

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS
(In thousands)

	March 31, 2020	December 31, 2019
Assets		
Current assets:		
Cash	\$ 38,134	\$ 42,478
Restricted cash	3,763	4,103
Accounts receivable, net	36,237	29,123
Inventories	5,135	3,700
Prepaid expenses	4,615	4,299
Other current assets	5,780	10,835
Total current assets	93,664	94,538
Property and equipment, net	15,612	15,798
Operating lease right-of-use assets	23,260	22,100
Software development costs, net	20,906	18,501
Goodwill	150,760	150,760
Intangible assets, net	182,591	189,413
Other assets	1,058	1,281
Total assets	<u>\$ 487,851</u>	<u>\$ 492,391</u>
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt and finance leases, net	\$ 10	\$ 125
Current operating lease liabilities	4,635	4,350
Accounts payable	10,354	8,622
Accrued expenses and other liabilities	25,312	26,906
Total current liabilities	40,311	40,003
Long-term debt and finance leases, net	229,444	226,294
Noncurrent operating lease liabilities	21,853	21,017
Long-term acquisition-related contingent consideration	11,500	10,800
Deferred income tax liability	5,289	8,656
Other long-term liabilities	53	73
Total liabilities	308,450	306,843
Stockholders' equity:		
Common stock	2	2
Treasury stock	(3,956)	(3,865)
Additional paid-in capital	296,726	288,345
Accumulated deficit	(113,371)	(98,934)
Total stockholders' equity	179,401	185,548
Total liabilities and stockholders' equity	<u>\$ 487,851</u>	<u>\$ 492,391</u>

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2020	2019
Revenue:		
Product revenue	\$ 37,087	\$ 30,982
Service revenue	35,740	29,977
Total revenue	<u>72,827</u>	<u>60,959</u>
Cost of revenue, exclusive of depreciation and amortization shown below:		
Product cost	27,199	23,475
Service cost	20,874	18,193
Total cost of revenue, exclusive of depreciation and amortization	<u>48,073</u>	<u>41,668</u>
Operating expenses:		
Research and development	4,828	5,550
Sales and marketing	5,540	4,850
General and administrative	16,967	13,743
Change in fair value of acquisition-related contingent consideration expense	700	1,176
Depreciation and amortization	9,913	6,299
Total operating expenses	<u>37,948</u>	<u>31,618</u>
Loss from operations	(13,194)	(12,327)
Interest expense, net	4,610	2,693
Loss before income taxes	(17,804)	(15,020)
Income tax benefit	(3,367)	(4,041)
Net loss	<u>\$ (14,437)</u>	<u>\$ (10,979)</u>
Net loss per share, basic and diluted	<u>\$ (0.68)</u>	<u>\$ (0.54)</u>
Weighted average common shares outstanding, basic and diluted	<u>21,374,897</u>	<u>20,384,557</u>

TABULA RASA HEALTHCARE, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended	
	March 31,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (14,437)	\$ (10,979)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	9,913	6,299
Amortization of deferred financing costs and debt discount	3,252	1,575
Deferred taxes	(3,367)	(3,381)
Stock-based compensation	7,137	6,852
Change in fair value of acquisition-related contingent consideration	700	1,176
Acquisition-related contingent consideration paid	—	(24,428)
Other noncash items	—	12
Changes in operating assets and liabilities, net of effect from acquisitions:		
Accounts receivable, net	(7,114)	(3,258)
Inventories	(1,435)	(117)
Prepaid expenses and other current assets	4,625	(2,029)
Other assets	54	(354)
Accounts payable	1,528	(1,458)
Accrued expenses and other liabilities	(1,633)	3,464
Other long-term liabilities	(20)	(20)
Net cash used in operating activities	<u>(797)</u>	<u>(26,646)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(763)	(1,019)
Software development costs	(4,228)	(2,630)
Proceeds from repayment of note receivable	—	1,000
Acquisitions of businesses, net of cash acquired	—	(158,726)
Net cash used in investing activities	<u>(4,991)</u>	<u>(161,375)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	1,153	1,037
Payments for debt financing costs	—	(9,418)
Repayments of line of credit	—	(45,000)
Payments of acquisition-related contingent consideration	—	(18,722)
Repayments of long-term debt and finance leases	(49)	(276)
Proceeds from issuance of convertible senior subordinated notes	—	325,000
Proceeds from sale of warrants	—	65,910
Purchase of convertible note hedges	—	(101,660)
Net cash provided by financing activities	<u>1,104</u>	<u>216,871</u>
Net (decrease) increase in cash and restricted cash	(4,684)	28,850
Cash and restricted cash, beginning of period	46,581	25,029
Cash and restricted cash, end of period	<u>\$ 41,897</u>	<u>\$ 53,879</u>

TABULA RASA HEALTHCARE, INC.
UNAUDITED SEGMENT RESULTS
(In thousands)

	<u>Three Months Ended</u>	
	<u>March 31, 2020</u>	
Revenue		
CareVention HealthCare:		
PACE product revenue	\$	37,087
PACE solutions		11,571
Total CareVention HealthCare		48,658
MedWise HealthCare:		
Medication safety services		14,320
Software subscriptions		9,849
Total MedWise HealthCare		24,169
Total Revenue	\$	72,827
Adjusted EBITDA		
CareVention HealthCare	\$	11,748
MedWise HealthCare		2,831
Shares Services		(9,772)
Total Adjusted EBITDA	\$	4,807

	<u>Three Months Ended</u>				<u>Year Ended</u>
	<u>March 31, 2019</u>	<u>June 30, 2019</u>	<u>September 30, 2019</u>	<u>December 31, 2019</u>	<u>December 31, 2019</u>
Revenue					
CareVention HealthCare:					
PACE product revenue	\$ 30,982	\$ 33,372	\$ 34,966	\$ 37,810	\$ 137,130
PACE solutions	11,174	11,437	11,276	12,021	45,908
Total CareVention HealthCare	42,156	44,809	46,242	49,831	183,038
MedWise HealthCare:					
Medication safety services	15,351	22,498	18,706	13,362	69,917
Software subscriptions	3,452	8,948	9,322	10,030	31,752
Total MedWise HealthCare	18,803	31,446	28,028	23,392	101,669
Total Revenue	\$ 60,959	\$ 76,255	\$ 74,270	\$ 73,223	\$ 284,707
Adjusted EBITDA					
CareVention HealthCare	\$ 10,620	\$ 11,466	\$ 12,632	\$ 12,773	\$ 47,491
MedWise HealthCare	1,648	9,059	5,388	2,181	18,276
Shares Services	(6,577)	(6,873)	(7,444)	(6,952)	(27,846)
Total Adjusted EBITDA	\$ 5,691	\$ 13,652	\$ 10,576	\$ 8,002	\$ 37,921

TABULA RASA HEALTHCARE, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP MEASURES
(In thousands except share and per share amounts)

	Three Months Ended March 31,	
	2020	2019
Reconciliation of net loss to Adjusted EBITDA		
Net loss	\$ (14,437)	\$ (10,979)
Add:		
Interest expense, net	4,610	2,693
Income tax benefit	(3,367)	(4,041)
Depreciation and amortization	9,913	6,299
Change in fair value of acquisition-related contingent consideration expense	700	1,176
Acquisition-related expense	251	3,691
Stock-based compensation related expense	7,137	6,852
Adjusted EBITDA	<u>\$ 4,807</u>	<u>\$ 5,691</u>

	Three Months Ended March 31,			
	2020		2019	
Reconciliation of diluted net loss per share to Adjusted Diluted EPS				
GAAP net loss, basic and diluted, and net loss per share, basic and diluted	\$ (14,437)	\$ (0.68)	\$ (10,979)	\$ (0.54)
Adjustments:				
Change in fair value of acquisition-related contingent consideration expense	700		1,176	
Amortization of acquired intangibles	6,822		4,667	
Amortization of debt discount and issuance costs	3,152		1,527	
Acquisition-related expense	251		3,691	
Stock-based compensation expense	7,137		6,852	
Impact to income taxes ⁽¹⁾	(3,435)		(4,737)	
Adjusted net income and Adjusted Diluted EPS	<u>\$ 190</u>	<u>\$ 0.01</u>	<u>\$ 2,197</u>	<u>\$ 0.10</u>

- (1) The impact to taxes was calculated using a normalized statutory tax rate applied to pre-tax loss adjusted for the respective items above and then subtracting the tax provision as determined for GAAP purposes.

	Three Months Ended	
	March 31,	
	2020	2019
Reconciliation of weighted average shares of common stock outstanding, diluted, to weighted average shares of common stock outstanding, diluted for Adjusted Diluted EPS		
Weighted average shares of common stock outstanding, basic and diluted for GAAP	21,374,897	20,384,557
Adjustments:		
Weighted average dilutive effect of stock options	1,384,878	1,675,014
Weighted average dilutive effect of restricted stock	484,979	842,134
Weighted average dilutive effect of contingent shares	75,569	28,665
Weighted average shares of common stock outstanding, diluted for Adjusted Diluted EPS ⁽¹⁾	<u>23,320,323</u>	<u>22,930,370</u>

- (1) TRHC account for the convertible senior subordinated notes utilizing the Treasury Stock Method as we currently intend to settle the notes entirely or partly in cash. Under this method, the underlying shares of TRHC common stock issuable upon conversion of the notes are excluded from the calculation of diluted EPS, except to the extent that the average stock price for the reporting period exceeds their conversion price of \$69.95 per share. For the three months ended March 31, 2020, there was no impact on diluted EPS from the convertible senior subordinated notes as the conversion price exceeded TRHC's average stock price.

TABULA RASA HEALTHCARE, INC.
UNAUDITED RECONCILIATION OF GAAP TO NON-GAAP GUIDANCE RANGES
(In millions)

	<u>LOW</u>	<u>HIGH</u>	<u>LOW</u>	<u>HIGH</u>
	<u>Three Months Ended June 30, 2020</u>		<u>Year Ended December 31, 2020</u>	
Reconciliation from Net Loss Guidance to Adjusted EBITDA Guidance				
Net loss:	\$ (12.3)	\$ (10.8)	\$ (35.5)	\$ (30.5)
Add:				
Interest expense	4.7	4.7	19.0	19.0
Income tax benefit	(2.6)	(2.1)	(7.3)	(6.3)
Depreciation and amortization	10.2	10.2	40.7	40.7
Stock-based compensation expense	7.0	7.0	28.1	28.1
Change in fair value of contingent consideration	—	—	0.7	0.7
Acquisition-related expense	—	—	0.3	0.3
Adjusted EBITDA	<u>\$ 7.0</u>	<u>\$ 9.0</u>	<u>\$ 46.0</u>	<u>\$ 52.0</u>