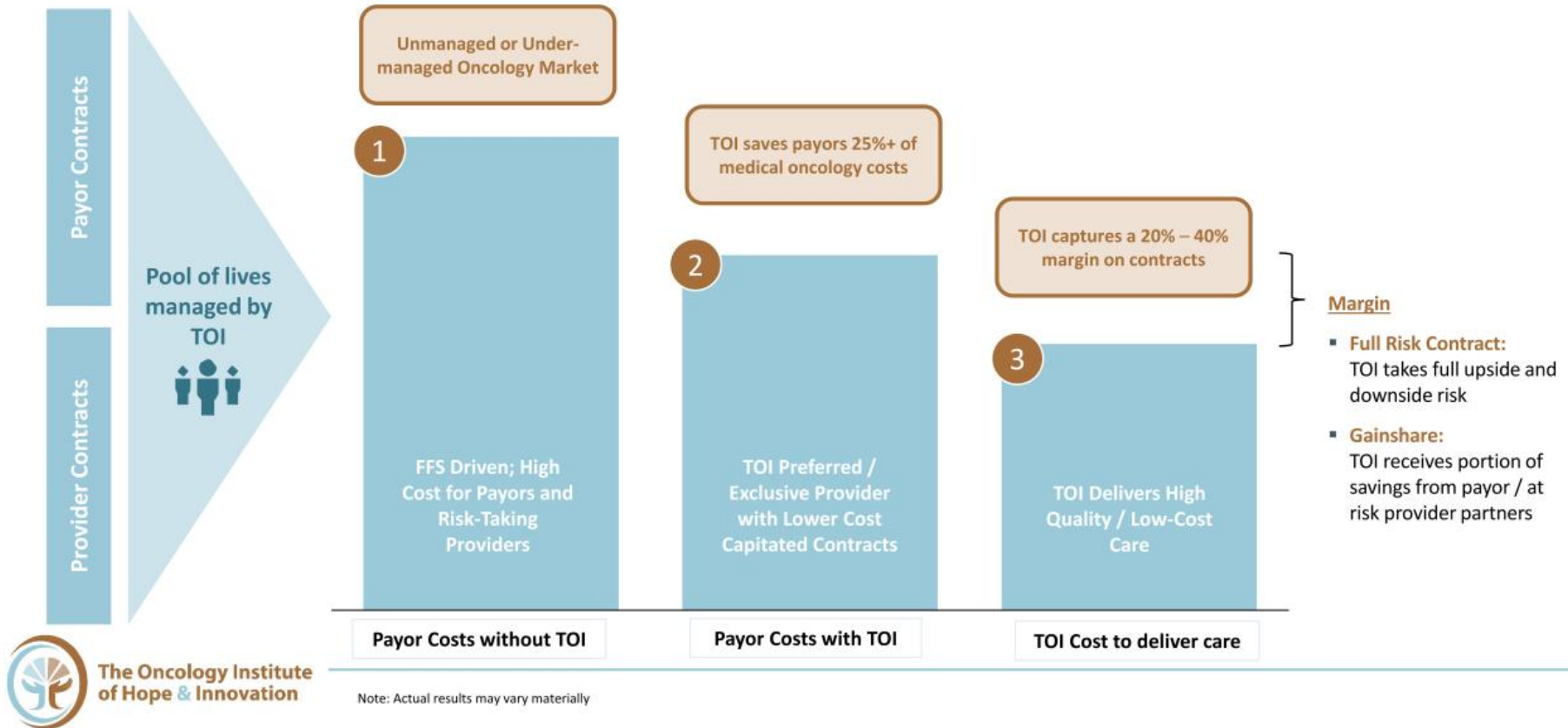
CA New State Entry

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



Value Driven Highly Attractive Economic Model

Illustrative Economic Model

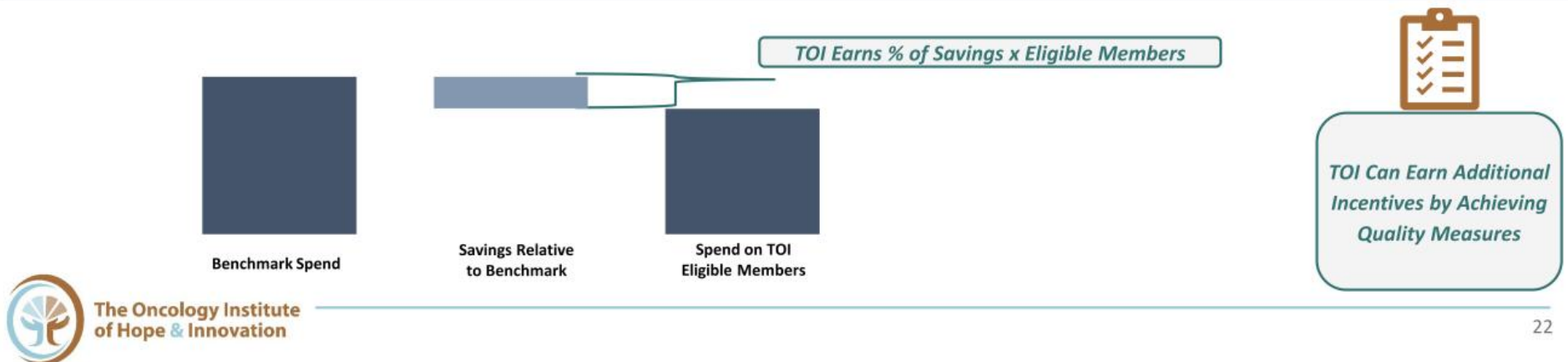


Gain Share Contracts

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

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

Illustrative Gain Share Contract Structure



Proven economic model shows 30+% Gross Margins in Mature, Value-Based driven markets



Same Store Markets

Established Value-Based Partnerships

Continued Strategic Growth

Same-Store Gross Margin 30+%

Overall Gross Margin 20+%



Growth Markets

Recently opened markets

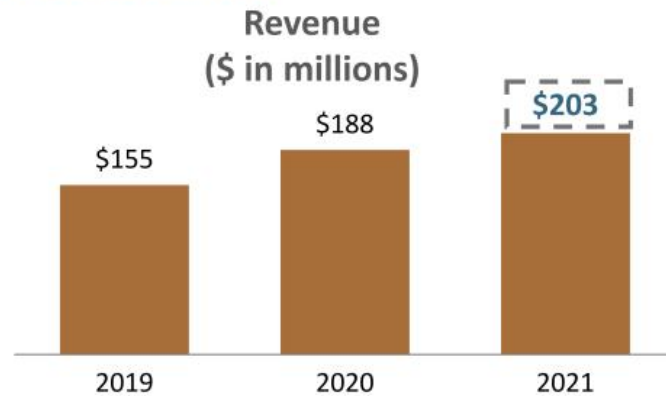
Launched in partnership with national value-based primary care groups

Ramping Gross Margins



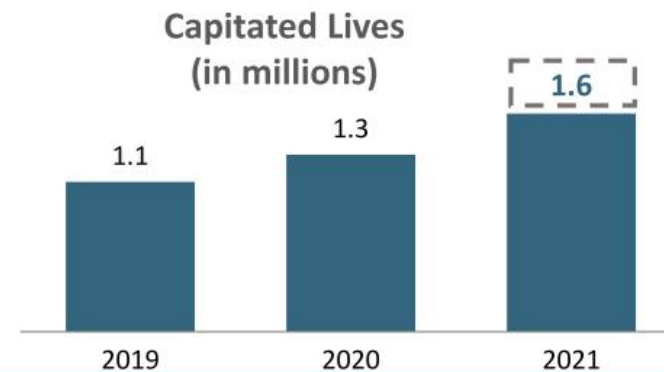
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Historic growth supports continued scale to drive increased revenue....

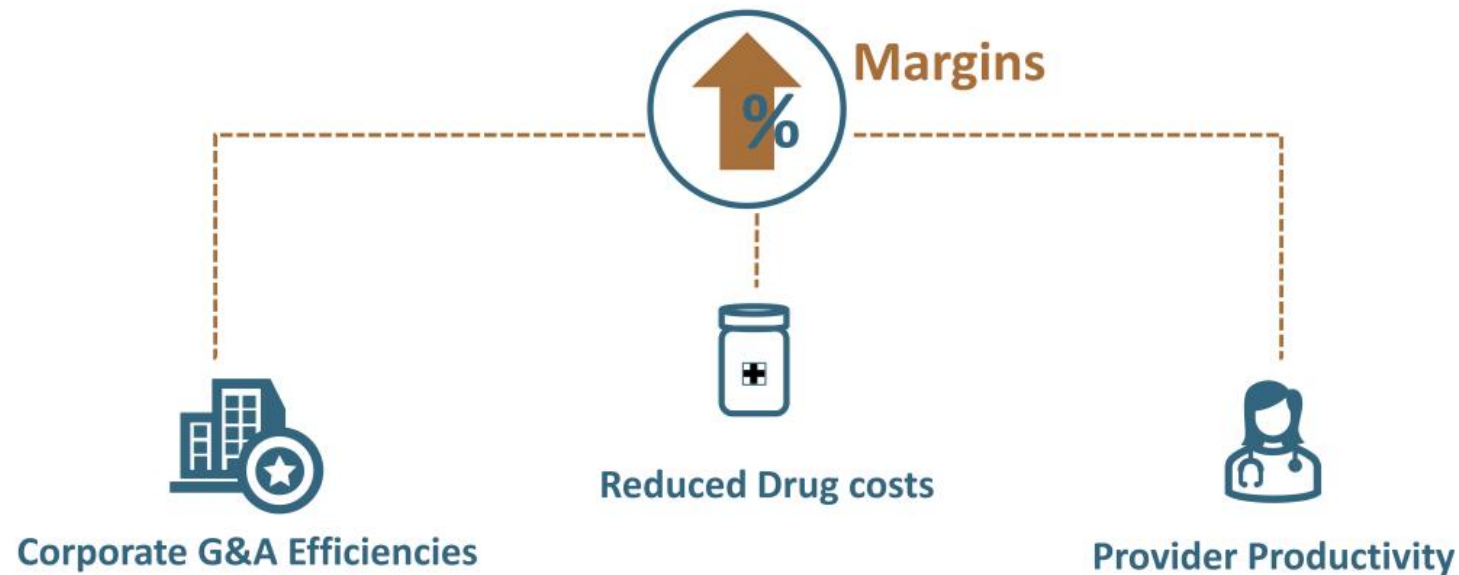


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- 2019-2021 Growth**
- ✓ New Value-Based Contracts – +9 contracts, +545k lives
 - ✓ New Markets – 4 (in 2 states) 
 - ✓ New Clinics – 6 Acquisitions, 8 DeNovo



....Benefits of scale go beyond top line



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



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



2022 Guidance

	2022 Guidance
Revenue	\$270 to 310 million, representing approximately 33% to 53% growth over 2021 revenue
Gross Profit	\$50 to 60 million
Adjusted EBITDA	\$(20) to (25) million
Lives at Year End	1.75 million to 2.0 million lives, representing approximately 9% to 25% growth over year-end 2021 lives

Updated Guidance Drivers

- Strong year-over-year revenue and lives growth expected
- Continued focus on pipeline execution and network expansion to deliver care under value-based contracts
- Growth in California and new market penetration in Florida and Texas
- Gain sharing contracts and higher mix of FFS-reimbursement is expected to produce lower revenue and gross profit
- TOI's public company costs are higher than initially projected, mainly due to D&O insurance cost



Note: Our achievement of the anticipated results is subject to risks and uncertainties, including those disclosed in our filings with the SEC. The outlook does not take into account the impact of any unanticipated developments in the business or changes in the operating environment, nor does it take into account the impact of our acquisitions, dispositions or financings during 2022. Our outlook assumes a largely reopened global market, which would be negatively impacted if closures or other restrictive measures persist or are reimplemented. Guidance herein is as of August 9, 2022, only.

Key Takeaways



Historical Financials



Historical Financials

(\$ in thousands)

		For Three Months Ended				For Three Months Ended		For Year Ended	
		Mar 31, 2021	Jun 30, 2021	Sept 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Dec 31, 2020	Dec 31, 2021
Revenue	Patient services								
	Capitated revenue	\$ 12,330	\$ 12,897	\$ 14,124	\$ 14,934	\$ 14,516	\$ 13,944	\$ 37,381	\$ 54,285
	FFS revenue	17,292	16,889	18,843	16,765	20,541	25,165	79,436	69,789
	Subtotal	29,622	29,786	32,967	31,699	35,057	39,109	116,817	124,074
	Dispensary	17,618	17,782	17,918	19,232	18,679	20,218	63,890	72,550
	Clinical trials & other	1,340	2,276	1,390	1,373	1,425	1,594	6,808	6,379
	Total operating revenue	48,580	49,844	52,275	52,304	55,161	60,921	187,515	203,003
Expenses	Operating expenses								
	Direct costs – patient services	23,086	23,574	25,391	27,350	27,378	32,875	95,747	99,401
	Direct costs – dispensary	15,123	15,237	15,279	16,463	15,324	16,754	53,907	62,102
	Direct costs – clinical trials & other	169	143	182	158	137	150	982	652
	Selling, general and administrative expense	11,178	11,212	12,729	48,246	29,806	28,348	41,898	83,365
	Depreciation and amortization	777	794	850	920	987	1,098	3,178	3,341
	Total operating expenses	50,333	50,960	54,432	93,136	73,632	79,225	195,712	248,861
Income (Loss)	Loss from operations	(1,753)	(1,116)	(2,157)	(40,832)	(18,471)	(18,304)	(8,197)	(45,858)
	Other non-operating expense (income)								
	Interest expense	101	81	78	60	74	61	347	320
	Change in fair value of derivative warrant	-	-	-	(3,686)	1,461	(2,065)	-	(3,686)
	Change in fair value of earnout liabilities	-	-	-	(24,891)	(39,440)	(10,800)	-	(24,891)
	Gain on debt extinguishment	-	(5,186)	-	229	(183)	-	-	(4,957)
	Other, net	(1,076)	4	(54)	80	151	(15)	6,271	(1,046)
	Total other non-operating income	(975)	(5,101)	24	(28,208)	(37,937)	(12,819)	6,618	(34,260)
	Income (loss) before provision for income taxes	(778)	3,985	(2,181)	(12,624)	19,466	(5,485)	(14,815)	(11,598)
	Income tax (expense) benefit	(218)	(780)	(799)	2,468	(180)	32	493	671
	Net (loss) income	(996)	3,205	(2,980)	(10,156)	19,286	(5,453)	(14,322)	(10,927)
	Adjusted EBITDA⁽¹⁾	69	343	110	(5,346)	(5,184)	(6,867)	5,773	(4,824)



Note: (1) Adjusted EBITDA is a non-GAAP measure. For a discussion and reconciliation to the nearest GAAP measure please see Slide 31 of this presentation.

Adjusted EBITDA Reconciliation

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

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

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

	Three Months Ended March 31,	Three Months Ended June 30,	Three Months Ended Sept 30,	Three Months Ended Dec 31,	Three Months Ended March 31,	Three Months Ended June 30,	Year Ended December 31,	Year Ended December 31,
	2021	2021	2021	2021	2022	2022	2020	2021
(in thousands)								
Net (loss) income	\$ (996)	\$ 3,205	\$ (2,980)	\$ (10,156)	\$ 19,286	\$ (5,453)	\$ (14,322)	\$ (10,927)
Depreciation and amortization	777	794	850	920	987	1,098	3,178	3,341
Interest expense	101	81	78	60	74	61	347	320
Income tax expense	218	780	799	(2,468)	180	(32)	(493)	(671)
Board and management fees	106	102	106	239	45	62	620	553
Non-cash addbacks	(13)	(5,728)	99	527	197	108	11,972	(5,115)
Share-based compensation	42	51	59	24,383	8,552	6,515	151	24,535
Change in fair value of liabilities	-	-	-	(28,577)	(37,979)	(12,865)	-	(28,577)
Practice acquisition-related costs	90	107	71	208	422	111	374	476
Consulting and legal fees	387	543	221	675	655	1,144	1,495	1,826
Other, net	(643)	408	807	1,120	953	1,634	2,451	1,692
Public company transaction costs	-	-	-	7,723	1,444	750	-	7,723
Adjusted EBITDA	\$ 69	\$ 343	\$ 110	\$ (5,346)	\$ (5,184)	\$ (6,867)	\$ 5,773	\$ (4,824)

