

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

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash	\$ 38,752	\$ 42,478
Restricted cash	3,132	4,103
Accounts receivable, net	36,896	29,123
Inventories	4,103	3,700
Prepaid expenses	4,173	4,299
Other current assets	6,577	10,835
Total current assets	93,633	94,538
Property and equipment, net	15,531	15,798
Operating lease right-of-use assets	22,411	22,100
Software development costs, net	23,422	18,501
Goodwill	150,760	150,760
Intangible assets, net	175,768	189,413
Other assets	1,017	1,281
Total assets	<u>\$ 482,542</u>	<u>\$ 492,391</u>
Liabilities and stockholders' equity		
Current liabilities:		
Current portion of long-term debt and finance leases, net	\$ 8	\$ 125
Current operating lease liabilities	4,579	4,350
Accounts payable	7,253	8,622
Accrued expenses and other liabilities	26,944	26,906
Total current liabilities	38,784	40,003
Long-term debt and finance leases, net	232,658	226,294
Noncurrent operating lease liabilities	21,011	21,017
Long-term acquisition-related contingent consideration	11,400	10,800
Deferred income tax liability	4,781	8,656
Other long-term liabilities	485	73
Total liabilities	309,119	306,843
Stockholders' equity:		
Common stock	2	2
Treasury stock	(3,956)	(3,865)
Additional paid-in capital	305,058	288,345
Accumulated deficit	(127,681)	(98,934)
Total stockholders' equity	173,423	185,548
Total liabilities and stockholders' equity	<u>\$ 482,542</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 June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Product revenue	\$ 39,373	\$ 33,372	\$ 76,460	\$ 64,354
Service revenue	37,461	42,883	73,201	72,860
Total revenue	<u>76,834</u>	<u>76,255</u>	<u>149,661</u>	<u>137,214</u>
Cost of revenue, exclusive of depreciation and amortization shown below:				
Product cost	29,042	24,861	56,241	48,336
Service cost	22,656	20,295	43,530	38,488
Total cost of revenue, exclusive of depreciation and amortization	<u>51,698</u>	<u>45,156</u>	<u>99,771</u>	<u>86,824</u>
Operating expenses:				
Research and development	3,821	5,197	8,649	10,747
Sales and marketing	5,027	6,871	10,567	11,721
General and administrative	16,327	12,883	33,294	26,626
Change in fair value of acquisition-related contingent consideration (income) expense	(100)	1,830	600	3,006
Depreciation and amortization	10,211	9,078	20,124	15,377
Total operating expenses	<u>35,286</u>	<u>35,859</u>	<u>73,234</u>	<u>67,477</u>
Loss from operations	(10,150)	(4,760)	(23,344)	(17,087)
Interest expense, net	4,668	4,308	9,278	7,001
Loss before income taxes	(14,818)	(9,068)	(32,622)	(24,088)
Income tax benefit	(508)	(2,539)	(3,875)	(6,580)
Net loss	<u>\$ (14,310)</u>	<u>\$ (6,529)</u>	<u>\$ (28,747)</u>	<u>\$ (17,508)</u>
Net loss per share, basic and diluted	<u>\$ (0.66)</u>	<u>\$ (0.32)</u>	<u>\$ (1.34)</u>	<u>\$ (0.86)</u>
Weighted average common shares outstanding, basic and diluted	<u>21,556,646</u>	<u>20,482,032</u>	<u>21,465,772</u>	<u>20,433,564</u>

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

	Six Months Ended	
	June 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (28,747)	\$ (17,508)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	20,124	15,377
Amortization of deferred financing costs and debt discount	6,566	4,603
Deferred taxes	(3,875)	(6,633)
Stock-based compensation	14,310	13,758
Change in fair value of acquisition-related contingent consideration	600	3,006
Acquisition-related contingent consideration paid	—	(24,450)
Other noncash items	—	12
Changes in operating assets and liabilities, net of effect from acquisitions:		
Accounts receivable, net	(7,773)	(2,383)
Inventories	(403)	(89)
Prepaid expenses and other current assets	3,815	(1,468)
Other assets	(4)	(140)
Accounts payable	(1,588)	(5,571)
Accrued expenses and other liabilities	(49)	5,661
Other long-term liabilities	412	(40)
Net cash provided by (used in) operating activities	<u>3,388</u>	<u>(15,865)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(1,447)	(3,508)
Software development costs	(8,898)	(6,618)
Proceeds from repayment of note receivable	—	1,000
Acquisitions of businesses, net of cash acquired	—	(158,762)
Net cash used in investing activities	<u>(10,345)</u>	<u>(167,888)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	2,312	1,536
Payments for debt financing costs	—	(9,477)
Repayments of line of credit	—	(45,000)
Payments of acquisition-related contingent consideration	—	(20,342)
Repayments of long-term debt and finance leases	(52)	(541)
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>2,260</u>	<u>215,426</u>
Net (decrease) increase in cash and restricted cash	(4,697)	31,673
Cash and restricted cash, beginning of period	46,581	25,029
Cash and restricted cash, end of period	<u>\$ 41,884</u>	<u>\$ 56,702</u>

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

	Three Months Ended		Six Months Ended
	March 31, 2020	June 30, 2020	June 30, 2020
Revenue			
CareVention HealthCare:			
PACE product revenue	\$ 37,087	\$ 38,930	\$ 76,017
PACE solutions	11,571	11,522	23,093
Total CareVention HealthCare	48,658	50,452	99,110
MedWise HealthCare:			
Product revenue	—	443	443
Medication safety services	14,320	15,707	30,027
Software subscription and services	9,849	10,232	20,081
Total MedWise HealthCare	24,169	26,382	50,551
Total Revenue	\$ 72,827	\$ 76,834	\$ 149,661
Adjusted EBITDA			
CareVention HealthCare	\$ 11,748	\$ 12,077	\$ 23,825
MedWise HealthCare	2,831	4,697	7,528
Shared Services	(9,772)	(9,640)	(19,412)
Total Adjusted EBITDA	\$ 4,807	\$ 7,134	\$ 11,941

	Three Months Ended				Year Ended
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	December 31, 2019
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 subscription and services	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)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Reconciliation of net loss to Adjusted EBITDA				
Net loss	\$ (14,310)	\$ (6,529)	\$ (28,747)	\$ (17,508)
Add:				
Interest expense, net	4,668	4,308	9,278	7,001
Income tax benefit	(508)	(2,539)	(3,875)	(6,580)
Depreciation and amortization	10,211	9,078	20,124	15,377
Change in fair value of acquisition-related contingent consideration (income) expense	(100)	1,830	600	3,006
Acquisition-related expense	—	598	251	4,289
Stock-based compensation expense	7,173	6,906	14,310	13,758
Adjusted EBITDA	<u>\$ 7,134</u>	<u>\$ 13,652</u>	<u>\$ 11,941</u>	<u>\$ 19,343</u>

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>					
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>				
(In thousands except per share amounts)								
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	\$ (14,310)	\$ (0.66)	\$ (6,529)	\$ (0.32)	\$ (28,747)	\$ (1.34)	\$ (17,508)	\$ (0.86)
Adjustments:								
Change in fair value of acquisition-related contingent consideration (income) expense	(100)	1,830	600	3,006				
Amortization of acquired intangibles	6,823	7,084	13,645	11,751				
Amortization of debt discount and issuance costs	3,215	2,967	6,367	4,494				
Acquisition-related expense	—	598	251	4,289				
Stock-based compensation expense	7,173	6,906	14,310	13,758				
Impact to income taxes ⁽¹⁾	(1,109)	(4,931)	(4,544)	(9,666)				
Adjusted net income and Adjusted Diluted EPS	<u>\$ 1,692</u>	<u>\$ 0.07</u>	<u>\$ 7,925</u>	<u>\$ 0.35</u>	<u>\$ 1,882</u>	<u>\$ 0.08</u>	<u>\$ 10,124</u>	<u>\$ 0.44</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.

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
(In thousands)				
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	21,556,646	20,482,032	21,465,772	20,433,564
Adjustments:				
Weighted average dilutive effect of stock options	1,332,551	1,500,839	1,358,715	1,587,926
Weighted average dilutive effect of restricted stock	510,783	759,118	497,881	800,626
Weighted average dilutive effect of contingent shares	58,409	21,946	66,989	25,305
Weighted average shares of common stock outstanding, diluted for Adjusted Diluted EPS ⁽¹⁾	<u>23,458,389</u>	<u>22,763,935</u>	<u>23,389,357</u>	<u>22,847,421</u>

- (1) TRHC accounts for the convertible senior subordinated notes utilizing the Treasury Stock Method as the Company currently intends 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 June 30, 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>Three Months Ended September 30, 2020</u>		<u>Year Ended December 31, 2020</u>	
	<u>LOW</u>	<u>HIGH</u>	<u>LOW</u>	<u>HIGH</u>
Reconciliation from Net Loss Guidance to Adjusted EBITDA Guidance				
Net loss:	\$ (15.1)	\$ (13.3)	\$ (58.5)	\$ (53.3)
Add:				
Interest expense	4.8	4.8	18.9	18.9
Income tax benefit	(2.1)	(1.9)	(8.2)	(7.4)
Depreciation and amortization	12.1	12.1	44.9	44.9
Stock-based compensation expense	7.3	7.3	29.0	29.0
Change in fair value of contingent consideration	—	—	0.6	0.6
Acquisition-related expense	—	—	0.3	0.3
Adjusted EBITDA	<u>\$ 7.0</u>	<u>\$ 9.0</u>	<u>\$ 27.0</u>	<u>\$ 33.0</u>