

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenue:				
Product revenue	\$ 39,365	\$ 34,966	\$ 115,825	\$ 99,320
Service revenue	31,141	39,304	104,342	112,164
Total revenue	70,506	74,270	220,167	211,484
Cost of revenue, exclusive of depreciation and amortization shown below:				
Product cost	28,638	25,931	84,879	74,267
Service cost	20,610	20,510	64,140	58,998
Total cost of revenue, exclusive of depreciation and amortization	49,248	46,441	149,019	133,265
Operating expenses:				
Research and development	5,101	5,902	13,750	16,649
Sales and marketing	5,030	6,884	15,597	18,605
General and administrative	15,620	12,155	48,914	38,781
Change in fair value of acquisition-related contingent consideration expense	2,005	1,510	2,605	4,516
Depreciation and amortization	12,199	9,142	32,323	24,519
Total operating expenses	39,955	35,593	113,189	103,070
Loss from operations	(18,697)	(7,764)	(42,041)	(24,851)
Interest expense, net	4,722	4,441	14,000	11,442
Loss before income taxes	(23,419)	(12,205)	(56,041)	(36,293)
Income tax benefit	(1,830)	(4,101)	(5,705)	(10,681)
Net loss	\$ (21,589)	\$ (8,104)	\$ (50,336)	\$ (25,612)
Net loss per share, basic and diluted	\$ (0.99)	\$ (0.39)	\$ (2.33)	\$ (1.25)
Weighted average common shares outstanding, basic and diluted	21,779,808	20,691,112	21,571,214	20,520,357

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

	Nine Months Ended September 30,	
	2020	2019
Cash flows from operating activities:		
Net loss	\$ (50,336)	\$ (25,612)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	32,323	24,519
Amortization of deferred financing costs and debt discount	9,925	7,689
Deferred taxes	(5,705)	(10,749)
Stock-based compensation	22,408	20,983
Change in fair value of acquisition-related contingent consideration	2,605	4,516
Acquisition-related contingent consideration paid	(2,390)	(24,480)
Other noncash items	(70)	12
Changes in operating assets and liabilities, net of effect from acquisitions:		
Accounts receivable, net	(3,220)	(417)
Inventories	(494)	(220)
Prepaid expenses and other current assets	7,209	(2,626)
Other assets	(382)	(53)
Accounts payable	(1,432)	(5,787)
Accrued expenses and other liabilities	(5,408)	5,474
Other long-term liabilities	315	(60)
Net cash provided by (used in) operating activities	<u>5,348</u>	<u>(6,811)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(2,537)	(5,202)
Software development costs	(13,734)	(10,285)
Purchases of intangible assets	—	(1,202)
Proceeds from repayment of note receivable	—	1,000
Acquisitions of businesses, net of cash acquired	—	(158,762)
Net cash used in investing activities	<u>(16,271)</u>	<u>(174,451)</u>
Cash flows from financing activities:		
Proceeds from exercise of stock options	3,225	2,503
Payments for employee taxes for shares withheld	(2,993)	—
Payments for debt financing costs	(38)	(9,632)
Repayments of line of credit	—	(45,000)
Payments of acquisition-related contingent consideration	(3,504)	(29,062)
Repayments of long-term debt and finance leases	(54)	(757)
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 (used in) provided by financing activities	<u>(3,364)</u>	<u>207,302</u>
Net (decrease) increase in cash and restricted cash	(14,287)	26,040
Cash and restricted cash, beginning of period	46,581	25,029
Cash and restricted cash, end of period	<u>\$ 32,294</u>	<u>\$ 51,069</u>

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

	Three Months Ended			Nine Months Ended
	March 31, 2020	June 30, 2020	September 30, 2020	September 30, 2020
Revenue				
CareVention HealthCare:				
PACE product revenue	\$ 37,087	\$ 38,930	\$ 39,086	\$ 115,103
PACE solutions	11,571	11,522	11,214	34,307
Total CareVention HealthCare	48,658	50,452	50,300	149,410
MedWise HealthCare:				
Product revenue	—	443	279	722
Medication safety services	14,320	15,707	9,817	39,844
Software subscription and services	9,849	10,232	10,110	30,191
Total MedWise HealthCare	24,169	26,382	20,206	70,757
Total Revenue	\$ 72,827	\$ 76,834	\$ 70,506	\$ 220,167
Adjusted EBITDA				
CareVention HealthCare	\$ 11,748	\$ 12,077	\$ 12,735	\$ 36,560
MedWise HealthCare	2,831	4,697	1,009	8,537
Shared Services	(9,772)	(9,640)	(8,650)	(28,062)
Total Adjusted EBITDA	\$ 4,807	\$ 7,134	\$ 5,094	\$ 17,035

	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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Reconciliation of net loss to Adjusted EBITDA				
Net loss	\$ (21,589)	\$ (8,104)	\$ (50,336)	\$ (25,612)
Add:				
Interest expense, net	4,722	4,441	14,000	11,442
Income tax benefit	(1,830)	(4,101)	(5,705)	(10,681)
Depreciation and amortization	12,199	9,142	32,323	24,519
Change in fair value of acquisition-related contingent consideration expense	2,005	1,510	2,605	4,516
Severance expense	917	—	917	—
Acquisition-related expense	572	463	823	4,752
Stock-based compensation expense	8,098	7,225	22,408	20,983
Adjusted EBITDA	<u>\$ 5,094</u>	<u>\$ 10,576</u>	<u>\$ 17,035</u>	<u>\$ 29,919</u>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	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	\$ (21,589)	\$ (0.99)	\$ (50,336)	\$ (2.33)
Adjustments:				
Change in fair value of acquisition-related contingent consideration expense	2,005	1,510	2,605	4,516
Amortization of acquired intangibles	8,291	6,927	21,936	18,678
Amortization of debt discount and issuance costs	3,280	3,012	9,647	7,506
Severance expense	917	—	917	—
Acquisition-related expense	572	463	823	4,752
Stock-based compensation expense	8,098	7,225	22,408	20,983
Impact to income taxes ⁽¹⁾	(1,762)	(6,049)	(6,306)	(15,716)
Adjusted net (loss) income and Adjusted Diluted EPS	<u>\$ (188)</u>	<u>\$ (0.01)</u>	<u>\$ 1,694</u>	<u>\$ 0.66</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	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	21,779,808	20,691,112	21,571,214	20,520,357
Adjustments:				
Weighted average dilutive effect of stock options	—	1,555,922	1,281,367	1,577,258
Weighted average dilutive effect of restricted stock	—	809,601	491,245	803,618
Weighted average dilutive effect of contingent shares	—	30,502	74,102	27,037
Weighted average shares of common stock outstanding, diluted for Adjusted Diluted EPS ⁽¹⁾	<u>21,779,808</u>	<u>23,087,137</u>	<u>23,417,928</u>	<u>22,928,270</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 and nine months ended September 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 December 31, 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:	\$ (18.5)	\$ (17.6)	\$ (68.8)	\$ (67.9)
Add:				
Interest expense	4.9	4.9	18.9	18.9
Income tax benefit	(2.1)	(2.0)	(7.8)	(7.7)
Depreciation and amortization	12.6	12.6	44.9	44.9
Stock-based compensation expense	7.1	7.1	29.5	29.5
Change in fair value of contingent consideration	—	—	2.6	2.6
Severance expense	—	—	0.9	0.9
Acquisition-related expense	—	—	0.8	0.8
Adjusted EBITDA	<u>\$ 4.0</u>	<u>\$ 5.0</u>	<u>\$ 21.0</u>	<u>\$ 22.0</u>