



**TABULA RASA HEALTHCARE, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
**For the period ended March 31, 2022**

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**TABULA RASA HEALTHCARE, INC.**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
**(In thousands, except share and per share amounts)**

	March 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash	\$ 14,449	\$ 9,395
Restricted cash	3,839	6,038
Accounts receivable, net of allowance of \$103 and \$110, respectively	22,439	21,405
Inventories	4,900	5,444
Prepaid expenses	3,643	3,812
Client claims receivable	12,936	11,257
Other current assets	23,987	18,033
Current assets of discontinued operations	202,927	14,511
Total current assets	289,120	89,895
Property and equipment, net	11,139	11,778
Operating lease right-of-use assets	15,299	16,323
Software development costs, net	27,710	29,254
Goodwill	115,323	115,323
Intangible assets, net	43,664	45,358
Other assets	4,548	3,929
Noncurrent assets of discontinued operations	—	187,558
Total assets	<u>\$ 506,803</u>	<u>\$ 499,418</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Current operating lease liabilities	\$ 3,335	\$ 3,275
Accounts payable	9,537	8,870
Client claims payable	8,789	8,398
Accrued expenses and other liabilities	39,592	40,997
Current liabilities of discontinued operations	14,950	12,380
Total current liabilities	76,203	73,920
Line of credit	57,200	29,500
Long-term debt, net	319,630	319,299
Noncurrent operating lease liabilities	14,753	15,792
Deferred income tax liability, net	1,678	1,402
Other long-term liabilities	1,107	176
Noncurrent liabilities of discontinued operations	—	3,573
Total liabilities	470,571	443,662
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding at March 31, 2022 and December 31, 2021	—	—
Common stock, \$0.0001 par value; 100,000,000 shares authorized, 26,361,787 and 26,036,236 shares issued and 25,853,103 and 25,666,434 shares outstanding at March 31, 2022 and December 31, 2021, respectively	3	3
Treasury stock, at cost; 508,684 and 369,802 shares at March 31, 2022 and December 31, 2021, respectively	(4,292)	(4,292)
Additional paid-in capital	329,061	320,392
Accumulated deficit	(288,540)	(260,347)
Total stockholders' equity	36,232	55,756
Total liabilities and stockholders' equity	<u>\$ 506,803</u>	<u>\$ 499,418</u>

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended	
	March 31,	
	2022	2021
Revenue:		
Product revenue	\$ 50,973	\$ 41,842
Service revenue	16,137	16,936
Total revenue	<u>67,110</u>	<u>58,778</u>
Cost of revenue, exclusive of depreciation and amortization shown below:		
Product cost	39,552	31,357
Service cost	13,169	12,622
Total cost of revenue, exclusive of depreciation and amortization	<u>52,721</u>	<u>43,979</u>
Operating expenses:		
Research and development	3,965	3,059
Sales and marketing	2,649	2,967
General and administrative	15,878	14,680
Long-lived asset impairment charge	4,062	—
Depreciation and amortization	5,742	4,801
Total operating expenses	<u>32,296</u>	<u>25,507</u>
Loss from operations	(17,907)	(10,708)
Interest expense, net	2,269	2,547
Loss from continuing operations before income taxes	(20,176)	(13,255)
Income tax expense	216	121
Net loss from continuing operations	(20,392)	(13,376)
Net loss from discontinued operations, net of tax (Note 3)	(7,801)	(6,116)
Net loss	<u>\$ (28,193)</u>	<u>\$ (19,492)</u>
Net loss per share:		
Net loss per share from continuing operations, basic and diluted	\$ (0.85)	\$ (0.58)
Net loss per share from discontinued operations, basic and diluted	(0.33)	(0.27)
Total net loss per share, basic and diluted	<u>\$ (1.18)</u>	<u>\$ (0.85)</u>
Weighted average common shares outstanding, basic and diluted	<u>23,865,801</u>	<u>23,010,531</u>

See accompanying notes to unaudited consolidated financial statements.

**TABULA RASA HEALTHCARE, INC.**  
**UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands, except share amounts)

	<b>Stockholders' Equity</b>						
	<b>Three Months Ended March 31, 2022</b>						
	<b>Common Stock</b>		<b>Treasury Stock</b>		<b>Additional</b>	<b>Accumulated</b>	<b>Stockholders'</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Paid-in Capital</b>	<b>Deficit</b>	<b>Equity</b>
Balance, January 1, 2022	26,036,236	\$ 3	(369,802)	\$ (4,292)	\$ 320,392	\$ (260,347)	\$ 55,756
Issuance of common stock awards	16,471	—	—	—	—	—	—
Issuance of restricted stock	297,434	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(138,882)	—	—	—	—
Exercise of stock options, net of shares withheld	11,646	—	—	—	60	—	60
Stock-based compensation expense	—	—	—	—	8,609	—	8,609
Net loss	—	—	—	—	—	(28,193)	(28,193)
Balance, March 31, 2022	<u>26,361,787</u>	<u>\$ 3</u>	<u>(508,684)</u>	<u>\$ (4,292)</u>	<u>\$ 329,061</u>	<u>\$ (288,540)</u>	<u>\$ 36,232</u>

	<b>Stockholders' Equity</b>						
	<b>Three Months Ended March 31, 2021</b>						
	<b>Common Stock</b>		<b>Treasury Stock</b>		<b>Additional</b>	<b>Accumulated</b>	<b>Stockholders'</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>	<b>Amount</b>	<b>Paid-in Capital</b>	<b>Deficit</b>	<b>Equity</b>
Balance, January 1, 2021	24,222,674	\$ 2	(217,778)	\$ (4,018)	\$ 352,445	\$ (179,900)	\$ 168,529
Cumulative effect of change in accounting policy	—	—	—	—	(74,850)	(1,392)	(76,242)
Issuance of common stock awards	1,416	—	—	—	—	—	—
Issuance of restricted stock	629,088	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(12,880)	—	—	—	—
Exercise of stock options, net of shares withheld	224,503	—	(6,218)	(274)	2,501	—	2,227
Stock-based compensation expense	—	—	—	—	8,602	—	8,602
Net loss	—	—	—	—	—	(19,492)	(19,492)
Balance, March 31, 2021	<u>25,077,681</u>	<u>\$ 2</u>	<u>(236,876)</u>	<u>\$ (4,292)</u>	<u>\$ 288,698</u>	<u>\$ (200,784)</u>	<u>\$ 83,624</u>

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended March 31,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net loss	\$ (28,193)	\$ (19,492)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	13,073	11,625
Amortization of deferred financing costs and debt discount	468	635
Deferred taxes	276	174
Stock-based compensation	8,609	8,602
Acquisition-related contingent consideration paid	—	(67)
Impairment charges	4,902	—
Other noncash items	(95)	—
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,570)	3,151
Inventories	544	177
Prepaid expenses and other current assets	(7,131)	(1,247)
Client claims receivables	(1,679)	(924)
Other assets	(374)	(2,610)
Accounts payable	80	(4,448)
Accrued expenses and other liabilities	(2,274)	2,012
Client claims payables	391	(1,698)
Other long-term liabilities	1,238	32
Net cash used in operating activities	<u>(15,735)</u>	<u>(4,078)</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(217)	(522)
Software development costs	(8,749)	(5,863)
Net cash used in investing activities	<u>(8,966)</u>	<u>(6,385)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from exercise of stock options	60	2,226
Payments for debt financing costs	(350)	—
Borrowings on line of credit	27,700	7,500
Payment of acquisition-related notes payable	—	(7,500)
Payments of acquisition-related contingent consideration	—	(99)
Repayments of long-term debt and finance leases	—	(3)
Net cash provided by financing activities	<u>27,410</u>	<u>2,124</u>
Net increase (decrease) in cash and restricted cash	2,709	(8,339)
Cash and restricted cash, beginning of period	15,706	28,532
Cash and restricted cash, end of period <sup>(1)</sup>	<u>\$ 18,415</u>	<u>\$ 20,193</u>
<b>Supplemental disclosure of cash flow information:</b>		
Purchases of property and equipment and software development included in accounts payable and accrued expenses	\$ —	\$ 116
Cash paid for interest	\$ 3,269	\$ 3,045
Cash paid for taxes	\$ 8	\$ 3
Interest costs capitalized to software development costs	\$ 87	\$ 57
<b>Reconciliation of cash and restricted cash:</b>		
Cash	\$ 14,449	\$ 16,656
Restricted cash	3,839	3,294
Cash from discontinued operations	127	243
Total cash and restricted cash	<u>\$ 18,415</u>	<u>\$ 20,193</u>

(1) The cash flows related to discontinued operations have not been segregated. Accordingly, the unaudited consolidated statements of cash flows include the results of continuing and discontinued operations. See Note 3 for discussion of discontinued operations.

See accompanying notes to unaudited consolidated financial statements.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**1. Nature of Business**

Tabula Rasa HealthCare, Inc. (the “Company”) is a healthcare technology company advancing the safe use of medications by creating solutions designed to empower pharmacists, providers, and patients to optimize medication regimens. The Company’s advanced proprietary technology, MedWise®, identifies causes of and risks for medication-related problems, including adverse drug events, so healthcare professionals can minimize harm and reduce medication-related risks. The Company’s software and services help improve patient outcomes and lower healthcare costs through reduced hospitalizations, emergency department visits, and healthcare utilization. The Company serves a number of different organizations within the healthcare industry, including health plans, pharmacies, hospital sites, and at-risk provider groups, the majority of which are organizations with Programs of All-Inclusive Care for the Elderly (“PACE”).

**2. Basis of Presentation, Summary of Significant Accounting Policies, and Recent Accounting Pronouncements**

**(a) Basis of Presentation**

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) regarding interim financial reporting. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual audited consolidated financial statements and, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals and adjustments) necessary to present fairly the Company’s interim consolidated financial position for the periods indicated. The interim results for the three months ended March 31, 2022 are not necessarily indicative of results to be expected for the year ending December 31, 2022, any other interim periods, or any future year or period. As such, the information included in this Quarterly Report on Form 10-Q should be read in conjunction with the audited consolidated financial statements and accompanying notes included in the Company’s annual report on Form 10-K filed with the SEC on February 25, 2022 (the “2021 Form 10-K”).

Except as described below, there have been no material changes to the Company’s significant accounting policies described in the 2021 Form 10-K that have a material impact on the Company’s accompanying unaudited consolidated financial statements and related notes.

**(b) Assets and Liabilities Held for Sale and Discontinued Operations**

A long-lived asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable within a year. A long-lived asset (or disposal group) classified as held for sale is initially measured at the lower of its carrying amount or fair value less costs to sell. An impairment loss is recognized for any initial or subsequent write-down of the long-lived asset (or disposal group) to fair value less costs to sell. A gain or loss not previously recognized by the date of the sale of the long-lived asset (or disposal group) is recognized at the date of derecognition.

Long-lived assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Long-lived assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Unless otherwise noted, amounts and disclosures throughout the notes to the unaudited consolidated financial statements relate to the Company’s continuing operations.

Additional details surrounding the Company’s assets and liabilities held for sale and discontinued operations are included in Note 3.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**(c) Cloud Computing Arrangements**

Costs to implement cloud computing arrangements that are hosted by third-party vendors are capitalized when incurred during the application development phase. Capitalized implementation costs are amortized on a straight-line basis over the reasonably certain term of the hosting arrangement, beginning when the service is ready for its intended use. As of March 31, 2022 and December 31, 2021, capitalized implementation costs of \$814 and \$747, respectively, were included in prepaid expenses, and \$364 and \$0, respectively, were included in other assets on the Company's consolidated balance sheets. Accumulated amortization for these arrangements was \$450 and \$398 as of March 31, 2022 and December 31, 2021, respectively. Amortization expense for the three months ended March 31, 2022 and 2021, was \$53 and \$50, respectively.

**(d) Vendor Financing Arrangements**

On February 24, 2022, the Company expanded its existing relationship with a third-party service provider for business process outsourcing and technology services for its third-party administration services and electronic health records solutions. As a result, the third-party provider hired approximately 180 employees from the Company, hired to fill existing open positions, and will augment with additional resources to meet client demand. The agreement term is seven years and includes total estimated fees of \$115,300.

The arrangement includes extended payment terms for cloud computing implementation costs, internally developed software support, and business process support. In order to determine the present value of the commitment, the Company used an imputed interest rate of 9.5%, which is reflective of its estimated uncollateralized borrowing rate. As of March 31, 2022, the outstanding principal balance of the financing arrangement was \$1,350 with an unamortized discount of \$371, and was included in accrued expenses and other liabilities and other long-term liabilities on the Company's consolidated balance sheet. Imputed interest expense from the arrangement was \$6 for the three months ended March 31, 2022.

**(e) Recent Accounting Pronouncements**

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers ("ASU 2021-08"). ASU 2021-08 requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities from acquired contracts using the revenue recognition guidance under ASC Topic 606 (Revenue from Contracts with Customers) in order to align the recognition of a contract liability with the definition of performance obligation. This approach differs from the current requirement to measure contract assets and contract liabilities acquired in a business combination at fair value. ASU 2021-08 is effective for financial statements issued for fiscal years beginning after December 15, 2022; early adoption is permitted. The Company is currently evaluating the potential impact of the adoption of this standard on the Company's consolidated financial statements.

**3. Discontinued Operations**

In February 2022, the Company announced plans to evaluate non-core assets, refocus its corporate strategy, and increase stockholder value, and the Company commenced a plan to sell the DoseMe business, which the Company acquired in January 2019. In March 2022, the Company completed its evaluation of additional divestiture opportunities and commenced plans to sell the SinfoniaRx and PrescribeWellness businesses, which were acquired in September 2017 and March 2019, respectively. The Company considers the sales to be highly probable within one year.

The DoseMe, SinfoniaRx, and PrescribeWellness businesses comprise the majority of the Company's MedWise HealthCare segment. The Company's plan of sale represents a strategic business shift having a significant effect on the Company's operations and financial results. As a result, the Company determined that these businesses met the requirements to be classified as held for sale and discontinued operations as of March 31, 2022. Accordingly, unless otherwise indicated, the accompanying consolidated financial statements have been recast for all periods presented to reflect the assets, liabilities, revenue, and expenses related to these businesses as discontinued operations.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

During the three months ended March 31, 2022, as a result of the Company's intention to sell the aforementioned businesses, the Company prepared an impairment test on the related net assets held for sale. The Company concluded that the carrying value of the net assets held for sale for the DoseMe business did not exceed its fair value as determined using a market approach, less costs to sell. As a result, the Company recorded a goodwill impairment charge of \$740 and an impairment charge on the net assets held for sale of \$100 for the three months ended March 31, 2022. The Company determined that there was an excess of fair value over the carrying value of the net assets held for sale for the SinfoniaRx and PrescribeWellness businesses, and therefore no impairment charges were recorded related to these businesses.

The following table summarizes the results of operations of the DoseMe, SinfoniaRx, and PrescribeWellness businesses, which are included in loss from discontinued operations, net of tax in the consolidated statements of operations for the three months ended March 31, 2022 and 2021:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
Revenue	\$ 16,495	\$ 17,902
Cost of revenue, exclusive of depreciation and amortization	9,745	10,048
Operating expenses	13,593	13,892
Impairment charges	840	—
Loss from discontinued operations before income taxes	(7,683)	(6,038)
Income tax expense	118	78
Net loss from discontinued operations, net of tax	<u>\$ (7,801)</u>	<u>\$ (6,116)</u>

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

The following table summarizes the current and noncurrent assets and liabilities classified as discontinued operations on the consolidated balance sheets as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Cash	\$ 127	\$ 273
Accounts receivable, net	17,182	12,646
Prepaid expenses and other assets	2,992	1,592
Property and equipment, net	1,664	—
Operating lease right-of-use assets	5,016	—
Software development costs, net	17,036	—
Goodwill	54,772	—
Intangible assets, net	104,138	—
<b>Total current assets of discontinued operations</b>	<b>\$ 202,927</b>	<b>\$ 14,511</b>
Property and equipment, net	\$ —	\$ 1,897
Operating lease right-of-use assets	—	4,730
Software development costs, net	—	15,940
Goodwill	—	55,512
Intangible assets, net	—	109,292
Other assets	—	187
<b>Total noncurrent assets of discontinued operations</b>	<b>\$ —</b>	<b>\$ 187,558</b>
Operating lease liabilities	\$ 5,145	\$ 1,413
Accounts payable	3,721	4,308
Accrued expenses and other liabilities	6,084	6,659
<b>Total current liabilities of discontinued operations</b>	<b>\$ 14,950</b>	<b>\$ 12,380</b>
Noncurrent operating lease liabilities	\$ —	\$ 3,438
Other long-term liabilities	—	135
<b>Total noncurrent liabilities of discontinued operations</b>	<b>\$ —</b>	<b>\$ 3,573</b>

The following table summarizes the significant operating non-cash items and investing activities of discontinued operations:

	Three Months Ended March 31,	
	2022	2021
Depreciation and amortization	\$ 7,331	\$ 6,824
Impairment charges	840	—
Stock-based compensation	906	1,230
Purchases of property and equipment	(10)	(77)
Software development costs	(3,030)	(1,695)

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**4. Revenue**

The Company generates the majority of its revenue from its CareVention HealthCare segment.

Client contracts generally have a term of one to five years and generally renew at the end of the initial term. In most cases, clients may terminate their contracts with a notice period ranging from 0 to 180 days without cause, thereby limiting the term in which the Company has enforceable rights and obligations. Revenue is recognized in an amount that reflects the consideration that is expected in exchange for the goods or services. Generally, there are not significant differences between the timing of revenue recognition and billing. Consequently, the Company has determined that client contracts do not include a financing component.

The Company does not disclose the amount of variable consideration that the Company expects to recognize in future periods as the variable consideration in the Company's contracts is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation, and the terms of that variable consideration relate specifically to the Company's efforts to transfer the distinct service, or to a specific outcome from transferring the distinct service. The Company's contracts primarily include monthly fees associated with unspecified quantities of medications, members, claims, medication safety reviews, or user subscriptions that fluctuate throughout the contract. See below for a description of the Company's revenues.

***CareVention HealthCare***

***PACE Product Revenue***

The Company provides medication fulfillment pharmacy services to PACE organizations. While the majority of medications are routinely filled in order to treat chronic conditions, the mix and quantity of medications can vary. Revenue from medication fulfillment services is generally billed monthly or weekly, depending on whether the PACE organization is contracted with a pharmacy benefit manager, and recognized when medications are delivered and control has passed to the client. At the time of delivery, the Company has performed substantially all of its performance obligations under its client contracts. The Company does not experience a significant level of returns or reshipments.

***PACE Solutions***

The Company provides medication safety services and health plan management services to PACE organizations. These services primarily include medication reviews, risk adjustment services, third-party administration services, pharmacy benefit management ("PBM") solutions, and electronic health records software. Revenue related to these services primarily consists of a fixed monthly fee assessed based on number of members served ("per member per month"), a fee for each claim adjudicated, and subscription fees. These fees are recognized when the Company satisfies its performance obligation to stand ready to provide PACE services, which occurs when the Company's clients have access to the PACE services. The Company generally bills for PACE services on a monthly basis.

For client contracts for which the Company performs both medication fulfillment and PBM services, the Company recognizes revenue using the gross method at the contract price negotiated with its clients and when the Company has concluded it controls the prescription drug before it is transferred to the client plan members. The Company controls prescription drugs dispensed indirectly through its retail pharmacy network because it has separate contractual arrangements with those pharmacies, has discretion in setting the price for the transaction, and assumes primary responsibility for fulfilling the promise to provide prescription drugs to its client plan members while performing the related PBM services. These factors indicate that the Company is the principal and, as such, the Company recognizes the total prescription price contracted with clients in revenue.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**MedWise HealthCare***Medication Safety Services*

The Company provides medication safety services, which include identification of high-risk individuals, medication regimen reviews including patient and prescriber counseling, and targeted interventions to increase adherence and close gaps in care. Revenue related to these services primarily consists of per member per month fees and fees for each medication review and clinical assessment completed. Revenue is recognized when the Company satisfies its performance obligation to stand ready to provide medication safety services, which occurs when the Company's clients have access to the medication safety services and when medication reviews and clinical assessments are completed. The Company generally bills for the medication reviews and clinical assessments when they are completed. The Company generally bills for the medication safety services on a monthly basis.

*Software Subscription and Services*

The Company provides software as a service ("SaaS") solutions which allow for the identification of individuals with high medication-related risk and for optimizing medication therapy. Revenues related to these software services primarily consist of monthly subscription fees and are recognized monthly as the Company meets its performance obligation to provide access to the software. Revenue for implementation and set up services is generally recognized over the contract term as the software services are provided. The Company generally bills for the software services on a monthly basis.

**Disaggregation of Revenue**

In the following table, revenue is disaggregated by operating segment. Substantially all of the Company's revenue is recognized in the U.S.

	Three Months Ended	
	March 31,	
	2022	2021
<b>CareVention HealthCare:</b>		
PACE product revenue	\$ 50,973	\$ 41,842
PACE solutions	15,335	13,919
	\$ 66,308	\$ 55,761
<b>MedWise HealthCare:</b>		
Medication safety services	\$ 719	\$ 2,960
Software subscription and services	83	57
	\$ 802	\$ 3,017
Total revenue	\$ 67,110	\$ 58,778

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**Contract Balances**

Assets and liabilities related to the Company's contracts are reported on a contract-by-contract basis at the end of each reporting period. Contract balances consist of contract assets and contract liabilities. Contract assets are recorded when the right to consideration for services is conditional on something other than the passage of time. Contract assets relating to unbilled receivables are transferred to accounts receivable when the right to consideration becomes unconditional. Contract assets are classified as current or non-current based on the timing of the Company's rights to the unconditional payments. Contract assets are generally classified as current and recorded within other current assets on the Company's consolidated balance sheets.

Contract liabilities include advance customer payments and billings in excess of revenue recognized. The Company generally classifies contract liabilities in accrued expenses and other current liabilities and in other long-term liabilities on the Company's consolidated balance sheets. The Company anticipates that it will satisfy most of its performance obligations associated with its contract liabilities within one year.

The following table provides information about the Company's contract assets and contract liabilities from contracts with clients as of March 31, 2022 and December 31, 2021.

	March 31, 2022	December 31, 2021
Contract assets	\$ 21,208	\$ 12,695
Contract liabilities	3,586	2,191

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	March 31, 2022
Contract assets:	
Contract assets, beginning of period	\$ 12,695
Decreases due to cash received	(429)
Changes to the contract assets at the beginning of the period as a result of changes in estimates	1,040
Changes during the year, net of reclassifications to receivables	7,902
Contract assets, end of period	<u>\$ 21,208</u>
Contract liabilities:	
Contract liabilities, beginning of period	\$ 2,191
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	(1,432)
Increases due to cash received, excluding amounts recognized as revenue during the year	2,827
Contract liabilities, end of period	<u>\$ 3,586</u>

During the three months ended March 31, 2021, the Company recognized \$983 of revenue that was included in the December 31, 2020 contract liability balance of \$1,982.

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**5. Net Loss per Share**

Basic and diluted net loss per share is computed by dividing net loss by the weighted average number of shares of common stock of the Company outstanding during the period.

The following table presents the calculation of basic and diluted net loss per share for the Company's common stock:

	Three Months Ended March 31,	
	2022	2021
Numerator (basic and diluted):		
Net loss from continuing operations	\$ (20,392)	\$ (13,376)
Net loss from discontinued operations	(7,801)	(6,116)
Net loss	<u>\$ (28,193)</u>	<u>\$ (19,492)</u>
Denominator (basic and diluted):		
Weighted average shares of common stock outstanding, basic and diluted	<u>23,865,801</u>	<u>23,010,531</u>
Net loss per share from continuing operations, basic and diluted	\$ (0.85)	\$ (0.58)
Net loss per share from discontinued operations, basic and diluted	<u>(0.33)</u>	<u>(0.27)</u>
Total net loss per share, basic and diluted	<u>\$ (1.18)</u>	<u>\$ (0.85)</u>

The following potential common shares, presented based on amounts outstanding as of March 31, 2022 and 2021 were excluded from the calculation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect.

	Three Months Ended March 31,	
	2022	2021
Stock options to purchase common stock	1,538,993	1,846,707
Unvested restricted stock and restricted stock units	1,938,780	1,651,806
Common stock warrants	4,646,393	4,646,393
Conversion of convertible senior subordinated notes	4,646,393	4,646,393
	<u>12,770,559</u>	<u>12,791,299</u>

For the three months ended March 31, 2022 and 2021, shares related to the conversion of the convertible senior subordinated notes were included in the table above under the if-converted method.

For the period ended March 31, 2022, shares related to the performance stock units were excluded from the table above as the performance conditions were unmet as of March 31, 2022 (see Note 13).

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## 6. Other Current Assets

As of March 31, 2022 and December 31, 2021, other current assets consisted of the following:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Contract assets	\$ 21,208	\$ 12,695
Non-trade receivables	740	3,289
Other	2,039	2,049
Total other current assets	<u>\$ 23,987</u>	<u>\$ 18,033</u>

## 7. Property and Equipment

Accumulated depreciation was \$18,084 and \$17,427 as of March 31, 2022 and December 31, 2021, respectively. Depreciation expense on property and equipment for the three months ended March 31, 2022 and 2021 was \$847 and \$947, respectively.

## 8. Software Development Costs

The Company capitalizes certain costs incurred in connection with obtaining or developing its proprietary software platforms, which are used to support its product and service contracts. These costs include third-party contractors and payroll for employees directly involved with the software development, including external direct costs of material and services, and interest expense related to the borrowings attributable to software development. As of March 31, 2022 and December 31, 2021, capitalized software costs consisted of the following:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Software development costs	\$ 40,622	\$ 49,481
Less: accumulated amortization	(12,912)	(20,227)
Software development costs, net	<u>\$ 27,710</u>	<u>\$ 29,254</u>
Capitalized software development costs included above not yet subject to amortization	<u>\$ 8,480</u>	<u>\$ 5,328</u>

Amortization expense for the three months ended March 31, 2022 and 2021 was \$3,200 and \$1,938, respectively.

During the first quarter of 2022, the Company became aware of changes in circumstances impacting the future functionality of certain capitalized software development costs and evaluated the recoverability of the related long-lived assets by comparing their carrying amount to the future net undiscounted cash flows expected to be generated by the assets to determine if the carrying value was not recoverable. The recoverability test indicated that certain capitalized software development costs were impaired and, as a result, the Company used an income approach to measure the fair value of the assets and recognized non-cash impairment charges of \$4,062 for the period ended March 31, 2022.

## 9. Goodwill and Intangible Assets

The Company's goodwill as of March 31, 2022 and December 31, 2021 was \$115,323, which relates to the Company's CareVention HealthCare segment.

During the first quarter of 2022, the Company experienced a sustained decline in the market price of its common stock and determined that an indicator of impairment was present. The Company performed a quantitative goodwill impairment assessment as of March 31, 2022, estimating the fair value of the Company's reporting unit using a market approach. Based on the analysis performed, the Company determined that the estimated fair value of the Company's reporting unit exceeded its carrying value, and, as a result, goodwill was not impaired as of March 31, 2022.

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Intangible assets consisted of the following as of March 31, 2022 and December 31, 2021:

	Weighted Average Amortization Period (in years)	Gross Value	Accumulated Amortization	Intangible Assets, net
<b>March 31, 2022</b>				
Trade names	2.9	\$ 1,340	\$ (896)	\$ 444
Client relationships	11.7	51,264	(12,174)	39,090
Non-competition agreements	5.0	1,640	(1,057)	583
Developed technology	6.2	14,720	(11,204)	3,516
Domain name	10.0	59	(28)	31
Total intangible assets		<u>\$ 69,023</u>	<u>\$ (25,359)</u>	<u>\$ 43,664</u>

	Weighted Average Amortization Period (in years)	Gross Value	Accumulated Amortization	Intangible Assets, net
<b>December 31, 2021</b>				
Trade names	2.9	\$ 1,340	\$ (853)	\$ 487
Client relationships	11.7	51,264	(11,042)	40,222
Non-competition agreements	5.0	1,640	(975)	665
Developed technology	6.2	14,720	(10,768)	3,952
Domain name	10.0	59	(27)	32
Total intangible assets		<u>\$ 69,023</u>	<u>\$ (23,665)</u>	<u>\$ 45,358</u>

Amortization expense for intangible assets for the three months ended March 31, 2022 and 2021 was \$1,694 and \$1,916, respectively.

The estimated amortization expense for the remainder of 2022 and each of the next five years and thereafter is as follows:

Years Ending December 31,	
2022 (April 1 - December 31)	\$ 5,058
2023	6,162
2024	4,684
2025	4,466
2026	4,338
2027	4,271
Thereafter	14,685
Total estimated amortization expense	<u>\$ 43,664</u>

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**10. Accrued Expenses and Other Liabilities**

As of March 31, 2022 and December 31, 2021, accrued expenses and other liabilities consisted of the following:

	March 31, 2022	December 31, 2021
Employee related expenses	\$ 4,815	\$ 8,595
Contract liability	3,441	2,015
Customer deposits	904	904
Client funds obligations*	3,839	6,038
Contract labor	1,252	838
Interest	893	2,281
Vendor financing arrangements	18	—
Professional fees	577	1,327
Consideration payable to customer	19,029	15,971
Income and non-income taxes payable	84	15
Other expenses	4,740	3,013
Total accrued expenses and other liabilities	<u>\$ 39,592</u>	<u>\$ 40,997</u>

\*This amount represents client funds held by the Company, with an offsetting amount included in restricted cash.

**11. Lines of Credit and Long-Term Debt**

**(a) Lines of Credit**

On December 18, 2020, the Company and its subsidiaries entered into a Loan and Security Agreement (the “2020 Credit Facility”), with Western Alliance Bank. The 2020 Credit Facility provides for a \$120,000 secured revolving credit facility, with a \$1,000 sublimit for cash management services and letters of credit and foreign exchange transactions.

Amounts under the 2020 Credit Facility may be borrowed, repaid, and re-borrowed from time to time until the maturity date on May 16, 2025, and may be used for, among other things, working capital and other general corporate purposes. Loans under the 2020 Credit Facility will bear interest at a rate equal to the LIBOR rate plus 3.25%. In the event LIBOR for any applicable interest period is less than zero percent, then the LIBOR rate will be determined as zero percent for such interest period. If LIBOR ceases to exist or is no longer available, then the interest rate will be replaced with an alternate base rate and spread. The obligations under the 2020 Credit Facility are secured by all of the assets of the borrowers, subject to certain exceptions and exclusions as set forth in the 2020 Credit Facility.

The 2020 Credit Facility contains certain affirmative and negative covenants that are binding on the Company, including, but not limited to, restrictions (subject to specified exceptions and qualifications) on the Company’s ability to incur indebtedness, create liens, merge or consolidate, make dispositions, pay dividends or make distributions, make investments, pay any subordinated indebtedness, enter into certain transactions with affiliates, or make capital expenditures. In addition, the 2020 Credit Facility imposes certain financial covenants, including that the Company (i) maintain unrestricted cash balances with Western Alliance Bank, plus amounts available for draw under the 2020 Credit Facility of at least \$10,000 at all times, and (ii) maintain a leverage ratio of less than 3.00:1.00, on a trailing twelve-month basis, measured quarterly. The 2020 Credit Facility defines amounts available for borrowing as three times the Company’s trailing twelve months EBITDA (as defined therein) less amounts outstanding under the 2020 Credit Facility.

The 2020 Credit Facility is subject to a commitment fee of 0.50% of the total commitment amount payable on the closing date, and 0.25% of the total commitment amount payable on each anniversary thereafter. Additionally, the 2020 Credit Facility is subject to an unused line fee.

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As of March 31, 2022, the Company had \$57,200 outstanding under the 2020 Credit Facility, plus an outstanding letter of credit of \$100 issued in connection with the Company's lease agreement for its office space in Moorestown, New Jersey. The letter of credit renews annually and expires in September 2027, and reduces amounts available under the 2020 Credit Facility. As of March 31, 2022, the Company had unused commitments of \$62,700 under the 2020 Credit Facility, of which \$288 was available for borrowing.

As of March 31, 2022, the Company was in compliance with all of the financial covenants related to the 2020 Credit Facility, and management expects that the Company will be able to maintain compliance with its covenants.

As of March 31, 2022, the interest rate on the 2020 Credit Facility was 3.48% and the effective rate for the unused line fee was 0.35%. Interest expense on the 2020 Credit Facility was \$460 for the three months ended March 31, 2022. As of March 31, 2021, the interest rate on the 2020 Credit Facility was 3.36% and the effective rate for the unused line fee was 0.45%. Interest expense on the 2020 Credit Facility was \$261 for the three months ended March 31, 2021.

In connection with the 2020 Credit Facility, the Company recorded deferred financing costs of \$1,534. The Company is amortizing the deferred financing costs associated with the 2020 Credit Facility to interest expense using the effective-interest method over the term of the agreement. The Company amortized \$137 and \$133 to interest expense for the three months ended March 31, 2022 and 2021, respectively, for deferred financing costs. Deferred financing costs of \$837 and \$624, net of accumulated amortization, are included in other assets on the accompanying consolidated balance sheets as of March 31, 2022 and December 31, 2021, respectively.

**(b) Convertible Senior Subordinated Notes**

On February 12, 2019, the Company issued and sold an aggregate principal amount of \$325,000 of 1.75% convertible senior subordinated notes (the "2026 Notes") in a private placement pursuant to Rule 144A under the Securities Act of 1933, as amended. The 2026 Notes bear interest at a rate of 1.75% per year, payable semiannually in arrears on February 15 and August 15 of each year, beginning on August 15, 2019. The 2026 Notes will mature on February 15, 2026, unless earlier converted or repurchased. The initial conversion rate for the notes is 14.2966 shares of the Company's common stock per \$1 principal amount of the 2026 Notes. This conversion rate is equal to an initial conversion price of approximately \$69.95 per share of the Company's common stock.

Holders may convert all or any portion of their 2026 Notes at any time prior to the close of business on the business day immediately preceding August 15, 2025 only under the following circumstances: (1) during any calendar quarter commencing after March 31, 2019 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the measurement period) in which the trading price (as defined in the indenture governing the 2026 Notes) per \$1 principal amount of 2026 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events, including certain distributions, the occurrence of a fundamental change or make-whole fundamental change (as defined in the indenture governing the 2026 Notes) or a transaction resulting in the Company's common stock converting into other securities or property or assets. On or after August 15, 2025 until the close of business on the first scheduled trading day immediately preceding the maturity date, a holder may convert all or any portion of its 2026 Notes regardless of the foregoing circumstances. Upon conversion, the Company will pay or deliver shares of our common stock, cash or a combination thereof at the Company's option. As of March 31, 2022, none of the conditions allowing holders of the 2026 Notes to convert had been met. Debt issuance costs related to the 2026 Notes of \$9,372 are being amortized to interest expense using the effective interest method over the contractual term, resulting in an effective interest rate of 2.20%.

During the three months ended March 31, 2022, the Company recognized \$1,753 of interest expense related to the 2026 Notes, of which \$1,422 was paid or accrued and \$331 was non-cash accretion of the debt discounts recorded.

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During the three months ended March 31, 2021, the Company recognized \$1,746 of interest expense related to the 2026 Notes, of which \$1,422 was paid or accrued, and \$324 was non-cash accretion of the debt discounts recorded. In addition, unpaid additional interest payable as a result of the failure to remove the restrictive legend on the 2026 Notes had accrued on the 2026 Notes from and including February 17, 2020, but ceased accruing on February 16, 2021 as a result of the restrictive legend being removed. The Company recorded \$212 of additional interest expense for the three months ended March 31, 2021.

As of March 31, 2022, total accrued interest payable related to the 2026 Notes was \$711, which is included in accrued expenses and other liabilities on the consolidated balance sheets. The 2026 Notes have a carrying value of \$319,630 as of March 31, 2022. The 2026 Notes are classified as long-term debt on the Company's consolidated balance sheets, and will be until such 2026 Notes are within one year of maturity.

**(c) Convertible Note Hedge and Warrant Transactions**

In connection with the offering of the 2026 Notes, the Company entered into convertible note hedge transactions with affiliates of certain of the initial purchasers (the "option counterparties") of the 2026 Notes pursuant to the terms of call option confirmations. The Company has the option to purchase a total of 4,646,393 shares of its common stock at a price of approximately \$69.95 per share. The total premiums paid for the note hedges were \$101,660. The Company also entered into warrant transactions with the option counterparties whereby they have the option to purchase 4,646,393 shares of the Company's common stock at a price of \$105.58 per share. The Company received \$65,910 in cash proceeds from the sale of the warrants. As these instruments are considered indexed to the Company's own stock and are considered equity classified, the convertible note hedges and warrants are recorded in stockholders' equity, are not accounted for as derivatives and are not remeasured each reporting period. The net costs incurred in connection with the convertible note hedge and warrant transactions were recorded as a reduction to additional paid-in capital on the Company's consolidated balance sheets.

The convertible note hedge transactions are expected generally to reduce the potential dilution to the Company's common stock upon conversion of the 2026 Notes and/or offset any potential cash payments the Company is required to make in excess of the principal amount of converted 2026 Notes, as the case may be. The warrant transactions could separately have a dilutive effect on the Company's common stock to the extent that the market price per share of the Company's common stock exceeds the strike price of the warrants.

As of March 31, 2022, no warrants have been exercised and all warrants to purchase shares of the Company's common stock were outstanding.

**(d) Long-Term Debt**

The following table represents the total long-term debt obligations of the Company at March 31, 2022 and December 31, 2021:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Convertible senior subordinated notes	\$ 325,000	\$ 325,000
Unamortized discount, including debt issuance costs, on convertible senior subordinated notes	(5,370)	(5,701)
Long-term debt, net	<u>\$ 319,630</u>	<u>\$ 319,299</u>

**12. Income Taxes**

For the three months ended March 31, 2022 and 2021, the Company recorded income tax expense of \$216 and \$121, respectively, which resulted in effective tax rates of (1.1)% and of (0.9)%, respectively.

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The effective tax rates differ from the U.S. statutory tax rate primarily due to the full valuation allowance recorded that is currently limiting the realizability of our net deferred tax assets as of the end of the periods presented. As of March 31, 2022, the Company has recorded a full valuation allowance against its deferred tax assets. Accordingly, the tax benefit was limited due to unbenefited losses in the three months ended March 31, 2022 and 2021. The Company calculates its provision for income taxes during its interim periods by applying the estimated annual effective tax rate for the full year ordinary income or loss to the respective reporting period's year to date income or loss, while also adding any income tax expense or benefit related to discrete items occurring within that interim period.

On February 12, 2021, the Company received a private letter ruling from the Internal Revenue Service, which determined, based on information submitted and representations made by the Company, that the Company met the requirements to deduct the interest expense resulting from the amortization of the debt discount associated with the 2026 Notes. As a result, the Company recorded a deferred tax asset of \$26,313 and a corresponding \$26,313 increase to its valuation allowance.

### 13. Stock-Based Compensation

In September 2016, the Company adopted the 2016 Equity Compensation Plan ("2016 Plan"). During the term of the 2016 Plan, the share reserve will automatically increase on the first trading day in January of each calendar year by an amount equal to the lesser of 5% of the total number of outstanding shares of common stock on the last trading day in December of the prior calendar year or such other number set by the Board. In accordance with the terms of the 2016 Plan, the share reserve increased by 1,283,321 shares on February 25, 2022. As of March 31, 2022, 2,174,226 shares were available for future grants under the 2016 Plan.

The following stock-based compensation information disclosed below include results of both continuing and discontinued operations.

#### *Restricted Common Stock and Restricted Stock Units*

The Company issues restricted stock awards and restricted stock units pursuant to the 2016 Plan to employees and non-employee directors. Restricted stock awards and restricted stock units generally vest over a one- to four-year period and the unvested portion of these awards is forfeited if the employee or non-employee director leaves the Company before the vesting period is completed. The grant-date fair value of restricted stock awards and restricted stock units is determined using the Company's closing stock price at grant date.

The following table summarizes the aggregate restricted stock award activity, inclusive of performance based restricted stock awards, and restricted stock unit activity under the 2016 Plan for the three months ended March 31, 2022:

	Number of shares	Weighted average grant-date fair value
Outstanding at December 31, 2021	2,196,566	\$ 40.19
Granted	297,434	8.05
Vested	(416,338)	44.03
Forfeited	(138,882)	38.13
Outstanding at March 31, 2022	<u>1,938,780</u>	<u>\$ 34.58</u>

For the three months ended March 31, 2022 and 2021, \$7,387 and \$6,275 of expense, respectively, was recognized related to restricted stock awards and restricted stock units, excluding performance-based restricted stock awards described below. As of March 31, 2022, there was unrecognized compensation expense of \$49,297 related to unvested restricted stock awards and unvested restricted stock units, excluding performance-based restricted stock awards described below, under the 2016 Plan, which is expected to be recognized over a weighted average period of 2.6 years.

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***Performance-Based Equity Awards***

On May 4, 2020, pursuant to the 2016 Plan, the Board approved grants totaling 10,686 shares of restricted stock to an employee. The grants were recorded using a grant-date fair value of \$56.14 per share which was based on the Company's closing stock price on the grant date. The grants were subject to certain performance conditions for the two-year period ended March 2, 2022, which were not achieved. As a result, the grants expired, and no expense was recognized during the three months ended March 31, 2022.

On October 29, 2020, pursuant to the 2016 Plan, the Board approved grants totaling 26,400 shares of restricted stock to certain employees, of which 1,400 expired on April 30, 2021 and 12,500 expired on December 31, 2021. The remaining 12,500 shares fully vested subject to the achievement of certain milestones on December 31, 2021. The awards had a grant-date fair value of \$35.95 per share based on the Company's closing stock price on the grant date. Stock-based compensation costs associated with these grants were recognized over the service period based upon the Company's assessment of the probability that the performance conditions would be achieved. The Company recognized \$214 of stock-based compensation expense related to these grants for the three months ended March 31, 2021.

On April 27, 2021, pursuant to the 2016 Plan, the Board approved awards of performance stock units to certain employees. Each award reflects a target number of shares ("Target Shares") that may be issued to the award recipient. As of March 31, 2022, the number of Target Shares was 86,175 shares. The awards are earned upon the Company's achievement of certain revenue performance targets during the three-year performance period ending December 31, 2023. Depending on the results achieved during the performance period, the actual number of shares that a grant recipient may receive at the end of the performance period may range from 0% to 200% of the Target Shares granted. The performance stock unit awards have a grant-date fair value of \$44.13 per share based on the Company's closing stock price on the grant date. Stock-based compensation costs associated with these grants are recognized over the performance period based upon the Company's assessment of the probability that the performance targets will be achieved. The Company did not recognize any stock-based compensation expense related to the performance stock units, resulting in no stock-based compensation expense for the quarter end March 31, 2022, as the achievement of the underlying performance targets was considered unlikely. During the three months ended March 31, 2022, 6,550 performance stock units expired. As of March 31, 2022, the maximum number of achievable performance stock units was 172,350 and the maximum unrecognized compensation expense was \$7,606.

***Other Stock Awards***

During the first quarter of 2021, the Board approved the grant of stock awards to certain non-employee directors and to a consultant pursuant to the 2016 Plan. The awards provided for the issuance of 1,416 shares of the Company's common stock, which immediately vested on the grant date. These grants had a weighted average grant-date fair value of \$40.85 per share. For the three months ended March 31, 2021, the Company recorded \$58 of expense related to these stock awards.

During the first quarter of 2022, the Board approved grants of stock awards to certain non-employee directors and employees pursuant to the 2016 Plan. The awards provided for the issuance of 16,471 shares of the Company's common stock, which immediately vested on the grant date. These grants had a weighted average grant-date fair value of \$5.57 per share. For the three months ended March 31, 2022, the Company recorded \$92 of expense related to these stock awards.

***Stock Options***

The Company recorded \$1,130 and \$2,055 of stock-based compensation expense related to employee and non-employee director stock options for the three months ended March 31, 2022 and 2021, respectively. The Company records forfeitures as they occur.

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No grants for employee and non-employee stock options were made during the three months ended March 31, 2022. The table below sets forth the weighted average assumptions for employee grants during the three months ended March 31, 2021:

Valuation assumptions:	Three Months Ended	
	March 31, 2021	
Expected volatility	58.57	%
Expected term (years)	5.48	
Risk-free interest rate	0.50	%
Dividend yield	—	

The weighted average grant date fair value of employee options granted during the three months ended March 31, 2021 was \$28.26 per share.

The following table summarizes stock option activity under the 2016 Plan for the three months ended March 31, 2022:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at December 31, 2021	1,604,226	\$ 29.90		
Exercised	(11,646)	5.18		
Forfeited	(53,587)	48.95		
Outstanding at March 31, 2022	<u>1,538,993</u>	\$ 29.42	5.1	\$ 419
Options vested and expected to vest at March 31, 2022	<u>1,538,993</u>	\$ 29.42	5.1	\$ 419
Exercisable at March 31, 2022	<u><u>1,436,934</u></u>	\$ 27.57	5.0	\$ 419

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the Company's closing stock price or estimated fair value on the last trading day of the fiscal quarter for those stock options that had exercise prices lower than the fair value of the Company's common stock. This amount changes based on the fair market value of the Company's stock. The total intrinsic value of options exercised during the three months ended March 31, 2022 and 2021 was \$106 and \$7,768, respectively.

As of March 31, 2022, there was \$3,175 of total unrecognized compensation cost related to nonvested stock options granted under the 2016 Plan, which is expected to be recognized over a weighted average period of 0.9 years.

Cash received from option exercises for the three months ended March 31, 2022 and 2021 was \$60 and \$2,226, respectively.

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The Company recorded total stock-based compensation expense for the three months ended March 31, 2022 and 2021 in the following expense categories of its consolidated statements of operations:

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2022</b>	<b>2021</b>
Cost of revenue - product	\$ 224	\$ 259
Cost of revenue - service	901	850
Research and development	1,519	1,203
Sales and marketing	258	697
General and administrative	4,801	4,363
Discontinued operations	906	1,230
Total stock-based compensation expense	<u>\$ 8,609</u>	<u>\$ 8,602</u>

#### ***Employee Stock Purchase Plan***

In February 2021, the Board, subject to stockholder approval, adopted the Tabula Rasa HealthCare, Inc. Employee Stock Purchase Plan (the “ESPP”), which allows eligible employees to purchase common shares of Company stock through payroll deductions at a 15% discount off the lower of (i) the fair market value per share of common stock on the start date of the applicable offering period or (ii) the fair market value per share of common stock on the purchase date. The ESPP was approved by the Company’s stockholders at the 2021 annual meeting of stockholders in June 2021. The number of shares of common stock reserved for issuance under the ESPP will initially be 480,097 shares, subject to adjustment as provided in the ESPP, all of which remained available as of March 31, 2022.

#### **14. Fair Value Measurements**

The Company’s financial instruments consist of accounts receivable, client claims receivables, contract assets, accounts payable, client claims payable, contract liabilities, accrued expenses, vendor financing arrangements, line of credit, and long-term debt, which includes the Company’s convertible senior subordinated notes. The carrying values of accounts receivable, client claims receivables, contract assets, accounts payable, client claims payable, contract liabilities, and accrued expenses are representative of their fair value due to the relatively short-term nature of those instruments. Vendor financing arrangements are recorded at net carrying value, which approximates fair value. The outstanding principal balance of the line of credit is representative of its fair value due to it being variable-rate debt. See below for additional information on the Company’s convertible senior subordinated notes.

The following table presents the financial instruments that are not carried at fair value but require fair value disclosure as of March 31, 2022:

	<b>Face Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
1.75% Convertible Senior Subordinated Notes due 2026	<u>\$325,000</u>	<u>\$319,630</u>	<u>\$243,344</u>

The fair value of the 2026 Notes at each balance sheet date is determined based on recent quoted market prices for these notes which is a Level 2 measurement. As discussed in Note 11, the 2026 Notes are carried at their aggregate face value of \$325,000, less any unamortized debt issuance costs.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**15. Commitments and Contingencies**

**(a) Employment Agreements**

The Company has change-in-control and severance agreements with each of the Company's named executive officers that provide for, among other things, salary, performance bonuses or other incentive compensation, payments in the event of termination of the executives upon the occurrence of a change in control, and restrictive covenants pursuant to which the employees have agreed to refrain from competing with the Company or soliciting the Company's employees or clients for a period following the employee's termination of employment.

**(b) Legal Proceedings**

The Company is not currently involved in any significant claims or legal actions that, in the opinion of management, are expected to have a material adverse impact on the Company.

**(c) Vendor Purchase Agreements**

On March 29, 2019, the Company entered into an Affiliated Pharmacy Agreement and Pharmaceutical Program Supply Agreement (the "Prior Thrifty Drug Agreements") with Thrifty Drug Stores, Inc. ("Thrifty Drug"). On July 1, 2020, the Company entered into a new Affiliated Pharmacy Agreement and Pharmaceutical Program Supply Agreement with Thrifty Drug (the "Thrifty Drug Agreements") to replace the Prior Thrifty Drug Agreements, which, among other things, extended the Company's agreement with Thrifty Drug through September 30, 2023. Pursuant to the terms of the Thrifty Drug Agreements, the Company has agreed to purchase not less than 98% of the Company's total prescription product requirements from Thrifty Drug. The Company commenced purchasing prescription products under the Prior Thrifty Drug Agreements in May 2019 and has continued to do so under the Thrifty Drug Agreements beginning in July 2020. Both the Prior Thrifty Drug Agreements and the Thrifty Drug Agreements authorize Thrifty Drug to hold a security interest in all of the products purchased by the Company under the respective agreements.

As of March 31, 2022 and December 31, 2021 the Company had \$1,291 and \$1,854 due to Thrifty Drug as a result of prescription drug purchases.

In December 2019, the Company entered into an updated agreement with its data aggregation partner related to the Company's pharmacy cost management services. The agreement is effective January 1, 2020 with a three-year term expiring December 31, 2022 and commits the Company to a monthly minimum purchase obligation of \$30.

In June 2021, the Company entered into an updated agreement with its provider of hosting services. The agreement is effective June 3, 2021 and expires on April 28, 2024 and commits the Company to a minimum purchase obligation of \$1,272 over the contract term. As of March 31, 2022, the Company had a remaining commitment of \$911.

In August 2021, the Company entered into an agreement with a third-party to provide information technology services. The agreement is effective November 1, 2021 and expires on October 31, 2026 and commits the Company to a minimum purchase obligation of \$8,960 through October 31, 2024. As of March 31, 2022, the Company had a remaining commitment of \$7,716.

In October 2021, the Company entered into an agreement with a provider for enterprise support services. The agreement is effective October 1, 2021 and expires on September 30, 2024. The three-year contract commits the company to an obligation of \$7,050 over the duration of the contract term. As of March 31, 2022, the Company had a remaining commitment of \$5,717.

In November 2021, the Company entered into an agreement with a new provider of hosting services. The agreement is effective November 25, 2021 and expires on November 25, 2022 and commits the Company to a minimum purchase obligation of \$1,598 over the contract term. As of March 31, 2022, the Company had a remaining commitment of \$1,043.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

**16. Segment Reporting**

The Company operates its business through two segments. As discussed in Note 3 above, the planned divestitures of the DoseMe, SinfoníaRx, and PrescribeWellness businesses, which comprise the majority of the Company's MedWise HealthCare segment, represent a strategic business shift in the Company's operations. The Company determined that these businesses met the requirements of discontinued operations as of March 31, 2022, and as a result, are excluded from the Company's segment reporting. The Company presents continuing operations of the remaining components of the MedWise HealthCare segment combined with its shared services.

The Company's chief operating decision maker ("CODM"), the Chief Executive Officer, allocates resources and assesses performance based upon financial information at the reportable segment level. Substantially all revenues are generated and substantially all tangible assets are held in the U.S.

CareVention HealthCare primarily provides services to PACE organizations that include medication fulfillment pharmacy services and PACE solutions such as medication safety services, PBM solutions, and health plan management services.

MedWise HealthCare primarily generates revenues from medication safety services and software subscription solutions, which identify individuals with high medication-related risk and optimizing medication therapy.

Shared services primarily consist of unallocated corporate sales and marketing expenses and general and administrative expenses associated with the management and administration of the Company's business objectives.

The CODM uses revenue in accordance with GAAP and Adjusted EBITDA as the relevant segment performance measures to evaluate the performance of the segments and allocate resources.

Adjusted EBITDA is a segment performance financial measure that offers a useful view of the overall operation of the Company's businesses and may be different from similarly titled segment performance financial measures used by other companies.

Adjusted EBITDA consists of net loss plus certain other expenses, which include interest expense, income tax expense, depreciation and amortization, impairment charges, business optimization expenses, severance costs, divestiture-related expense, acquisition-related expense, and stock-based compensation expense. The Company considers business optimization expenses to include contract termination payments, severance, retention payments, and other employee and non-recurring vendor costs incurred related to its business optimization initiatives during 2022. The Company considers severance costs to include severance payments related to the realignment of its resources. The Company considers divestiture-related expense to include nonrecurring direct transaction costs. The Company considers acquisition-related expense to include nonrecurring direct transaction and integration costs.

Management considers revenue and Adjusted EBITDA to be the appropriate metric to evaluate and compare the ongoing operating performance of the Company's segments on a consistent basis across reporting periods as it eliminates the effect of items which are not indicative of each segment's core operating performance.

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts in thousands, except share and per share data)

The following tables present the Company's segment information:

	CareVention HealthCare	Shared Services and Other	Consolidated
<b>Revenue:</b>			
<b>Three Months Ended March 31, 2022</b>			
Product revenue	\$ 50,973	\$ —	\$ 50,973
Service revenue			
PACE solutions	15,335	—	15,335
Medication safety services	—	719	719
Software subscription and services	—	83	83
Total service revenue	<u>15,335</u>	<u>802</u>	<u>16,137</u>
Total revenue	<u>\$ 66,308</u>	<u>\$ 802</u>	<u>\$ 67,110</u>
<b>Three Months Ended March 31, 2021</b>			
Product revenue	\$ 41,842	\$ —	\$ 41,842
Service revenue			
PACE solutions	13,919	—	13,919
Medication safety services	—	2,960	2,960
Software subscription and services	—	57	57
Total service revenue	<u>\$ 13,919</u>	<u>\$ 3,017</u>	<u>\$ 16,936</u>
Total revenue	<u>\$ 55,761</u>	<u>\$ 3,017</u>	<u>\$ 58,778</u>
	CareVention HealthCare	Shared Services and Other	Consolidated
<b>Adjusted EBITDA (loss) from Continuing Operations:</b>			
<b>Three Months Ended March 31, 2022</b>			
Adjusted EBITDA (loss)	<u>\$ 12,084</u>	<u>\$ (11,002)</u>	<u>\$ 1,082</u>
<b>Three Months Ended March 31, 2021</b>			
Adjusted EBITDA (loss)	<u>\$ 12,910</u>	<u>\$ (11,327)</u>	<u>\$ 1,583</u>

**TABULA RASA HEALTHCARE, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Amounts in thousands, except share and per share data)**

The following table presents the Company's reconciliation of the segments' total Adjusted EBITDA to net loss as presented in the consolidated statements of operations:

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Reconciliation of Net Loss to Adjusted EBITDA from Continuing Operations</b>		
Net loss	\$ (28,193)	\$ (19,492)
Add:		
Interest expense, net	2,269	2,547
Income tax expense	216	121
Depreciation and amortization	5,742	4,801
Long-lived asset impairment charge	4,062	—
Business optimization expenses	787	—
Severance costs	575	—
Divestiture-related expense	120	—
Acquisition-related expense	—	118
Stock-based compensation expense	7,703	7,372
Loss from discontinued operations	7,801	6,116
Adjusted EBITDA from continuing operations	\$ 1,082	\$ 1,583
Adjusted EBITDA from discontinued operations	1,440	2,016
Total Adjusted EBITDA	<u>\$ 2,522</u>	<u>\$ 3,599</u>

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Reconciliation of Net Loss from Discontinued Operations, net of tax to Adjusted EBITDA from Discontinued Operations</b>		
Net loss from discontinued operations, net of tax	\$ (7,801)	\$ (6,116)
Add:		
Income tax expense	118	78
Depreciation and amortization	7,331	6,824
Impairment charges	840	—
Acquisition-related expense	46	—
Stock-based compensation expense	906	1,230
Adjusted EBITDA from discontinued operations	<u>\$ 1,440</u>	<u>\$ 2,016</u>

Asset information by segment is not a key measure of performance used by the CODM. Accordingly, the Company has not disclosed asset information by segment.

**17. Related Party Transactions**

The Company's CareVention HealthCare segment provides medication fulfillment pharmacy services and certain PACE solutions services to a client whose Chief Executive Officer is a member of the Company's Board of Directors. For the three months ended March 31, 2022 and 2021, \$1,759 and \$1,459, respectively, of revenue related to this client was included in the Company's consolidated statements of operations, and \$171 and \$67 was included in accounts receivable, net, as of March 31, 2022 and December 31, 2021, respectively, on the Company's consolidated balance sheets.

## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited consolidated financial statements and related notes and other financial information included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and related notes thereto for the year ended December 31, 2021, included in our 2021 Form 10-K.*

### Forward-Looking Statements

*This discussion contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by words such as “believe,” “will,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “predict,” “could,” “potentially” or the negative of these terms or similar expressions. You should read these statements carefully because they discuss future expectations, contain projections of future results of operations or financial condition, or state other “forward-looking” information. These statements relate to, without limitation, our future plans, objectives, expectations, intentions, the potential sales of certain businesses of TRHC and the timing and benefits thereof, and financial performance and the assumptions that underlie these statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, (i) the impacts of the current COVID-19 pandemic and other health epidemics; (ii) our ability to adapt to changes or trends within the market for healthcare in the U.S.; (iii) a significant increase in competition from a variety of companies in the healthcare industry; (iv) developments and changes in laws and regulations, including increased regulation of the healthcare industry through legislative action and revised rules and standards; (v) the extent to which we are successful in gaining new long-term relationships with clients or retaining existing clients; (vi) the growth and success of our clients, which is difficult to predict and is subject to factors outside of our control; (vii) our ability to maintain relationships with a specified drug wholesaler; (viii) increasing consolidation in the healthcare industry; (ix) managing our growth effectively; (x) fluctuations in operating results; (xi) our ability to manage our cash flows; (xii) failure or disruption of our information technology and security systems; (xiii) dependence on our senior management and key employees; (xiv) our future indebtedness and our ability to obtain additional financing, reduce expenses, or generate funds when necessary; (xv) macroeconomic conditions, including the impact of inflation, on our business and operations; (xvi) our ability to execute on our planned divestitures of our PrescribeWellness, SinfoniaRx, and DoseMe businesses, the costs associated therewith, and risks related to diverting management’s attention from the Company’s ongoing business operations; (xvii) risks related to the volatility in our stock price, and (xviii) the risks described in Part I, Item 1A of our 2021 Form 10-K and our other filings and reports filed with or furnished to the Securities and Exchange Commission. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. These statements, like all statements in this report, speak only as of their date, and we undertake no obligation to update or revise these statements in light of future developments, except as required by applicable law. We caution investors that our business and financial performance are subject to substantial risks and uncertainties*

### Overview

Tabula Rasa HealthCare, Inc. (the “Company,” “we,” “us,” and “our”) is a healthcare technology company advancing the safe use of medications by creating solutions designed to empower pharmacists, providers, and patients to optimize medication regimens. Our advanced proprietary technology, MedWise®, identifies causes of and risks for medication-related problems, including adverse drug events (“ADEs”), so healthcare professionals can minimize harm and reduce medication-related risks. Our software and services help improve patient outcomes and lower healthcare costs through reduced hospitalizations, emergency department visits, and healthcare utilization. Our vision and mission are supported by our industry-recognized leadership team, our significant investments and collaborations to advance precision pharmacotherapy research and its application in clinical practice, and our culture.

We operate our business through two segments, CareVention HealthCare and MedWise HealthCare.

CareVention HealthCare primarily services PACE, which is a Centers for Medicare & Medicaid Services (“CMS”) sponsored program providing comprehensive medical and social services to adults age 55 and older who need

a nursing facility level of care but can live safely in community settings. We access the market through a number of different service lines and brands, including CareKinesis®, Capstone Risk Adjustment Services, CareVention Consulting™, PACElogic™, TruChart®, PeakTPA, PersonifilRx®, and Pharmastar®.

Our largest CareVention HealthCare revenue offering is our medication fulfillment services, which is built around our novel and proprietary MedWise® technology, designed to enable clinicians to increase patient safety, create individualized medication regimens, promote adherence, and eliminate unnecessary prescriptions. Our medication fulfillment and adherence packaging services utilize MedWise technology to reduce medication-related risk for the high-cost, high-risk PACE population. The CareVention HealthCare suite of offerings also includes risk adjustment services, PBM solutions, cloud-based electronic health records solutions (“EHR”), and third-party administration services, which are all specifically tailored to the PACE market. Our CareVention HealthCare segment serves more than 150 healthcare organizations.

The CareVention HealthCare segment revenue model is primarily based on payments on a per-member per-month (“PMPM”) basis, payments on a subscription basis, payments on a transaction basis, and payments for medication charges and dispensing fees for medication fulfillment.

In February 2022, we announced plans to evaluate non-core assets to refocus our corporate strategy and increase stockholder value, and we commenced an initial plan to sell the DoseMe business, which we acquired in January 2019. In March 2022, we completed our evaluation of additional divestiture opportunities and commenced plans to sell the SinfoniaRx and PrescribeWellness businesses, acquired in September 2017 and March 2019, respectively.

The DoseMe, SinfoniaRx, and PrescribeWellness businesses comprised the majority of our MedWise HealthCare segment. Our plan of sale represents a strategic business shift having a significant effect on our Company’s operations and financial results. As a result, we determined that these businesses met the requirements to be classified as held for sale and discontinued operations as of March 31, 2022. Accordingly, the accompanying consolidated financial statements in this Quarterly Report on Form 10-Q have been recast for all periods presented to reflect the assets, liabilities, revenue, and expenses related to these businesses as discontinued operations. We present continuing operations of the remaining components of our MedWise HealthCare segment combined with our shared services.

The continuing operations of the remaining components our MedWise HealthCare segment promote medication safety and adherence to improve patient outcomes and reduce healthcare costs. The MedWise HealthCare segment revenue model is primarily based payments on a PMPM basis, payments on a subscription basis, and payments on a fee-for-service basis for each medication safety review and clinical assessment completed.

Unless otherwise noted, management’s discussion and analysis of our Company’s results of operations relate to our Company’s continuing operations.

Substantially all of our revenue is recognized in the U.S. and substantially all of our long-lived assets are located in the U.S.

### Key Business Metrics

We continually monitor certain corporate metrics, including the following key metrics, that we believe are useful in evaluating and managing our operating performance compared to that of other companies in our industry.

	Three Months Ended		Change	
	2022	2021	\$	%
	(Dollars in thousands)			
Revenues from continuing operations	\$ 67,110	\$ 58,778	\$ 8,332	14 %
Net loss from continuing operations	(20,392)	(13,376)	(7,016)	(52)
Adjusted EBITDA	2,522	3,599	(1,077)	(30)

We monitor the key metrics set forth in the preceding table to help us evaluate trends, establish budgets, measure the effectiveness and efficiency of our operations, and gauge our cash generation. We discuss Adjusted EBITDA in more detail in “Non-GAAP Financial Measures.” We also monitor revenue retention rate on an annual basis, which is described in our 2021 Form 10-K.

## **Factors Affecting our Future Performance**

### ***General***

We believe that our future success depends on many factors, including our ability to maintain and grow our relationships with existing clients, expand our client base, and expand our offerings to meet evolving market needs. While these areas present significant opportunity, they also present risks that we must manage to ensure successful results. Please refer to “Item 1A – Risk Factors” in our 2021 Form 10-K for a discussion of certain risks and uncertainties that may impact our future success.

### ***Planned Divestitures of Non-Core Businesses***

As described above, we have commenced plans to sell the DoseMe, SinfoníaRx and PrescribeWellness businesses. We anticipate that proceeds from such divestitures will provide the Company the financial flexibility to optimize our capital structure, including significantly reducing net debt and increasing liquidity, as well as to focus on our core value-based care business including our offerings targeted at the PACE market and our MedWise science.

### ***COVID-19 Pandemic***

We continue to actively monitor the impact of the ongoing COVID-19 pandemic on both our employees and operations. In response to the pandemic, we have implemented measures to protect the health and safety of our employees, including hybrid and remote work arrangements, reduced density in our buildings, guidelines to ensure safe business travel, and safety protocols for on-site employees, including social distancing, enhanced cleaning, and contact tracing. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, we are not able to predict the continuing effects that the COVID-19 pandemic may have on our results of operations, financial condition, or liquidity. We are prepared to mitigate potential adverse impacts to our business, including our financial position, liquidity, operations, suppliers, industry, and workforce.

## **Components of Our Results of Operations**

### ***Revenue***

Our revenue is derived from our product sales and service activities under our CareVention HealthCare and MedWise HealthCare segments. For the three months ended March 31, 2022 and 2021, product sales represented 76% and 71% our total revenue, respectively, and service revenue represented 24% and 29% of our total revenue, respectively.

### ***CareVention HealthCare***

#### ***PACE Product Revenue***

We provide medication fulfillment pharmacy services to PACE organizations. While the majority of medications are routinely filled in order to treat chronic conditions, the mix and quantity of medications can vary. Revenue from medication fulfillment services is generally billed monthly or weekly, depending on whether the PACE organization is contracted with a pharmacy benefit manager, and recognized when medications are delivered and control has passed to the client. At the time of delivery, we have performed substantially all our performance obligations under our client contracts. We do not experience a significant level of returns or reshipments.

### *PACE Solutions*

We provide medication safety services and health plan management services to PACE organizations. These services primarily include medication safety services, risk adjustment services, PBM solutions, EHR solutions, and third-party administration services. Revenue related to these services primarily consists of a fixed monthly fee assessed based on number of members served (“PMPM”), a fee for each claim adjudicated, and subscription fees. These fees are recognized when we satisfy our performance obligation to stand ready to provide PACE services, which occurs when our clients have access to the PACE services. We generally bill for PACE services on a monthly basis as the services are provided.

### ***MedWise HealthCare***

#### *Medication Safety Services*

We provide medication safety services, which include identification of high-risk individuals, medication regimen reviews, including patient and prescriber counseling, and targeted interventions to increase adherence and close gaps in care. Revenue related to these services primarily consists of PMPM fees and fees for each medication review and clinical assessment completed. Revenue is recognized when we satisfy our performance obligation to stand ready to provide medication safety services, which occurs when our clients have access to the medication safety services and when medication reviews and clinical assessments are completed. We generally bill for the medication safety services on a monthly basis.

#### *Software Subscription and Services*

We provide software as a service (“SaaS”) solutions which allow for the identification of individuals with high medication-related risk. Revenues related to these software services primarily consist of monthly subscription fees and are recognized monthly as we meet our performance obligation to provide access to the software. Revenue for implementation and set up services is generally recognized over the contract term as the software services are provided. We generally bill for the software services on a monthly basis.

### ***Cost of Revenue (exclusive of depreciation and amortization)***

#### *Product Cost*

Cost of product revenue includes all costs directly related to the fulfillment and distribution of medications under our CareVention HealthCare offerings. Costs consist primarily of the purchase price of the prescription medications we dispense, which for the three months ended March 31, 2022 and 2021, represented 73% and 80%, respectively, of our total product costs. In addition to costs incurred to purchase the medications we dispense, other costs include shipping; packaging; expenses associated with operating our medication fulfillment centers, including salaries and related costs, such as stock-based compensation for personnel; technology expenses; direct overhead expenses; and allocated indirect overhead costs. We allocate indirect overhead costs among functions based on employee headcount.

#### *Service Cost*

Cost of service revenue includes all costs directly related to servicing our CareVention HealthCare and MedWise HealthCare service contracts. These costs primarily consist of labor costs, including stock-based compensation, outside contractors, expenses related to supporting our software platforms, direct overhead expenses, and allocated indirect overhead costs. We allocate indirect overhead costs among functions based on employee headcount.

### ***Research and Development Expenses***

Our research and development expenses consist primarily of salaries and related costs, including stock-based compensation, for personnel in our research and development functions. This personnel includes employees engaged in scientific research, healthcare analytics, the design and development of new scientific algorithms, and the enhancement of our software and technology platforms. Research and development expenses also include fees paid to third-party consultants, costs related to quality assurance and testing, and other allocated facility-related overhead and expenses.

We capitalize certain costs incurred in connection with obtaining or developing the proprietary software platforms that support our product and service contracts, including third-party contractors and payroll costs for employees directly involved with the software development. Capitalized software development costs are amortized beginning when the software project is substantially completed and when the asset is ready for its intended use. Costs incurred during the preliminary project stage and post implementation stage, as well as maintenance and training costs, are expensed as incurred. We continue to focus our research and development efforts on adding new features and applications to increase the functionality and enhance the ease of use of our existing suite of software solutions.

We believe continued investment in our software solutions is important for our future growth. We expect our research and development expenses will fluctuate in the near term but will decrease as a percentage of revenue in the long term.

#### ***Sales and Marketing Expenses***

Sales and marketing expenses consist principally of salaries, commissions, bonuses, and stock-based compensation and employee benefits for sales, marketing, and account management personnel, as well as travel costs related to sales, marketing, and account management activities. Marketing costs also include costs for communication and branding materials, conferences, trade shows, public relations, and allocated overhead.

We expect our sales and marketing expenses to fluctuate in the near term as we complete the sales of PrescribeWellness, SinfoníaRx, and DoseMe and refocus on our core business, but decrease as a percentage of revenue in the long term.

#### ***General and Administrative Expenses***

General and administrative expenses consist principally of employee-related expenses, including salaries, benefits, and stock-based compensation, for employees who are responsible for information systems, administration, human resources, finance, strategy, legal and executive management, as well as other corporate expenses associated with these functional areas. General and administrative expenses also include professional fees for legal, consulting and accounting services and allocated overhead. General and administrative expenses are expensed when incurred.

We expect that our general and administrative expenses will fluctuate in the near term as we complete the sales of PrescribeWellness, SinfoníaRx, and DoseMe and refocus on our core business, but decrease as a percentage of revenue in the long term.

#### ***Long-Lived Asset Impairment Charge***

Long-lived assets consist of property and equipment, software development costs and definite-lived intangible assets. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that we consider in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends, and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset for recoverability, we compare forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset to its carrying value. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use and disposition of an asset are less than its carrying amount. The impairment loss would be based on the excess of the carrying value of the impaired asset over its fair value, determined based on discounted cash flows or a combination of income and market approach

#### ***Depreciation and Amortization Expenses***

Depreciation and amortization expenses are primarily attributable to our capital investment in equipment, our capitalized software, and acquisition-related intangibles.

### Interest Expense

Interest expense is primarily attributable to interest expense associated with our 2026 Notes, our 2020 Credit Facility, and the promissory notes related to the purchase consideration for the acquisition of Personica, LLC. Interest expense also includes the amortization of debt discount and debt issuance costs related to our various debt arrangements.

### Results of Operations

The following table summarizes our results of operations for the three months ended March 31, 2022 and 2021 (in thousands):

	Three Months Ended		Change	
	March 31,		\$	%
	2022	2021		
Revenue:				
Product revenue	\$ 50,973	\$ 41,842	\$ 9,131	22 %
Service revenue	16,137	16,936	(799)	(5)
Total revenue	67,110	58,778	8,332	14
Cost of revenue, exclusive of depreciation and amortization shown below:				
Product cost	39,552	31,357	8,195	26
Service cost	13,169	12,622	547	4
Total cost of revenue, exclusive of depreciation and amortization	52,721	43,979	8,742	20
Operating expenses:				
Research and development	3,965	3,059	906	30
Sales and marketing	2,649	2,967	(318)	(11)
General and administrative	15,878	14,680	1,198	8
Long-lived asset impairment charge	4,062	—	4,062	100
Depreciation and amortization	5,742	4,801	941	20
Total operating expenses	32,296	25,507	6,789	27
Loss from operations	(17,907)	(10,708)	(7,199)	(67)
Interest expense, net	2,269	2,547	(278)	(11)
Loss from continuing operations before income taxes	(20,176)	(13,255)	(6,921)	(52)
Income tax expense	216	121	95	79
Net loss from continuing operations	(20,392)	(13,376)	(7,016)	(52)
Net loss from discontinued operations, net of tax	(7,801)	(6,116)	(1,685)	(28)
Net loss	<u>\$ (28,193)</u>	<u>\$ (19,492)</u>	\$ (8,701)	(45)

### Comparison of the Three Months Ended March 31, 2022 and 2021 (Continuing Operations)

#### Product Revenue

Product revenue increased \$9.1 million, or 22%, to \$60.0 million for the three months ended March 31, 2022, as compared to the same period in 2021. Increased medication fulfillment volume from growth in the number of patients served by our existing clients, medication mix of prescriptions filled, and payer mix contributed \$5.8 million to the increase. Medications dispensed by our community pharmacy network on behalf of CareVention HealthCare contributed \$3.0 million to the increase as a result of amended client agreements. New CareVention HealthCare clients that started services after the end of the first quarter in 2021 contributed \$0.3 million to the increase.

#### Service Revenue

Service revenue decreased \$0.8 million, or 5%, to \$16.1 million for the three months ended March 31, 2022, as compared to the same period in 2021.

Medication safety services revenue decreased \$2.2 million, or 76%, during the three months ended March 31, 2022, as compared to the same period in 2021. The decrease is primarily due to the conclusion of the Enhanced

Medication Therapy Management (“EMTM”) pilot program on December 31, 2021. As a result, no revenues related to the EMTM program were recognized after December 31, 2021.

The decrease in medication safety services was partially offset by an increase in CareVention HealthCare PACE solutions revenue of approximately \$1.4 million, or 10%, to \$15.3 million for the three months ended March 31, 2022, as compared to the same period in 2021. The increase was attributable to the addition of new clients and growth with existing clients since the first quarter of 2021, primarily within our third-party administration services and PBM solutions.

#### *Cost of Product Revenue*

Cost of product revenue increased \$8.2 million, or 26%, to \$39.6 million for the three months ended March 31, 2022, as compared to the same period in 2021. Increased medication volume from growth in the number of patients served by our existing customers contributed approximately \$3.8 million to the change. Medications dispensed by our community pharmacy network on behalf of CareVention HealthCare contributed \$3.0 million to the increase as a result of amended client agreements. The increase in cost of product revenue was also due to a \$0.9 million increase in distribution charges related to higher shipping costs and volume for the medications we fulfilled. The remaining increase in cost of product revenue was primarily attributable to an increase in employee compensation costs, including stock-based compensation, due to an increase in employee headcount.

#### *Cost of Service Revenue*

Cost of service revenue increased \$0.5 million, or 4%, to \$13.2 million for the three months ended March 31, 2022, as compared same period in March 31, 2021. The increase is primarily comprised of a non-recurring overlap in employee compensation costs with a new vendor arrangement for business process support and technology services of \$0.4 million and an increase in information technology expenses of \$0.3 million. These increases were offset by a \$0.4 million reduction in resources contracted to deliver medication safety services due to the conclusion of the EMTM program on December 31, 2021.

#### *Research and Development Expenses*

Research and development expenses increased \$0.9 million, or 30%, to \$4.0 million for the three months ended March 31, 2022, as compared to the same period in 2021. The increase includes \$0.4 million of expenses related to business optimization initiatives during 2022, specifically efforts associated with consolidating our electronic health records solutions platforms, and investments in information technology spend of \$0.3 million. The remaining increase is primarily attributable to expenses incurred to terminate a long-term lease.

#### *Sales and Marketing Expenses*

Sales and marketing expenses decreased \$0.3 million, or 11%, to \$2.7 million for the three months ended March 31, 2022, as compared to the same period in 2021. The decrease is primarily attributable to a \$0.7 million decrease in employee compensation costs compared to 2021, of which \$0.4 million relates to a decrease in stock-based compensation expense and the remainder relates to a decrease in employee benefits costs, including bonus. This decrease was partially offset by an aggregate increase of \$0.3 million in conference related travel expenses and professional consulting services related to executing our branding and marketing strategies.

#### *General and Administrative Expenses*

General and administrative expenses increased \$1.2 million, or 8%, to \$15.9 million for the three months ended March 31, 2022 as compared to the same period in 2021. The increase in general and administrative expenses includes a \$1.3 million increase in professional services, primarily related to a new provider of enterprise support services we engaged during the fourth quarter of 2021. The increase in general and administrative expenses also includes severance expense of \$0.6 million in 2022 and a \$0.4 million increase in stock-based compensation costs related to new grants issued since the first quarter of 2021. These increases in general and administrative expenses were partially offset by a \$1.1 million decrease in employee compensation costs, excluding stock-based compensation expense, primarily due to a decrease in employee headcount as a result of the Company’s business optimization initiative to outsource enterprise support services.

### *Long-Lived Asset Impairment Charge*

During the three months ended March 31, 2022, we recorded a \$4.1 million long-lived asset impairment charge related to certain capitalized software development costs. During the first quarter of 2022, we became aware of changes in circumstances impacting the future application of certain capitalized software development costs and evaluated the recoverability of the related long-lived assets by comparing their carrying amount to the future net undiscounted cash flows expected to be generated by the assets to determine if the carrying value was not recoverable. The recoverability test indicated that certain capitalized software development costs were impaired. As a result, we recognized an impairment loss equal to \$4.1 million for the three months ended March 31, 2022. We did not record any long-lived asset impairment charges in 2021.

### *Depreciation and Amortization Expenses*

Depreciation and amortization expenses increased \$0.9 million, or 20%, to \$5.7 million for the three months ended March 31, 2022 from \$4.8 million for the same period in 2021. This increase was due to a \$1.3 million increase in the amortization of capitalized software related to new software functionality placed into service after the end of the first quarter in 2021 to support our business. The increase was offset by a decrease in amortization expense of \$0.2 million primarily due to definite-lived intangible assets which have been fully amortized since the end of the first quarter in 2021.

### *Interest Expense*

Interest expense for the three months ended March 31, 2022 was \$2.3 million, a decrease of \$0.3 million, or 11%, as compared to the same period in 2021. The decrease is primarily attributable to the full satisfaction of the acquisition-related notes payable in October 2021 related to the October 2020 acquisition of Personica, LLC. Approximately \$0.25 million of interest expense was recognized for the three months ended March 31, 2021 related to the acquisition-related notes payable.

### *Income Taxes*

For the three months ended March 31, 2022 and 2021, we recorded income tax expense of \$0.2 million and \$0.1 million, respectively, which resulted in effective tax rates of (1.1%) and (0.9%), respectively. Income tax expense is primarily related to indefinite-lived deferred tax liabilities for goodwill amortization. The effective tax rates differ from the U.S. statutory tax rate primarily due to the full valuation allowance recorded that is currently limiting the realizability of our net deferred tax assets as of March 31, 2022 and 2021. Accordingly, the tax benefit was limited due to unbenefited losses in the three months ended March 31, 2022 and 2021. We calculate the provision for income taxes during interim periods by applying the estimated annual effective tax rate for the full year ordinary income or loss to the respective reporting period's year-to-date income or loss, while also adding any income tax expense or benefit related to discrete items occurring within that interim period.

### *Net Loss from Discontinued Operations, Net of Tax*

As of March 31, 2022, we determined that the SinfoníaRx, PrescribeWellness, and DoseMe businesses, which were acquired in September 2017, March 2019, and January 2019, respectively, met the held-for-sale criteria and, as such, all related assets and liabilities and the results of operations for all periods presented are classified as discontinued operations and are not included in the consolidated financial statements. Net loss from discontinued operations, net of tax, was \$7.8 million and \$6.1 million for the three months ended March 31, 2022 and 2021, respectively. See Note 3 in the notes to our consolidated financial statements as reported in this Quarterly Report on Form 10-Q for additional information.

## NON-GAAP FINANCIAL MEASURES

### Adjusted EBITDA

To provide investors with additional information about our financial results, we disclose Adjusted EBITDA, which is a non-GAAP financial measure. Adjusted EBITDA consists of net loss plus certain other expenses, which include interest expense, income tax expense, depreciation and amortization, impairment charges, business optimization expenses, severance costs, divestiture-related expense, acquisition-related expense, and stock-based compensation expense. We consider business optimization expenses to include contract termination payments, severance, retention payments, and other employee and non-recurring vendor costs incurred related to our business optimization initiatives during 2022. We consider severance costs to include severance payments related to the realignment of our resources. We consider divestiture-related expense to include nonrecurring direct transaction costs. We consider acquisition-related expense to include nonrecurring direct transaction and integration costs. We present Adjusted EBITDA because it is one of the measures used by our management and Board of Directors to understand and evaluate our core operating performance, and we consider it an important supplemental measure of performance. We believe this metric is commonly used by the financial community, and we present it to enhance investors' understanding of our operating performance and cash flows. We believe Adjusted EBITDA provides investors and other users of our financial information consistency and comparability with our past financial performance.

Our management uses Adjusted EBITDA:

- as a measure of operating performance to assist in comparing performance from period to period on a consistent basis;
- to prepare and approve our annual budget; and
- to develop short- and long-term operational plans.

Adjusted EBITDA is not in accordance with, or an alternative to, measures prepared in accordance with GAAP. In addition, this non-GAAP measure is not based on any comprehensive set of accounting rules or principles. As a non-GAAP measure, Adjusted EBITDA has limitations in that it does not reflect all the amounts associated with our results of operations as determined in accordance with GAAP. In particular:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future. Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect cash interest income or expense;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the potentially dilutive impact of stock-based compensation and related employer taxes;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Adjusted EBITDA does not reflect costs incurred in connection with the Company's business optimization initiatives during 2022;
- Adjusted EBITDA does not reflect severance costs related to the realignment of our resources; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA, or similarly titled measures differently, which reduce its usefulness as a comparative measure.

Because of these and other limitations, you should consider Adjusted EBITDA alongside GAAP-based financial performance measures, including various cash flow metrics, net loss and our other GAAP financial results and not in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. You should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in the presentation, and we do not intend to imply that our future results will be unaffected by unusual or non-recurring items.

The following is a reconciliation of Adjusted EBITDA to our net loss for the periods presented:

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Reconciliation of Net Loss to Adjusted EBITDA</b>		
Net loss	\$ (28,193)	\$ (19,492)
Add:		
Interest expense, net	2,269	2,547
Income tax expense	334	199
Depreciation and amortization	13,073	11,625
Impairment charges	4,902	—
Business optimization expenses	787	—
Severance costs	575	—
Divestiture-related expense	120	—
Acquisition-related expense	46	118
Stock-based compensation expense	8,609	8,602
Adjusted EBITDA <sup>(1)</sup>	<u>\$ 2,522</u>	<u>\$ 3,599</u>

(1) The financial results and Adjusted EBITDA related to discontinued operations have not been segregated and the table above includes the results of continuing and discontinued operations. See Note 3 and Note 16 in the notes to the consolidated financial statements in this Quarterly Report on Form 10-Q for discussion of discontinued operations and segment reporting for continuing operations, respectively.

## Liquidity and Capital Resources

We incurred a net loss of \$28.2 million and \$19.5 million for the three months ended March 31, 2022 and 2021, respectively. Our primary liquidity and capital requirements are for research and development, sales and marketing, general and administrative expenses, and debt service obligations. We have funded our operations, working capital needs, and investments with cash generated through operations, issuance of stock, and borrowings under our credit facility. At March 31, 2022, we had unrestricted cash of \$14.4 million.

### Summary of Cash Flows

The following table shows a summary of our cash flows for the three months ended March 31, 2022 and 2021:

	Three Months Ended	
	March 31,	
	2022	2021
Net cash used in operating activities	\$ (15,735)	\$ (4,078)
Net cash used in investing activities	(8,966)	(6,385)
Net cash provided by financing activities	27,410	2,124
Net increase (decrease) in cash and restricted cash <sup>(1)</sup>	\$ 2,709	\$ (8,339)

(1) The cash flows related to discontinued operations have not been segregated. Accordingly, the consolidated statements of cash flows and the following discussions include the results of continuing and discontinued operations. See Note 3 in the notes to the consolidated financial statements as reported in this Quarterly Report on Form 10-Q.

### Operating Activities

Net cash used in operating activities was \$15.7 million for the three months ended March 31, 2022 and consisted of our net loss of \$28.2 million and changes in our operating assets and liabilities totaling \$14.8 million, offset by the addition of noncash items of \$27.2 million. The noncash items primarily included \$13.1 million of depreciation and amortization expense, \$8.6 million of stock-based compensation expense, \$4.9 million of impairment charges primarily related to our long-lived assets and goodwill, \$0.5 million of amortization of deferred financing costs and debt discounts primarily related to the 2026 Notes, and a \$0.3 million change in net deferred taxes. The change in operating assets and liabilities was primarily due to an increase in prepaid expenses and other current assets, an increase in accounts receivable and client claims receivables, and a decrease in accrued expenses and other liabilities. The increase in prepaid expenses and other current assets was primarily due to an increase in contract assets related to rebate administration services under our PBM solutions. The increases in accounts receivable and client claims receivable were primarily due to the timing of customer payments. The decrease in accrued expenses and other liabilities was primarily due to a decrease in accrued employee related expenses and a decrease in accrued interest expense, which was partially offset by an increase in consideration payable to customers under our PBM solutions.

Net cash used in operating activities was \$4.1 million for the three months ended March 31, 2021 and consisted primarily of our net loss of \$19.5 million and changes in our operating assets and liabilities totaling \$5.6 million, offset by the addition of noncash items of \$21.0 million. The noncash items primarily included \$11.6 million of depreciation and amortization expense, \$8.6 million of stock-based compensation expense, \$0.6 million of amortization of deferred financing costs and debt discounts primarily related to the 2026 Notes and acquisition-related notes payable, and a \$0.2 million change in net deferred taxes. The change in operating assets and liabilities was primarily due to a decrease in accounts payable, an increase in other assets, an increase in prepaid expenses and other current assets, and a decrease in client claims payable. The decrease in accounts payable was primarily due to the timing of vendor payments. The increase in other assets was primarily due to an increase in nontrade receivables. The increase in prepaid expenses and other current assets was primarily due to an increase in contract assets related to rebate administration services under our PBM solutions. The change in operating assets and liabilities was partially offset by an increase in accrued expenses and other liabilities and a decrease in accounts receivable.

### *Investing Activities*

Net cash used in investing activities was \$9.0 million for the three months ended March 31, 2022 and included \$8.8 million in software development costs for our CareVention HealthCare and MedWise HealthCare technologies. Net cash used in investing activities also included \$0.2 million in purchases of property and equipment to support our CareVention HealthCare and corporate operations.

Net cash used in investing activities was \$6.4 million for the three months ended March 31, 2021, which included \$5.9 million in software development costs for our CareVention HealthCare and MedWise HealthCare technologies. Net cash used in investing activities also included \$0.5 million in purchases of property, equipment, and leasehold improvements for our office space in Eden Prairie, Minnesota to support our health plan management services and for our Moorestown, New Jersey headquarters to support our corporate operations.

### *Financing Activities*

Net cash provided by financing activities was \$27.4 million for the three months ended March 31, 2022 and consisted of \$27.7 million of borrowings on our 2020 Credit Facility to support business operations and initiatives, and \$60 thousand of proceeds received from the exercise of stock options. Net cash provided by financing activities for the three months ended March 31, 2022 was partially offset by \$0.35 million of payments of debt financing costs.

Net cash provided by financing activities was \$2.1 million for the three months ended March 31, 2021 and included \$7.5 million of borrowings on our 2020 Credit Facility to fund the repayment of the first promissory note in connection with the October 2020 acquisition of Personica, LLC and \$2.2 million of proceeds received from the exercise of stock options. Net cash provided by financing activities was partially offset by a \$7.5 million repayment of the first promissory note in connection with the Personica, LLC acquisition and \$99 thousand for the final payment of the contingent purchase price consideration in connection with the 2018 acquisition of the Cognify business.

### ***Funding Requirements***

On December 18, 2020, we entered into a Loan and Security Agreement with Western Alliance Bank (the 2020 Credit Facility”), which provides for a \$120.0 million secured revolving credit facility, with a \$1.0 million sublimit for cash management services and letters of credit and foreign exchange transactions. The 2020 Credit Facility matures on May 16, 2025. We have \$0.3 million available for borrowings and \$62.7 million of unused commitments under our 2020 Credit Facility, and we were in compliance with all financial and operating covenants related to the 2020 Credit Facility as of March 31, 2022.

We believe that our unrestricted cash of \$14.4 million as of March 31, 2022 and cash flows from continuing operations will be sufficient to fund our planned operations through at least May 2023. Our ability to maintain successful operations will depend on, among other things, new business, the retention of clients, and the effectiveness of sales and marketing initiatives.

We may seek additional funding through public or private debt or equity financings. We may not be able to obtain financing on acceptable terms, or at all. The terms of any financing may adversely affect our stockholders. If we are unable to obtain funding, we could be forced to delay, reduce, or eliminate our research and development programs, product portfolio expansion, or commercialization efforts, which could adversely affect our business prospects. There is no assurance that we will be successful in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all.

### ***Contractual Obligations and Commitments***

During the three months ended March 31, 2022, there were no material changes to our contractual obligations and commitments as compared to those described under “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Commitments*” in our 2021 Form 10-K.

### **Critical Accounting Policies and Significant Judgments and Estimates**

Our management’s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Except as disclosed in Note 2 in the notes to our unaudited consolidated financial statements in this Quarterly Report on Form 10-Q, there have been no material changes in our critical accounting policies during the three months ended March 31, 2022 as compared to those disclosed in the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates*” in our 2021 Form 10-K.

#### **Item 3. Quantitative and Qualitative Disclosure about Market Risk**

There have been no material changes in our primary market risk exposures or how those exposures are managed from the information disclosed in our 2021 Form 10-K for the three months ended March 31, 2022

#### **Item 4. Controls and Procedures**

##### ***Evaluation of Disclosure Controls and Procedures***

As required by Rule 13a-15(b) and Rule 15d-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, including our principal executive officer and our principal financial officer, conducted an evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q of the effectiveness of the design and operation of our disclosure controls and procedures.

Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of March 31, 2022, our disclosure controls and procedures are effective at the reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

##### ***Inherent Limitations on Effectiveness of Controls and Procedures***

Internal control over financial reporting may not prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Also, projections of any evaluation of effectiveness of internal control to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

##### ***Changes in Internal Control over Financial Reporting***

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the first quarter of fiscal 2022 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings**

We are not currently party to any material legal proceedings. From time to time, however, we may be a party to litigation and subject to claims in the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

### **Item 1A. Risk Factors**

Stockholders and potential investors in our securities should carefully consider the risk factors set forth in Part I, “Item 1A. Risk Factors” of our 2021 Form 10-K for the year ended December 31, 2021, which was filed with the Securities and Exchange Commission on February 25, 2022. We have identified these risk factors as important factors that could cause our actual results to differ materially from those contained in any written or oral forward-looking statements made by us or on our behalf. There have been no material changes to such risk factors previously disclosed in our 2021 Form 10-K.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

There were no unregistered sales of equity securities during the three months ended March 31, 2022.

### **Item 3. Defaults Upon Senior Securities**

Not applicable.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

Not applicable.

**Item 6. Exhibits**

<u>Exhibit No.</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>			<u>Filed Herewith</u>
		<u>Form</u>	<u>Filing Date</u>	<u>Exhibit Number</u>	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Tabula Rasa HealthCare, Inc.</a>	8-K	10/4/2016	3.1	
3.2	<a href="#">Amended and Restated Bylaws of Tabula Rasa HealthCare, Inc.</a>	8-K	10/4/2016	3.2	
10.1*	<a href="#">Offer Letter, by and between Tabula Rasa HealthCare, Inc. and Thomas Cancro, dated as of February 2, 2022</a>				X
10.2*	<a href="#">Change in Control and Severance Agreement, dated as of February 24, 2022, by and between Thomas Cancro and Tabula Rasa HealthCare, Inc</a>				X
10.3*	<a href="#">Form of Performance Stock Unit Award Agreement</a>				X
10.4††	<a href="#">Master Services Agreement, by and between Tabula Rasa HealthCare, Inc. and Mphasis Corporation, dated as of August 30, 2021</a>				X
31.1	<a href="#">Certification of Chief Executive Officer (Principal Executive Officer) required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Certification of Chief Financial Officer (Principal Financial Officer) required by Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
32.1**	<a href="#">Certification of Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Schema Document				X
101.CAL	Inline XBRL Calculation Linkbase				X
101.DEF	Inline XBRL Definition Linkbase				X
101.LAB	Inline XBRL Label Linkbase				X
101.PRE	Inline XBRL Presentation Linkbase				X
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31 2022, formatted in Inline XBRL (contained in Exhibit 101)				X

\* Represents management contract or compensatory plan or arrangement.

\*\* This certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tabula Rasa HealthCare, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this Form 10-Q), irrespective of any general incorporation language contained in such filing.

†† The Company has redacted provisions or terms of this Exhibit pursuant to Regulation S-K Item 601(b)(10)(iv). The Company agrees to furnish an unredacted copy of the Exhibit to the Securities and Exchange Commission upon its request

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TABULA RASA HEALTHCARE, INC.

Date: May 9, 2022

By: /s/ DR. CALVIN H. KNOWLTON

Name: Dr. Calvin H. Knowlton

Title: Chief Executive Officer

*(Principal Executive Officer)*

Date: May 9, 2022

By: /s/ THOMAS J. CANCRO

Name: Thomas J. Cancro

Title: Chief Financial Officer

*(Principal Financial Officer)*

Date: May 9, 2022

By: /s/ ANDREA C. SPEERS

Name: Andrea C. Speers

Title: Chief Accounting Officer

*(Principal Accounting Officer)*

February 2, 2022

Mr. Thomas Cancro, CPA, CFA

[\_\_\_\_\_]

Dear Thomas,

It is my pleasure to extend the following amended offer of employment to you on behalf of Tabula Rasa HealthCare, Inc. (“TRHC” or the “Company”). This offer is contingent upon your acceptance of the terms and conditions set forth below and in the TRHC’s Change-in-Control and Severance Agreement.

**Title:** Chief Financial Officer

In addition, as is common in operations, all staff shares in the responsibility of assisting other departments and positions in supporting business and client needs. Your schedule is subject to change as determined by business needs and adjusted by your manager.

**Reporting Relationship:** This position will report to Brian Adams, Co-President.

**Start Date:** February 24, 2022 (as to employment); February 28, 2022 (as to appointment as Chief Financial Officer).

**Base Salary:** Will be paid in bi-weekly installments of \$14,423.08, which is equivalent to \$375,000.00 (Three hundred and seventy-five thousand dollars) on an annual basis for this full-time position, and subject to deductions for taxes and other withholdings as required by law or the policies of TRHC.

**Bonus Plan:** You are eligible to participate in the Company’s Management bonus plan and may earn an amount targeted at 50% of your base salary, based upon the achievement of specified performance goals. The bonus year is the Company’s fiscal year and any payments made to you for bonus year 2022 will be pro-rated based on the period of time you held the position.

**Sign-On/2021 Equity Grant:** You will be granted 200,000 shares of Restricted Stock of the Company (the “Initial RSA Grant”) on (or shortly after) your start date. The Initial RSA Grant will vest in four substantially equal annual installments on February 24, 2023, 2024, 2025 and 2026, subject to your continued employment through each such vesting date. The Initial RSA Grant shall be subject to the terms and conditions of the Company’s 2016 Equity Compensation Plan and the award agreement pursuant to which the award is granted. You shall be eligible to receive future equity awards, as determined in the sole discretion of the Board of Directors.

**Relocation:** In connection with your relocation to the Moorestown, NJ area, the Company will pay you a one-time reimbursement stipend of \$48,000, to cover the costs of reasonable and customary relocation expenses, including moving costs, temporary housing, house-hunting trips, and reimbursement for air travel.

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**Benefits:** Standard company benefits will be available within the guidelines set forth by the Company.

**Employment At Will:** You will be a full time “at will” employed. This means that you are not employed for any specified period of time and either you or TRHC may terminate the employment relationship at any time, with or without cause, and with or without prior warning. You acknowledge that this offer letter represents the entire agreement between you and Tabula Rasa HealthCare and that no verbal or written agreements, promises or representations that are not specifically stated in this offer, are or will be binding upon Tabula Rasa HealthCare. Notwithstanding the foregoing, the terms of your employment and any termination of your employment relationship, either by TRHC or you, shall be governed by the terms of the TRHC Change-in-Control and Severance Agreement, which is incorporated herein by reference as if fully set forth herein.

**Attorneys’ Fees:** As agreed between you and Brian Adams, the Company will reimburse you for, or pay directly, up to \$5,000 for an attorney of your choosing to review this agreement. If you are in agreement with the above, please sign below.

On behalf of Brian Adams and members of the Finance team, we are excited at the prospect of your joining the Tabula Rasa HealthCare team and look forward to a mutually beneficial relationship.

Sincerely,

/s/ Amy Celhar

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Tabula Rasa HealthCare  
Amy Celhar

Talent Acquisition Director  
Human Resources

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**Signatures:**

By: /s/ Thomas Cancro, CPA, CFA

Thomas Cancro, CPA, CFA

Date: February 28, 2022

By: /s/ Amy Celhar

Amy Celhar

Date: February 24, 2022

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## CHANGE-IN-CONTROL AND SEVERANCE AGREEMENT

THIS CHANGE-IN-CONTROL AND SEVERANCE AGREEMENT (this “Agreement”) is entered into on February 24, 2022, (the “Effective Date”) by and between Tabula Rasa HealthCare, Inc., a Delaware corporation (the “Company”) and Thomas Cancro (the “Executive”), collectively referred to herein as the “Parties.”

NOW, THEREFORE, in consideration of the premises and of the mutual promises and covenants contained herein, the Company and the Executive, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement, the terms listed in this Section 1 have the meanings set forth herein and are supplemented by the information set forth in the Exhibit A to this Agreement.

(a) Accrued Obligations. For purposes of this Agreement, “Accrued Obligations” shall mean (i) any Base Salary earned through the Executive’s termination of employment that remains unpaid; (ii) any annual incentive bonus payable with respect to any fiscal year which ended prior to the effective date of the Executive’s termination of employment, which remains unpaid; (iii) any accrued by unused personal time off days; (iv) any reimbursement for expenses; (iv) for a termination of employment other than for Cause that occurs at least six (6) months following the commencement of the performance period for such annual incentive bonus, an amount equal to the Target Incentive Bonus prorated for the period of the performance period for such annual incentive bonus that the Executive was employed; and (v) any reimbursement or payment due to the Executive on or prior to the date of such termination of employment which remains unpaid to the Executive. The Accrued Obligations shall be paid following the Executive’s termination of employment at such times and in accordance with such policies as would normally apply to such amounts.

(b) Base Salary. For purposes of this Agreement, “Base Salary” shall mean the annual base salary that the Company shall pay to the Executive, including any increase made at the discretion of the Committee, which shall be reviewed in accordance with the review process for employees of the Company and shall be payable in accordance with the Company’s normal payroll practices.

(c) Board. For purposes of this Agreement, “Board” shall mean the Board of Directors of the Company.

(d) Cause. For purposes of this Agreement, “Cause” shall mean any of the following grounds for the Executive’s termination of employment listed: (i) the Executive’s knowing and material dishonesty or fraud committed in connection with the Executive’s employment; (ii) theft, misappropriation, or embezzlement by the Executive of the Company’s funds; (iii) the Executive repeatedly negligently performing or failing to perform, or willfully refusing to perform, the Executive’s duties to the Company (other than a failure resulting from Executive’s incapacity due to physical or mental illness); (iv) the Executive’s conviction of or a plea of guilty or *nolo contendere* to any felony, a crime involving fraud or misrepresentation, or any other crime (whether or not connected with his employment) the effect of which is likely to adversely affect the Company or its affiliates; (v) a material breach by the Executive of any of the provisions or covenants set forth in this Agreement;

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(vi) a material breach by the Executive of the Company's Code of Conduct and Business Ethics; (vii) the Executive's appearing on the Office of the Inspector General's exclusions list; or (viii) any other act or omission by the Executive that has a material adverse effect on the Company's ability to operate. Prior to any termination of employment for Cause pursuant to each such event listed in (i), (iii), (v), (vi), or (viii) above, to the extent such event(s) is capable of being cured by the Executive, the Company shall give the Executive written notice thereof describing in reasonable detail the circumstances constituting Cause and the Executive shall have the opportunity to remedy same within thirty (30) days after receiving written notice.

(e) Change in Control. For purposes of this Agreement, a "Change in Control" shall have the same meaning ascribed to such term under the Company's 2016 Omnibus Incentive Compensation Plan, as in effect on the date hereof and as may be amended from time to time, or such successor plan.

(f) Change in Control Period. For purposes of this Agreement, the "Change in Control Period" shall mean the period commencing 90 days prior to a Change in Control and ending on the second anniversary of such Change in Control.

(g) CIC Severance Term. For purposes of this Agreement, the "CIC Severance Term" shall mean the period set forth as such on Exhibit A.

(h) CIC Termination. For purposes of this Agreement, a "CIC Termination" shall mean termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason during the Change in Control Period, provided that, in either case, a Change in Control actually occurs.

(i) COBRA. For purposes of this Agreement, "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985.

(j) Code. For purposes of this Agreement, the "Code" shall mean the Internal Revenue Code, as amended.

(k) Committee. For purposes of this Agreement, "Committee" shall mean the Compensation Committee of the Board or its delegate designated consistent with applicable law.

(l) Disability. For purposes of this Agreement, "Disability" shall mean a determination that the Executive (i) is disabled under the Company's 2016 Omnibus Incentive Compensation Plan, (ii) is unable to engage in any substantial gainful activity at a similar level of total compensation by reason of physical or mental impairment which can be expected to result in death or last for a period of at least twelve (12) consecutive months, or (iii) is otherwise determined to be disabled by the Committee.

(m) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence of one or more of the following, without the Executive's consent: (i) material diminution of the Executive's authority, duties or responsibilities; (ii) a material change in the geographic location at which Executive must perform the Executive's services under this Agreement (which, for purposes of this Agreement, means relocation of the offices of the Company at which the Executive is principally employed to a location more than fifty (50) miles from the location of such offices immediately prior to the relocation); (iii) a material diminution in the Executive's Base Salary; (iv) non-renewal of this

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Agreement on any Annual Renewal Date; or (v) any action or inaction that constitutes a material breach by the Company of a material provision of this Agreement. The Executive must provide written notice of termination of employment for Good Reason to the Company within sixty (60) days after the event constituting Good Reason first occurs, which notice shall state such Good Reason in reasonable detail. The Company shall have a period of thirty (30) days in which it may correct the act or failure to act that constitutes the grounds for Good Reason as set forth in the Executive's notice of termination of employment. If the Company does not correct the act or failure to act, the Executive must terminate the Executive's employment for Good Reason within sixty (60) days after the end of the cure period, in order for the termination of employment to be considered a Good Reason termination of employment.

(n) Monthly COBRA Costs. For purposes of this Agreement, "Monthly COBRA Costs" shall mean an amount equal to the amount active employees pay for health (including hospitalization, medical, dental, vision etc.) insurance coverage substantially similar in all material respects as the coverage provided to other Company employees as of the date of the Executive's termination of employment.

(o) Outplacement Benefit Term. For purposes of this Agreement, "Outplacement Benefit Term" shall mean the period for which reimbursements of outplacement benefits may be incurred.

(p) Outplacement Maximum. For purposes of this Agreement, "Outplacement Maximum" shall mean the limit on outplacement expenses that may be reimbursed under this Agreement.

(q) Release. For purposes of this Agreement, the "Release" shall mean a written release of any and all claims against the Company or its affiliates, with respect to all matters arising out of the Executive's employment with the Company, in such form as provided by the Company in its sole discretion.

(r) Restriction Period. For purposes of this Agreement, "Restriction Period" shall mean (i) the CIC Severance Term after a CIC Termination and (ii) the Severance Term after the Executive's termination of employment for any reason other than a CIC Termination.

(s) Target Incentive Bonus. For purposes of this Agreement, "Target Incentive Bonus" shall mean the Executive's target annual incentive bonus amount (measured at the target level, identified "goal" target or other similar target, without taking into account any incentive override for above goal performance, or any project-specific or other non-standard incentives) as in effect under the Company's applicable annual incentive plan for the year of the Executive's termination of employment. In the event that the Company has notified the Executive in writing that the Executive will be eligible for a Target Incentive Bonus for the year of termination of employment, but a plan has not yet been put into effect, the Target Incentive Bonus shall be the prior year's target annual incentive bonus amount.

(t) Severance Term. For purposes of this Agreement, "Severance Term" shall mean the period set forth as such on Exhibit A.

2. Term. This Agreement shall commence on the Effective Date and shall continue until the third anniversary of the Effective Date, unless sooner terminated pursuant to the terms of this

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Agreement (the "Term"). The Term shall be automatically extended and renewed for a period of one (1) year from the end of the Term (the "Renewal Date") unless either the Company or the Executive gives written notice of non-renewal to the other Party at least ninety (90) days prior to the end of the Term, in which event this Agreement shall terminate at the end of the Term. Subject to the termination provisions contained herein, if this Agreement is renewed on the Renewal Date for an additional one (1) year period, it will automatically be renewed on the anniversary of the Renewal Date and each subsequent year thereafter (the "Annual Renewal Date") for a period of one (1) year, unless either Party gives written notice of non-renewal to the other at least ninety (90) days prior to any Annual Renewal Date, in which case this Agreement will terminate on the Annual Renewal Date immediately following such notice.

3. Termination of Employment Without Cause; Resignation for Good Reason. If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, the provisions of this Section 3 shall apply.

(a) The Company may terminate the Executive's employment with the Company at any time without Cause upon not less than thirty (30) days' prior written notice to the Executive and the Executive may resign for Good Reason.

(b) Unless the Executive complies with the provisions of Section 3(c) below, upon termination of employment under Section 3(a) above, no other payments or benefits shall be due under this Agreement to the Executive other than the Accrued Obligations.

(c) Notwithstanding the provisions of Section 3(b) above, upon termination of employment under Section 3(a) above, if the Executive executes and does not revoke the Release, and so long as the Executive continues to comply with the provisions of Section 9 below, in addition to the Accrued Obligations, the Executive shall be entitled to receive the following:

(i) Continuation of the Executive's Base Salary for the Severance Term, at the rate in effect for the year in which the Executive's date of termination of employment occurs, which amount shall be paid in regular payroll installments over the Severance Term;

(ii) If the Executive timely and properly elects health continuation coverage under COBRA, then continued health (including hospitalization, medical, dental, vision etc.) insurance coverage substantially similar in all material respects as the coverage provided to other Company employees for the Severance Term; provided that the Executive shall pay the Monthly COBRA Costs, the period of COBRA health care continuation coverage provided under section 4980B of the Code shall run concurrently with the Severance Term, and notwithstanding the foregoing, the amount of any benefits provided by this subsection (c)(ii) shall be reduced or eliminated to the extent the Executive becomes entitled to duplicative benefits by virtue of the Executive's subsequent or other employment. Notwithstanding the foregoing, if the Company's making payments under this Section 3(c)(ii) would violate any nondiscrimination rules applicable to the Company's group health plan under which such coverage is made available, or result in the imposition of penalties under the Code or the Affordable Care Act, the Parties agree to reform this Section 3(c)(ii) in a manner as is necessary to comply with such requirements and avoid such penalties; and

(iii) Reimbursement for reasonable fees and costs for outplacement services incurred by Executive within the Outplacement Benefit Term, promptly upon presentation of reasonable documentation of such fees and costs, subject to the Outplacement Maximum. All requests

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of Executive for reimbursement must be submitted to the Company within thirty (30) days of the date incurred.

4. Death If the Executive's employment is terminated by reason of the Executive's death, then the Executive's estate shall be entitled to receive the following:

(i) The Accrued Obligations;

(b) An amount equal to the Executive's Base Salary for the Severance Term, at the rate in effect for the year in which the Executive dies, which amount shall be paid in a single lump sum as soon as reasonably practicable following the Executive's death; and

I All outstanding equity grants held by the Executive immediately prior to the Executive's death which vest based upon the Executive's continued service over time shall accelerate, become fully vested and/or exercisable, as the case may be, as of the date of the death and all outstanding equity grants held by the Executive immediately prior to death which vest based upon attainment of performance criteria shall remain subject to the terms and conditions of the agreement evidencing such performance-based award.

5. Disability. If the Executive's employment is terminated by the Company by reason of, subject to the requirements of applicable law, Disability, then upon the Executive's date of termination of employment, no payments shall be due under this Agreement, except that the Executive shall be entitled to the Accrued Obligations.

6. Cause. The Company may terminate the Executive's employment at any time for Cause, in which event all payments under this Agreement shall cease.

7. Change in Control.

(ii) CIC Termination. Notwithstanding anything to the contrary herein, if there is a CIC Termination, then the provisions of this Section 7 shall apply.

(ii) Unless the Executive complies with the provisions of Section 7(a)(ii) below, upon CIC Termination, no other payments or benefits shall be due under this Agreement to the Executive other than the Accrued Obligations.

(ii) Notwithstanding the provisions of Section 7(a)(i) above, upon CIC Termination, if the Executive executes and does not revoke the Release, and so long as the Executive continues to comply with the provisions of Section 9 below, then, in addition to the Accrued Obligations, the Executive shall be entitled to receive the following:

(A) Severance benefits in an amount equal to the product of (1) and (2) where (1) is the sum of Executive's Base Salary and the Executive's Target Incentive Bonus in effect immediately prior to the Executive's termination of employment divided by twelve and (2) is the number of months in the CIC Severance Term. This amount shall be paid in a single lump sum following the Executive's termination of employment, provided, however, that for a termination of employment prior to a Change in Control, the difference between this amount and any amount paid under Section 3(c)(iii) shall be paid in a single lump sum following the Change in Control, at which time payments under Section 3(c)(iii) shall cease;

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(B) COBRA continuation benefits as set forth in Section 3(c)(ii), except that the Severance Term shall be the CIC Severance Term; provided, that if the CIC Severance Term exceeds eighteen (18) months and the Executive secures an individual policy for health coverage (including for Executive's spouse and dependents where applicable), then the Company will reimburse the Executive for the monthly cost of such coverage for the period, if any, commencing on the first day following the eighteen (18) month period and ending after the end of the CIC Severance Term; and further provided that the reimbursement amount for any month shall not exceed the difference between the premium charged for COBRA continuation benefits under section 4980B(f)(2)(C) of the Code and the Monthly COBRA Costs;

(C) All outstanding equity grants held by the Executive immediately prior to the CIC Termination which vest based upon the Executive's continued service over time shall accelerate, become fully vested and/or exercisable, as the case may be, as of the date of the CIC Termination and all outstanding equity grants held by the Executive immediately prior to the CIC Termination which vest based upon attainment of performance criteria shall remain subject to the terms and conditions of the agreement evidencing such performance-based award.

(D) Reimbursement for reasonable fees and costs for outplacement services incurred by Executive within the Outplacement Benefit Term, promptly upon presentation of reasonable documentation of such fees and costs, subject to the Outplacement Maximum. All requests of Executive for reimbursement must be submitted to the Company within thirty (30) days of the date incurred.

(b) Application of Section 280G. If any of the payments or benefits received or to be received by the Executive (including, without limitation, any payment or benefits received in connection with a Change in Control or the Executive's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the "280G Payment") constitute "parachute payments" within the meaning of section 280G of the Code and will be subject to the excise tax imposed under section 4999 of the Code (the "Excise Tax"), then the 280G Payment shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (i) the largest portion of the 280G Payment that would result in no portion of the 280G Payment being subject to the Excise Tax, or (ii) the largest portion of the 280G Payment, up to and including the total 280G Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes and the Excise Tax (all computed at the highest applicable marginal rate), results in the Executive's receipt, on an after-tax basis, of the greater amount of the 280G Payment, notwithstanding that all or some portion of the 280G Payment may be subject to the Excise Tax. In making the determination described above, the Company, in its sole and absolute discretion, shall make a reasonable determination of the value to be assigned to any restrictive covenants in effect for the Executive, and the amount of the 280G Payment shall be reduced by the value of those restrictive covenants to the extent consistent with section 280G of the Code. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the 280G Payment equals the Reduced Amount, then the amounts payable or benefits to be provided to the Executive shall be reduced such that the economic loss to the Executive as a result of the "parachute payment" elimination is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All determinations to be made under this Section 7 shall be made by an independent accounting firm, consulting firm or other independent service provider selected by the Company immediately prior to the Change in Control (the "Firm"), which shall provide its determinations and any supporting calculations both to the Company and the

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Executive within ten (10) days of the Change in Control. Any such determination by the Firm shall be binding upon the Company and the Executive. All of the fees and expenses of the Firm in performing the determinations referred to in this Section 7 shall be borne solely by the Company.

8. Representations, Warranties and Covenants of the Executive.

(a) Restrictions. The Executive represents and warrants to the Company that:

(i) There are no restrictions, agreements or understandings whatsoever to which the Executive is a party which would prevent or make unlawful the Executive's execution of this Agreement or the Executive's employment hereunder, which is or would be inconsistent or in conflict with this Agreement or the Executive's employment hereunder, or would prevent, limit or impair in any way the performance by the Executive of the obligations hereunder; and

(ii) The Executive has disclosed to the Company all restraints, confidentiality commitments, and other employment restrictions that the Executive has with any other employer, person or entity.

(b) Obligations to Former Employers. The Executive covenants that in connection with the Executive's provision of services to the Company, the Executive shall not breach any obligation (legal, statutory, contractual, or otherwise) to any former employer or other person, including, but not limited to, obligations relating to confidentiality and proprietary rights.

(c) Obligations Upon Termination of Employment. Upon and after the Executive's termination of employment with the Company and until such time as no obligations of the Executive to the Company hereunder exist, the Executive shall (i) provide a complete copy of this Agreement to any person, entity or association which the Executive proposes to be employed, affiliated, engaged, associated or to establish any business or remunerative relationship prior to the commencement of any such relationship and (ii) shall notify the Company of the name and address of any such person, entity or association prior to the commencement of such relationship.

9. Restrictive Covenants.

(a) Non-Competition and Non-Solicitation. The Executive acknowledges and recognizes that during the Term, the Executive will be privy to confidential information of the Company. Accordingly, in consideration of the promises contained herein and the consideration to be received by the Executive hereunder (including, without limitation, the severance compensation described herein, if any), without the prior written consent of the Company, the Executive shall not, at any time during the Term or during the Restriction Period, (i) directly or indirectly engage in, represent in any way, or be connected with, any Competing Business (as hereinafter defined) directly competing with the business of the Company or any direct or indirect subsidiary or affiliate thereof in the United States, whether such engagement shall be as an officer, director, owner, employee, partner, affiliate or other participant in any Competing Business, (ii) assist others in engaging in any Competing Business in the manner described in clause (i) above, (iii) induce or solicit other employees of the Company or any direct or indirect subsidiary or affiliate thereof to terminate their employment with the Company or any such direct or indirect subsidiary or affiliate or to engage in any Competing Business or (iv) induce any entity or person with which the Company or any direct or indirect subsidiary or any affiliate thereof has a business relationship to terminate or alter such business relationship. As used herein, "Competing Business" shall mean [any firm or business organization that competes (i) with the Company in the development and/or commercialization of data-driven technology and solutions or pharmacy services to the types of entities now served or

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proposed to be served by the Company or (ii) in a business area planned in writing by the Company before the Executive's employment termination date for entry within twelve (12) months of the employment termination date at the time of the Executive's termination of employment with the Company. Notwithstanding the foregoing restrictions, it shall not be a violation of this Section 9(a) for the Executive to own a five (5%) percent or smaller interest in any corporation required to file periodic reports with the United States Securities and Exchange Commission, so long as Executive performs no services or lends any assistance to such corporation.

(b) The Executive understands that the foregoing restrictions may limit the Executive's ability to earn a livelihood in a business similar to the business of the Company or any subsidiary or affiliate thereof, but the Executive nevertheless believes that the Executive has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder to justify clearly such restrictions which, in any event (given the Executive's education, skills and ability), the Executive does not believe would prevent the Executive from earning a living.

(c) Non-Disparagement. The Executive shall not disparage the Company or their respective officers, directors, investors, employees, and affiliates or make any public statement reflecting negatively on the Company or their respective officers, directors, investors, employees, and affiliates, including (without limitation) any matters relating to the operation or management of the Company, irrespective of the truthfulness or falsity of such statement. The Company shall instruct and take all reasonable steps to cause its officers and members of the Board not to disparage the Executive on any matters relating to the Executive's services to the Company, business, professional or personal reputation or standing in the pharmacy industry, irrespective of the truthfulness or falsity of such statement. Nothing in this section shall prohibit the Parties from testifying truthfully in any forum or to any governmental agency.

(d) Proprietary Information. At all times the Executive shall hold in strictest confidence and will not disclose, use, lecture upon or publish any Proprietary Information (defined below) of the Company, except as such disclosure, use or publication may be required in connection with the Executive's work for the Company, or unless the Company expressly authorizes such disclosure in writing or it is required by law or in a judicial or administrative proceeding in which event the Executive shall promptly notify the Company of the required disclosure and assist the Company if a determination is made to resist the disclosure. For purposes of this Section 9(d), "Proprietary Information" shall mean any and all confidential and/or proprietary knowledge, data or information of the Company or its respective affiliated entities, including (without limitation) any information relating to financial matters, investments, budgets, business plans, marketing plans, personnel matters, business contacts, products, processes, know-how, designs, methods, improvements, discoveries, inventions, ideas, data, programs, and other works of authorship; provided, that it shall not include any information that is known to the Company to be publicly available.

(e) Invention Assignment. All inventions, innovations, improvements, developments, methods, designs, analyses, reports, and all similar or related information which relates to either the Company's actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive while employed by the Company (the "Work Product") belong to the Company and not to the Executive. The Executive shall promptly disclose such Work Product to the Board and perform all actions reasonably requested by the applicable Board (whether during or after the Term of this Agreement) to establish and confirm such ownership (including, without limitation, assignments, consents, powers of attorneys and other instruments).

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(I) Return of Property. Upon the Executive's termination of employment with the Company for any reason, voluntarily or involuntarily, and at any earlier time the Company requests, the Executive will deliver to the person designated by the Company all originals and copies of all documents and property of the Company in the Executive's possession, under the Executive's control or to which the Executive may have access. The Executive will not reproduce or appropriate for the Executive's own use, or for the use of others, any property, Proprietary Information or Work Product.

10. Miscellaneous Provisions.

(a) Entire Agreement, Amendments.

(i) This Agreement and the other agreements referred to herein contain the entire agreement between the Parties hereto and supersede any and all prior agreements and understandings concerning the Executive's employment by the Company.

(ii) This Agreement shall not be altered or otherwise amended, except pursuant to an instrument in writing signed by each of the Parties hereto.

(b) Descriptive Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provisions of this Agreement. When the context admits or requires, words used in the masculine gender shall be construed to include the feminine, the plural shall include the singular, and the singular shall include the plural.

(c) Notices. All notices or other communications pursuant to this Agreement shall be in writing and shall be deemed to be sufficient if delivered personally, telecopied, sent by nationally-recognized, overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the Parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(i) if to the Company, to:

Tabula Rasa HealthCare, Inc.  
228 Strawbridge Drive  
Moorestown, NJ 08057  
Attention: Calvin H. Knowlton, PhD

with a copy to:

Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103-2921  
Attention: Jeff Bodle, Esq.

(ii) if to the Executive, to the address in the Company's personnel records.

All such notices and other communications shall be deemed to have been delivered and received (A) in the case of personal delivery, on the date of such delivery, (B) in the case of delivery by telecopy, on the date of such delivery, (C) in the case of delivery by nationally-recognized, overnight courier, on the Business Day following dispatch, and (D) in the case of mailing, on the third Business

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Day following such mailing. As used herein, "Business Day" shall mean any day that is not a Saturday, Sunday or a day on which banking institutions in the State of New Jersey are not required to be open.

(d) Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. This Agreement may be executed and delivered by facsimile.

(e) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Jersey applicable to contracts made and performed wholly therein without regard to rules governing conflicts of law.

(g) Non-Exclusivity of Rights; Resignation from Boards; Clawback.

(i) Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in or rights under any benefit, bonus, incentive or other plan or program provided by the Company and for which the Executive may qualify; provided, however, that if the Executive becomes entitled to and receives the severance payments described in this Agreement, the Executive hereby waives the Executive's right to receive payments under any severance plan or similar program applicable to employees of the Company.

(ii) If the Executive's employment with the Company terminates for any reason, the Executive shall immediately resign from all boards of directors of the Company, any affiliates and any other entities for which the Executive serves as a representative of the Company and any committees thereof.

(iii) The Executive agrees that the Executive will be subject to any compensation clawback, recoupment, and anti-hedging and pledging policies that may be applicable to the Executive as an employee of the Company, as in effect from time to time and as approved by the Board or a duly authorized committee thereof.

(g) Benefits of Agreement; Assignment. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the Parties hereto, except that the duties and responsibilities of the Executive under this Agreement are of a personal nature and shall not be assignable or delegable in whole or in part by the Executive. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, within fifteen (15) days of such succession, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Company would be required to perform if no such succession had taken place and the Executive acknowledges that in such event the obligations of the Executive hereunder, including but not limited to those under Sections 8 or 9, will continue to apply in favor of the successor.

(h) Waiver of Breach. No delay or omission by a party in exercising any right, remedy or power under this Agreement or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

(i) Severability. In the event that any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable in any jurisdiction, then such provision

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shall, as to such jurisdiction, be modified or restricted to the extent necessary to make such provision valid, binding and enforceable, or if such provision cannot be modified or restricted, then such provision shall, as to such jurisdiction, be deemed to be excised from this Agreement; provided, however, that the binding effect and enforceability of the remaining provisions of this Agreement, to the extent the economic benefits conferred upon the Parties by virtue of this Agreement remain substantially unimpaired, shall not be affected or impaired in any manner, and any such invalidity, illegality or unenforceability with respect to such provisions shall not invalidate or render unenforceable such provision in any other jurisdiction.

(j) Remedies. All remedies hereunder are cumulative, and in addition to any other remedies provided for by law and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. The Executive acknowledges that in the event of a breach of any of the Executive's covenants contained in Sections 8 or 9, the Company shall be entitled to immediate relief enjoining such violations in any court or before any judicial body having jurisdiction over such a claim.

(k) Survival. The respective rights and obligations of the Parties hereunder shall survive the termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

(l) Jurisdiction. Each of the Parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the employee's employment/work location state court or federal court of the United States of America sitting in the employee's employment/work location, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any related agreement or for recognition or enforcement of any judgment. Each of the Parties hereto hereby irrevocably and unconditionally agrees that jurisdiction and venue in such courts would be proper, and hereby waives any objection that such courts are an improper or inconvenient forum. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the Parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any related agreement in the employees employment/work location state or federal court. Each of the Parties hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(m) Withholding. All payments under this Agreement shall be made subject to applicable tax withholding, and the Company shall withhold from any payments under this Agreement all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. The Executive shall bear all expense of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received under this Agreement.

(n) Compliance with Section 409A of the Code.

(i) This Agreement is intended to comply with section 409A of the Code and its corresponding regulations, to the extent applicable. Severance benefits under this Agreement are intended to be exempt from section 409A of the Code under the "short term deferral"

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exemption, to the maximum extent applicable, and then under the “separation pay” exemption, to the maximum extent applicable. Notwithstanding anything in this Agreement to the contrary, payments may only be made under this Agreement upon an event and in a manner permitted by section 409A of the Code, to the extent applicable. As used in this Agreement, the term “termination of employment” shall mean the Executive’s separation from service with the Company within the meaning of section 409A of the Code and the regulations promulgated thereunder. In no event may the Executive, directly or indirectly, designate the calendar year of a payment. For purposes of section 409A of the Code, each payment hereunder shall be treated as a separate payment and the right to a series of payments shall be treated as the right to a series of separate payments. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of section 409A of the Code. Notwithstanding any provision of this Agreement to the contrary, in no event shall the timing of the Executive’s execution of the Release, directly or indirectly, result in the Executive designating the calendar year of payment, and if a payment that is subject to execution of the Release could be made in more than one taxable year, payment shall be made in the later taxable year.

(ii) Notwithstanding anything herein to the contrary, if, at the time of the Executive’s termination of employment with the Company, the Company has securities which are publicly traded on an established securities market and the Executive is a “specified employee” (as such term is defined in section 409A of the Code) and it is necessary to postpone the commencement of any payments or benefits otherwise payable under this Agreement as a result of such termination of employment to prevent any accelerated or additional tax under section 409A of the Code, then the Company will postpone the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Executive) that are not otherwise paid within the ‘short-term deferral exception’ under Treasury Regulations section 1.409A-1(b)(4), and the “separation pay exception” under Treasury Regulations section 1.409A-1(b)(9)(iii), until the first payroll date that occurs after the date that is six (6) months following the Executive’s “separation of service” (as such term is defined under section 409A of the Code) with the Company. If any payments are postponed due to such requirements, such postponed amounts will be paid in a lump sum to the Executive on the first payroll date that occurs after the date that is six months following Executive’s separation of service with the Company. If the Executive dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of section 409A of the Code shall be paid to the personal representative of the Executive’s estate within sixty (60) days after the date of the Executive’s death.

(o) Full Settlement. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced as a result of a mitigation duty whether or not the Executive obtains other employment.

(p) Government Agency Exception. Nothing in this Agreement is intended to prohibit or restrict the Executive from: (i) making any disclosure of information required by process of law; (ii) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by, any federal or state regulatory or law enforcement agency or legislative body, or any self-regulatory organization; or (iii) filing, testifying, participating in, or otherwise assisting in a proceeding relating to an alleged violation of any federal, state, or municipal law relating to fraud or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization. In addition, this Agreement does not bar the Executive’s right to file an administrative charge with the Equal Employment Opportunity Commission (“EEOC”) and/or to participate in an investigation by the EEOC.

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

**TABULA RASA HEALTHCARE, INC.**

By: /s/ Dr. Calvin H. Knowlton  
Name: Dr. Calvin H. Knowlton  
Title: Chief Executive Officer

**EXECUTIVE**

By: /s/ Thomas Cancro  
Name: Thomas Cancro

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**EXHIBIT A**

Position:	Chief Financial Officer
2022 Base Salary:	\$375,000
2022 Target Incentive Bonus Percent of Base Salary:	50%
Term of Severance:	12 months
Change in Control Severance Term:	12 months
Outplacement Benefit Term:	12 months
Outplacement Maximum Dollars:	\$25,000
COBRA Length of Coverage Payments:	12 months

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**TABULA RASA HEALTHCARE, INC.  
2016 OMNIBUS INCENTIVE COMPENSATION PLAN**

**PERFORMANCE STOCK UNIT SUMMARY OF GRANT**

Tabula Rasa HealthCare, Inc., a Delaware corporation (the “Company”), pursuant to its 2016 Omnibus Incentive Compensation Plan (the “Plan”), hereby grants to the individual listed below (the “Participant”), this performance stock unit grant representing the target number of stock units set forth below (the “Performance Stock Units”) that may become earned and vested by the Participant based on the level of achievement of the Performance Goals. The actual number of Performance Stock Units earned and vested will be based on the actual performance level achieved with respect to the Performance Goals set forth on Schedule A. The Performance Stock Units are subject in all respects to the terms and conditions set forth herein, in the Performance Stock Unit Grant Agreement attached hereto as Exhibit A (the “Performance Stock Unit Grant Agreement”) and the Plan, each of which is incorporated herein by reference and made part hereof. Unless otherwise defined herein, capitalized terms used in this Performance Stock Unit Summary of Grant (the “Summary of Grant”) and the Performance Stock Unit Grant Agreement will have the meanings set forth in the Plan.

Participant: [ ]  
Date of Grant: [ ]  
Target Award: [ ] Performance Stock Units  
Performance Period:

As set forth on Schedule A, the three year period beginning on [ ] and ending on [ ] (the “Performance Period”).

Performance Goals: The performance goals are based on the performance measures set forth on Schedule A.

Vesting Schedule: Except as set forth herein, the Performance Stock Units will become earned and vested based on the performance level achieved with respect to the Performance Goals and the Participant continuing to be employed by, or provide service to, the Employer through the last day of the applicable Performance Period (the “Vesting Date”).

The number of Performance Stock Units set forth above is equal to the target number of shares of Company Stock that the Participant will earn and become vested in for 100% achievement of the Performance Goals (referred to as the “Target Award”). The actual number of shares of Company Stock that the Participant will become earned and vested in with respect to the Performance Stock Units may be greater or less than the Target Award, or even zero, and will be based on the performance level achieved by the Company with respect to the Performance Goals, as set forth on Schedule A.

Performance level is measured based on the threshold, target and stretch performance levels set forth on Schedule A. If actual performance is between performance levels, the number of Performance Stock Units earned and vested will be interpolated on a straight line basis for pro-rata achievement of the Performance Goals, rounded down to the nearest whole number; provided that failure to achieve the threshold performance level with respect to a Performance Goal will result in no Performance Stock Units being earned and vested with respect to that Performance Goal.

Vesting Upon Death, Disability or Certain Termination Events:

In the event the Participant ceases to be employed by, or provide service to, the Employer, on account of (i) the Participant's Disability, (ii) involuntary termination by the Employer without Cause (as defined in the written Employment Agreement between the Company and the Participant), or (iii) a resignation by the Participant due to Good Reason (as defined in the written Employment Agreement between the Company and the Participant), the Participant will earn and vest in a pro-rata portion of the Performance Stock Units, based on the actual performance results for the Performance Period, prorated for the portion of the Performance Period during which the Participant was employed by, or providing service to the Employer.

Vesting Upon Change of Control:

In the event a Change of Control occurs while the Participant is employed by, or providing service to, the Employer, the Performance Period will end on the date of the Change of Control and the Performance Stock Units will become earned and vested based on the greater of (i) the Company's actual performance level achieved with respect to the Performance Goals as of the Change of Control date, or (ii) the target performance level as to each Performance Goal, such that 100% of the Target Award is earned and vested as of the date of the Change of Control.

Issuance Schedule:

The Participant will receive a payment with respect to the Performance Stock Units earned and vested pursuant to this Performance Stock Unit Grant Agreement, if any, within sixty (60) days following the date the Performance Stock Units become earned and vested in accordance with Section 2 of the Performance Stock Unit Grant Agreement (the "Payment Date"); provided, however, that such payment will be made not later than March 15 of the fiscal year following the end of the Performance Period. Payment will be made with respect to the Performance Stock Units on the Payment Date in shares of Company Stock, with each Performance Stock Unit earned and vested equivalent to one share of Company Stock. In no event will any fractional shares be issued. Except as set forth herein, the Participant must be employed by the Company on the Vesting Date in order to earn and vest in the Performance Stock Units, unless the Committee determines otherwise.

**Participant Acceptance:**

By signing the acknowledgement below, the Participant agrees to be bound by the terms and conditions of the Plan, the Performance Stock Unit Grant Agreement and this Summary of Grant. The Participant accepts as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, this Summary of Grant or the Performance Stock Unit Grant Agreement.

The Participant acknowledges delivery of the Plan and the Plan prospectus together with this Summary of Grant and the Performance Stock Unit Grant Agreement. Additional copies of the Plan and the Plan prospectus are available by contacting [ ] at [ ].

Agreed and accepted:

\_\_\_\_\_  
Participant

\_\_\_\_\_  
Date

**SCHEDULE A**

**PERFORMANCE GOALS**

The number of Performance Stock Units that may become earned and vested will be determined based on the actual performance level achieved with respect to the following performance measure during the Performance Period (the “Performance Goals” and each individual measure, a “Performance Goal”).

<b><u>Performance Period*</u></b>				
<b>Performance Measure</b>	<b>Weighting**</b>	<b>Performance Level</b>	<b>Performance Goals</b>	<b>Percentage of Performance Stock Units Earned and Vested</b>
		Threshold		
		Target		
		Stretch		
<p>The actual number of Performance Stock Units earned and vested will be based on the actual performance level achieved at or between each performance level and will be interpolated on a straight line basis for pro-rata achievement of the Performance Goals, rounded down to the nearest whole number; provided that if the actual performance level achieved does not meet threshold performance for the applicable Performance Goal, then no Performance Stock Units will be earned and vested for that Performance Goal pursuant to this Agreement. The actual number of Performance Stock Units earned and vested will be determined by the Committee based on the actual performance level achieved with respect to the applicable Performance Goals.</p>				

**EXHIBIT A**

**TABULA RASA HEALTHCARE, INC.**

**PERFORMANCE STOCK UNIT GRANT AGREEMENT  
(Pursuant to the 2016 Omnibus Equity Compensation Plan)**

This Performance Stock Unit Grant Agreement (this “Agreement”) is delivered by Tabula Rasa Healthcare, Inc., a Delaware corporation (the “Company”), pursuant to the Summary of Grant delivered with this Agreement to the individual named in the Summary of Grant (the “Participant”). The Summary of Grant, which specifies the Participant, the date as of which the grant is made (the “Date of Grant”), the vesting schedule and other specific details of the grant is incorporated herein by reference.

1. **Grant of Performance Stock Units.**

(a) Upon the terms and conditions set forth in this Agreement and in the Company’s 2016 Omnibus Equity Compensation Plan (the “Plan”), the Company hereby grants to the Participant the number of performance stock units set forth in the Summary of Grant (the “Performance Stock Units”). Each Performance Stock Unit will entitle the Participant to receive, at such time as is determined in accordance with the provisions of this Agreement, one share of common stock of the Company (the “Company Stock”). This Agreement is granted pursuant to the Plan and is subject in its entirety to all applicable provisions of the Plan. Capitalized terms used herein and not otherwise defined will have the meanings set forth in the Plan. The Participant agrees to be bound by all of the terms and conditions of the Plan.

(b) The Committee may, at any time prior to the final determination of whether the Performance Goals have been attained, change the Performance Goals to reflect a change in corporate capitalization, such as a stock split or stock dividend, or a corporate transaction, such as a merger, consolidation, separation, reorganization or partial or complete liquidation, or to equitably reflect the occurrence of any extraordinary event, any change in applicable accounting rules or principles, any change in the Company’s method of accounting, any change in applicable law, any change due to any merger, consolidation, acquisition, reorganization, stock split, stock dividend, combination of shares or other changes in the Company’s corporate structure or shares, or any other change of a similar nature.

2. **Vesting of Performance Stock Units.**

(a) The Performance Stock Units will become earned and vested based on the actual performance level achieved with respect to the Performance Goals set forth on Schedule A to the Summary of Grant and the Participant continuing to be employed by, or provide service to, the Employer through the Vesting Date (as defined in the Summary of Grant).

(b) The Committee will, as soon as practicable following the last day of the Performance Period, determine (i) the extent, if any, to which, each of the Performance Goals has been achieved with respect to the Performance Period and (ii) the number of shares of Company Stock, if any, which, the Participant will be entitled to receive with respect to this

Agreement. Such determination will be final, conclusive and binding on the Participant, and on all other persons, to the maximum extent permitted by law. In the event that the Committee makes a final determination that the Performance Goals have not been achieved, the Participant will have no further rights to receive shares of Company Stock hereunder.

(c) Except as set forth in the Summary of Grant, if the Participant ceases to be employed by, or provide service to, the Employer for any reason prior to the Vesting Date, the Participant will forfeit all rights to receive shares of Company Stock hereunder and the Participant will not have any rights with respect to any portion of the shares of Company Stock that have not yet become vested as of the date the Participant ceases to be employed by, or provide service to, the Employer, irrespective of the level of achievement of the Performance Goals.

3. **Issuance of Company Stock.** One share of Company Stock will be issued to the Participant for each earned and vested Performance Stock Unit in accordance with the Issuance Schedule set forth in the Summary of Grant. Any Performance Stock Units not earned and vested will be forfeited. In no event will any fractional shares of Company Stock be issued. Accordingly, the total number of shares of Company Stock to be issued pursuant to this Agreement will, to the extent necessary, be rounded down to the next whole share of Company Stock in order to avoid the issuance of a fractional share.

4. **Withholding.** [All obligations of the Company to deliver shares of Company Stock shall be subject to the rights of the Company to withhold amounts required by law for any Federal Insurance Contributions Act (FICA), federal income, state, local and other tax liabilities ("Withholding Taxes"). By accepting this Agreement, Participant hereby: (i) elects, effective on the date Participant accepts this Agreement, to sell shares of Company Stock in an amount having an aggregate Fair Market Value equal to the Withholding Taxes, and to allow the designated broker (the "Broker") to remit the cash proceeds of such sale to the Company (a "Sell to Cover"); (ii) directs the Company to make a cash payment to satisfy the Withholding Taxes from the cash proceeds of such sale directly to the appropriate taxing authorities; and (iii) represents and warrants that (1) on the date Participant accepts this Agreement he or she is not aware of any material, nonpublic information with respect to the Company or any securities of the Company, is not subject to any legal, regulatory or contractual restriction that would prevent the Broker from conducting sales, does not have, and will not attempt to exercise, authority, influence or control over any sales of shares of Company stock effected by the Broker pursuant to this Agreement, (2) is entering into the Agreement and this election to Sell to Cover in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 (regarding trading of the Company's securities on the basis of material nonpublic information) under the 1934 Act, and (3) it is Participant's intent that this election to Sell to Cover comply with the requirements of Rule 10b5-1(c)(1) under the 1934 Act and be interpreted to comply with the requirements of Rule 10b5-1(c) under the 1934 Act. Participant further acknowledges that by accepting this Agreement, Participant is adopting a 10b5-1 Plan to permit Participant to conduct a Sell to Cover sufficient to satisfy the Withholding Taxes. All obligations to pay any dividend equivalents, if any, will be paid net of any Withholding Taxes.] **OR** [All obligations of the Company under this Agreement shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable. Subject to Committee approval, the Participant may elect to satisfy any tax withholding obligation of the Employer with respect to the Performance

Stock Units by having shares of Company Stock withheld up to an amount that does not exceed the applicable withholding tax rate for federal (including FICA), state and local tax liabilities. Unless the Committee determines otherwise, share withholding for taxes shall not exceed the Participant's minimum applicable tax withholding amount.]

5. **Rights of Participant.**

(a) Prior to the issuance, if any, of shares of Company Stock to the Participant with respect to earned and vested Performance Stock Units pursuant to the Issuance Schedule set forth in the Summary of Grant, the Participant will not have any rights of a shareholder of the Company on account of the Performance Stock Units.

(b) Notwithstanding the foregoing, if any dividend or other distribution, whether regular or extraordinary and whether payable in cash, securities or other property (other than shares of Company Stock), is declared and paid on the outstanding Company Stock prior to the issuance of shares of Company Stock with respect to the earned and vested Performance Stock Units pursuant to the Issuance Schedule (i.e., those shares are not otherwise issued and outstanding for purposes of entitlement to the dividend or distribution), then a special book account will be established for the Participant and credited with a phantom dividend equal to the actual dividend or distribution which would have been paid on the Performance Stock Units subject to this Agreement had shares been issued with respect to such Performance Stock Units and been outstanding and entitled to that dividend or distribution. The phantom dividend equivalents so credited will vest at the same time as the Performance Stock Units to which they relate and will be distributed to the Participant (in the same form the actual dividend or distribution was paid to the holders of the Company Stock entitled to that dividend or distribution or in such other form as the Committee deems appropriate) concurrently with the issuance of shares of Company with respect to the earned and vested Performance Stock Units pursuant the Issuance Schedule set forth in the Summary of Grant.

6. **Recoupment Policy.** The Participant agrees that, subject to the requirements of applicable law, if the Participant breaches any restrictive covenant agreement between the Participant and the Employer or otherwise engages in activities that constitute Cause either while employed by, or providing service to, the Employer or within two years thereafter, the Company may require that the Participant forfeit any unvested Performance Stock Units and/or return to the Company all, or such portion of the shares of Company Stock issued hereunder, in each case as the Committee may determine and in the event that the Participant no longer owns the shares of Company Stock, the Participant shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Participant transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach of any restrictive covenant agreement or activity constituting Cause). The Participant agrees that payment by the Participant shall be made in such manner and on such terms and conditions as may be required by the Committee and the Employer shall be entitled to set off against the amount of any such payment any amounts otherwise owed to the Participant by the Employer. In addition, the Participant agrees that the Performance Stock Units shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time.

7. **Assignment by Company.** The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates. This Agreement may be assigned by the Company without the Participant's consent.

8. **No Employment or Other Rights.** This Agreement shall not confer upon the Participant any right to be retained in the employment of the Employer and shall not interfere in any way with the right of the Employer to terminate the Participant's employment at any time. The right of the Employer to terminate at will the Participant's employment at any time for any reason is specifically reserved.

9. **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the Performance Stock Units granted hereby and may not be changed orally but only by an instrument in writing signed by the party against whom enforcement of any change, modification or extension is sought.

10. **Grant Subject to Plan Provisions.** This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects will be interpreted in accordance with the Plan. This grant is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the shares, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee will have the authority to interpret and construe this grant pursuant to the terms of the Plan, and its decisions will be conclusive as to any questions arising hereunder.

11. **No Employment or Other Rights.** This Agreement will not confer upon the Participant any right to be retained in the employment of the Company and will not interfere in any way with the right of the Company to terminate the Participant's employment at any time. The right of the Company to terminate at will the Participant's employment at any time for any reason is specifically reserved.

12. **Notice.** Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the General Counsel at the Company's corporate headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll records of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

13. **Applicable Law.** The validity, construction, interpretation and effect of this Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof.

14. **Application of Section 409A of the Code.** This Agreement is intended to comply with section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and will in all respects be administered in accordance with section 409A of the Code. The issuance of Company

Stock pursuant this Agreement is intended to be subject to a “substantial risk of forfeiture” under section 409A of the Code, and issued within the “short term deferral” exception under such statute following the lapse of the applicable forfeiture condition. Notwithstanding any provision in this Agreement to the contrary, if the Participant is a “specified employee” (as defined in section 409A of the Code) and it is necessary to postpone the commencement of any payments otherwise payable under this Agreement to prevent any accelerated or additional tax under section 409A of the Code, then the Company will postpone the payment until five (5) days after the end of the six-month period following the original payment date. If the Participant dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of section 409A of the Code will be paid to the personal representative of the Participant’s estate within sixty (60) days after the date of the Participant’s death. The determination of who is a specified employee, including the number and identity of persons considered specified employees and the identification date, will be made by the Board of Directors or its delegate in accordance with the provisions of sections 416(i) and 409A of the Code. In no event will the Participant, directly or indirectly, designate the calendar year of distribution. This Agreement may be amended without the consent of the Participant in any respect deemed by the Committee or its delegate to be necessary in order to preserve compliance with section 409A of the Code.

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED AND REPLACED WITH “[\*\*\*]”. SUCH IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF DISCLOSED.

## MASTER SERVICES AGREEMENT

This Master Services Agreement (“MSA”) is made as of 8/30/2021 (the “Effective Date”), by and between **Tabula Rasa HealthCare Group, Inc.**, a company organized in Delaware (“CUSTOMER”) and **Mphasis Corporation**, a Delaware corporation (“MPHASIS,” collectively with CUSTOMER the “Parties” and each a “Party”).

The Parties agree as follows:

### 1. ORGANIZATION

#### 1.1 Definitions

For the purpose of this Agreement, capitalized terms will have the meaning (a) as defined in Exhibit A, “Definitions,” attached and incorporated hereto; or (b) if not included in Exhibit A, as defined in the applicable section of the Agreement.

#### 1.2 Agreement Structure

The term “Agreement” as used herein consists of both (a) the general terms and conditions set forth in this “Master Services Agreement” that are applicable to all Services (with all exhibits and as amended from time to time, the “MSA”), and (b) the terms of the particular Services of a specific engagement described on one or more “Statements of Work,” “Work Orders,” “Task Orders,” or other agreement setting forth Services to be performed under the MSA (each, as amended from time to time, a “SOW”). The terms and conditions of the MSA are hereby incorporated into each SOW. In the event of a conflict between the terms of the MSA and a SOW, the terms of the SOW will govern. Terms stated in a SOW will not apply to any other SOW.

#### 1.3 Statements of Work

Each SOW will include, to the extent applicable: (a) a detailed description of the Services to be performed by MPHASIS; (b) as appropriate, a timeline, target completion dates or other schedule for performance of the Services; (c) specifications for all Deliverables and other materials to be delivered by MPHASIS, if any; (d) details regarding the fees to be paid to MPHASIS by CUSTOMER for performing the Services and details regarding any pass-through costs or other costs to be paid by CUSTOMER; (e) if applicable, CUSTOMER’s assigned tasks and related resources needed for MPHASIS to perform the Services; and (f) all other information necessary in order to properly document the Services to be performed by MPHASIS and the fees to be paid by CUSTOMER.

#### 1.4 Use by Affiliates

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Each Party may enter into a SOW through its Affiliate. Any SOW entered into by an Affiliate will be governed by, and subject to, the terms of this Agreement. For purposes of such SOW(s), all references to “MPHASIS” or “CUSTOMER” in this Agreement shall be deemed to mean that Party’s Affiliate, as applicable. Unless otherwise stated in the SOW, an Affiliate that enters into a SOW will be solely liable for that SOW.

1.5 Change Management

The Parties will incorporate Changes according to the type of Change:

- a. Material Changes. A Material Change may only be made by Amendment to this Agreement or to the respective SOW. If a Party unilaterally enacts a Material Change without an Amendment, that Party will bear the costs of such Material Change until otherwise set forth in an Amendment.
- b. Operational Changes. The Parties may incorporate an Operational Change by mutual agreement of the Project Managers in writing (including via email). Operational Changes may include, but are not limited to, the scope of review, process flow, and the location of the Services.
- c. Administrative Changes. Administrative Changes may be done by notice to the other Party. Administrative Changes may include, but are not limited to, the name or contact information of persons named herein.

2. **SERVICES.**

2.1 Scope of Services

MPHASIS will perform the Services as agreed in the applicable SOW.

2.2 Project Managers

For each SOW, each Party will appoint a “Project Manager” who will be that Party’s representative and its primary contact for purposes of this Agreement. A Party’s Project Manager will have the authority to direct its operations for each engagement, and will have decision-making authority for (a) any Operational Change, and (b) any term or decision to be made “by mutual agreement,” or “by mutual written agreement.” Each Party will notify the other Party in writing of any change in its Project Manager.

2.3 Personnel

MPHASIS may perform the Services using its or its Affiliates’ employees or independent contractor Personnel. All MPHASIS Personnel, regardless of status, undergo standard background verification prior to onboarding, and are required to abide by all MPHASIS policies and procedures related to conduct, security, and confidentiality.

2.4 Replacement of Personnel

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CUSTOMER operates in a highly regulated industry and has developed mandatory compliance training for its employees and contract staff. Specific training requirements will be summarized in the applicable SOW. As set forth in an SOW, failure of MPHASIS employees or its contract or subcontract staff to complete compliance training within fifteen (15) business days of starting work for CUSTOMER may be deemed a material breach of the SOW and the MSA, which may be grounds for immediate termination by CUSTOMER. In the event that CUSTOMER determines that any MPHASIS Personnel are not skilled, trained, or otherwise qualified to perform their designated Services, or that the MPHASIS Personnel present any adverse impact, risk, or danger to CUSTOMER, its Affiliates, or the Services, including by virtue of unacceptable behavior, MPHASIS shall replace such MPHASIS Personnel within a commercially reasonable time after notice thereof and without additional cost to CUSTOMER.

#### 2.5 Management of Personnel

Except as otherwise set forth herein, MPHASIS retains sole right to direct the management of MPHASIS Personnel, and sole control over the method and manner in which the Services are performed. CUSTOMER's right to manage the Services is limited to establishing the standards, specifications, and results of the Services, each as specifically set forth in the SOW.

#### 2.6 CUSTOMER Managed Projects

If specified in the SOW, Services may be rendered under CUSTOMER's management and supervision. In such "CUSTOMER Managed Projects," the sole liability of MPHASIS shall be to provide personnel who have the qualification and experience stated by the CUSTOMER. The details of such qualification and experience shall be captured in the SOW. Provisions on acceptance and warranties shall not apply to CUSTOMER Managed Projects. Further, MPHASIS shall not be required to provide any assets in relation to such CUSTOMER Managed Projects.

#### 2.7 Subcontracting

MPHASIS may subcontract all or any portion of the Services described herein. MPHASIS shall remain responsible for the performance of the Services and shall be responsible for ensuring compliance by any subcontractors with the terms and conditions of this Agreement.

#### 2.8 Location of Services

Unless otherwise stated in a SOW, the Services may be performed remotely or at any MPHASIS or MPHASIS Affiliate facility.

### **3. DELIVERABLES AND ACCEPTANCE**

#### 3.1 Acceptance Testing

Upon delivery, CUSTOMER will have ten (10) business days (or such other period stated in the SOW) (the "Acceptance Period") to review, evaluate, and/or test each Deliverable to determine if it meets the Acceptance Criteria in all material respects.

#### 3.2 Remediation

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If, during the Acceptance Period, CUSTOMER notifies MPHASIS that a Deliverable does not reasonably meet the Acceptance Criteria, MPHASIS will use commercially reasonable efforts to remediate the defect. Upon remediation, CUSTOMER will have a new Acceptance Period to reevaluate the Deliverable.

### 3.3 Deemed Acceptance

A Deliverable is deemed accepted by CUSTOMER if CUSTOMER makes no objection within the applicable Acceptance Period.

## 4. **FEES, INVOICES, AND PAYMENT**

### 4.1 Fees

CUSTOMER will pay MPHASIS the Fees specified in the applicable SOW. The Fees will be calculated as follows:

- a. For SOWs or Services on a Time & Materials basis: CUSTOMER will pay MPHASIS at the hourly, daily, weekly, or monthly rates specified in the SOW for the time actually spent by MPHASIS or its Representatives performing the Services. Mphasis reserves the right to invoice Customer every two (2) weeks for SOWs or Services on a Time & Materials basis.
- b. For SOWs or Services on a Fixed Price basis: CUSTOMER will pay MPHASIS the fixed Fees stated in the SOW for the payment milestones reached, the units completed, or other such measurement of completed Services during the applicable billing period.

### 4.2 Taxes

The Fees paid to MPHASIS are stated exclusive of any taxes that are applicable to CUSTOMER. CUSTOMER shall pay all taxes that are applicable to or are measured directly by payments made under this Agreement, including without limitation, sales, use, excise, or value-added taxes. MPHASIS will pay all employee related taxes, social insurance and welfare payments concerning MPHASIS Personnel, and corporate taxes based on MPHASIS's income.

### 4.3 Assignment of Receivables

Notwithstanding anything to the contrary in Section 17.1, Mphasis may sell or assign any Customer receivables to a third party (so long as the recipients are not direct competitors of Customer). Customer grants permission to Mphasis to disclose the provisions of this Agreement to purchasers and prospective purchasers of receivables and their respective agents, attorneys, auditors, rating agencies and other advisors.

### 4.4 Expenses

CUSTOMER shall reimburse MPHASIS for travel, living, and other expenses as identified and agreed in each SOW incurred by MPHASIS or its Representatives in connection with performance of the Services (collectively, "Expenses"). MPHASIS shall separately state Expense reimbursement on the monthly invoices submitted to CUSTOMER.

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#### 4.5 Invoicing

Invoices will be remitted to CUSTOMER by MPHASIS according to the payment schedule stated in the SOW, or on a monthly basis if no payment schedule is stated. Invoices may be remitted in the same month the Services are performed. Mphasis reserves the right to invoice Customer by the 5th day of each calendar month for the current month's estimated Services. Any reconciliation/adjustments to the invoice that is required based on actual Services shall be made in the immediately subsequent month's invoice.

#### 4.6 Payment

CUSTOMER shall pay all invoices within thirty (30) calendar days from the date specified on each invoice (the "Payment Period"). If MPHASIS does not receive payment from CUSTOMER within the Payment Period, (a) CUSTOMER shall be charged interest at a rate of [\*\*\*]% per month (or the maximum rate allowed by applicable law); and (b) MPHASIS may suspend performance of the Services until payment is received. All invoices shall be submitted and paid in United States Dollars.

#### 4.7 Disputed Invoices

For any portions of an invoice which are disputed by CUSTOMER during the Payment Period, CUSTOMER shall make payment on the non-disputed portion of such invoice within the Payment Period, and the Parties shall investigate and attempt to resolve such dispute in accordance with the dispute resolution procedures set forth herein. Upon resolution of a dispute, CUSTOMER shall pay the resolved amount within thirty (30) days. Any invoice not disputed by CUSTOMER within five (5) business days of receipt is deemed accepted by CUSTOMER.

#### 4.8 Pricing Adjustments

Fees may be subject to annual pricing increases, beginning on the one (1) year anniversary of each SOW, not to exceed [\*\*\*] percent ([\*\*\*]%) for Services performed in the United States, and not to exceed [\*\*\*] percent ([\*\*\*]%) for Services performed in India. MPHASIS shall notify CUSTOMER in writing at least sixty (60) days in advance of any proposed pricing increases. If Services are performed in other locations, pricing adjustments will not exceed the greater of (a) the average annual increase in consumer prices in the applicable location as reported by an official source mutually agreed by the Parties; or (b) the percentage stated in the applicable SOW.

#### 4.9 Collections

In any successful action or suit for the collection of outstanding fees, MPHASIS shall be entitled to receive from CUSTOMER the reasonable cost for collections expenses, including reasonable attorneys' fees and expenses.

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## 5. TERM AND TERMINATION

### 5.1 Term

The term of this Agreement (“Term”) shall commence on the Effective Date and shall continue in effect until terminated.

### 5.2 Termination for Convenience

Either Party may terminate the MSA for convenience by giving sixty (60) days’ prior written notice to the other Party. Unless otherwise stated in the SOW, either Party may terminate a SOW for convenience by giving sixty (60) days’ prior written notice to the other Party.

### 5.3 Termination for Cause

Either Party may terminate this Agreement or any SOW immediately for “Cause,” which means:

- a. A material breach of this Agreement or the respective SOW, which material breach is incurable or is not cured by the breaching party thirty (30) days after receipt of written notice by the aggrieved Party. Failure to meet service levels does not constitute a material breach.
- b. Material fraud, gross negligence, willful misconduct, or the material violation of any law by the other party.
- c. The other Party is a party to a bankruptcy or other insolvency proceeding, or is otherwise unable to perform its obligations under this Agreement.
- d. The commencement of the certain legal proceedings as described in Section 8.2.d of this Agreement.
- e. Either Party is subject to any transaction that results in the Party being acquired by, merged with, or otherwise controlled by any person or entity that: (i) is a competitor of the other Party; (ii) has had a material dispute with the other Party during the previous two (2) years; or (iii) otherwise has a material conflict of interest with the other Party.

### 5.4 Effects of Termination

Termination of the MSA does not automatically terminate any SOW. Notwithstanding any termination, the terms of this MSA shall continue to govern any outstanding SOW unless the SOW is also terminated. Upon termination of a SOW for any reason, the Parties shall remain responsible for all obligations of the SOW (including performance of Services and payment of applicable Fees) until the effective date of termination. The terms and conditions set forth in this Agreement that, by their express or implied terms, survive termination of this Agreement, shall so survive.

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## 5.5 Wind Down Expenses

In the event CUSTOMER terminates a SOW, CUSTOMER will be responsible for the following “Wind Down Expenses:” (a) reasonable and actual costs related to the termination of arrangements for subcontractors and other resources that were engaged for the term of the SOW; and (b) the unrecovered amount, if any, of investments MPHASIS made directly in connection with such SOW, where MPHASIS had amortized the recovery of such investments over the term of the SOW. MPHASIS will use commercially reasonable efforts to mitigate any Wind Down Expenses in good faith. The Parties shall engage in good faith negotiations for the payment of the Wind Down Expenses. A SOW may set forth defined termination charges in lieu of Wind Down Expenses.

## 6. **CONFIDENTIALITY**

### 6.1 Protection and Use of Confidential Information

Receiving Party shall not use, disclose, reproduce, distribute, disseminate, or in any way, circulate any Confidential Information of the Disclosing Party in any way or for any purpose except in connection with performing its obligations under this Agreement. Receiving Party shall not disclose any Confidential Information to any third parties except to those Representatives who have a need to know the Confidential Information in order to allow Receiving Party to adequately perform its obligations under this Agreement. Prior to disclosure of any Confidential Information to any Representatives, Receiving Party shall: (a) advise all Representatives of the confidential nature of the Confidential Information; and (b) ensure that such Representatives shall keep the Confidential Information confidential in accordance with the provisions of this Agreement. Receiving Party shall be fully responsible and liable for the actions of its Representatives with respect to any Confidential Information.

### 6.2 Information that does not Constitute Confidential Information

Except with respect to Personal Data, which shall be treated as confidential regardless of circumstances, Confidential Information shall not include information that, as can be documented by contemporaneous written evidence: (a) was known by the Receiving Party at the time of disclosure free of any obligation to keep such information confidential; (b) is or becomes generally publicly known through no fault or breach of this Agreement by the Receiving Party; (c) is independently developed by the Receiving Party without the use of any Confidential Information and without any other violation of this Agreement; or (d) is rightfully obtained by the Receiving Party from a third party that was not under any obligation to maintain the confidentiality of such information.

### 6.3 Compelled Disclosure

In the event that Receiving Party becomes required by law to disclose any Confidential Information, Receiving Party shall, if commercially practicable, unless prohibited by law, provide Disclosing Party with written notice thereof so that Disclosing Party may seek a protective order or other appropriate remedy. Disclosing Party shall have the right to defend such action in lieu of and on behalf of Receiving Party. Receiving Party shall cooperate with Disclosing Party in any effort to obtain such remedies, but Disclosing Party shall not be required to undertake litigation or

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legal proceedings in its name. In the event that Receiving Party is legally compelled to disclose any Confidential Information, Receiving Party shall furnish only that portion of the Confidential Information that is necessary in order to comply with such legal obligation and such disclosure will not be treated as a breach of this Agreement.

#### 6.4 Term of Confidentiality Obligations

The obligations of the Parties to protect the Confidential Information shall continue for a period of five (5) years following the termination of this Agreement.

#### 6.5 Return or Destruction of Confidential Information

At Receiving Party's option, all Confidential Information, and all copies, reproductions and materials bearing or embodying any Confidential Information, disclosed by Disclosing Party to Receiving Party under this Agreement, shall be returned to Disclosing Party by Receiving Party, or destroyed by Receiving Party, promptly upon: (a) Receiving Party receiving a written request from Disclosing Party; or (b) upon termination of this Agreement. Any destruction of Confidential Information under this Agreement shall be done in a secured manner and in accordance with all applicable law. Receiving Party shall not retain any Confidential Information whatsoever unless and only to the extent required by applicable law, or by Receiving Party's information security or archival policies, *provided that* the confidentiality obligations herein will continue in perpetuity for any retained Confidential Information.

#### 6.6 Injunctive and Equitable Relief

Receiving Party agrees that in the event of a breach by Receiving Party of any confidentiality provision of this Agreement, Disclosing Party shall be entitled to seek and obtain injunctive or other equitable relief, or both, in each case without the requirement to post any bond or other form of security, and without such act constituting an election of remedies or disentitling Disclosing Party to each and every remedy available at law or in equity for a breach of Receiving Party's confidentiality obligations under this Agreement.

#### 6.7 Publicity

All public disclosures (including without limitation press releases, advertisements, marketing materials, and public announcements) by either Party which reference this Agreement or the other Party (including the Party's name, logo, trademarks, service marks, or any other identifying information), will be coordinated with and approved by the other Party prior to disclosure. Notwithstanding the preceding sentence, (a) either Party may disclose to third parties that CUSTOMER is a customer of MPHASIS and (b) MPHASIS may use CUSTOMER as a reference.

#### 6.8 Future Transactions

If the Parties enter into discussions regarding new potential business that is not already within the scope of this Agreement, and no effective nondisclosure agreement exists between the Parties that would cover information exchanged in connection with such discussions, then the Parties agree that such information exchanged is "Confidential Information" as such term is used in this Agreement and the information exchange will be governed by the terms of this Agreement.

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## 7. INFORMATION SECURITY.

Each Party agrees to protect any Confidential Information of the other Party it receives, transmits, or stores on its information systems using security measures reasonably acceptable in the industry, or as set forth in the applicable SOW, but in no event less than the measures used to protect its own Confidential Information.

## 8. REPRESENTATIONS AND WARRANTIES

### 8.1 MPHASIS Representations and Warranties

MPHASIS represents and warrants to CUSTOMER that:

- a. At the time of delivery and for the warranty period stated in the SOW (if any), all Services and Deliverables will be substantially in accordance with the terms of this Agreement; and
- b. It will perform all Services in a good and workmanlike manner, and with the skill reasonably necessary to perform all Services described in this Agreement.

### 8.2 Mutual Representations and Warranties

Each Party represents and warrants to the other Party that:

- a. It has full power and authority to enter into this Agreement.
- b. This Agreement has been duly authorized, executed and delivered by Such Party, and constitutes the valid and binding obligations of such Party enforceable against such Party in accordance with its terms.
- c. Entrance into this Agreement does not infringe upon or otherwise violate the rights of any third party and does not conflict with or breach the terms of any contract to which such Party is a party or by which such Party is bound.
- d. It has disclosed to the other Party all active, pending, or threatened litigation that may materially adversely affect (a) its ability to perform its obligations under this Agreement, or (b) its reputation, goodwill, or standing in the business community; and agrees to promptly disclose any future occurrences of such litigation.

## 9. DISCLAIMERS

### 9.1 No Express or Implied Warranties

Except as otherwise stated herein, MPHASIS disclaims to the maximum extent allowed by law all warranties with respect to the services, whether express or implied, including, without limitation, all warranties of merchantability, accuracy, non-infringement, and fitness for a particular purpose. The services and all information included therein, and the media on or through which the services are delivered, are provided on an "as is" basis. MPHASIS will not be liable for any loss or injury arising out of or caused in whole or in part by MPHASIS's acts or omissions or in any other way

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whatsoever, unless such loss or injury is occasioned by (a) breaches of confidentiality obligations for Personal Data, or (b) the gross negligence, willful misconduct, fraud, or willful unlawful acts by MPHASIS.

## **10. INDEMNIFICATION**

### **10.1 Mutual Indemnification**

Each Party (the “Indemnitor”) shall indemnify, defend, and hold harmless the other Party, its Affiliates and each of their Representatives (the “Indemnitee”) from and against any and all third-party claims for damages, losses, costs, expenses or other claims (including reasonable attorneys’ fees and court costs) arising from or related to any gross negligence, willful misconduct, fraudulent activities or unlawful acts taken by Indemnitor under or related to the Services or this Agreement.

### **10.2 Indemnification of Infringement Claims**

MPHASIS shall indemnify, defend, and hold CUSTOMER harmless from and against any and all third party claims for damages, losses, costs, expenses or other claims (including reasonable attorney’s fees and court costs) arising from or related to MPHASIS’s breach of a third party’s intellectual property rights, provided CUSTOMER gives MPHASIS (i) prompt written notice of such claim, (ii) sole control of the defense and/or settlement of such action, and (iii) full cooperation with such defense.

- a. Exclusions. MPHASIS will have no obligations for a claim set forth in this section to the extent that the claim arises out of: (i) CUSTOMER’s breach of this Agreement; (ii) revisions or modifications to the Deliverables made without MPHASIS’s written consent; (iii) CUSTOMER’s failure to incorporate upgrades or updates that would have avoided the alleged infringement, provided MPHASIS offered such upgrades or updates without charges not otherwise required pursuant to this Agreement; (iv) MPHASIS’s modification of the Deliverables in compliance with specifications provided by CUSTOMER; or (v) use of the Deliverables in combination with hardware or software not provided by MPHASIS.
  - b. Remedies. If a third party’s claims substantially interfere with, or MPHASIS believes that a third-party claim may substantially interfere with, CUSTOMER’s use of the Deliverables, MPHASIS will, at its sole cost, expense, and selection, (i) replace the Deliverables, without additional charge, with a functionally equivalent and non-infringing version; (ii) modify the Deliverables to avoid the infringement; (iii) obtain a license for CUSTOMER to continue use of the Deliverables, or, if none of the foregoing alternatives are commercially reasonable, (iv) terminate CUSTOMER’s license to use the infringing Deliverables. This Section shall constitute MPHASIS’s entire liability and CUSTOMER’s exclusive remedy for a claim of infringement.
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## **11. LIMITATION OF LIABILITY**

### **11.1 Indirect Damages**

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT FOR LOST PROFITS OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, BREACH OF EXPRESS OR IMPLIED WARRANTY, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY, THIRD PARTY CLAIMS FOR LOSS OF PROFITS, LOSS OF DATA, LOSS OF CUSTOMERS, DAMAGE TO REPUTATION OR GOODWILL OR ANY OTHER LEGAL THEORY, EVEN IF SUCH PARTY WAS SPECIFICALLY ADVISED ABOUT THE POSSIBILITY OF SUCH LOSSES OR DAMAGES.

### **11.2 Cap on Liability**

EXCEPT FOR AMOUNTS DULY OWED AND PAYABLE BY CUSTOMER, EITHER PARTY'S ENTIRE AGGREGATE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF FEES PAID BY CUSTOMER OR RECEIVED BY MPHASIS UNDER THE APPLICABLE SOW IN THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE EVENT THAT GAVE RISE TO THE CLAIM FOR DAMAGES.

### **11.3 Exclusions**

Notwithstanding the limitation of liability set forth herein, nothing in this Agreement shall exclude or limit the liability of either Party for damages arising out of its own willful misconduct, fraud, or gross negligence.

### **11.4 Saving Clause**

Either Party's nonperformance of an obligation hereunder will be excused to the extent caused by the other Party's failure to perform its responsibilities.

## **12. COMPLIANCE WITH LAWS**

Each Party shall, at its own expense, comply with all applicable laws and make, obtain, and maintain in force at all times during the term of the Agreement, all filings, registrations, reports, licenses, permits and authorizations required under applicable law, regulation or order required for such Party to perform its obligations under this Agreement.

## **13. NON-SOLICITATION**

During the Term of this Agreement and for two (2) years thereafter, neither Party shall, either directly or indirectly, for its own benefit or for the benefit of any third party, hire, attempt to hire, or otherwise solicit for employment, any person who is a then current employee of the other Party without the other Party's written consent. Notwithstanding the above, nothing herein shall prohibit the hiring of qualified persons in response to a general advertisement for employment.

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## 14. INTELLECTUAL PROPERTY

### 14.1 Pre-existing Intellectual Property

All Pre-existing IP is and shall remain the exclusive property of the respective Party, and that nothing herein shall be deemed or construed to grant to the other Party any rights, licenses or permissions with respect to any such Preexisting IP, other than as set forth below or in any SOW:

- a. To the extent any MPHASIS Pre-existing IP is used as an embedded part of a Deliverable and such Deliverable is dependent on the MPHASIS Pre-existing IP to be used or to provide the functionality as intended, MPHASIS hereby grants to CUSTOMER a limited, non-exclusive, royalty-free, worldwide, revocable, non-transferrable, non-sublicensable license to use such MPHASIS Pre-existing IP during the Term of the respective SOW solely for internal business purposes and solely to the extent necessary for CUSTOMER to use the Deliverables consistent with and limited to the scope of Services provided by MPHASIS. CUSTOMER does not have the right to duplicate, reverse engineer, decompile, disassemble, reconstruct, or commercialize MPHASIS Pre-Existing IP.
- b. CUSTOMER hereby grants to MPHASIS a limited, non-exclusive, royalty-free, worldwide, revocable, non-transferable, non-sublicensable license to use CUSTOMER Preexisting IP to the extent required by, and solely for the purpose of, provision of the Services. MPHASIS does not have the right to duplicate, reverse engineer, decompile, disassemble, reconstruct, or commercialize CUSTOMER Pre-Existing IP.

### 14.2 Ownership and Use of Deliverables

Unless otherwise expressly provided in a SOW, all Deliverables are the exclusive property of CUSTOMER. To the extent Deliverables are not the property of CUSTOMER, MPHASIS hereby grants to CUSTOMER a limited, non-exclusive, worldwide, revocable, non-transferable, non-sublicensable license to use any Deliverable solely for CUSTOMER's internal business purposes and solely to the extent necessary for CUSTOMER to use the Deliverables consistent with and limited to the scope of Services provided by MPHASIS, *provided that* CUSTOMER satisfies and remains current with its payment obligations under the respective SOW. Deliverables may not be delivered to, used by, or relied upon by any third party except pursuant to a written agreement signed by MPHASIS.

### 14.3 Ownership of Intellectual Property

Notwithstanding anything herein to the contrary, MPHASIS owns all right, title, and interest in and to the Intellectual Property that Mphasis provides as part of the Services including any and all revisions, modifications, or alterations thereto whether or not such revisions, modifications, or alterations were made by CUSTOMER, MPHASIS, or any third party and whether or not such revisions, modifications, or alterations were approved by CUSTOMER. If CUSTOMER would gain any right, title, or interest, by operation of law or otherwise, in any Intellectual Property that Mphasis provides as part of the Services (a) by virtue of having contributed to any such Intellectual Property ; or (b) by virtue of any revisions, modifications, or alterations made to such Intellectual Property by CUSTOMER, MPHASIS, or any third party, CUSTOMER will, to the extent necessary to vest ownership of such Intellectual Property in MPHASIS, execute any and all other

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documents and instruments reasonably acceptable to CUSTOMER, including any assignments, that may be necessary to assign to MPHASIS all right, title, and interest in and to any such Intellectual Property or any revisions, modifications, or alterations thereto, provided that CUSTOMER shall not be required to incur any expense with respect thereto. Subject to (x) the foregoing and (y) the license grant set forth in Section 14.1, in no event shall MPHASIS obtain any rights, title, or interest whatsoever in or to any Intellectual Property or other proprietary right or any data or information whatsoever owned, licensed, or held by CUSTOMER which shall remain as between MPHASIS and CUSTOMER, the property of CUSTOMER.

#### 14.4 Open Source Components

CUSTOMER acknowledges that certain components of the Services may be covered by so-called “open source” software licenses (“Open Source Components”), which means any software licenses approved as open source licenses by the Open Source Initiative or any substantially similar licenses, including without limitation any license that, as a condition of distribution of the software licensed under such license, requires that the distributor make the software available in source code format. MPHASIS shall provide a list of Open Source Components for a particular version of the software upon CUSTOMER’s request. To the extent required by the licenses covering Open Source Components, the terms of such licenses will apply to such Open Source Components in lieu of the terms of this Agreement. To the extent the terms of the licenses applicable to Open Source Components prohibit any of the restrictions in this Agreement with respect to such Open Source Component, such restrictions will not apply to such Open Source Component. To the extent the terms of the licenses applicable to Open Source Components require MPHASIS to make an offer to provide source code or related information in connection with the Open Source Components, such offer is hereby made. Any request for source code or related information should be directed only to the MPHASIS Project Manager.

#### 14.5 Residuals

Notwithstanding anything to the contrary, nothing herein shall prohibit the use by MPHASIS Personnel of any residual know-how, methods, processes, concepts, ideas, or other general information learned by MPHASIS Personnel during the performance of the Services, to the extent that such information is retained in the memory of such MPHASIS Personnel without the aid of any written, visual, or electronic record.

#### 14.6 Reversion for Nonpayment

In the event of termination by MPHASIS for the nonpayment of outstanding undisputed Fees, all Intellectual Property rights or licenses granted (including assignments if any) under this Agreement for which payment was not made shall immediately terminate and shall vest back to MPHASIS with immediate effect and without either Party being required to take any further action to enable such vesting back. The foregoing is without prejudice to any other rights that MPHASIS may have under this Agreement or at law. For avoidance of doubt, reversion under this Section 14.6 shall not apply to nonpayment of fees that are subject to appropriate notice by CUSTOMER made in good faith in accordance with Section 4.7 of this Agreement.

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## 15. DISPUTE RESOLUTION

### 15.1 Internal Dispute Resolution

In the event of any dispute arising out of or in connection with this Agreement, the Parties must first negotiate in good faith to resolve the dispute among the parties, escalating the dispute to each Party's respective leadership as appropriate.

### 15.2 Arbitration

If the dispute has not been settled within thirty (30) days following the notice of the dispute, such dispute shall thereafter be finally settled under the Rules of Arbitration of the International Chamber of Commerce (if conducted outside of the United States) or the American Arbitration Association (if conducted inside the United States) by one or more arbitrators appointed in accordance with the said Rules of Arbitration. The parties hereby renounce all recourse to litigation and agree the award of the arbitrator shall be final and subject to no judicial review. The prevailing party shall be entitled to reimbursement of all costs related to such arbitration (including reasonable attorneys' fees) from the other Party.

### 15.3 Governing Law

All substantive questions of law shall be determined under the laws of Delaware without regard to its principles of conflicts of laws. Any arbitration will take place in that jurisdiction, or at such other place or in such other manner as is mutually agreed by the Parties.

### 15.4 Temporary Injunctive Relief

The timelines and procedures set forth in this section do not apply to an application for urgent temporary injunctive relief.

### 15.5 Waiver of Jury Trial

The Parties hereby knowingly, voluntarily and intentionally waive any and all right they may have to a trial by jury in respect of any litigation (including but not limited to any claims, cross-claims, and third party claims) arising in connection with this Agreement.

## 16. NOTICES

Notices required under this Agreement will be deemed adequately given if (a) in writing; (b) delivered either in person; by mail, with return receipt requested; by nationally recognized, trackable commercial carrier (e.g. UPS, FedEx, DHL); or by email (if listed below or on a SOW), with return receipt requested; and (c) addressed to the recipient of the notice at the address set forth below, with all postage or freight charges prepaid (as applicable). All notices shall be deemed to have been given upon the date of receipt or refusal. Whenever under this Agreement a notice is either received, or is required to be delivered on or before, a specific day which is not a business day, the day of receipt or required delivery shall automatically be extended to the next business day. All notices shall be sent to the following addresses:

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If to MPHASIS:

Mphasis Corporation  
Attention: General Counsel  
460 Park Avenue South  
Rm # 1101  
New York, NY 10016

If to CUSTOMER:

Tabula Rasa HealthCare Group, Inc.  
Attention: General Counsel  
228 Strawbridge Drive, Moorestown NJ 08057  
Email: legal@trhc.com

With a Copy to each Party's Project Manager for the applicable SOW (if any).

## **17. MISCELLANEOUS PROVISIONS**

### **17.1 Assignment**

Except as otherwise stated herein, no Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party. Where allowed, this Agreement shall be binding upon and inure to the benefit of the Parties and to each of their permitted successors and assigns.

### **17.2 Severability**

In the event that any one or more provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, any such invalid, illegal or unenforceable provision shall be treated as modified to the least extent necessary to rectify its invalidity, illegality or unenforceability, and shall be enforced as so modified.

### **17.3 Definitions and Headings**

In this Agreement, except where context dictates otherwise: (a) any defined term in the singular shall have the same definition in the plural, and vice versa; (b) any defined term in one tense includes all tenses; (c) the use of "includes" or "including" shall be non-exclusive; (d) reference to "day" shall mean calendar day; and (e) reference to "this Agreement" shall include the applicable SOW. The headings in this Agreement are for the purpose of convenience only and they are not intended to be a material part of this Agreement.

### **17.4 Entire Agreement**

This Agreement contains the entire agreement between the Parties as to the subject matter hereof. This Agreement supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof.

### **17.5 Modification**

Unless otherwise stated, this Agreement may not be modified or amended except in a writing signed by an authorized representative of each Party.

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17.6 Waiver

No provision of this Agreement may be waived except in writing. No waiver of a provision of this Agreement by any Party will be deemed to be or will constitute a waiver of any other provision of the Agreement. A waiver will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver.

17.7 Force Majeure

Except for the obligation to make payments, nonperformance of either Party shall be excused to the extent performance is rendered impossible by circumstances reasonably outside of the control of such Party, including but not limited to fire, flood, natural disaster, labor dispute, act of government, civil instability, loss of civil infrastructure, pandemic, war, crime, or terrorism (each a "Force Majeure Event"). Such Party must notify the other Party of such Force Majeure Event as soon as reasonably possible. If a Party is excused from the performance of any SOW by a Force Majeure Event for a continuous period of thirty (30) days or more, the other Party may terminate such SOW by giving notice to the other Party.

17.8 Relationship of the Parties

MPHASIS will provide all Services as an independent contractor. Nothing in this Agreement or any SOW shall create or imply an agency relationship between MPHASIS and CUSTOMER, nor shall this Agreement or any SOW be deemed to constitute a joint venture or partnership between the Parties.

17.9 Execution

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement. Signatures to this Agreement may be executed and/or exchanged by electronic means and shall have the same legal effect as the exchange of original signatures.

**\*\*\*Signatures Follow\*\*\***

**IN WITNESS WHEREOF**, the authorized officers of the Parties have executed this Agreement effective as of the Effective Date.

**TABULA RASA HEALTHCARE GROUP, INC.**

**MPHASIS CORPORATION**

By: /s/ Calvin H. Knowlton

By: /s/ Eric Winston

Name: Calvin H. Knowlton, PhD

Name: Eric Winston

Title: Chairman and CEO

Title: EVP and General Counsel

Date: August 30, 2021

Date: August 31, 2021



**Exhibit A**  
**Definitions**

<b>Term</b>	<b>Definition</b>
“Acceptance Criteria”	has the meaning defined in the applicable SOW. If no Acceptance Criteria are stated in a SOW, “Acceptance Criteria” means, “substantially in accordance with the requirements and specifications described in the SOW.”
“Acceptance Period”	has the meaning set forth in section 3.1.
“Administrative Change”	means a contractual Change that does not otherwise affect any material obligations of the Agreement.
“Affiliate”	means any entity that Controls, is Controlled by, or is under common Control with a Party, and includes without limitation a Party’s subsidiaries, parent companies, or parent companies’ subsidiaries.
“Agreement”	Means the MSA and applicable SOW, each as amended from time to time, along with all incorporated exhibits thereto.
“Amendment”	means any written document, signed by duly authorized representatives of each Party, revising, amending, or appending the terms and conditions of the Agreement or a particular SOW.
“Cause”	has the meaning set forth in section 5.3.
“Change”	means any alteration of the Services, the relationship of the Parties, the requirements of the Agreement, or either Party’s operations, policies, procedures, systems, materials, or method of doing business to the extent it impacts the other Party.
“Confidential Information”	means all Personal Data and all information that: (a) is marked as confidential or proprietary or that bears a similar marking; or (b) given the nature of and circumstances of disclosure, should be reasonably understood by Receiving Party to be confidential or proprietary to Disclosing Party. Confidential Information expressly includes, but is not limited to: (a) unpublished patent applications, unpublished copyrightable materials, and trade secrets; (b) financial information, including costs and pricing; (c) information related to the current, future and proposed products and services, including design details, specifications, engineering information, prototypes; (d) business processes, models, formulae, know-how, and algorithms; (e) strategic business information, including procurement requirements, forecasts, sales strategies, client and customer lists, reports, and studies; (f) software programs, software

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	code (including source code and object code), operations or systems manuals; and (g) the existence and content of this Agreement, and discussions related thereto that took place on, before or after the execution thereof.
“Control”	means the legal right or other ability to direct the actions of another person, whether due to equity ownership, managerial relationship, contract, or any other means.
“Disclosing Party”	means, with respect to certain Confidential Information, the Party that provided the Confidential Information to the other Party.
“Deliverables”	mean the specific reports, products, or other results of the Services to be delivered by MPHASIS to CUSTOMER pursuant to the SOW, that are specifically identified in the SOW as a Deliverable.
“Expenses”	has the meaning set forth in section 4.4.
“Fees”	means the monetary amounts to be paid by CUSTOMER in compensation for the Services
“Fixed Price”	means a pricing model whereby Fees are a fixed amount based on the achievement of certain events or milestones set forth in a SOW, or whereby CUSTOMER will pay a fixed price per unit of completed Services.
“Force Majeure Event”	has the meaning set forth in section 17.7.
“Indemnitee”	has the meaning set forth in section 10.1.
“Indemnitor”	has the meaning set forth in section 10.1.
“Intellectual Property”	means all (1) ideas, designs, concepts, methods, processes, techniques and apparatus, (2) patents, patent applications, patent disclosures, inventions, discoveries and/or improvements (whether patentable or not), (3) trademarks, service marks, trade dress, trade names, logos, corporate names, Internet domain names, and registrations and applications for the registration thereof together with all of the goodwill associated therewith, (4) copyrights and copyrightable works (including computer programs and mask works) and registrations and applications thereof, (5) trade secrets, know-how, any other confidential information, and any other intellectual property of every nature and type, (6) any work of authorship, including any associated copyright, industrial design or moral rights recognized by law, (5) Confidential Information of a Party, (6) waivable or assignable rights of publicity, waivable or assignable moral rights, (7) unregistered and registered design

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	rights and any applications for registration thereof, (8) database rights and all other forms of proprietary technology or material or intellectual property of every nature and type, and (9) all statutory, common-law, and other similar rights in any and all jurisdictions and countries related to any of the foregoing.
“Material Change”	means any Change that materially adversely affects (i) the costs incurred by either Party; (ii) the benefit received by either Party (other than variations otherwise permitted by this Agreement); or (iii) the ability of either Party to perform its obligations under this Agreement.
“MSA”	has the meaning set forth in section 1.2
“Operational Change”	means any Change to process, scope, function, or operations, that does not result in a Material Change
“Party”	Means CUSTOMER or MPHASIS, as they are defined in the opening paragraph.
“Payment Period”	has the meaning set forth in section 4.5.
“Personal Data”	means any information concerning an individual that would be considered “non-public personal information,” “personal data,” “private data,” or “personally identifiable information,” or similar terms within the meaning of applicable privacy laws.
“Personnel”	means the individuals assigned by MPHASIS to perform the Services.
“Pre-existing IP”	means all Intellectual Property of a Party existing prior to or developed, conceived, or acquired separately from the Services, including without limitation any and all revisions, modifications, alterations, or other changes made thereto.
“Project Manager”	has the meaning set forth in section 2.2.
“Receiving Party”	means, with respect to certain Confidential Information, the Party that has received the Confidential Information from the other Party.
“Representatives”	mean a Party’s employees, agents, officers, directors, contractors, professional advisors, or other persons engaged to represent the Party.
“Services”	means the services to be provided by MPHASIS to CUSTOMER as such services will be described in one or more SOWs.



“SOW”	has the meaning set forth in section 1.2.
“Term”	has the meaning set forth in section 5.1.
“Time & Materials”	means a pricing model whereby Fees are calculated based on time actually spent, and materials actually consumed, by Mphasis or its Representatives in the performance of the Services.
“Wind Down Expenses”	has the meaning set forth in section 5.5.

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Calvin H. Knowlton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tabula Rasa HealthCare, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ DR. CALVIN H. KNOWLTON

Dr. Calvin H. Knowlton

Chief Executive Officer

Principal Executive Officer

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**CERTIFICATION OF CHIEF FINANCIAL OFFICER**  
**Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Thomas J. Cancro, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tabula Rasa HealthCare, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2022

/s/ THOMAS J. CANCRO

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Thomas J. Cancro  
Chief Financial Officer  
Principal Financial Officer

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Tabula Rasa HealthCare, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Calvin H. Knowlton, Chief Executive Officer of the Company, and I, Thomas J. Cancro, Chief Financial Officer of the Company, each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2022

By: /s/ DR. CALVIN H. KNOWLTON

Name: **Dr. Calvin H. Knowlton**

Title: **Chief Executive Officer  
(Principal Executive Officer)**

Date: May 9, 2022

By: /s/ THOMAS J. CANCRO

Name: **Thomas J. Cancro**

Title: **Chief Financial Officer  
(Principal Financial Officer)**

*\*This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tabula Rasa HealthCare, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing*

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