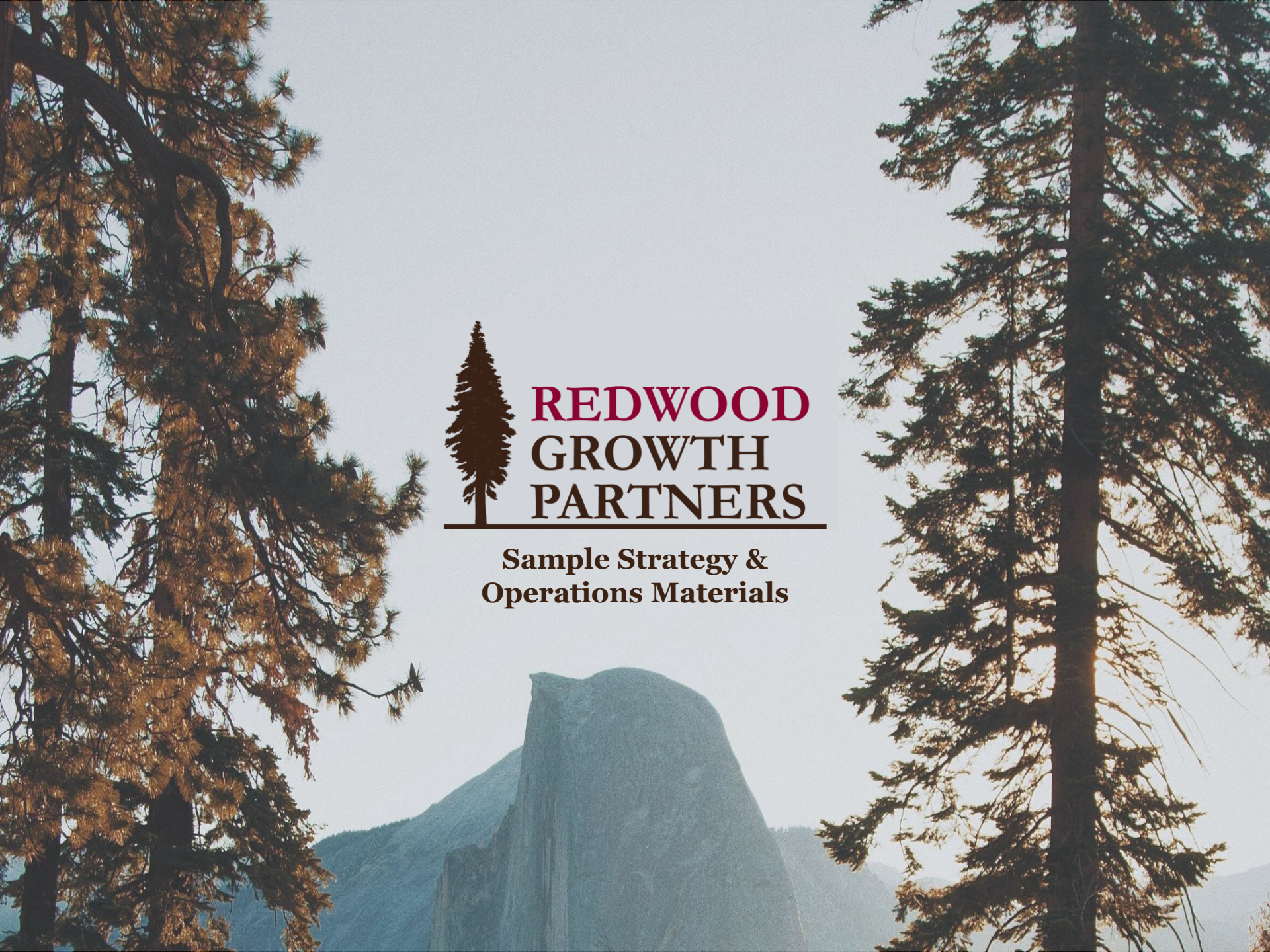




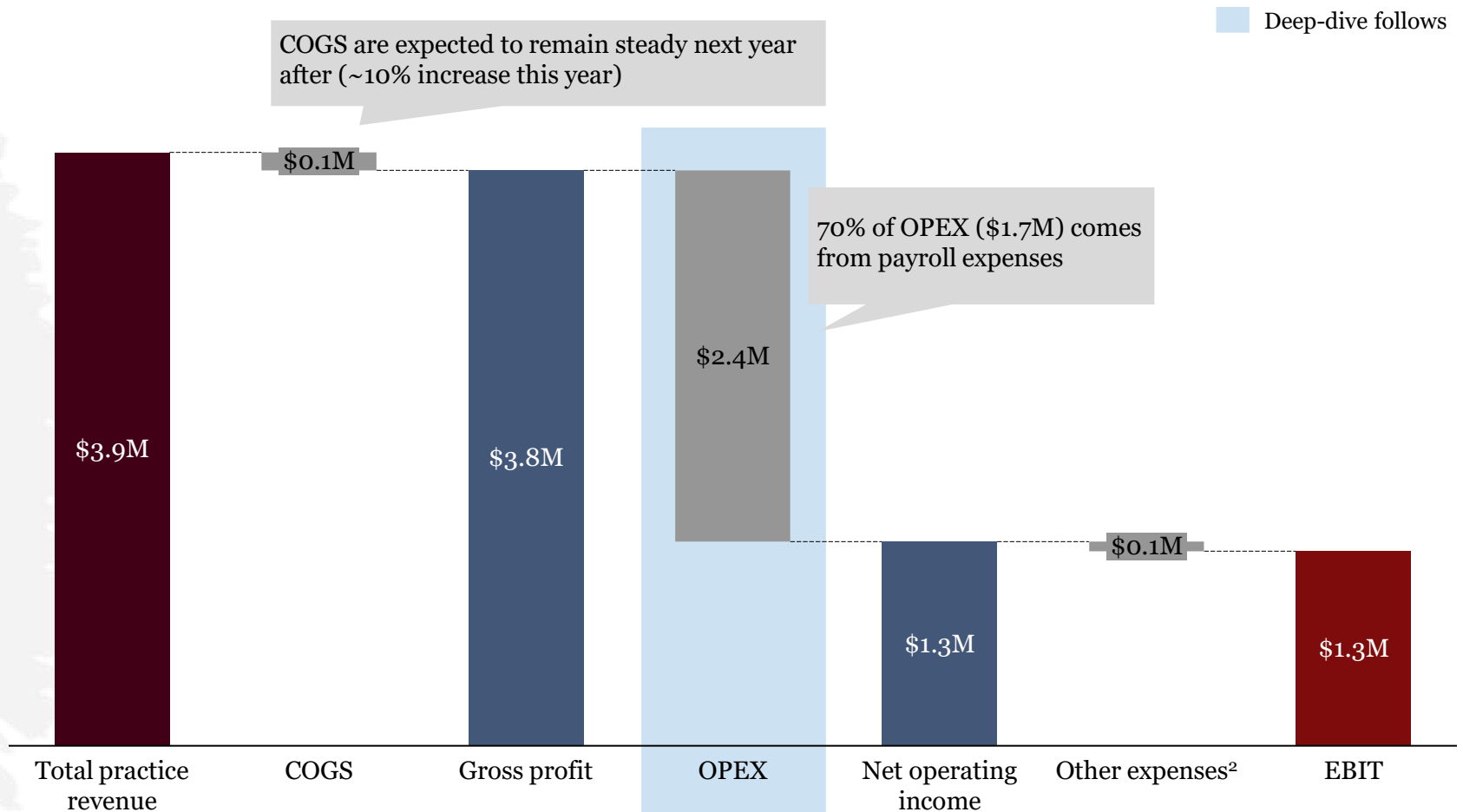
REDWOOD **GROWTH** **PARTNERS**

**Sample Strategy &
Operations Materials**



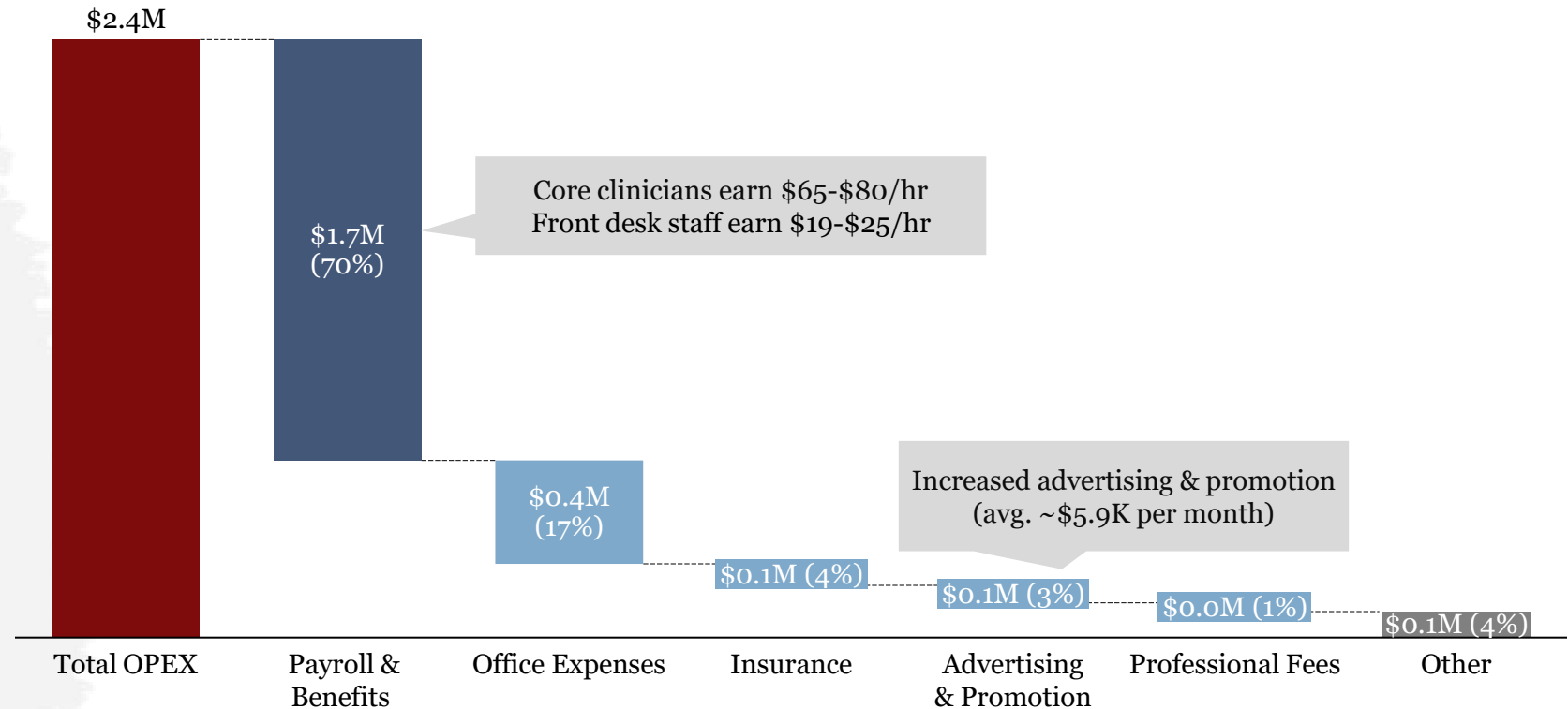
<Practice> earned ~\$1.3M in EBIT (a ~33% net income margin) in the last 12 months

<Clinic> <Year 1> – <Year 2> financial overview & profitability (\$Ms)



Payroll, office, and insurance represent ~91% of OPEX

Total Operational Expenses (OPEX) by expense type for <Clinic> (\$Ms)



Payroll & Benefits

Represents the salaries & benefits of <Practice's> ## staff employed over the year (# part time, ## full time) with ## currently employed

Office Expenses¹

Rent (~\$XK), EMR & practice mgmt. (~\$XK), utilities (~\$XK), computer supplies & maint. (~\$XK), and more

Insurance

Health (~\$XK), malpractice (~\$XK), and liability insurance (~\$XK)

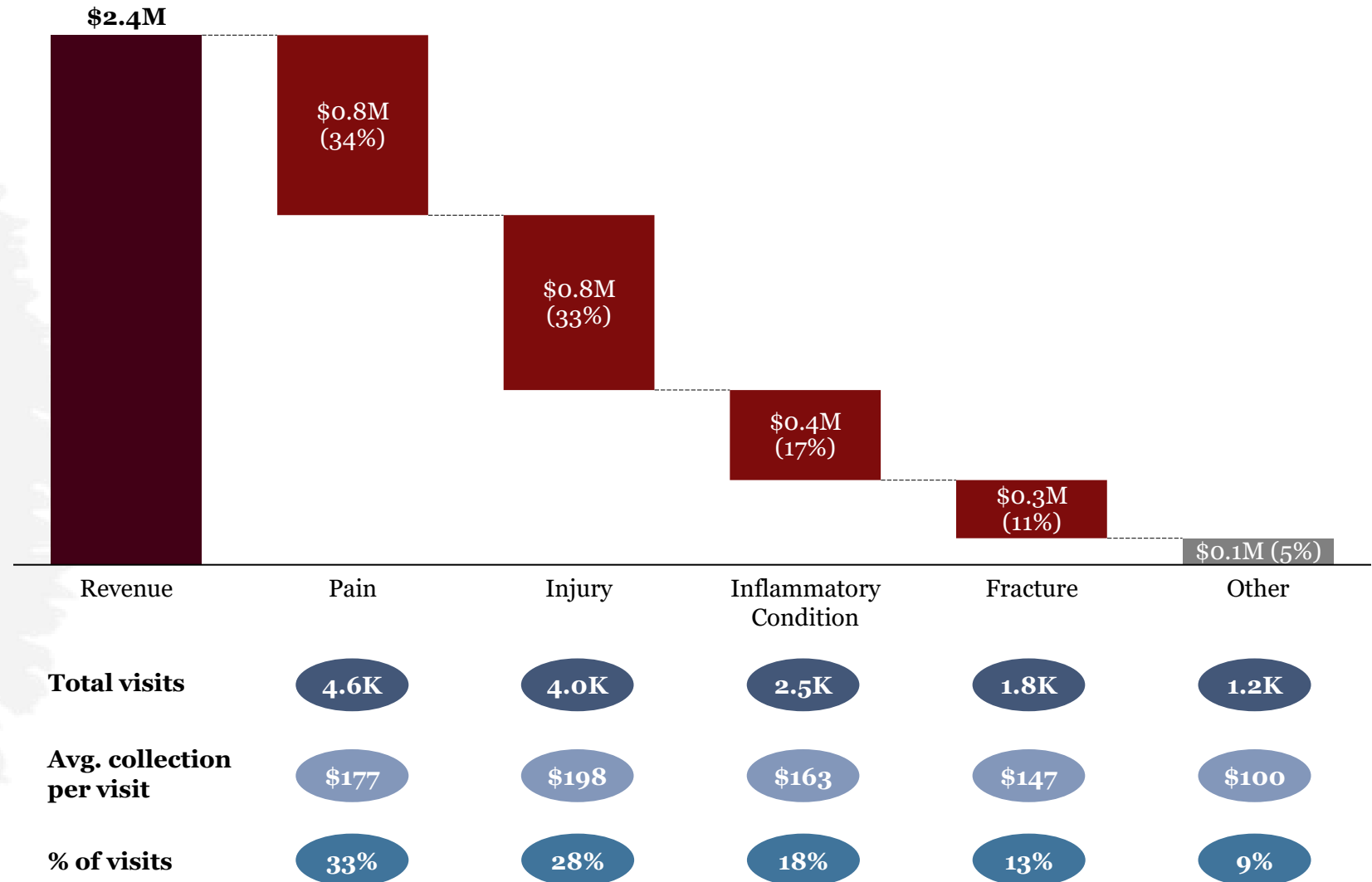
The RWGP team analyzed ~1,500 diagnostic codes and mapped them into 4 “visit types”: Pain, Injury, Inflammatory cond., and Fracture

Visit type	Description	Example patient cases
Pain	<ul style="list-style-type: none"> Treatments and management strategies for acute and chronic pain conditions (e.g., back pain) 	<ul style="list-style-type: none"> Back pain & sciatica¹ Left shoulder pain & cervicalgia²
Injury	<ul style="list-style-type: none"> Evaluation and treatment of musculoskeletal injuries (e.g., sprains, strains, tears) 	<ul style="list-style-type: none"> Ankle sprain Meniscus tear, left knee³ ACL tear Right knee contusion⁴
Inflammatory Condition	<ul style="list-style-type: none"> Assessment and treatment of inflammatory conditions including joint inflammation (e.g., arthritis) 	<ul style="list-style-type: none"> Right knee arthritis & pain⁵ Fasciitis Plantar fibromatosis⁶
Fracture	<ul style="list-style-type: none"> Diagnosis, stabilization, and treatment of broken bones (e.g., casting, splinting) 	<ul style="list-style-type: none"> Right foot fracture⁷ Left wrist fracture⁸

Visit diagnoses: Pain 1) M62.830 - Muscle spasm of back, M54.41 - Lumbago with sciatica, right side 2) M62.838 - Other muscle spasm M54.2 - Cervicalgia M50.11 - Cervical disc disorder with radiculopathy, high cervical region M67.813 - Other specified disorders of tendon, right shoulder M25.512 - Pain in left shoulder. Injury: 3) M17.12 - Unilateral primary osteoarthritis, left knee M25.562 - Pain in left knee S83.242A - Other tear of medial meniscus, current injury, left knee, initial encounter 4) M76.51 - Patellar tendinitis, right knee S80.01XA - Contusion of right knee, initial encounter M25.561 - Pain in right knee M25.461 - Effusion, right knee. Inflammatory condition: 5) M25.561 - Pain in right knee M22.41 - Chondromalacia patellae, right knee M17.11 - Unilateral primary osteoarthritis, right knee 6) M72.2 - Plantar fascial fibromatosis M77.31 - Calcaneal spur, right foot M79.671 - Pain in right foot. Fracture 7) S92.354A - Nondisplaced fracture of fifth metatarsal bone, right foot, initial encounter for closed fracture 8) S52.532A - Colles' fracture of left radius, initial encounter for closed fracture.

In the past year, the flagship location generated ~\$2.4M (~62% of total patient services revenue) across 14.1K visits

Clinic Performance July 2023 – June 2024 by Visit Type (\$Ms)

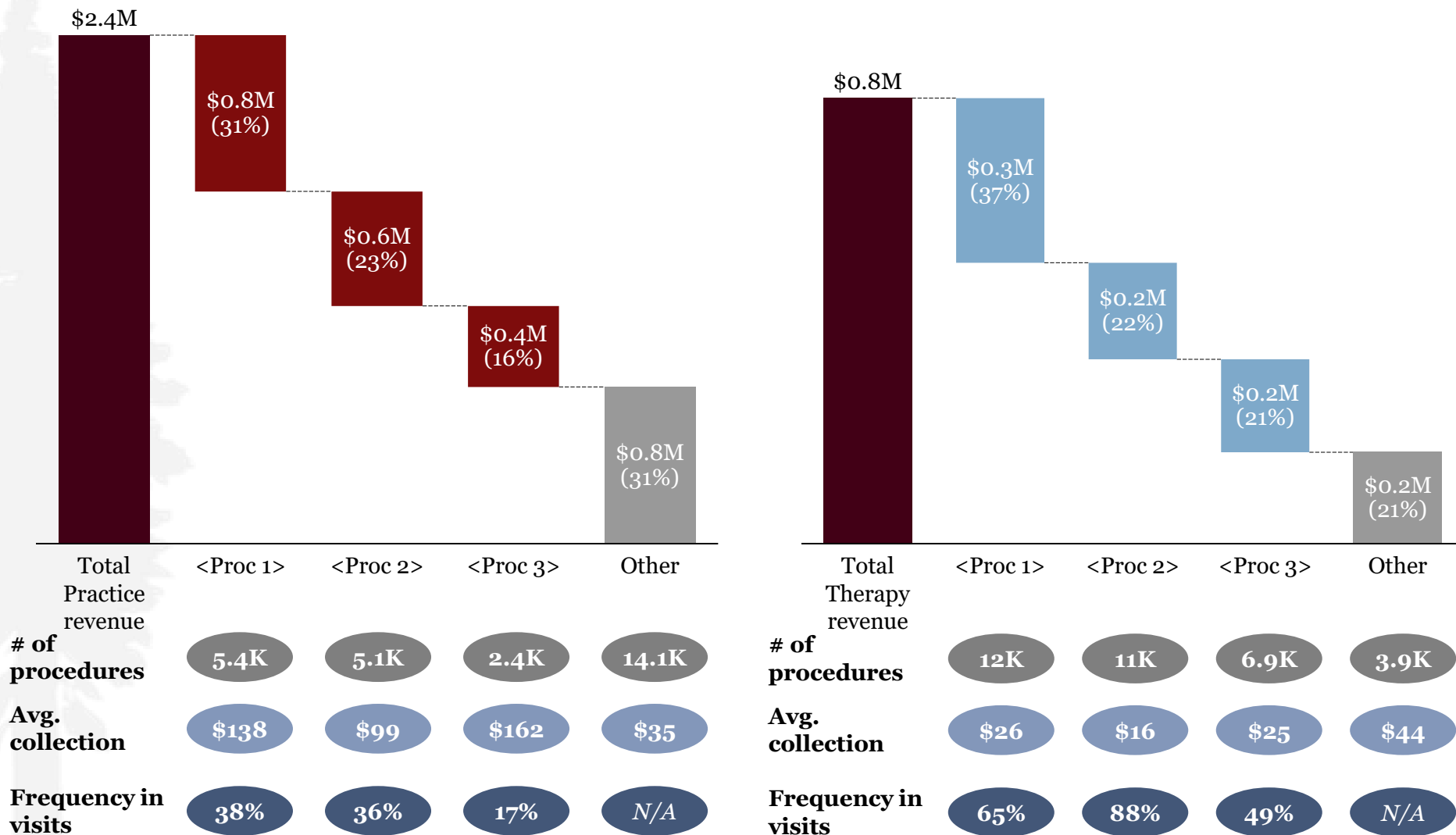


On average, the Practice collects ~\$170 per visit (22% of charges) and the accompanying Therapy center collects ~\$92 (12% of charges)





Visit type	Key figures ¹	Avg. charge & collections
Pain	<ul style="list-style-type: none"> 4.6K visits Avg. 2.7 procedures per visit 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">Collect</div> <div style="margin-left: 20px;">Charge</div> </div>
Injury	<ul style="list-style-type: none"> 4K visits Avg. 2.0 procedures per visit 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">Collect</div> <div style="margin-left: 20px;">Charge</div> </div>
Inflammatory Condition	<ul style="list-style-type: none"> 2.5K visits Avg. 2.8 procedures per visit 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">Collect</div> <div style="margin-left: 20px;">Charge</div> </div>
Fracture	<ul style="list-style-type: none"> 1.8K visits Avg. 2.2 procedures per visit 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">Collect</div> <div style="margin-left: 20px;">Charge</div> </div>
General Therapy	<ul style="list-style-type: none"> 3.5K visits Avg. 3.8 procedures per visit 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">Collect</div> <div style="margin-left: 20px;">Charge</div> </div>
Specialized Therapy	<ul style="list-style-type: none"> 2K visits Avg. 3.8 procedures per visit 	<div style="display: flex; align-items: center;"> <div style="margin-right: 20px;">Collect</div> <div style="margin-left: 20px;">Charge</div> </div>

The top procedures generate 78% (~\$2.5M) of patient services revenue: 69% (~\$1.8M) of Practice revenue & 79% (~\$0.7M) of Therapy revenue

Revenue July 2023 – June 2024 by Visit Type¹ (\$Ms)



Team conducted a deep dive into Miami market with 4 types of high-volume competitors

Competitor type	Overview	Key Miami figures	Illustrative examples	Assessed threat ¹
oUCC exclusive	<ul style="list-style-type: none"> Focuses solely on orthopedic urgent care, providing immediate care for musculoskeletal injuries & pain (e.g., sprains); usually has on-site imaging and diagnostic tools with patients treated by a PAC/NP 	<ul style="list-style-type: none"> Practices: 4 oUCCs: 8 	<ul style="list-style-type: none"> oUCCs of FL SFWIO 	
oUCC orthopedic group	<ul style="list-style-type: none"> Walk-in center part of a larger orthopedic practice that carries out surgeries and allows patients in-house follow-up care with specialists 	<ul style="list-style-type: none"> Practices: 4 oUCCs: 6 	<ul style="list-style-type: none"> OrthoMiami Palm Beach Ortho Inst. 	
Urgent care (general)	<ul style="list-style-type: none"> Offers a wide range of urgent care services for various medical conditions, not limited to orthopedics; refers patients to specialists for non-general treatment 	<ul style="list-style-type: none"> Groups: 47 UCCs: 285+ 	<ul style="list-style-type: none"> MD Now Baptist Health Care Spot 	
Hospitals (ERs)	<ul style="list-style-type: none"> Equipped to handle life-threatening emergencies, including severe orthopedic injuries; access to advanced diagnostic tools, specialists, and surgical facilities 	<ul style="list-style-type: none"> Hospitals: est. 40-60 	<ul style="list-style-type: none"> Baptist Health (Doctor's Hosp.) Jackson Health System 	

Notes: 1) Estimated severity of risk towards our clinic directly (i.e., take patients we should be winning with)

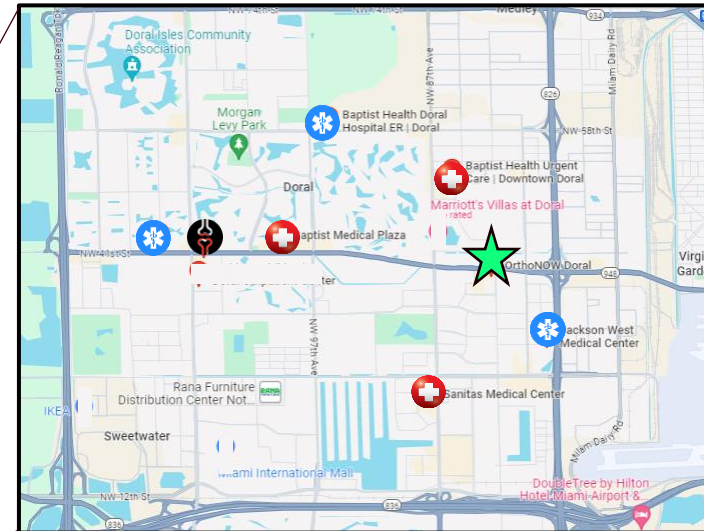
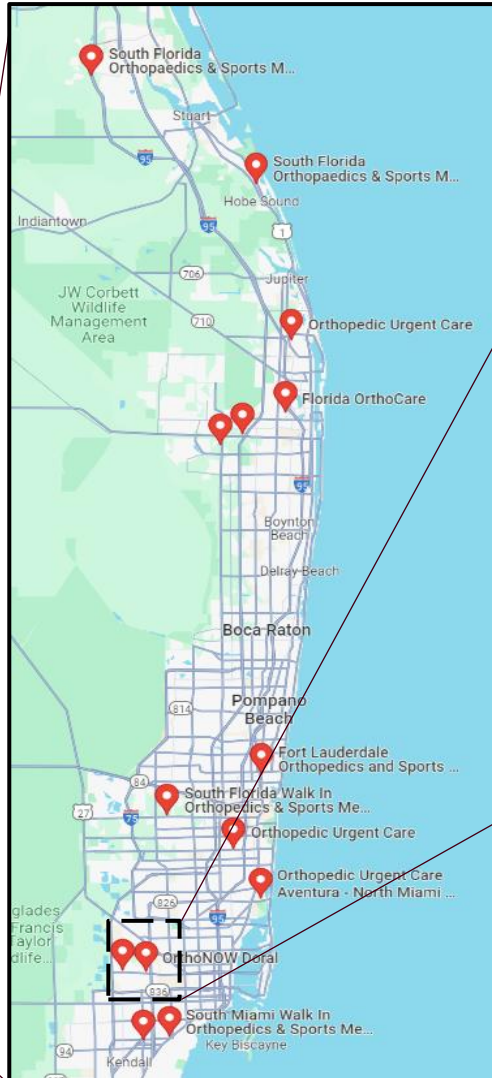
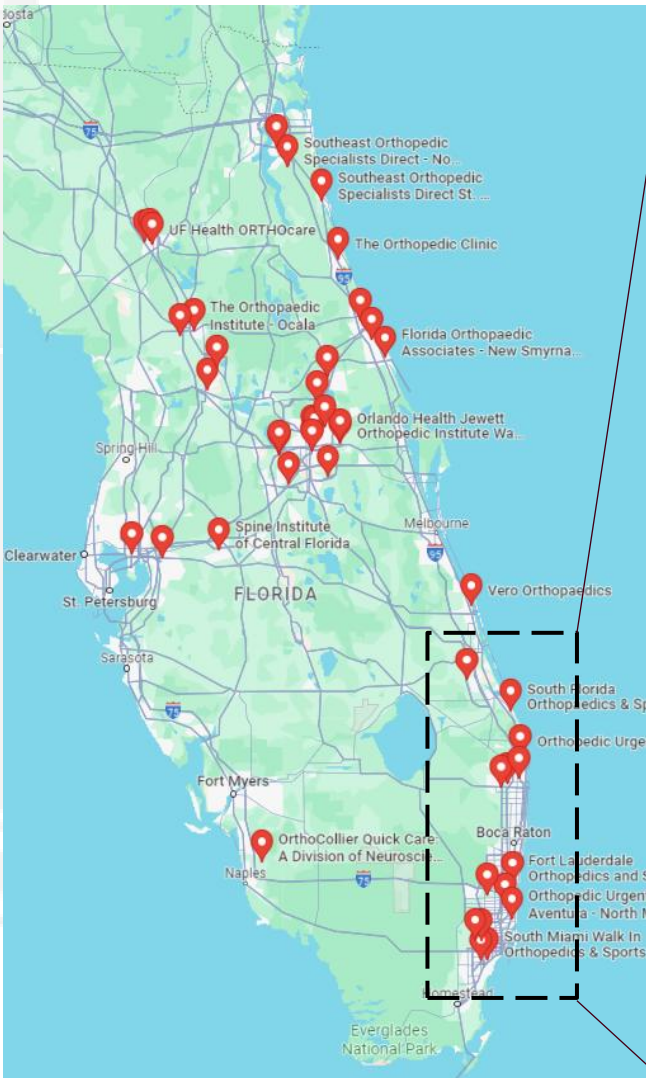
Orthopedic urgent care centers: Florida, Miami, and Doral

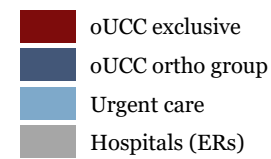
48 oUCCs in Florida

14 oUCCs in greater Miami MSA

2 oUCCs in Doral (~4 x ~4 mi)

- ★ 1 oUCC exclusive
- ⚕ 1 oUCC ortho group
- ⊕ 3 UCCs
- 🏥 3 Hospitals (ERs)





oUCCs offer significant advantages over UCCs and ERS, but have minimal direct (oUCC vs. oUCC) comparative advantages

Competitor type

Strengths

Weaknesses

oUCC exclusive

- + **Quality of care:** Specialized care from orthopedic specialists w/ advanced tools
- + **Convenience:** Typically low wait times and fast service
- + **Cost:** Less expensive than hospitals
- + **Comfort:** Less crowded than hospitals

- **Scope of care:** Cannot provide significant follow-up care, refers to an external ortho group
- **Insurance coverage:** Coding as a “specialty provider” limits HMO indiv. coverage without a PCP referral

oUCC orthopedic group

- + **All oUCC exclusive benefits above**
- + **Comprehensive care:** Can serve all ortho needs from sprains to surgery (i.e., in-house follow-up specialists)
- + **Patient funnel:** Generate awareness and loyalty from non-urgent care visits

- **Limited focus:** oUCC is not the practice’s main focus (i.e., may treat oUCC as a referral engine for higher-spend ortho services)

Urgent care (general)

- + **Versatility:** Serve wide range of urgent needs including, but not limited to ortho
- + **Insurance coverage:** “Urgent care” coding offers no-referral coverage to HMO & PPOs
- + **Convenience & comfort** over hospitals

- **Lower-quality care:** UCC clinicians are general health experts, providing comparatively lower-quality care to an orthopedic specialist

Hospitals (ERs)

- + **Comprehensive care:** Can treat severe injuries that oUCCs & UCCs turn away (e.g., protruding ligaments)
- + **Hours:** Open 24 hours

- **Expensive:** ERs are the most expensive walk-in treatment type
- **Uncomfortable:** Loud, sterile, and full of emergencies
- **Limited to urgent issues:** Most hospitals will refer to an external group for follow-up treatment