UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-37888

Tabula Rasa HealthCare, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-5726437**
(State of incorporation)	(I.R.S. Employer Identification No.)
228 Strawbridge Drive, Suite 100 **Moorestown, NJ 08057** (Address of Principal Executive Offices, including Zip Code)	**(866) 648 - 2767** (Registrant’s Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Stock, par value $0.0001 per share	TRHC	The Nasdaq Stock Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☒
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 28, 2023, the Registrant had 27,054,536 shares of Common Stock outstanding.

TABULA RASA HEALTHCARE, INC.
QUARTERLY REPORT ON FORM 10-Q
For the period ended June 30, 2023

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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)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 62,811	$ 70,017
Restricted cash	10,400	12,372
Accounts receivable, net of allowance of $935 and $368, respectively	18,610	19,252
Inventories	8,659	6,566
Prepaid expenses	3,581	4,664
Client claims receivable	16,415	16,377
Divestiture-related note receivable	3,527	—
Other current assets	22,678	18,187
Current assets of discontinued operations	—	22,825
Total current assets	146,681	170,260
Property and equipment, net	9,369	9,158
Operating lease right-of-use assets	10,149	10,483
Software development costs, net	33,077	32,592
Goodwill	115,323	115,323
Intangible assets, net	35,129	38,326
Contingent consideration receivable	—	3,350
Other assets	6,209	4,657
Total assets	$ 355,937	$ 384,149
Liabilities and stockholders' deficit		
Current liabilities:		
Current operating lease liabilities	$ 2,982	$ 2,708
Accounts payable	20,623	19,459
Client claims payable	10,981	10,781
Accrued expenses and other liabilities	59,105	55,745
Current liabilities of discontinued operations	—	13,389
Total current liabilities	93,691	102,082
Long-term debt, net of discount of $2,669 and $3,160, respectively	232,603	232,112
Long-term debt – related party, net of discount of $1,019 and $1,206, respectively	88,709	88,522
Noncurrent operating lease liabilities	12,102	12,786
Deferred income tax liability, net	1,507	1,380
Other long-term liabilities	5,404	4,298
Total liabilities	434,016	441,180
Commitments and contingencies (Note 16)		
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding at June 30, 2023 and December 31, 2022	—	—
Common stock, $0.0001 par value; 100,000,000 shares authorized, 28,360,785 and 28,031,616 shares issued and 27,058,420 and 27,129,096 shares outstanding at June 30, 2023 and December 31, 2022, respectively	3	3
Treasury stock, at cost; 1,302,365 and 902,520 shares at June 30, 2023 and December 31, 2022, respectively	(4,049)	(3,391)
Additional paid-in capital	359,573	354,214
Accumulated deficit	(433,606)	(407,857)
Total stockholders' deficit	(78,079)	(57,031)
Total liabilities and stockholders' deficit	$ 355,937	$ 384,149

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 June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Revenue:				
Medication revenue	$ 69,626	$ 55,892	$ 138,376	$ 106,865
Technology-enabled solutions revenue	20,410	16,705	39,937	32,842
Total revenue	90,036	72,597	178,313	139,707
Cost of revenue, exclusive of depreciation and amortization shown below:				
Cost of medication revenue	53,554	43,384	106,636	82,936
Cost of technology-enabled solutions revenue	13,953	13,247	28,395	26,416
Total cost of revenue, exclusive of depreciation and amortization	67,507	56,631	135,031	109,352
Operating expenses:				
Research and development	1,777	3,243	3,056	7,208
Sales and marketing	2,732	2,172	5,185	4,821
General and administrative	17,599	15,150	34,176	31,028
Change in fair value of contingent consideration receivable	3,350	—	3,750	—
Long-lived asset impairment charge	—	—	—	4,062
Depreciation and amortization	6,103	5,489	12,303	11,231
Total operating expenses	31,561	26,054	58,470	58,350
Loss from operations	(9,032)	(10,088)	(15,188)	(27,995)
Other income (expense):				
Interest expense, net	(1,144)	(2,444)	(2,409)	(4,713)
Other income	566	—	1,018	—
Total other expense, net	(578)	(2,444)	(1,391)	(4,713)
Loss from continuing operations before income taxes	(9,610)	(12,532)	(16,579)	(32,708)
Income tax expense	133	159	238	375
Net loss from continuing operations	(9,743)	(12,691)	(16,817)	(33,083)
Net loss from discontinued operations, net of tax	(108)	(36,919)	(8,932)	(44,720)
Net loss	$ (9,851)	$ (49,610)	$ (25,749)	$ (77,803)
Net loss per share:				
Net loss per share from continuing operations, basic and diluted	$ (0.38)	$ (0.53)	$ (0.66)	$ (1.38)
Net loss per share from discontinued operations, basic and diluted	—	(1.54)	(0.35)	(1.87)
Total net loss per share, basic and diluted	$ (0.38)	$ (2.07)	$ (1.01)	$ (3.25)
Weighted average common shares outstanding, basic and diluted	25,422,032	23,959,726	25,333,137	23,913,050

See accompanying notes to unaudited consolidated financial statements.

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

	Stockholders' Equity (Deficit) Six Months Ended June 30, 2023						
	Common Stock		Treasury Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Equity (Deficit)
Balance, January 1, 2023	28,031,616	$ 3	(902,520)	$ (3,391)	$ 354,214	$ (407,857)	$ (57,031)
Issuance of restricted stock	25,167	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(232,208)	—	—	—	—
Exercise of stock options, net of shares withheld	71,562	—	—	—	219	—	219
Shares withheld for payment of employee taxes	—	—	(125,088)	(622)	—	—	(622)
Stock-based compensation expense	—	—	—	—	2,468	—	2,468
Net loss	—	—	—	—	—	(15,898)	(15,898)
Balance, March 31, 2023	28,128,345	3	(1,259,816)	(4,013)	356,901	(423,755)	(70,864)
Issuance of restricted stock	205,128	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(36,307)	—	—	—	—
Exercise of stock options, net of shares withheld	27,312	—	—	—	(98)	—	(98)
Shares withheld for payment of employee taxes	—	—	(6,242)	(36)	—	—	(36)
Stock-based compensation expense	—	—	—	—	2,770	—	2,770
Net loss	—	—	—	—	—	(9,851)	(9,851)
Balance, June 30, 2023	28,360,785	$ 3	(1,302,365)	$ (4,049)	$ 359,573	$ (433,606)	$ (78,079)

See accompanying notes to unaudited consolidated financial statements.

	Stockholders' Equity (Deficit) Six Months Ended June 30, 2022						
	Common Stock		Treasury Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Equity (Deficit)
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	26,361,787	3	(508,684)	(4,292)	329,061	(288,540)	36,232
Issuance of common stock awards	12,262	—	—	—	—	—	—
Issuance of restricted stock	424,540	—	—	—	—	—	—
Forfeitures of restricted shares	—	—	(30,542)	—	—	—	—
Exercise of stock options, net of shares withheld	927	—	(109)	—	3	—	3
Stock-based compensation expense	—	—	—	—	6,692	—	6,692
Net loss	—	—	—	—	—	(49,610)	(49,610)
Balance, June 30, 2022	26,799,516	$ 3	(539,335)	$ (4,292)	$ 335,756	$ (338,150)	$ (6,683)

See accompanying notes to unaudited consolidated financial statements.

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

	Six Months Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Net loss	$ (25,749)	$ (77,803)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	12,303	18,562
Amortization of deferred financing costs and debt discount	678	939
Deferred taxes	127	(368)
Stock-based compensation	5,238	15,301
Change in fair value of contingent consideration receivable	3,750	—
Impairment charges	363	40,510
Net loss on divestiture of businesses	4,888	—
Other noncash items	292	(54)
Changes in operating assets and liabilities, net of effect of divestitures:		
Accounts receivable, net	514	2,979
Inventories	(2,093)	(354)
Prepaid expenses and other current assets	(3,829)	(7,916)
Client claims receivables	(38)	(3,162)
Other assets	3	(769)
Accounts payable	(1,222)	9,295
Accrued expenses and other liabilities	374	9,188
Client claims payables	200	353
Other long-term liabilities	554	2,139
Net cash (used in) provided by operating activities	(3,647)	8,840
Cash flows from investing activities:		
Purchases of property and equipment	(1,310)	(471)
Software development costs	(7,187)	(17,870)
Proceeds from divestiture of businesses	3,384	—
Net cash used in investing activities	(5,113)	(18,341)
Cash flows from financing activities:		
Proceeds from exercise of stock options	219	60
Payments for employee taxes for shares withheld	(655)	—
Payments for debt financing costs	—	(350)
Borrowings on line of credit	—	27,700
Net cash (used in) provided by financing activities	(436)	27,410
Net (decrease) increase in cash, cash equivalents and restricted cash	(9,196)	17,909
Cash, cash equivalents and restricted cash, beginning of period	82,407	15,706
Cash, cash equivalents and restricted cash, end of period [(1)]	$ 73,211	$ 33,615
Supplemental disclosure of cash flow information:		
Purchases of property and equipment and software development included in accounts payable and accrued expenses	$ 2,762	$ 2,693
Purchases of property and equipment and software development through vendor financing arrangements	$ 881	$ —
Cash paid for interest	$ 2,844	$ 3,882
Cash paid for taxes, net	$ 30	$ 137
Interest costs capitalized to software development costs	$ 24	$ 202
Employee taxes for shares withheld included in accrued expenses	$ 3	$ —
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 62,811	$ 26,522
Restricted cash	10,400	7,062
Cash from discontinued operations	—	31
Total cash, cash equivalents and restricted cash	$ 73,211	$ 33,615

(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 enabling simplified and individualized care that improves the health of those the Company serves. The Company offers comprehensive pharmacy services that include personalized, precision medication management and delivery, as well as a suite of clinical and business management tools that help health plans and at-risk provider groups optimize utilization and improve patient health.

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 United States ("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 and six months ended June 30, 2023 are not necessarily indicative of results to be expected for the year ending December 31, 2023, 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 March 10, 2023 (the "2022 Form 10-K").

Except as described below, there have been no material changes to the Company's significant accounting policies described in the 2022 Form 10-K that have a material impact on the Company's accompanying unaudited consolidated financial statements and related notes.

(b) Segment Reporting

The Company previously operated its business through two segments, CareVention HealthCare and MedWise HealthCare. During the first quarter of 2022, the Company announced plans to evaluate non-core assets, refocus its corporate strategy, and increase stockholder value. As a result, the Company commenced plans to sell the SinfoníaRx, DoseMe, and PrescribeWellness Businesses (as defined below), which the Company acquired in September 2017, January 2019, and March 2019, respectively. The Company completed the sales of its unincorporated PrescribeWellness business (the "PrescribeWellness Business"), DoseMe business (the "DoseMe Business"), and SinfoníaRx business (the "SinfoníaRx Business") in August 2022, January 2023, and March 2023, respectively. The completed sales of these businesses represented 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 such requirements to be classified as held for sale and discontinued operations as of March 31, 2022, and subsequently continued to meet the requirements through their respective sale dates. Accordingly, unless otherwise indicated, the accompanying consolidated financial statements reflect the assets, liabilities, revenue, and expenses related to these businesses as discontinued operations for all periods presented. Unless otherwise noted, amounts and disclosures throughout the notes to the consolidated financial statements relate to the Company's continuing operations.

The PrescribeWellness, DoseMe, and SinfoníaRx Businesses collectively comprised the majority of the Company's MedWise HealthCare segment. As a result of the sales of these businesses, the Company reevaluated its operating segments with respect to the CareVention HealthCare segment and the remaining MedWise HealthCare segment. Subsequent to the sales of these businesses, the Company's chief operating decision maker ("CODM"), who is the Chief Executive Officer, evaluates performance and allocates resources based on the consolidated results of the Company. Therefore, the Company consolidated its two operating segments to one segment by merging the CareVention HealthCare segment and the remaining MedWise HealthCare segment. The Company now operates its business as one

segment effective as of March 31, 2023. Prior comparative periods have been revised to conform with the current period segment presentation.

See Note 3 for further information on the Company's discontinued operations and the Company's sales of the PrescribeWellness, DoseMe, and SinfoníaRx Businesses.

(c) 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.

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

(d) 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 included in prepaid expenses and other assets on the Company's consolidated balance sheets, and 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 June 30, 2023 and December 31, 2022, capitalized implementation costs were $2,178 and $2,158, respectively. Accumulated amortization for these arrangements was $775 and $590 as of June 30, 2023 and December 31, 2022, respectively. Amortization expense for the three months ended June 30, 2023 and 2022, was $63 and $52, respectively. Amortization expense for the six months ended June 30, 2023 and 2022, was $185 and $105, respectively.

(e) 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 augmented 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 was reflective of its estimated uncollateralized borrowing rate at signing. As of June 30, 2023 and December 31, 2022, the outstanding principal balance of the financing arrangement was $6,500 and $5,169, respectively, with an unamortized discount of $1,546 and $1,239, respectively, which was included in accrued expenses and other liabilities and other long-term liabilities on the Company's consolidated balance sheets.

On October 1, 2022, the Company entered into a purchase arrangement with a third-party software support and service provider to purchase software licenses for total fees of $1,065. The purchased software licenses were delivered to the Company on the purchase date. The arrangement allows the Company to pay the fees over 36 monthly installment

payments. The Company used an imputed interest rate of 10.0%, which was reflective of its estimated collateralized borrowing rate on the purchase date. As of June 30, 2023 and December 31, 2022, the outstanding principal balance of the financing arrangement was $749 and $916, respectively, with an unamortized discount of $129 and $138, respectively, which was included in accrued expenses and other liabilities and other long-term liabilities on the Company's consolidated balance sheets.

Imputed interest expense from vendor financing arrangements was $118 and $30 for the three months ended June 30, 2023 and 2022, respectively, and $222 and $36 for the six months ended June 30, 2023 and 2022, respectively.

(f) Allowance for Credit Losses

The Company maintains an allowance for credit losses to provide for expected credit losses on its divestiture-related notes receivable. The allowance for credit losses is based on the Company's analysis of the expected future cash flows, as well as an assessment of the debtor's credit quality. All losses are charged to the allowance when the loss occurs or when a determination is made that such a loss is likely and can be reasonably estimated. Recoveries are credited to the allowance at the time of recovery. The Company evaluates its allowance for credit losses quarterly. As of June 30, 2023, the allowance for credit losses on the divestiture-related notes receivable was $149. See Note 7 for additional information on the Company's divestiture-related notes receivable.

(g) Concentrations of Credit Risk

The Company is subject to concentrations of credit risk related to cash, cash equivalents, restricted cash, accounts receivable, and client claims receivable. While the Company maintains its cash, cash equivalents and restricted cash with financial institutions with high credit ratings, it often maintains these deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any realized losses on cash, cash equivalents or restricted cash to date.

The Company's medication fulfillment services clients are sponsors of the federal Medicare Part D plan (prescription drug coverage plan) and, therefore, subject to the payment regulations established by the Centers for Medicare & Medicaid Services ("CMS"). Under CMS guidelines, Medicare Part D sponsors are required to remit payment for claims within 14 calendar days of the date on which an electronically submitted claim is received and within 30 days of the date on which non-electronically-submitted claims are received. The Company extends credit to clients based upon such terms, as well as management's evaluation of creditworthiness, and generally collateral is not required.

The Company's clients also include health plans and other healthcare providers. Credit associated with these accounts is extended based upon management's evaluation of creditworthiness and is monitored on an on-going basis.

As of June 30, 2023 and December 31, 2022, no client represented more than 10% of net accounts receivable.

As of June 30, 2023, one client represented 18% of client claims receivable. As of December 31, 2022, one client represented 14% of client claims receivable.

One client accounted for 13% and 16% of total revenue for the three months ended June 30, 2023 and 2022, respectively, and 13% and 17% of total revenue for the six months ended June 30, 2023 and 2022, respectively.

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

(h) Recent Accounting Pronouncement

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 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 FASB Accounting Standards Codification 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 adopted ASU 2021-08 on January 1, 2023 and determined that it did not have a significant impact on the consolidated financial statements.

3. Discontinued Operations

Divestiture of the PrescribeWellness Business

On August 1, 2022 (the "PW Sale Date"), the Company completed the sale of its PrescribeWellness Business, including the assets, properties, and rights that were primarily used or held for use in connection with the PrescribeWellness Business, as well as the KD Assets (as defined below) to Transaction Data Systems, Inc. ("TDS"). On the PW Sale Date, the Company also completed the acquisition of certain intellectual property from karmadata, Inc. ("KD") that had historically been licensed to the Company, (the "KD Assets"). The KD Assets acquired were simultaneously transferred to TDS on the PW Sale Date. The purchase consideration included $125,000 in cash, subject to certain customary post-closing adjustments, of which $118,561 was paid directly to the Company and $5,900 was paid to KD on the PW Sale Date. In October 2022, TDS also paid the Company $1,477 for certain customary post-closing adjustments after the PW Sale Date. The Company is also entitled to receive up to $15,000 of contingent consideration based upon the PrescribeWellness Business's achievement of certain performance-based metrics during the fiscal years ending December 31, 2023 and 2024. The contingent consideration had an estimated fair value of $7,000 on the PW Sale Date. See Note 15 for additional discussion on the fair value assessment of the contingent consideration receivable.

In connection with the sale of the PrescribeWellness Business, the Company entered into a transition services agreement (the "PW TSA") with TDS, pursuant to which the Company provided services, including, but not limited to, business support services for the PrescribeWellness Business after the sale through January 2023. The Company recognized $4 of income related to the PW TSA for the six months ended June 30, 2023, which is reported in other income in the Company's consolidated statement of operations.

During the three and six months ended June 30, 2022, as a result of the Company's intention to sell the PrescribeWellness Business, the Company prepared impairment tests on the related net assets held for sale. Using a market approach to determine fair value, the Company concluded that the fair value less costs to sell did not exceed the carrying value of the net assets held for sale for the PrescribeWellness Business. As a result, the Company recorded goodwill impairment charges of $12,145 and impairment charges of $8,500 on net assets held for sale for the three and six months ended June 30, 2022.

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

The following table summarizes the results of operations of the PrescribeWellness Business, which are included in loss from discontinued operations, net of tax in the consolidated statements of operations:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Revenue	$ 7,885	$ 16,769
Cost of revenue, exclusive of depreciation and amortization	3,348	6,518
Operating expenses	5,104	12,594
Impairment charges	20,645	20,645
Loss from discontinued operations before income taxes	(21,212)	(22,988)
Income tax benefit	(315)	(288)
Net loss from discontinued operations, net of tax	$ (20,897)	$ (22,700)

The following table summarizes the significant operating noncash items and investing activities of the PrescribeWellness Business:

	Six Months Ended June 30, 2022
Depreciation and amortization	$ 4,551
Impairment charges	20,645
Stock-based compensation	969
Purchases of property and equipment	(21)
Software development costs	(3,790)

Divestiture of the DoseMe Business

On January 20, 2023 (the “DoseMe Sale Date”), the Company completed the sale of its DoseMe Business, including the assets, properties, and rights that were primarily used or held for use in connection with the DoseMe Business, to DoseMe Operations Inc. (“DoseMe Operations”). The purchase consideration included $2,000 in cash, subject to certain customary post-closing adjustments, of which $1,984 was paid directly to the Company on the DoseMe Sale Date. The purchase consideration also includes a note receivable of $3,000 with an annual interest rate of 7%, which matures on January 20, 2027. See Note 7 for additional information on the divestiture-related note receivable.

In connection with the sale of the DoseMe Business, the Company entered into a transition services agreement (“DoseMe TSA”) with DoseMe Operations, pursuant to which the Company is providing services, including, but not limited to, business support services for the DoseMe Business after the sale through October 2023. For the three and six months ended June 30, 2023, the Company recognized $51 and $101 of income related to the DoseMe TSA, respectively, which is reported in other income in the Company’s consolidated statement of operations.

During the three and six months ended June 30, 2022, as a result of the Company’s intention to sell the DoseMe Business, the Company prepared impairment tests on the related net assets held for sale. Using a market approach to determine fair value, the Company concluded that the fair value less costs to sell did not exceed the carrying value of the net assets held for sale for the DoseMe Business. As a result, the Company recorded goodwill impairment charges of $740 and impairment charges of $3,835 on net assets held for sale for the six months ended June 30, 2022. For the three months ended June 30, 2022, the Company recorded $3,735 of impairment charges on the net assets held for sale. During the six months ended June 30, 2023, the Company recorded a final gain of $211 on the sale of the DoseMe Business.

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

	December 31, 2022
Cash	$ 18
Accounts receivable, net	530
Prepaid expenses and other assets	43
Property and equipment, net	30
Software development costs, net	421
Goodwill	1,927
Intangible assets, net	9,372
Impairment of carrying value	(7,730)
Total current assets of discontinued operations	$ 4,611
Accounts payable	$ 42
Accrued expenses and other liabilities	1,231
Total current liabilities of discontinued operations	$ 1,273

The following table summarizes the results of operations of the DoseMe Business, which are included in loss from discontinued operations, net of tax in the consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	$ —	$ 407	$ 64	$ 778
Cost of revenue, exclusive of depreciation and amortization	—	47	3	88
Operating expenses	—	782	432	2,165
Impairment charges	—	3,735	—	4,575
Loss (gain) on divestiture of business	11	—	(211)	—
Loss from discontinued operations before income taxes	(11)	(4,157)	(160)	(6,050)
Income tax (benefit) expense	(44)	(105)	10	(76)
Net income (loss) from discontinued operations, net of tax	$ 33	$ (4,052)	$ (170)	$ (5,974)

The following table summarizes the significant operating noncash items and investing activities of the DoseMe Business:

	Six Months Ended June 30,	
	2023	2022
Depreciation and amortization	$ —	$ 655
Impairment charges	—	4,575
Stock-based compensation	1	345
Gain on divestiture of business	211	—
Purchases of property and equipment	—	(6)
Software development costs	—	(145)

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Divestiture of the SinfoníaRx Business

On March 2, 2023 (the "SinfoníaRx Sale Date"), the Company completed the sale of its SinfoníaRx Business, including the assets, properties, and rights that were primarily used or held for use in connection with the SinfoníaRx Business to Symphony Clinic, LLC ("Symphony"). The purchase consideration included $1,400 in cash, subject to certain customary post-closing adjustments, which was paid directly to the Company on the SinfoníaRx Sale Date. The purchase consideration also includes a note receivable of $3,600 with an annual interest rate of 3%, which matures on December 31, 2023. The Company may also be entitled to receive up to $1,000 in contingent consideration based upon potential regulatory changes affecting the SinfoníaRx Business. The contingent consideration had an estimated fair value of $500 on the SinfoníaRx Sale Date. See Note 7 for additional discussion on the divestiture-related note receivable and Note 15 for additional discussion on the fair value assessment of the contingent consideration receivable.

In connection with the sale of the SinfoníaRx Business, the Company entered into a transition services agreement ("SinfoníaRx TSA") with Symphony, pursuant to which the Company is providing services, including, but not limited to, business support services for the SinfoníaRx Business after the sale through December 2023. For the three and six months ended June 30, 2023, the Company recognized $515 and $913 of income related to the SinfoníaRx TSA, respectively, which is reported in other income in the Company's consolidated statement of operations.

During the three and six months ended June 30, 2022, as a result of the Company's intention to sell the SinfoníaRx Business, the Company prepared impairment tests on the related net assets held for sale. Using a market approach to determine fair value, the Company concluded that the fair value less costs to sell did not exceed the carrying value of the net assets held for sale for the SinfoníaRx Business. As a result, the Company recorded goodwill impairment charges of $5,387 and impairment charges of $5,841 on net assets held for sale for the three and six months ended June 30, 2022. During the six months ended June 30, 2023, the Company recorded an additional $5,099 for the final loss on the sale of the SinfoníaRx Business.

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

	December 31, 2022
Accounts receivable, net	$ 3,707
Prepaid expenses and other assets	2,174
Property and equipment, net	1,320
Operating lease right-of-use assets	3,991
Software development costs, net	7,142
Intangible assets, net	13,263
Impairment of carrying value	(13,383)
Total current assets of discontinued operations	$ 18,214
Operating lease liabilities	$ 3,525
Accounts payable	3,188
Accrued expenses and other liabilities	5,403
Total current liabilities of discontinued operations	$ 12,116

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The following table summarizes the results of operations of the SinfoníaRx Business, which are included in loss from discontinued operations, net of tax in the consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Revenue	$ —	$ 8,669	$ 3,536	$ 15,909
Cost of revenue, exclusive of depreciation and amortization	—	6,802	4,919	13,336
Operating expenses	—	2,875	1,917	7,595
Impairment charges	—	11,228	363	11,228
Loss on divestiture of business	141	—	5,099	—
Loss from discontinued operations before income taxes	(141)	(12,236)	(8,762)	(16,250)
Income tax benefit	—	(266)	—	(204)
Net loss from discontinued operations, net of tax	$ (141)	$ (11,970)	$ (8,762)	$ (16,046)

The following table summarizes the significant operating noncash items and investing activities of the SinfoníaRx Business:

	Six Months Ended June 30,	
	2023	2022
Depreciation and amortization	$ —	$ 2,125
Impairment charges	363	11,228
Stock-based compensation	37	1,192
Loss on divestiture of business	5,099	—
Purchases of property and equipment	—	(32)
Software development costs	(358)	(2,071)

4. Revenue

The Company generates revenue from medication fulfillment pharmacy services provided to PACE organizations and technology-enabled solutions tailored to the specific needs of the healthcare organizations that it serves.

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 zero 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 provided. 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.

Medication 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 is 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.

Technology-Enabled Solutions Revenue

Value-Based Care 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, and pharmacy benefit management (“PBM”) solutions. 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.

The Company also provides medication safety services to other healthcare organizations, 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 include electronic health records software and solutions that allow for the identification of individuals with high medication-related risk and for optimizing medication therapy. Revenues related to these SaaS solutions 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.

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Disaggregation of Revenue

The following table disaggregates the Company’s revenue by major revenue category. Substantially all of the Company’s revenue is recognized in the U.S.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Medication revenue	$ 69,626	$ 55,892	$ 138,376	$ 106,865
Technology-enabled solutions revenue:				
Value-based care solutions	16,089	13,336	31,400	26,105
Software subscription and services	4,321	3,369	8,537	6,737
Total revenue	$ 90,036	$ 72,597	$ 178,313	$ 139,707

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 June 30, 2023 and December 31, 2022.

	June 30, 2023	December 31, 2022
Contract assets	$ 18,389	$ 15,115
Contract liabilities	2,767	3,435

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Significant changes in the contract assets and the contract liabilities balances during the six months ended June 30, 2023 are as follows:

	June 30, 2023
Contract assets:	
Contract assets, beginning of period	$ 15,115
Decreases due to cash received	(15,393)
Changes to the contract assets at the beginning of the period as a result of changes in estimates	820
Changes during the period, net of reclassifications to receivables	17,847
Contract assets, end of period	$ 18,389
Contract liabilities:	
Contract liabilities, beginning of period	$ 3,435
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	(2,481)
Increases due to cash received, excluding amounts recognized as revenue during the period	1,813
Contract liabilities, end of period	$ 2,767

During the six months ended June 30, 2022, the Company recognized $1,810 of revenue that was included in the December 31, 2021 contract liability balance of $2,191.

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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Numerator (basic and diluted):				
Net loss from continuing operations	$ (9,743)	$ (12,691)	$ (16,817)	$ (33,083)
Net loss from discontinued operations	(108)	(36,919)	(8,932)	(44,720)
Net loss	$ (9,851)	$ (49,610)	$ (25,749)	$ (77,803)
Denominator (basic and diluted):				
Weighted average shares of common stock outstanding, basic and diluted	25,422,032	23,959,726	25,333,137	23,913,050
Net loss per share from continuing operations, basic and diluted	$ (0.38)	$ (0.53)	$ (0.66)	$ (1.38)
Net loss per share from discontinued operations, basic and diluted	—	(1.54)	(0.35)	(1.87)
Total net loss per share, basic and diluted	$ (0.38)	$ (2.07)	$ (1.01)	$ (3.25)

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The following potential common shares, presented based on amounts outstanding as of June 30, 2023 and 2022, 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.

	June 30,	
	2023	2022
Stock options to purchase common stock	798,896	1,448,537
Unvested restricted stock and restricted stock units	2,314,917	2,324,497
Unvested performance stock units	103,409	—
Common stock warrants	4,646,393	4,646,393
Conversion of convertible senior subordinated notes	4,646,393	4,646,393
	12,510,008	13,065,820

As of June 30, 2023 and 2022, shares related to the conversion of the convertible senior subordinated notes were included in the table above using the if-converted method.

As of June 30, 2023, all shares related to performance stock units granted on April 27, 2021 and June 1, 2023 were excluded from the table above, as the performance conditions were unmet as of June 30, 2023 (see Note 14).

As of ended June 30, 2022, all shares related to performance stock units were excluded from the table above, as the performance conditions were unmet as of June 30, 2022 (see Note 14).

6. Other Current Assets

As of June 30, 2023 and December 31, 2022, other current assets consisted of the following:

	June 30, 2023	December 31, 2022
Contract assets	$ 18,389	$ 15,115
Divestiture-related contingent consideration receivable	100	—
Non-trade receivables	445	719
Other	3,744	2,353
Total other current assets	$ 22,678	$ 18,187

7. Divestiture-Related Notes Receivable

In connection with the sale of the DoseMe Business on January 20, 2023, the Company and DoseMe Operations executed a note receivable with principal of $3,000 and an annual interest rate of 7.0%, which matures on January 20, 2027. Pursuant to the terms of the sale agreement, the principal of the note receivable was adjusted for certain customary post-closing adjustments to $2,884 as of June 30, 2023. The note receivable was recorded at the estimated fair value of $1,598, adjusted for certain customary post-closing adjustments, on the DoseMe Sale Date of January 20, 2023 utilizing an imputed interest rate of 21.2%, which considers the risk-free rate corresponding to the term of the note receivable and risk premium attributed to the buyer's credit rating for a secured or collateralized instrument. The divestiture-related note receivable is recorded in other assets on the Company's consolidated balance sheet.

In connection with the sale of the SinfoníaRx Business on March 2, 2023, the Company and Symphony executed a note receivable with principal of $3,600 and an annual interest rate of 3.0%, which matures on December 31, 2023. The note receivable was recorded at the estimated fair value of $3,480 on the SinfoníaRx Sale Date of March 2, 2023 utilizing an imputed interest rate of 7.0%, which considers the risk-free rate corresponding to the term of the note receivable and risk premium attributed to the buyer's credit rating for a secured or collateralized instrument.

On the DoseMe Sale Date and SinfoníaRx Sale Date, the Company estimated an aggregate allowance for credit losses of $151 on divestiture-related notes receivable based on the expected future cash flows and assessment of debtor's

credit quality. The Company recorded a $2 decrease to the allowance for credit losses for the three months ended June 30, 2023 due to a change in the estimated fair value of the divestiture-related note receivables as a result of certain customary post-closing adjustments.

The following summarizes the divestiture-related notes receivable balances as of June 30, 2023:

	Amortized Cost	Allowance for Credit Losses	Balance as of June 30, 2023
Divestiture-related note receivable current	$ 3,527	$ —	$ 3,527
Divestiture-related note receivable long-term	1,654	(149)	1,505
Total	$ 5,181	$ (149)	$ 5,032

The following summarizes changes in the allowance for expected credit losses:

	Allowance for Credit Losses
Balance at January 1, 2023	$ —
Provision for credit losses	(151)
Change in provision for expected credit losses	2
Balance at June 30, 2023	$ (149)

8. Property and Equipment

Accumulated depreciation was $20,658 and $19,024 as of June 30, 2023 and December 31, 2022, respectively. Depreciation expense on property and equipment for the three months ended June 30, 2023 and 2022 was $790 and $1,214, respectively. Depreciation expense on property and equipment for the six months ended June 30, 2023 and 2022 was $1,716 and $2,061, respectively.

9. 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 service contracts, including external direct costs of third-party professional services, payroll costs for employees directly involved with the software development, and interest expense related to the borrowings attributable to software development. As of June 30, 2023 and December 31, 2022, capitalized software costs consisted of the following:

	June 30, 2023	December 31, 2022
Software development costs	$ 62,729	$ 54,853
Less: accumulated amortization	(29,652)	(22,261)
Software development costs, net	$ 33,077	$ 32,592
Capitalized software development costs included above not yet subject to amortization	$ 8,246	$ 4,997

Amortization expense for the three months ended June 30, 2023 and 2022 was $3,715 and $2,581, respectively. Amortization expense for the six months ended June 30, 2023 and 2022 was $7,390 and $5,781, respectively.

During the first quarter of 2022, the Company became aware of changes in circumstances impacting the future application of certain capitalized software development costs and determined an indicator of impairment was present. The Company 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, the Company recognized an impairment charge equal to $4,062 for the six months ended June 30, 2022. There were no identified circumstances that would impact the future functionality of capitalized software development costs during the six months ended June 30, 2023.

10. Goodwill and Intangible Assets

The Company's goodwill as of June 30, 2023 and December 31, 2022 was $115,323.

During the first and second quarters 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 June 30, 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 June 30, 2022. No indicators of impairment were identified during the six months ended June 30, 2023.

Intangible assets consisted of the following as of June 30, 2023 and December 31, 2022:

	Weighted Average Amortization Period (in years)	Gross Value	Accumulated Amortization	Intangible Assets, net
June 30, 2023				
Trade names	2.6	$ 1,340	$ (1,035)	$ 305
Client relationships	11.7	51,264	(17,939)	33,325
Non-competition agreements	5.0	1,640	(1,466)	174
Developed technology	6.2	14,720	(13,419)	1,301
Domain name	10.0	59	(35)	24
Total intangible assets		$ 69,023	$ (33,894)	$ 35,129

	Weighted Average Amortization Period (in years)	Gross Value	Accumulated Amortization	Intangible Assets, net
December 31, 2022				
Trade names	2.6	$ 1,340	$ (1,000)	$ 340
Client relationships	11.7	51,264	(15,781)	35,483
Non-competition agreements	5.0	1,640	(1,303)	337
Developed technology	6.2	14,720	(12,580)	2,140
Domain name	10.0	59	(33)	26
Total intangible assets		$ 69,023	$ (30,697)	$ 38,326

Amortization expense for intangible assets for the three months ended June 30, 2023 and 2022 was $1,598 and $1,695, respectively. Amortization expense for intangible assets for the six months ended June 30, 2023 and 2022 was $3,197 and $3,389, respectively.

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The estimated amortization expense for the remainder of 2023 and each of the next five years and thereafter is as follows:

Years Ending December 31,		
2023 (July 1 – December 31)	$	2,685
2024		4,684
2025		4,466
2026		4,338
2027		4,271
2028		3,681
Thereafter		11,004
Total estimated amortization expense	$	35,129

11. Accrued Expenses and Other Liabilities

As of June 30, 2023 and December 31, 2022, accrued expenses and other liabilities consisted of the following:

	June 30, 2023		December 31, 2022	
Employee related expenses	$	10,257	$	10,780
Contract liability		2,311		3,309
Customer deposits		904		904
Client funds obligations*		10,400		12,372
Interest		2,133		2,133
Vendor financing arrangements		627		568
Professional fees and contract labor		2,605		751
Consideration payable to customer		24,015		20,311
Income and non-income taxes payable		106		8
Other expenses		5,747		4,609
Total accrued expenses and other liabilities	$	59,105	$	55,745

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

12. Line of Credit and Long-Term Debt

(a) Line 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 (“WAB”). The 2020 Credit Facility provided 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 could be borrowed, repaid, and re-borrowed from time to time until the maturity date on May 16, 2025, and were permitted to be used for, among other things, working capital and other general corporate purposes. Loans under the 2020 Credit Facility bore interest at a rate equal to the LIBOR rate plus 3.25%. The obligations under the 2020 Credit Facility were 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 was 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 was subject to an unused line fee.

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On August 1, 2022, the Company entered into a payoff letter with WAB with respect to the 2020 Credit Facility, pursuant to which the Company voluntarily elected to pay all amounts outstanding, including principal and interest, under the 2020 Credit Facility and related loan documents (the “Pay Off”) using cash on hand and proceeds from the sale of the PrescribeWellness Business. Accordingly, the Company paid a total of $57,406 to WAB for the Pay Off and terminated the 2020 Credit Facility and related loan documents (the “Termination”). The Company did not incur any prepayment or early termination penalties in connection with either the Pay Off or the Termination. Upon the Termination and in connection with the Pay Off, all security interests and pledges granted to the secured parties thereunder were terminated and released.

In connection with the 2020 Credit Facility, the Company recorded deferred financing costs of $1,534. The Company amortized the deferred financing costs associated with the 2020 Credit Facility to interest expense using the effective-interest method over the term. The Company amortized $138 and $275 to interest expense for the three and six months ended June 30, 2022, respectively, for deferred financing costs. On August 1, 2022, in connection with the Termination, the remaining balance of deferred financing costs was amortized to interest expense. Interest expense on the 2020 Credit Facility was $637 and $1,097 for the three and six months ended June 30, 2022, 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 2026 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. Net proceeds from the 2026 Notes were used to pay the cost of convertible note hedge transactions (described below), repay amounts outstanding under the Company’s 2015 Line of Credit, fund the PrescribeWellness acquisition, fund the payment of the acquisition-related contingent consideration liabilities, and for general corporate purposes.

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 its common stock, cash, or a combination thereof at the Company’s option. As of June 30, 2023, 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 June 30, 2023, the Company recognized $1,762 of interest expense related to the 2026 Notes, of which $1,422 was paid or accrued and $340 was noncash accretion of the debt discounts recorded. During the six months ended June 30, 2023, the Company recognized $3,522 of interest expense related to the 2026 Notes, of which $2,844 was paid or accrued and $678 was noncash accretion of the debt discounts recorded.

During the three months ended June 30, 2022, the Company recognized $1,755 of interest expense related to the 2026 Notes, of which $1,422 was paid or accrued and $333 was noncash accretion of the debt discounts recorded. During the six months ended June 30, 2022, the Company recognized $3,508 of interest expense related to the 2026 Notes, of which $2,844 was paid or accrued and $664 was noncash accretion of the debt discounts recorded.

As of June 30, 2023, total accrued interest payable related to the 2026 Notes was $2,133, which is included in accrued expenses and other liabilities on the consolidated balance sheets. The 2026 Notes have a carrying value of $321,312 as of June 30, 2023. 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 (deficit), 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 June 30, 2023, no warrants had 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 June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Convertible senior subordinated notes	$ 235,272	$ 235,272
Convertible senior subordinated notes - related party	89,728	89,728
Unamortized discount, including debt issuance costs, on convertible senior subordinated notes	(3,688)	(4,366)
Total long-term debt, net	$ 321,312	$ 320,634

13. Income Taxes

For the three months ended June 30, 2023 and 2022, the Company recorded income tax expense of $133 and $159, respectively, which resulted in effective tax rates of (1.4)% and (1.3)%, respectively.

For the six months ended June 30, 2023 and 2022, the Company recorded income tax expense of $238 and $375, respectively, which resulted in effective tax rates of (1.4)% and (1.1)%, 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 the Company’s net deferred tax assets as of the end of the periods presented. As of June 30, 2023 and 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 and six months ended June 30, 2023 and 2022, respectively. 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.

14. 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 of Directors (the “Board”). In accordance with the terms of the 2016 Plan, the share reserve increased by 1,356,454 shares on March 10, 2023. As of June 30, 2023, 2,236,092 shares were available for future grants under the 2016 Plan.

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

Restricted Stock Awards

The Company issues restricted stock awards pursuant to the 2016 Plan to employees and non-employee directors. Restricted stock awards 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 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, under the 2016 Plan for the six months ended June 30, 2023:

	Number of shares	Weighted average grant-date fair value
Outstanding at December 31, 2022	2,193,444	$ 18.33
Granted	230,295	6.71
Vested	(707,195)	20.35
Forfeited	(268,515)	31.69
Outstanding at June 30, 2023	1,448,029	$ 13.02

For the three months ended June 30, 2023 and 2022, $2,139 and $5,578, respectively, of expense was recognized related to restricted stock awards, excluding performance-based restricted stock awards described below. For the six months ended June 30, 2023 and 2022, $4,339 and $12,847, respectively, of expense was recognized related to restricted stock awards, excluding performance-based restricted stock awards described below.

As of June 30, 2023, there was unrecognized compensation expense of $14,531 related to unvested restricted stock awards, excluding performance-based restricted stock awards described below, under the 2016 Plan, which are expected to be recognized over a weighted average period of 1.8 years.

Restricted Stock Units

The Company issues restricted stock units pursuant to the 2016 Plan to employees and non-employee directors. 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 units is determined using the Company's closing stock price at the grant date.

The following table summarizes the aggregate restricted stock unit activity under the 2016 Plan for the six months ended June 30, 2023:

	Number of shares	Weighted average grant-date fair value
Outstanding at December 31, 2022	109,453	$ 6.71
Granted	811,396	5.44
Outstanding at June 30, 2023	920,849	$ 5.59

The table above includes 53,961 restricted stock units which had vested but had not been issued as of June 30, 2023.

For the three months ended June 30, 2023 and 2022, $332 and $103, respectively, of expense was recognized related to restricted stock units. For the six months ended June 30, 2023 and 2022, $389 and $221, respectively, of expense was recognized related to restricted stock units.

As of June 30, 2023, there was unrecognized compensation expense of $4,345 related to unvested restricted stock units, under the 2016 Plan, which are expected to be recognized over a weighted average period of 3.5 years.

Performance-Based Equity Awards

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 2021 Shares") that may be issued to the award recipient. 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 2021 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 for the three and six months ended June 30, 2023 and 2022, as the achievement of the underlying performance targets was considered unlikely. During the six months ended June 30, 2023, 14,650 performance stock units expired. As of June 30, 2023, the number of Target 2021 Shares was 30,900 shares, the maximum number of achievable performance stock units was 61,800 and the maximum unrecognized compensation expense was $2,727.

On August 22, 2022, pursuant to the 2016 Plan, the Board approved awards of performance stock units to certain executives. Each award reflects a target number of shares ("Target 2022 Shares") that may be issued to the award recipient. The awards are earned upon the Company's achievement of certain market performance targets during the three-year performance period ending December 31, 2024. 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 2022 Shares granted. The performance stock unit awards have a grant-date fair value of $4.38 per share based on the fair value of the Company's stock price at grant date and the expected vesting units, taking into consideration the possibilities of all possible performance achievement levels. Stock-based compensation costs associated with these grants are recognized over the performance period. The Company recognized $162 and $322, respectively, of stock-based compensation expense related to the performance stock units for the three and six months ended June 30, 2023. As of June 30, 2023, the number of Target 2022 Shares was 350,000 shares, the maximum number of achievable performance stock units was 700,000, and the remaining unrecognized compensation expense was $978.

On June 1, 2023, 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 2023 Shares") that may be issued to the award recipient. The awards are earned based upon the Company's achievement of certain performance targets during the three-year performance period ending December 31, 2025. 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 2023 Shares granted. The performance stock unit awards have a grant-date fair value of $5.44 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 recognized $125 of stock-based compensation expense related to the performance stock units for the three and six months ended June 30, 2023. As of June 30, 2023, the number of Target 2023 Shares was 618,055 shares, the maximum number of achievable performance stock units was 1,236,110, and the maximum unrecognized compensation expense was $6,600.

Other 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 six months ended June 30, 2022, the Company recorded $92 of expense related to these stock awards.

During the second quarter of 2022, the Board approved grants of stock awards to certain non-employee directors pursuant to the 2016 Plan. The awards provided for the issuance of 12,262 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 $3.64 per share. For both the three and six months ended June 30, 2022, the Company recorded $45 of expense related to these stock awards.

Stock Options

The Company recorded $12 and $966 of stock-based compensation expense related to the vesting of employee and non-employee director stock options for the three months ended June 30, 2023 and 2022, respectively. The Company recorded $63 and $2,096 of stock-based compensation expense related to the vesting of employee and non-employee director stock options for the six months ended June 30, 2023 and 2022, respectively. The Company records forfeitures as they occur.

No grants for employee and non-employee director stock options were made during the six months ended June 30, 2023 and 2022.

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The following table summarizes stock option activity under the 2016 Plan for the six months ended June 30, 2023:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at December 31, 2022	1,177,805	$ 28.39		
Exercised	(138,715)	3.11		
Forfeited	(240,194)	29.63		
Outstanding at June 30, 2023	798,896	$ 32.40	4.3	$ 96
Options vested and expected to vest at June 30, 2023	798,896	$ 32.40	4.3	$ 96
Exercisable at June 30, 2023	798,434	$ 32.39	4.3	$ 96

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 six months ended June 30, 2023 and 2022 was $458 and $2, respectively.

As of June 30, 2023, there was $9 of total unrecognized compensation cost related to unvested stock options granted under the 2016 Plan, which is expected to be recognized over a weighted average period of 0.3 years.

Cash received from option exercises for the six months ended June 30, 2023 and 2022 was $219 and $60, respectively.

During the six months ended June 30, 2023, restricted share award holders delivered 131,330 shares of common stock, with a fair value of $658, for employee payroll taxes owed for the vesting of restricted stock awards.

The Company recorded total stock-based compensation expense for the three and six months ended June 30, 2023 and 2022 in the following expense categories of its consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Cost of medication revenue	$ 127	$ 223	$ 239	$ 447
Cost of technology-enabled solutions revenue	378	570	745	1,471
Research and development	206	761	407	2,280
Sales and marketing	102	50	188	308
General and administrative	1,957	3,488	3,621	8,289
Discontinued operations	—	1,600	38	2,506
Total stock-based compensation expense	$ 2,770	$ 6,692	$ 5,238	$ 15,301

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 June 30, 2023. In connection with the

proposed Merger, as defined and further described in Note 19, the Company has suspended the ESPP, which will be terminated contingent upon, and effective immediately prior to, the closing of the Merger.

15. Fair Value Measurements

The Company's financial instruments consist of money market funds, accounts receivable, client claims receivables, contract assets, contingent consideration receivable, accounts payable, client claims payable, contract liabilities, accrued expenses, vendor financing arrangements, 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 values due to the relatively short-term nature of those instruments. Vendor financing arrangements are recorded at net carrying value, which approximates fair value. See below for additional information on the Company's contingent consideration receivable and convertible senior subordinated notes.

The Company had classified assets measured at fair value on a recurring basis at June 30, 2023 as follows:

	Fair Value Measurement at Reporting Date Using			
	Level 1	Level 2	Level 3	Balance as of June 30, 2023
Assets				
Money market funds	$ 48,264	$ —	$ —	$ 48,264
Contingent consideration receivable - current	—	—	100	100
Total	$ 48,264	$ —	$ 100	$ 48,364

Level 1 instruments include investments in money market funds with an original maturity of three months or less and are valued based on quoted prices in active markets at the measurement date.

In connection with the sale of the PrescribeWellness Business on August 1, 2022, additional consideration ("PW Contingent Consideration Receivable") may be payable to the Company based on the achievement of certain customer and revenue metrics, as defined in the corresponding purchase agreement, for the years ending December 31, 2023 and 2024. See Note 3 for additional information regarding the sale of the PrescribeWellness Business.

In connection with the sale of the SinfoníaRx Business on March 2, 2023, additional consideration ("SinfoníaRx Contingent Consideration Receivable") may be payable to the Company based upon potential regulatory changes affecting the business, as defined in the corresponding purchase agreement. See Note 3 for additional information regarding the sale of the SinfoníaRx Business.

The contingent consideration receivables are classified as a current or noncurrent asset based on their expected payment dates, and they are subject to remeasurement at each balance sheet date. The contingent consideration receivables are measured at fair value on a recurring basis and may include the use of significant unobservable inputs, hence these instruments represent Level 3 measurements within the fair value hierarchy. All changes in contingent consideration subsequent to the initial sale-date measurement are recorded in net income or loss.

The fair value of the PW Contingent Consideration Receivable was determined using a Monte Carlo simulation with the assistance of a third-party appraiser. The contingent consideration receivable was recorded at the estimated fair value of $7,000 at the sale date of August 1, 2022. During the three and six months ended June 30, 2023, the Company recorded a charge of $3,350 to decrease the fair value of the contingent consideration receivable to zero based on updated estimates utilized in the contingent consideration valuation.

The fair value of the SinfoníaRx Contingent Consideration Receivable was determined using a scenario-based method. The contingent consideration receivable was recorded at the estimated fair value of $500 at the sale date of March 2, 2023. During the six months ended June 30, 2023, the Company recorded a charge of $400 to decrease the fair value of the SinfoníaRx Contingent Consideration Receivable primarily due to updated estimates used in the contingent

consideration valuation. The estimated fair value of the SinfoníaRx Contingent Consideration Receivable was $100 as of June 30, 2023 and was included in other current assets on the Company's consolidated balance sheet.

The changes in fair value of the Company's contingent consideration receivables for the six months ended June 30, 2023 was as follows:

Balance at December 31, 2022	$	3,350
Fair value of SinfoníaRx Contingent Consideration Receivable		500
Adjustments to fair value measurement		(3,750)
Balance at June 30, 2023	$	100

The following table presents the financial instruments that are not carried at fair value but require fair value disclosure as of June 30, 2023:

	Face Value	Carrying Value	Fair Value
1.75% Convertible Senior Subordinated Notes due 2026	$ 325,000	$ 321,312	$ 271,255

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 12, the 2026 Notes are carried at their aggregate face value of $325,000, less any unamortized debt issuance costs.

16. Commitments and Contingencies

(a) Employment Agreements

The Company has change-in-control and severance agreements with each of the Company's named executive officers and other key members of management 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

As of June 30, 2023, the Company was not involved in any significant claims or legal actions that, in the opinion of management, would 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 March 31, 2024. 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 June 30, 2023 and December 31, 2022 the Company had $2,172 and $4,608, respectively, due to Thrifty Drug for prescription drug purchases.

In June 2021 and October 2021, the Company entered into agreements with a provider for cloud hosting and support services. The June 2021 agreement was effective as of June 3, 2021 and will expire on April 28, 2024. Pursuant to the June 2021 agreement, the Company is committed to a minimum purchase obligation of $1,272 over the term of the agreement. The October 2021 agreement was effective as of October 1, 2021 and will expire on September 30, 2024. Pursuant to the October 2021 agreement, the Company is committed to a minimum purchase obligation of $7,050 over the term of the agreement. Commitments under the October 2021 agreement are inclusive of commitments under the June 2021 agreement. As of June 30, 2023, the Company had a remaining commitment of $2,350 under the October 2021 agreement, of which $253 pertained to the June 2021 agreement.

In August 2021, the Company entered into an agreement with a third party to provide enterprise support and information technology services. The agreement was effective as of November 1, 2021 and will expire on October 31, 2026 and commits the Company to a minimum purchase obligation of $8,960 through October 31, 2024. As of June 30, 2023, the Company had a remaining commitment of $3,876.

17. Related Party Transactions

The Company provides medication fulfillment pharmacy services and certain PACE solutions services to a client whose Chief Executive Officer is a member of the Board. For the three months ended June 30, 2023 and 2022, $1,854 and $1,888, respectively, of revenue related to this client was included in the Company’s consolidated statements of operations. For the six months ended June 30, 2023 and 2022, $3,730 and $3,647, respectively, of revenue related to this client was included in the Company’s consolidated statements of operations. As of June 30, 2023 and December 31, 2022, $209 and $145, respectively, was included in accounts receivable, net, on the Company’s consolidated balance sheets.

During the second quarter of 2022, a holder of the Company’s convertible senior subordinated notes became a significant stockholder. The stockholder held approximately $88,709 and $88,522 of the Company’s convertible senior subordinated notes, net of discount, which is presented on the Company’s consolidated balance sheets as of June 30, 2023 and December 31, 2022, respectively. See Note 12 for more information on the Company’s convertible senior subordinated notes.

On September 13, 2022, in connection with the entry into separation agreements with two retired named executive officers, the Company incurred $9,927 of separation costs, which included stock-based compensation related to the accelerated vesting of unvested shares of restricted stock, severance payments and benefits, relevant payroll taxes, and outplacement services. These costs were included within general and administrative expenses in the Company’s consolidated statement of operations during the third quarter of 2022. As of June 30, 2023, $787 is included within accrued expenses and other liabilities on the Company’s consolidated balance sheets.

As discussed in Note 19, on August 5, 2023, the Company entered into the Voting Agreement with the Specified Stockholders, including a director of the Company. See Note 19 for more information on the Voting Agreement.

18. Rights Plan

On July 25, 2022, the Board approved and adopted a Rights Agreement (the “Rights Agreement”), by and between the Company and American Stock Transfer & Trust Company, LLC, as Rights Agent. Pursuant to the Rights Agreement, the Board declared a dividend of one preferred share purchase right (each, a “Right”) for each outstanding share of common stock. The Rights are distributable to stockholders of record as of the close of business on August 5, 2022 and are not exercisable initially. If the Rights become exercisable, each Right entitles the registered holder to purchase from the Company one one-thousandth of a share of a newly-designated series of preferred stock, Series A Junior Participating Preferred Stock, par value $0.0001 per share, of the Company, at an exercise price of $26.00, subject to adjustment. The Rights expired on July 25, 2023 in accordance with the terms of the Rights Agreement.

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19. Subsequent Event

Merger Agreement

On August 5, 2023, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Locke Buyer, LLC, a Delaware limited liability company (“Parent”), and Locke Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent (“Merger Sub”), pursuant to which, on the terms and conditions set forth therein and in accordance with the Delaware General Corporation Law (the “DGCL”), Merger Sub will merge with and into the Company with the Company surviving the merger as a wholly owned subsidiary of Parent (the “Merger”). Consummation of the Merger is subject to the approval of the Company’s stockholders, receipt of certain required regulatory approvals, and other customary closing conditions.

On the terms and subject to the conditions set forth in the Merger Agreement, which has been unanimously approved by the Board, at the effective time of the Merger (the “Effective Time”), each share of the Company’s common stock issued and outstanding immediately prior to the Effective Time (other than shares of Company common stock (i) owned by Parent or Merger Sub, (ii) owned by the Company as treasury shares or (iii) held by any person who properly exercises appraisal rights under the DGCL) shall be converted into the right to receive an amount in cash equal to $10.50 per share, without interest (the “Merger Consideration”).

In addition, on the terms and subject to the conditions set forth in the Merger Agreement, at the Effective Time, each outstanding (i)(A) restricted stock unit that is subject solely to time-based vesting conditions, whether vested or unvested, and (B) share of Company common stock that is subject to vesting, repurchase or forfeiture, and (ii) restricted stock unit that is subject to both performance-based and time-based vesting conditions (each, a “Company PSU”) that is vested as of immediately prior to the Effective Time but not yet settled or that automatically vests as a result of the Merger in accordance with its terms and without the exercise of discretion (each, a “Vested Company PSU”), in the case of each of clause (i) and (ii), will be canceled and the holder thereof will be entitled to receive an amount in cash equal to the Merger Consideration, provided that any Company PSU that does not constitute a Vested Company PSU will be forfeited and canceled for no consideration. Moreover, at the Effective Time, each outstanding option to purchase shares of Company common stock as of immediately prior to the Effective Time, whether vested or unvested, will be canceled and the holder thereof will be entitled to receive an amount in cash equal to the product of the number of shares of Company common stock subject to such option, multiplied by the excess of the Merger Consideration over the exercise price per share, provided that any such option with an exercise price per share equal to or greater than the Merger Consideration will be canceled for no consideration.

The consummation of the Merger is subject to certain closing conditions, including, among other things: (i) the approval of the Company’s stockholders; (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (iii) the receipt of certain other regulatory approvals or consents; (iv) the absence of legal restraints prohibiting the Merger and (v) other customary conditions specified in the Merger Agreement.

The Merger Agreement contains certain termination rights for the Company and Parent, including, among others, the right of (i) either party to terminate the Merger Agreement if the Merger is not consummated by February 5, 2024, (ii) the Company to terminate the Merger Agreement in order to enter into a definitive acquisition agreement providing for a Superior Proposal (as defined in the Merger Agreement) and (iii) Parent to terminate the Merger Agreement if the Board changes its recommendation with respect to the Merger Agreement.

Upon termination of the Merger Agreement under specified circumstances, the Company will be required to pay Parent a termination fee. If the termination fee becomes payable as a result of the Company terminating the Merger Agreement in order to enter into a definitive acquisition agreement (i) prior to August 26, 2023 or (ii) with an Excluded Party (as defined in the Merger Agreement) prior to September 5, 2023, the amount of the termination fee will be $5,285. If the termination fee becomes payable in other circumstances, the amount of the termination fee will be

$10,570. If the Company terminates the Merger Agreement because Parent fails to consummate the Merger when required by the Merger Agreement, the Company will be entitled to a termination fee of $21,140.

Voting and Support Agreement

Concurrently with the execution of the Merger Agreement, Parent and the Company entered into a voting and support agreement (the “Voting Agreement”) with Indaba Capital Management, L.P., Indaba Capital Fund, L.P., IC GP, LLC and Derek Schrier (collectively, the “Specified Stockholders”), who, directly or indirectly, collectively beneficially own approximately 25% of the outstanding shares of Company common stock (the “Covered Shares”), pursuant to which, among other things, each Specified Stockholder has (i) agreed to vote (or cause to be voted) all of its Covered Shares in favor of, among other things, approval of the Merger Agreement and the transactions contemplated by the Merger Agreement (including the Merger) and against any alternative Takeover Proposal and (ii) agreed, subject to certain exceptions, not to transfer its Covered Shares during the term of the Voting Agreement; provided, that the Voting Agreement will terminate in the event that, among other things, the Board changes its recommendation that the Company’s stockholders adopt the Merger Agreement.

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 1, 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, 2022, included in our 2022 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, financial performance, the proposed transaction with Locke Buyer, LLC, an affiliate of Nautic Partners, 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) our expectations regarding industry and market trends, including the expected growth and continued structural change and consolidation in the market for healthcare in the United States; (ii) our expectations about the growth of Programs of All-Inclusive Care for the Elderly ("PACE") organizations; (iii) our expectations about private payers establishing their own at-risk programs; (iv) the advantages of our solutions as compared to those of competitors; (v) our estimates about our financial performance; (vi) the visibility into future cash flows from our business model; (vii) our ability to reduce expenses as a result of our disposition of non-core businesses; (viii) our growth strategy, including our ability to grow our client base; (ix) our plans to further penetrate existing markets and enter new markets; (x) expectations of earnings, revenue, and other financial items; (xi) plans, strategies, and objectives of management for future operations; (xii) our ability to establish and maintain intellectual property rights; (xiii) our ability to retain and hire necessary associates and appropriately staff our operations; (xiv) future capital expenditures; (xv) future economic conditions or performance; (xvi) our plans to pursue strategic acquisitions and partnerships; (xvii) our plans to expand and enhance our solutions; (xviii) our estimates regarding capital requirements and needs for additional financing; (xix) the risk that the proposed transaction may not be completed in a timely manner or at all; (xx) the failure to receive, on a timely basis or otherwise, the required approval of the proposed transaction by our stockholders; (xxi) the possibility that any or all of the various conditions to the consummation of the proposed transaction may not be satisfied or waived, including the failure to receive any required regulatory approvals from any applicable governmental entities (or any conditions, limitations or restrictions placed on such approvals); (xxii) the possibility that competing offers or acquisition proposals for the Company will be made; (xxiii) the occurrence of any event, change or other circumstance that could give rise to the termination of the definitive transaction agreement relating to the proposed transaction, including in circumstances which would require the Company to pay a termination fee; (xxiv) the effect of the announcement or pendency of the proposed transaction on our ability to attract, motivate or retain key executives and employees, our ability to maintain relationships with our customers, vendors, service providers and others with whom we do business, or our operating results and business generally; (xxv) risks related to the proposed transaction diverting management's attention from our ongoing business operations; (xxvi) the risk of shareholder litigation in connection with the proposed transaction, including resulting expense or delay; and (xxvii) the risks described in Part I, Item 1A of our 2022 Form 10-K, filed with the SEC on March 10, 2023, 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 enabling simplified and individualized care that improves the health of those we serve. We offer comprehensive

pharmacy services that include personalized, precision medication management and delivery, as well as a suite of clinical and business management tools that help health plans and at-risk provider groups optimize utilization and improve patient health. Our vision and mission are supported by our experienced leadership team, our significant investments in our technology, services, and people, and partnerships with our healthcare clients, including health plans and provider organizations, to manage the most complex and vulnerable individuals.

We provide our clients, primarily organizations with PACE, with medication fulfillment services, cloud-based software, pharmacy benefit management ("PBM") solutions, and clinical pharmacist services at the point-of-care. PACE is a Centers for Medicare & Medicaid Services ("CMS") sponsored program providing comprehensive medical and social services to adults aged 55 and older who need a nursing facility level of care but can live safely in community settings. Our clients include ArchCare Senior Life, Trinity Health, Palm Beach PACE, St. Paul's PACE, and Welbe Health. 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®. We serve more than 150 healthcare organizations.

Our largest service offering is our medication fulfillment services, which are built around our advanced 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. Our medication revenue model is primarily based on payments for charges and dispensing fees for medication fulfillment.

We also offer technology-enabled solutions, which include risk adjustment services, PBM solutions, cloud-based electronic health records solutions, and third-party administration services specifically tailored to the PACE market. We also provide technology-enabled solutions that promote medication safety and adherence to improve patient outcomes and reduce healthcare costs. The technology-enabled solutions revenue model is primarily based on payments on a per-member, per-month ("PMPM") basis, payments on a subscription basis, payments on a per claim basis, or payments on a fee-for-service basis for each medication safety review and clinical assessment completed.

On August 5, 2023, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Locke Buyer, LLC, a Delaware limited liability company ("Parent"), and Locke Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent ("Merger Sub"), pursuant to which, subject to the terms and conditions thereof and in accordance with the Delaware General Corporation Law (the "DGCL"), Merger Sub will merge with and into the Company with the Company surviving the merger as a wholly owned subsidiary of Parent (the "Merger"). Consummation of the Merger is subject to the approval of the Company's stockholders, receipt of certain required regulatory approvals, and other customary closing conditions. See Note 19 in the notes to our consolidated financial statements as reported in this Quarterly Report on Form 10-Q for additional information.

Divestiture of Non-Core Businesses and Segment Change

During first quarter of 2022, we announced plans to evaluate non-core assets to refocus our corporate strategy and increase stockholder value, and we commenced plans to sell the PrescribeWellness, DoseMe and SinfoníaRx Businesses (as defined below), which we acquired in January 2019, March 2019, and September 2017, respectively. As described further below, we completed our sales of the PrescribeWellness, DoseMe and SinfoníaRx Businesses in August 2022, January 2023, and March 2023, respectively. We determined that these businesses met the requirements to be classified as held for sale and discontinued operations as of March 31, 2022 and continued to meet the requirements through the dates of their respective sales. Accordingly, the assets, liabilities, revenue, and expenses related to these businesses are reflected as discontinued operations in the accompanying consolidated financial statements for all periods presented in this Quarterly Report on Form 10-Q.

On August 1, 2022 (the “PW Sale Date”), we completed the sale of our unincorporated PrescribeWellness business division (the “PrescribeWellness Business”), and the assets, properties, and rights that were primarily used or held for use in connection with the PrescribeWellness Business, and the KD Assets (as defined below), to Transaction Data Systems, Inc. (“TDS”). On the PW Sale Date, we also completed the acquisition of certain intellectual property from karmadata, Inc. (“KD”), which had historically been licensed to us (the “KD Assets”). The KD Assets acquired were simultaneously transferred to TDS on the PW Sale Date. The purchase consideration included $125 million in cash, subject to certain customary post-closing adjustments, of which $118.6 million was paid directly to us and $5.9 million was paid to KD on the PW Sale Date. In October 2022, TDS also paid us $1.5 million for certain customary post-closing adjustments. We are also entitled to receive up to $15.0 million in contingent consideration based upon the PrescribeWellness Business’s achievement of certain performance-based metrics during the fiscal years ending December 31, 2023 and 2024.

On January 20, 2023 (the “DoseMe Sale Date”), we entered into a Share and Asset Purchase Agreement with DoseMe Operations Inc. (“DoseMe Operations”) and completed the sale of our unincorporated DoseMe business (the “DoseMe Business”), and the assets, properties, and rights that are primarily used or held for use in connection with the DoseMe Business. The purchase consideration included $2.0 million in cash, subject to certain customary post-closing adjustments, which was paid directly to us in January 2023. The purchase consideration also included a note receivable of $3.0 million with an annual interest rate of 7.0%, which matures on January 20, 2027.

On March 2, 2023 (the “SinfoníaRx Sale Date”), we entered into an Asset Purchase Agreement with Symphony Clinic, LLC (“Symphony”) and completed the sale of our unincorporated SinfoníaRx business (the “SinfoníaRx Business”), and the assets, properties, and rights that are primarily used or held for use in connection with the SinfoníaRx Business. The purchase consideration included $1.4 million in cash, subject to certain customary post-closing adjustments, which was paid directly to us on the SinfoníaRx Sale Date. The purchase consideration also included a note receivable of $3.6 million with an annual interest rate of 3.0%, which matures on December 31, 2023. We may also be entitled to receive up to $1.0 million in contingent consideration based upon potential regulatory changes affecting the SinfoníaRx Business.

We previously operated our business through two segments, CareVention HealthCare and MedWise HealthCare. When we commenced plans to sell the PrescribeWellness, DoseMe and SinfoníaRx Businesses, these businesses collectively comprised the majority of our MedWise HealthCare segment, with PrescribeWellness Business representing the most significant portion of this segment. The disposition of these non-core businesses represented the completion of our previously-announced strategic business shift. Subsequent to the sales of these business, our chief operating decision maker (“CODM”), who is our Chief Executive Officer, evaluates performance and allocates resources based on the consolidated results of the Company. Therefore, we consolidated our two operating segments to one segment by merging the CareVention HealthCare segment and the remaining MedWise HealthCare segment. We now operate our business as one segment effective as of March 31, 2023. Prior comparative periods have been revised to conform with the current period segment presentation.

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 as compared to that of other companies in our industry.

	Three Months Ended June 30,		Change	
	2023	2022	$	%
	(Dollars in thousands)			
Revenues from continuing operations	$ 90,036	$ 72,597	$ 17,439	24 %
Net loss from continuing operations	(9,743)	(12,691)	2,948	23

	Six Months Ended June 30,		Change	
	2023	2022	$	%
	(Dollars in thousands)			
Revenues from continuing operations	$ 178,313	$ 139,707	$ 38,606	28 %
Net loss from continuing operations	(16,817)	(33,083)	16,266	49

We monitor the key metrics set forth in the preceding table to help us evaluate trends, establish budgets, and measure the effectiveness and efficiency of our operations. We also monitor revenue retention rate on an annual basis, which is described in our 2022 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, continue to enter new markets, and expand our offerings to meet evolving market needs. While these areas present significant opportunities, they also present risks that we must manage to ensure successful results. For additional information about risks and uncertainties that may impact our future success, please refer to “Item 1A – Risk Factors” in our 2022 Form 10-K as supplemented by the additional factors set forth under “Item 1A – Risk Factors” included in this Quarterly Report on Form 10-Q.

As described above, we completed the sales of the PrescribeWellness, DoseMe and SinfoníaRx Businesses in 2022 and the first quarter of 2023. We used the cash proceeds from the sale of the PrescribeWellness Business to pay off our line of credit with Western Alliance Bank (the “2020 Credit Facility”) and increase our liquidity. The remaining cash proceeds, along with cash proceeds received and promissory notes from the divestitures of the DoseMe and SinfoníaRx Businesses, will provide us with the financial flexibility to optimize our capital structure, as well as to focus on our core value-based care business and our MedWise science, including our offerings targeted at the PACE market.

Components of Our Results of Operations

Revenue

Our revenue is derived from our medication revenue and technology-enabled solutions revenue. For both the three months ended June 30, 2023 and 2022, medication revenue represented 77% of our total revenue from continuing operations, and technology-enabled solutions revenue represented 23%, of our total revenue from continuing operations. For the six months ended June 30, 2023 and 2022, medication revenue represented 78% and 76%, respectively, of our total revenue from continuing operations, and technology-enabled solutions revenue represented 22% and 24%, respectively, of our total revenue from continuing operations.

Medication 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 is recognized when medications are delivered and control has passed to the client. At the time of delivery, we have performed substantially all of our performance obligations under our client contracts. We do not experience a significant level of returns or reshipments.

Technology-Enabled Solutions Revenue

Value-Based Care 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, and third-party administration services. Revenue related to these services primarily consists of a fixed monthly fee assessed on a PMPM basis, 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.

We also provide medication safety services to other healthcare organizations, 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 include electronic health records software and solutions which allow for the identification of individuals with high medication-related risk. Revenues related to SaaS solutions 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)

Cost of Medication Revenue

Cost of medication revenue includes all costs directly related to the fulfillment and distribution of medications. These costs consist primarily of the purchase price of the medications we dispense, shipping, packaging, expenses associated with operating our medication fulfillment centers, including employment costs and stock-based compensation, and technology expenses. Such costs also include direct overhead expenses and allocated indirect overhead costs. We allocate indirect overhead costs among functions based on employee headcount. For the three months ended June 30, 2023 and 2022, the purchase price of medications represented 82% and 80%, respectively, of our total cost of medication revenue. For the six months ended June 30, 2023 and 2022, the purchase price of medications represented 82% and 81%, respectively, of our total cost of medication revenue.

Cost of Technology-Enabled Solutions Revenue

Cost of technology-enabled solutions revenue includes all costs directly related to servicing our technology service contracts and primarily consists of employment 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 employment costs, including stock-based compensation, for 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 medication and technology 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 that continued investment in our software solutions is important for our future growth. We expect that our research and development expenses will fluctuate in the short-term as we refocus on our core business but will decrease as a percentage of revenue in the long-term.

Sales and Marketing Expenses

Sales and marketing expenses consist principally of employment costs, including stock-based compensation, 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 short-term as we 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 employment costs, including 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 short-term as we refocus on our core business but decrease as a percentage of revenue in the long-term.

Change in Fair Value of Contingent Consideration Receivable

In connection with the sales of the PrescribeWellness Business on August 1, 2022 and the SinfoníaRx Business on March 2, 2023, we may be entitled to additional consideration based on the achievement of certain customer and revenue metrics and based upon potential regulatory changes affecting the business, respectively. The contingent consideration receivables are classified as a current or noncurrent asset based on their expected payment dates, and they are subject to remeasurement at each balance sheet date. Any change in the fair value of the contingent consideration receivables is reflected in our consolidated statements of operations as a change in fair value of the receivables. We adjust the carrying value of the contingent consideration receivables until the contingencies are finally determined or final payment is received.

Long-Lived Asset Impairment Charge

Long-lived assets consist of property and equipment, operating lease right-of-use assets, 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 approaches.

Depreciation and Amortization Expenses

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

Interest Expense, Net

Interest expense, net is primarily attributable to interest expense associated with our convertible senior subordinated notes (the “2026 Notes”) and interest expense associated with our Loan and Security Agreement with Western Alliance Bank (the “2020 Credit Facility”) prior to its termination on August 1, 2022. Interest expense also includes the amortization of debt discount and debt issuance costs related to our various debt arrangements and imputed interest on our vendor financing arrangements. Interest expense, net includes interest income earned on our investments in money market funds and on divestiture-related notes receivable.

Results of Operations

The following table summarizes our results of operations for the three and six months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2023	2022	$	%	2023	2022	$	%
Revenue:								
Medication revenue	$ 69,626	$ 55,892	$ 13,734	25 %	$ 138,376	$ 106,865	$ 31,511	29 %
Technology-enabled solutions revenue	20,410	16,705	3,705	22	39,937	32,842	7,095	22
Total revenue	90,036	72,597	17,439	24	178,313	139,707	38,606	28
Cost of revenue, exclusive of depreciation and amortization shown below:								
Cost of medication revenue	53,554	43,384	10,170	23	106,636	82,936	23,700	29
Cost of technology-enabled solutions revenue	13,953	13,247	706	5	28,395	26,416	1,979	7
Total cost of revenue, exclusive of depreciation and amortization	67,507	56,631	10,876	19	135,031	109,352	25,679	23
Operating expenses:								
Research and development	1,777	3,243	(1,466)	(45)	3,056	7,208	(4,152)	(58)
Sales and marketing	2,732	2,172	560	26	5,185	4,821	364	8
General and administrative	17,599	15,150	2,449	16	34,176	31,028	3,148	10
Change in fair value of contingent consideration receivable	3,350	—	3,350	100	3,750	—	3,750	100
Long-lived asset impairment charge	—	—	—	100	—	4,062	(4,062)	(100)
Depreciation and amortization	6,103	5,489	614	11	12,303	11,231	1,072	10
Total operating expenses	31,561	26,054	5,507	21	58,470	58,350	120	0
Loss from operations	(9,032)	(10,088)	1,056	10	(15,188)	(27,995)	12,807	46
Other income (expense):								
Interest expense, net	(1,144)	(2,444)	(1,300)	(53)	(2,409)	(4,713)	(2,304)	(49)
Other income	566	—	566	100	1,018	—	1,018	100
Total other expense, net	(578)	(2,444)	1,866	76	(1,391)	(4,713)	3,322	70
Loss from continuing operations before income taxes	(9,610)	(12,532)	2,922	23	(16,579)	(32,708)	16,129	49
Income tax expense	133	159	(26)	(16)	238	375	(137)	(37)
Net loss from continuing operations	(9,743)	(12,691)	2,948	23	(16,817)	(33,083)	16,266	49
Net loss from discontinued operations, net of tax	(108)	(36,919)	36,811	100	(8,932)	(44,720)	35,788	80
Net loss	$ (9,851)	$ (49,610)	$ 39,759	80 %	$ (25,749)	$ (77,803)	$ 52,054	67 %

Comparison of the Three Months Ended June 30, 2023 and 2022 (Continuing Operations)

Medication Revenue

Medication revenue increased $13.7 million, or 25%, to $69.6 million for the three months ended June 30, 2023, as compared to the same period in 2022. 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 $10.7 million to the increase. In addition, new clients that started services after the end of the second quarter of 2022 contributed $3.0 million to the increase in medication revenue during 2023.

Technology-Enabled Solutions Revenue

Revenue generated from technology-enabled solutions increased $3.7 million, or 22%, to $20.4 million for the three months ended June 30, 2023, as compared to the same period in 2022. The increase included $2.7 million of growth within existing clients primarily in our PBM solutions, third-party administration services, and risk adjustment services, and $1.0 million related to new clients added after the end of the second quarter of 2022.

Cost of Medication Revenue

Cost of medication revenue increased $10.2 million, or 23%, to $53.6 million for the three months ended June 30, 2023, as compared to the same period in 2022. Medication costs increased $9.2 million primarily due to growth in the number of patients served, of which $1.8 million is attributable to new clients that started services after the end of the second quarter of 2022. Employee compensation costs also increased $0.8 million due to an increase in employee headcount to support revenue growth.

Cost of Technology-Enabled Solutions Revenue

Cost of technology-enabled solutions revenue increased $0.7 million, or 5%, to $14.0 million for the three months ended June 30, 2023, as compared to the same period in 2022. The increase was primarily comprised of a $0.8 million increase in professional services related to our vendor arrangement for business process support and technology services for our third-party administration services and electronic health records solutions.

Research and Development Expenses

Research and development expenses decreased by $1.5 million, or 45%, to $1.8 million for the three months ended June 30, 2023, as compared to the same period in 2022. The decrease was primarily due to a $0.7 million decrease in employee compensation costs, of which $0.6 million related to stock-based compensation expense, as a result of decreased headcount. The decrease in research and development expenses was also driven by a $0.4 million decrease in rent and overhead costs as a result of a reduced real estate footprint in our development centers in New Jersey, South Carolina, and Florida. The remaining decrease was due to an aggregate $0.3 million decrease in professional services and information technology spend.

Sales and Marketing Expenses

Sales and marketing expenses increased $0.6 million, or 26%, to $2.7 million for the three months ended June 30, 2023, as compared to the same period in 2022. The increase was primarily due to a $0.7 million increase in employee compensation costs, including stock-based compensation expense and commissions expense related to new clients added since the second quarter of 2022.

General and Administrative Expenses

General and administrative expenses increased $2.4 million, or 16%, to $17.6 million for the three months ended June 30, 2023 as compared to the same period in 2022. The increase in general and administrative expenses was primarily due to a $1.9 million increase in professional services and a $0.4 million increase in information technology spend.

Change in Fair Value of Contingent Consideration Receivable

In connection with the sale of the PrescribeWellness Business on August 1, 2022, we may be entitled to receive additional consideration based on the achievement of certain customer and revenue metrics for the years ending December 31, 2023 and 2024. During the three months ended June 30, 2023, we recorded a $3.4 million charge to decrease the fair value of the contingent consideration receivable to zero due to updated estimates utilized in the contingent consideration valuation.

In connection with the sale of the SinfoníaRx Business on March 2, 2023, we may be entitled to receive additional consideration based upon the approval of potential regulatory changes affecting the SinfoníaRx Business. During the three months ended June 30, 2023, no change was recorded to the fair value of the contingent consideration receivable. The fair value of the contingent consideration receivable was $0.1 million as of June 30, 2023.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased $0.6 million, or 11%, to $6.1 million for the three months ended June 30, 2023, as compared to the same period in 2022. This increase was due to a $1.1 million increase in the amortization of capitalized software related to new software functionality placed into service after the end of the second quarter in 2022. The increase was partially offset by a $0.4 million decrease in depreciation of property and equipment, which have been fully depreciated since the end of the second quarter of 2022.

Interest Expense, Net

Interest expense for the three months ended June 30, 2023 was $1.1 million, a decrease of $1.3 million, or 53%, as compared to the same period in 2022. The decrease in interest expense was primarily due to the repayment and termination of the 2020 Credit Facility on August 1, 2022. For the three months ended June 30, 2022, we incurred $0.6 million of interest expense related to the 2020 Credit Facility. The decrease in interest expense was also due to $0.7 million of interest income earned on our investments in money market funds. The decrease in interest expense was partially offset by an increase in imputed interest expense related to our vendor financing arrangements.

Other Income

In connection with the sales of the PrescribeWellness Business, DoseMe Business, and SinfoníaRx Business, we entered into transition services agreements ("TSAs"), pursuant to which we provided or are providing business support services after their sales. We recognized $0.6 million of income related to the TSAs for the three months ended June 30, 2023, which is reported in other income in our consolidated statement of operations.

Income Taxes

For the three months ended June 30, 2023 and 2022, we recorded income tax expense of $0.1 million and $0.2 million, respectively, which resulted in effective tax rates of (1.4)% and (1.3)%, respectively. Income tax expense was 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 limited the realizability of our net deferred tax assets as of June 30, 2023 and 2022. Accordingly, the tax benefit was limited due to unbenefited losses in the three months ended June 30, 2023 and 2022. 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

During the first quarter of 2022, we announced plans to evaluate non-core assets and commenced plans to sell the SinfoníaRx, PrescribeWellness, and DoseMe Businesses, which were acquired in September 2017, March 2019, and January 2019, respectively. We completed the sales of the PrescribeWellness, DoseMe, and SinfoníaRx Businesses on August 1, 2022, January 20, 2023 and March 2, 2023, respectively. Our sales of these businesses represented a strategic business shift having a significant effect on our operations and financial results. As a result, we determined that these businesses met such requirements to be classified as held for sale and discontinued operations as of March 31, 2022 and through their respective sale dates. Accordingly, all related assets and liabilities and the results of operations for all periods presented are classified as discontinued operations in the consolidated financial statements.

Net loss from discontinued operations, net of tax, for the SinfoníaRx Business was $0.1 million for the three months ended June 30, 2023. Net loss from discontinued operations, net of tax, for the PrescribeWellness, DoseMe, and SinfoníaRx Businesses was $20.9 million, $4.1 million, and $12.0 million, respectively, for the three months ended June 30, 2022. See Note 3 in the notes to our consolidated financial statements as reported in this Quarterly Report on Form 10-Q for additional information.

Comparison of the Six Months Ended June 30, 2023 and 2022 (Continuing Operations)

Medication Revenue

Medication revenue increased $31.5 million, or 29%, to $138.4 million for the six months ended June 30, 2023, as compared to the same period in 2022. 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 $26.0 million to the increase. In addition, new clients that started services after the end of the second quarter of 2022 contributed $5.5 million to the increase in medication revenue during 2023.

Technology-Enabled Solutions Revenue

Technology-enabled solutions increased $7.1 million, or 22%, to $39.9 million for the six months ended June 30, 2023, as compared to the same period in 2022, primarily due to $5.1 million in growth within existing clients in our PBM solutions, third-party administration services, and risk adjustment services. In addition, new clients that started services after the end of the second quarter of 2022 contributed $2.0 million to the increase in technology-enabled solutions revenue during 2023.

Cost of Medication Revenue

Cost of medication revenue increased $23.7 million, or 29%, to $106.6 million for the six months ended June 30, 2023, as compared to the same period in 2022. Medication costs increased $20.6 million primarily due to growth in the number of patients served, of which $3.4 million was attributable to new clients that started services after the end of the second quarter of 2022. Employee compensation costs, including stock-based compensation expense, also increased $1.9 million due to an increase in employee headcount to support revenue growth. Additionally, shipping and distribution charges increased by $1.0 million due to the volume of medications fulfilled.

Cost of Technology-Enabled Solutions Revenue

Cost of technology-enabled solutions revenue increased $2.0 million, or 7%, to $28.4 million for the six months ended June 30, 2023, as compared to the same period in 2022. The increase was primarily comprised of a $3.3 million increase in professional services primarily related to our vendor arrangement for business process support and technology services for our third-party administration services and electronic health records solutions. This increase was partially offset by a $1.5 million reduction in employee compensation costs, including stock-based compensation, primarily for the employees hired by the third-party provider.

Research and Development Expenses

Research and development expenses decreased by $4.2 million, or 58%, to $3.1 million for the six months ended June 30, 2023, as compared to the same period in 2022. The decrease was primarily due to a $2.3 million decrease in employee compensation costs, of which $1.9 million related to stock-based compensation expense, due to decreased headcount. The decrease in research and development expenses was also driven by a $1.0 million decrease in rent and overhead costs as a result of a reduced real estate footprint in our development centers in New Jersey, South Carolina, and Florida. The remaining decrease was due to $0.4 million of expenses related to non-recurring business optimization initiatives during 2022 associated with consolidating our electronic health records solutions platforms, and a $0.3 million decrease in professional services.

Sales and Marketing Expenses

Sales and marketing expenses increased $0.4 million, or 8%, to $5.2 million for the six months ended June 30, 2023, as compared to the same period in 2022. The increase was primarily due to a $0.8 million increase in employee compensation costs, including commissions expense related to new clients added since the end of the second quarter of 2022. This increase was partially offset by a $0.4 million decrease in professional consulting services related to executing our branding and marketing strategies, public relations costs, and advertising costs.

General and Administrative Expenses

General and administrative expenses increased $3.1 million, or 10%, to $34.2 million for the six months ended June 30, 2023 as compared to the same period in 2022. The increase in general and administrative expenses was primarily due to a $2.4 million increase in professional services, a $0.6 million increase in bad debt expense, and a $0.4 million increase in corporate insurance costs. These increases were partially offset by a $0.3 million decrease in divestiture-related costs and executive transition expenses.

Change in Fair Value of Contingent Consideration Receivable

In connection with the sale of the PrescribeWellness Business on August 1, 2022, we may be entitled to receive additional consideration based on the achievement of certain customer and revenue metrics for the years ending December 31, 2023 and 2024. During the six months ended June 30, 2023, we recorded a $3.4 million charge to decrease the fair value of the contingent consideration receivable to zero due to updated estimates utilized in the contingent consideration valuation.

In connection with the sale of the SinfoníaRx Business on March 2, 2023, we may be entitled to receive additional consideration based upon the approval of potential regulatory changes affecting the SinfoníaRx Business. During the six months ended June 30, 2023, we recorded a $0.4 million charge to decrease the fair value of the contingent consideration receivable due to updated estimates utilized in the contingent consideration valuation. The fair value of the contingent consideration receivable was $0.1 million as of June 30, 2023.

Long-Lived Asset Impairment Charge

During the six months ended June 30, 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 six months ended June 30, 2022. We did not record any long-lived asset impairment charges for the six months ended June 30, 2023.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased $1.1 million, or 10%, to $12.3 million for the six months ended June 30, 2023, as compared to the same period in 2022. This increase was due to a $1.6 million increase in the amortization of capitalized software related to new software functionality placed into service after the end of the second quarter in 2022. The increase was partially offset by a $0.5 million decrease primarily due to property and equipment and definite-lived intangibles, which have been fully depreciated or amortized, respectively, since the end of the second quarter of 2022.

Interest Expense, Net

Interest expense for the six months ended June 30, 2023 was $2.4 million, a decrease of $2.3 million, or 49%, as compared to the same period in 2022. The decrease in interest expense was primarily due to the repayment and termination of the 2020 Credit Facility on August 1, 2022. For the six months ended June 30, 2022, we incurred $1.1 million of interest expense related to the 2020 Credit Facility and $0.3 million of amortization of associated deferred financing costs. The decrease in interest expense was also due to $1.2 million of interest income earned on our investments in money market funds. The decrease in interest expense was partially offset by an increase in imputed interest expense related to our vendor financing arrangements.

Other Income

In connection with the sales of the PrescribeWellness Business, DoseMe Business, and SinfoníaRx Business, we entered into transition services agreements (“TSAs”), pursuant to which we provided or are providing business support services after their sales. We recognized $1.0 million of income related to the TSAs for the six months ended June 30, 2023, which is reported in other income in our consolidated statement of operations.

Income Taxes

For the six months ended June 30, 2023 and 2022, we recorded income tax expense of $0.2 million and $0.4 million, respectively, which resulted in effective tax rates of (1.4)% and (1.1)%, respectively. Income tax expense was 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 limited the realizability of our net deferred tax assets as of June 30, 2023 and 2022. Accordingly, the tax benefit was limited due to unbenefited losses in the six months ended June 30, 2023 and 2022. 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

During the first quarter of 2022, we announced plans to evaluate non-core assets and commenced plans to sell the SinfoníaRx, PrescribeWellness, and DoseMe Businesses, which were acquired in September 2017, March 2019, and January 2019, respectively. We completed the sales of the PrescribeWellness, DoseMe, and SinfoníaRx Businesses on August 1, 2022, January 20, 2023 and March 2, 2023, respectively. Our sales of these businesses represented a strategic business shift having a significant effect on our operations and financial results. As a result, we determined that these businesses met such requirements to be classified as held for sale and discontinued operations as of March 31, 2022 and through their respective sale dates. Accordingly, all related assets and liabilities and the results of operations for all periods presented are classified as discontinued operations in the consolidated financial statements.

Net loss from discontinued operations, net of tax, for the DoseMe and SinfoníaRx Businesses was $0.2 million and $8.8 million, respectively, for the six months ended June 30, 2023. Net loss from discontinued operations, net of tax, for the PrescribeWellness, DoseMe, and SinfoníaRx Businesses was $22.7 million, $6.0 million, and $16.0 million, respectively, for the six months ended June 30, 2022. See Note 3 in the notes to our consolidated financial statements as reported in this Quarterly Report on Form 10-Q for additional information.

Liquidity and Capital Resources

We incurred a net loss of $25.7 million and $77.8 million for the six months ended June 30, 2023 and 2022, respectively. Our primary liquidity and capital requirements are for software development, 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, proceeds from the divestiture of non-core businesses, issuance of stock, and borrowings under our credit facilities. As of June 30, 2023, we had unrestricted cash and cash equivalents of $62.8 million.

Summary of Cash Flows

The following table shows a summary of our cash flows for the six months ended June 30, 2023 and 2022:

	Six Months Ended June 30,	
	2023	2022
Net cash (used in) provided by operating activities	$ (3,647)	$ 8,840
Net cash used in investing activities	(5,113)	(18,341)
Net cash (used in) provided by financing activities	(436)	27,410
Net (decrease) increase in cash, cash equivalents and restricted cash [(1)]	$ (9,196)	$ 17,909

(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 of this Quarterly Report on Form 10-Q.

Operating Activities

Net cash used in operating activities was $3.6 million for the six months ended June 30, 2023 and consisted of our net loss of $25.7 million and changes in our operating assets and liabilities totaling $5.5 million, offset by the addition of noncash items of $27.6 million. The noncash items primarily included $12.3 million of depreciation and amortization expense, $5.2 million of stock-based compensation expense, a $4.9 million net loss related to the sales of the DoseMe and SinfoníaRx Businesses, a $3.8 million change in fair value of contingent consideration receivable, $0.7 million of amortization of deferred financing costs and debt discounts related to the 2026 Notes, and a $0.4 million impairment charge related to our operating lease right-of-use assets. The change in operating assets and liabilities was primarily due to an increase in prepaid expenses and other current assets, an increase in inventories, and a decrease in accounts payable. 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 increase in inventories was primarily due to growth in our fulfillment services, and the decrease in accounts payable was primarily due to the timing of vendor payments. The change in operating assets and liabilities was partially offset by a decrease in accounts receivables primarily due to improved collections, and an increase in other long-term liabilities due to the vendor financing

arrangement entered into in February 2022 related to business process outsourcing and technology services for our third-party administration services and electronic health records solutions.

Net cash provided by operating activities was $8.8 million for the six months ended June 30, 2022 and consisted of our net loss of $77.8 million offset by changes in our operating assets and liabilities totaling $11.8 million and the addition of noncash items of $74.9 million. The noncash items primarily included $40.5 million of impairment charges primarily related to our long-lived assets and goodwill, $18.6 million of depreciation and amortization expense, $15.3 million of stock-based compensation expense, and $0.9 million of amortization of deferred financing costs and debt discounts primarily related to the 2026 Notes, partially offset by a $0.4 million change in net deferred taxes. The change in operating assets and liabilities was primarily due to an increase in accounts payable, an increase in accrued expenses and other liabilities, and other long-term liabilities, and a decrease in accounts receivable, which were partially offset by an increase in prepaid expenses and other current assets and client claims receivable. The increase in accounts payable and accrued expenses and other liabilities was primarily due to the timing of vendor payments and an increase in consideration payable to customers of our PBM solutions. 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.

Investing Activities

Net cash used in investing activities was $5.1 million for the six months ended June 30, 2023 and consisted of $7.2 million in software development costs for our technologies and $1.3 million in purchases of property and equipment to support our medication fulfillment services, which were offset by $3.4 million of cash received from the sales of the DoseMe and SinfoníaRx Businesses.

Net cash used in investing activities was $18.3 million for the six months ended June 30, 2022 and included $17.9 million in software development costs for our technologies and $0.5 million in purchases of property and equipment to support our operations.

Financing Activities

Net cash used in financing activities was $0.4 million for the six months ended June 30, 2023 and consisted primarily of $0.7 million of payments on employee taxes for shares withheld, offset by $0.2 million of proceeds received from the exercise of stock options.

Net cash provided by financing activities was $27.4 million for the six months ended June 30, 2022 and consisted of $27.7 million of borrowings on our 2020 Credit Facility to support business operations and initiatives and $0.1 million of proceeds received from the exercise of stock options. Net cash provided by financing activities for the six months ended June 30, 2022 was partially offset by $0.4 million of payments of debt financing costs.

Funding Requirements

We believe that our unrestricted cash and cash equivalents of $62.8 million as of June 30, 2023 and expected cash flows from continuing operations will be sufficient to fund our planned operations through at least August 2024. 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 six months ended June 30, 2023, 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 2022 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 six months ended June 30, 2023 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 2022 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 2022 Form 10-K in the "*Quantitative and Qualitative Disclosures About Market Risk*" section of Item 7A during the six months ended June 30, 2023.

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 June 30, 2023, 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 second quarter of fiscal 2023 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 2022 Form 10-K for the year ended December 31, 2022, which was filed with the Securities and Exchange Commission on March 10, 2023. 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. Except as set forth below, there have been no material changes to such risk factors previously disclosed in our 2022 Form 10-K.

Risks Related to the Proposed Merger

The Merger may not be completed on the terms or timeline currently contemplated or at all, which could adversely affect our stock price, business, financial condition and results of operations.

On August 5, 2023, we entered into the Merger Agreement, pursuant to which the Merger is subject to certain conditions, including (i) the approval of our stockholders; (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (iii) the receipt of certain other regulatory approvals or consents; (iv) the absence of legal restraints prohibiting the Merger and (v) other customary conditions specified in the Merger Agreement. While it is currently anticipated that the Merger will be consummated during the fourth quarter of 2023, there can be no assurance that the foregoing conditions will be satisfied in a timely manner or at all, or that an effect, event, development or change will not transpire that could delay or prevent these conditions from being satisfied.

If the Merger is not consummated for any reason, the trading price of our common stock may decline to the extent that the market price of the common stock reflects positive market assumptions that the Merger will be consummated and the related benefits will be realized. We may also be subject to additional risks if the Merger is not completed, including the requirement in the Merger Agreement that, under certain circumstances, we pay Parent a termination fee of $10.6 million or $5.3 million, as applicable, in cash; incurring substantial costs related to the Merger, such as legal, accounting and financial advisory that have already been incurred or will continue to be incurred until closing; limitations on our ability to retain and hire key personnel; reputational harm including relationships with investors, clients and business partners due to the adverse perception of any failure to successfully complete the Merger; and potential disruption to our business and distraction of our workforce and management team to pursue other opportunities that could be beneficial to us, in each case without realizing any of the benefits of having the Merger completed.

Until the completion of the Merger or the termination of the Merger Agreement in accordance with its terms, we are prohibited from entering into certain transactions and taking certain actions that might otherwise be beneficial to the Company and its stockholders.

From and after the date of the Merger Agreement and prior to completion of the Merger, the Merger Agreement restricts us from taking specified actions without the consent of Parent and requires that the business of our Company and its subsidiaries be conducted in the ordinary course in all material respects. These restrictions may prevent us from making appropriate changes to its business or organizational structure or from pursuing attractive business opportunities

that may arise prior to the completion of the Merger, and could have the effect of delaying or preventing other strategic transactions. Adverse effects arising from these restrictions during the pendency of the Merger could be exacerbated by any delays in consummation of the Merger or termination of the Merger Agreement.

The announcement of the Merger Agreement and pendency of the Merger could negatively impact our business, financial condition and results of operations.

The announcement or pendency of the Merger could adversely affect our business, financial condition and results of operations and may result in our inability to hire or the departure of key personnel. In connection with the Merger, some of our clients and business partners may delay or defer decisions or may end their relationships with us, which could negatively affect our revenues, earnings and cash flows, regardless of whether the Merger is completed. In addition, we have undertaken certain covenants in the Merger restricting the conduct of our business prior to consummating the Merger even if such actions would prove beneficial to us. Similarly, our current and prospective employees may experience uncertainty about their future roles with us following the Merger, which may materially adversely affect our ability to attract and retain key personnel during the pendency of the Merger.

Litigation challenging the Merger Agreement may prevent the Merger from being consummated within the expected timeframe or at all.

Lawsuits may be filed against us, the Board or other parties to the Merger Agreement, challenging our acquisition by Parent, or making other claims in connection therewith. Such lawsuits may be brought by our purported stockholders and may seek, among other things, to enjoin consummation of the Merger. One of the conditions to the consummation of the Merger is the absence of legal restraints prohibiting the Merger. As such, if the plaintiffs in such potential lawsuits are successful in obtaining an injunction prohibiting the defendants from completing the Merger on the agreed upon terms, then such injunction may prevent the Merger from becoming effective within the expected timeframe or at all.

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

There were no unregistered sales of equity securities during the three months ended June 30, 2023.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable. The Company does not currently have any plans or arrangements in place under Rule 10b5-1 that would require disclosure under Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference Form	Filing Date	Exhibit Number	Filed Herewith
2.1#	Agreement and Plan of Merger, dated as of August 5, 2023, by and among Tabula Rasa HealthCare, Inc., Locke Buyer, LLC and Locke Merger Sub, Inc.	8-K	8/7/2023	2.1	
3.1	Amended and Restated Certificate of Incorporation of Tabula Rasa HealthCare, Inc.	8-K	10/4/2016	3.1	
3.2	Certificate of Designation of Series A Junior Participating Preferred Stock of Tabula Rasa HealthCare, Inc.	8-K	7/26/2022	3.1	
3.3	Amended and Restated Bylaws of Tabula Rasa HealthCare, Inc.	8-K	10/4/2016	3.2	
4.1	Rights Agreement, dated as of July 25, 2022, by and between Tabula Rasa HealthCare, Inc. and American Stock Transfer & Trust Company, LLC, as rights agent	8-K	7/26/2022	4.1	
10.1	Asset Purchase Agreement, by and among Tabula Rasa HealthCare Group, Inc., Transaction Data Systems, Inc., and Tabula Rasa HealthCare, Inc., dated as of June 18, 2022	8-K	6/21/2022	2.1	
10.2	Asset Purchase Agreement, by and between Tabula Rasa HealthCare Group, Inc., and karmadata, Inc., dated as of June 18, 2022	8-K	6/21/2022	2.2	
10.3#	Share and Asset Purchase Agreement, dated as of January 20, 2023, by and between Tabula Rasa HealthCare Group, Inc. and DoseMe Operations Inc.	10-K	3/10/2023	10.59	
10.4#	Asset Purchase Agreement, dated as of March 2, 2023, by and between Tabula Rasa HealthCare Group, Inc. and Symphony Clinic, LLC	10-K	3/10/2023	10.60	
10.5*	Form of Performance Stock Unit Award Agreement				X
10.6*	Form of Change in Control and Severance Agreement				X
10.7	Voting and Support Agreement, dated as of August 5, 2023, by and among Tabula Rasa HealthCare, Inc., Locke Buyer, LLC and the stockholders party thereto	8-K	8/7/2023	10.1	
31.1	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				X
31.2	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				X
32.1**	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				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 June 30, 2023, 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.

Certain schedules and exhibits to this exhibit have been omitted pursuant to Item 601(a)(5) or 601(b)(2) of Regulation S-K, as applicable. The Company will furnish the omitted schedules and exhibits to the Securities and Exchange Commission upon 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: August 8, 2023	By:	/s/ BRIAN W. ADAMS
	Name:	Brian W. Adams
	Title:	Chief Executive Officer *(Principal Executive Officer)*
Date: August 8, 2023	By:	/s/ THOMAS J. CANCRO
	Name:	Thomas J. Cancro
	Title:	Chief Financial Officer *(Principal Financial Officer)*
Date: August 8, 2023	By:	/s/ MICHAEL A. BRUNO
	Name:	Michael A. Bruno
	Title:	Chief Accounting Officer *(Principal Accounting Officer)*

Exhibit 10.5

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 or in the CIC and Severance Agreement by and between the Participant and the Company, 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 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 target level performance with respect to the Performance Goals , prorated for the portion of the Performance Period during which the Participant was employed by, or providing service to the Employer prior to the Change of Control date; provided, that, such prorated period shall not be less than 18 months or 50% of the Target Award.
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; provided, that in the event of a Change of Control, the Payment Date shall be the closing date of such Change of Control and, provided further, that the Committee may determine, in its sole discretion at any time and for any reason, to accelerate the payment of the Awarded Shares (as defined below). 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 (such shares, the "Awarded Shares"). Notwithstanding the foregoing, if as of the Payment Date, there are an insufficient number of shares of Company Stock available to deliver in respect of a Participant's Awarded Shares pursuant to the terms of Section 4 of the Plan (the "Evergreen Share Reserve"), such Participant's Awarded Shares shall be paid on such Payment Date through a cash payment equal to the aggregate Fair Market Value of the Awarded Shares as of the last trading day prior to such Payment Date. For clarity, each Participant's Awarded Shares shall be paid by delivery of shares of Company Stock so long as there are sufficient shares of Company Stock in the Evergreen Share Reserve on the Payment Date and the Company shall not have any discretion to elect to pay a Participant's Awarded Shares in cash. 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 this 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").

January 1, 2023-December 31, 2025 Performance Period*				
Performance Measure	**Weighting**	**Performance Level**	**Performance Goals**	**Percentage of Performance Stock Units Earned and Vested**
3-Year Cumulative Adjusted EBITDA**	100%	Threshold	$88.7 million	50%
		Target	$110.9 million	100%
		Stretch	$133.0 million	200%

*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, subject in all respects to any adjustments permitted under the Plan.

** 3-Year Cumulative Adjusted EBITDA shall be calculated based on the cumulative Adjusted EBITDA reported by the Company for three years ended December 31, 2025.

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, either one share of common stock of the Company (the "Company Stock") or in an amount of cash equal to the aggregate Fair Market Value of such number of shares of Company Stock in accordance with Section 3 hereof. 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 (or corresponding cash payment), 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 or payment of cash 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 or payment of cash hereunder and the Participant will not have any rights with respect to any portion of the shares of Company Stock (or cash corresponding thereto) 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. **Payment of Cash Issuance of Company Stock.** As set forth in the Issuance Schedule in the Summary of Grant and as determined by the Committee in its sole discretion, either (a) one share of Company Stock will be issued to the Participant for each earned and vested Performance Stock Unit or (b) an amount of cash equal to the aggregate Fair Market Value of such number of shares of Company Stock. Any Performance Stock Units not earned and vested will be forfeited. In no event will any fractional shares of Company Stock be issued. Accordingly, if shares of Company Stock are issued hereunder, 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 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 or payment of cash 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 or cash paid 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. **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.

12. **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.

13. **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.

Exhibit 10.6

CHANGE-IN-CONTROL
AND SEVERANCE AGREEMENT

THIS CHANGE-IN-CONTROL AND SEVERANCE AGREEMENT (this "Agreement"), initially entered into by and between Tabula Rasa HealthCare, Inc., a Delaware corporation (the "Company") and [___] (the "Executive" and collectively with the Company referred to herein as the "Parties)" on [__] (the "Effective Date").

WHEREAS, this Agreement replaces and supersedes all previous agreements between the Executive and the Company concerning the Executive's employment.

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, if required to be paid out under the Company policies; and (iv) 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, as in effect immediately prior to termination of employment (or, if greater, before the occurrence of circumstances giving rise to Good Reason).

(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; (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 first 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) 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 twelve (12) months; provided that the Executive must commence outplacement benefits within ninety (90) days of the Executive's termination of employment.

(p) Outplacement Maximum. For purposes of this Agreement, "Outplacement Maximum" shall mean $25,000.

(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 continue until the December 31, 2023, unless sooner terminated pursuant to the terms of this 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) An amount equal to the Target Incentive Bonus prorated for the portion of the performance period that the Executive was employed prior to such termination, payable within forty-five (45) days of Executive's termination of employment;

(iii) All outstanding performance-based stock unit grants held by the Executive immediately prior to the Executive's termination will become earned and vested based on target level performance with respect to such performance goals in place for the performance-based stock unit grants, prorated for the portion of the performance period during which Executive was employed by the Company;

(iv) 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

(v) 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.

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:

(a) The Accrued Obligations; and

(b) 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 performance-based stock unit grants held by the Executive immediately prior to the Executive's death will become earned and vested based on target level performance with respect to such performance goals in place for the performance-based stock unit grants, prorated for the portion of the performance period during which Executive was employed by the Company.

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. In addition, all outstanding performance-based stock unit grants held by the Executive immediately prior to the Executive's Disability will become earned and vested based on target level performance with respect to such performance goals in place for the performance-based stock unit grants, prorated for the portion of the performance period during which Executive was employed by the Company

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.

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

(i) 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' 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 within forty-five (45) days following the Change in Control, at which time payments under Section 3(c)(iii) shall cease;

(B) An amount equal to the Target Incentive Bonus prorated for the portion of the performance period that the Executive was employed prior to such CIC Termination.

(C) 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;

(D) 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 performance-based stock unit grants held by the Executive immediately prior to the Executive's termination will become earned and vested based on target level performance with respect to such performance goals in place for the performance-based stock unit grants, prorated for the portion of the performance period during which Executive was employed by the Company; provided, that, such prorated period shall not be less than 18 months or 50% of the target amount for the award.

(E) 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 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 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).

(f) 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: [____]

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 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.

(f) 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 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, are 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 any State of New Jersey state court or federal court of the United States of America sitting in the State of New Jersey, 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 waive 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 any State of New Jersey 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” 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.

[Signature Page Follows]

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

TABULA RASA HEALTHCARE, INC.

By:

Name:

Title:

EXECUTIVE

[Signature Page to Change-in-Control and Severance Agreement]

EXHIBIT A

Title	Severance Term	Change in Control Severance Term
Tier 1 Executives	12 months	12 months
Tier 2 Executives		

Exhibit 31.1

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

I, Brian W. Adams, 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;

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: August 8, 2023

/s/ BRIAN W. ADAMS

Brian W. Adams
Chief Executive Officer
Principal Executive Officer

Exhibit 31.2

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;

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: August 8, 2023

/s/ THOMAS J. CANCRO
Thomas J. Cancro
Chief Financial Officer
Principal Financial Officer

Exhibit 32.1

**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 June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian W. Adams, 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: August 8, 2023	By:	/s/ BRIAN W. ADAMS
	Name:	**Brian W. Adams**
	Title:	**Chief Executive Officer**
		(Principal Executive Officer)

Date: August 8, 2023	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.*