TabulaRasa HealthCare®

Third Quarter 2020 Earnings Call

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Forward-looking Statements & Non-GAAP Information

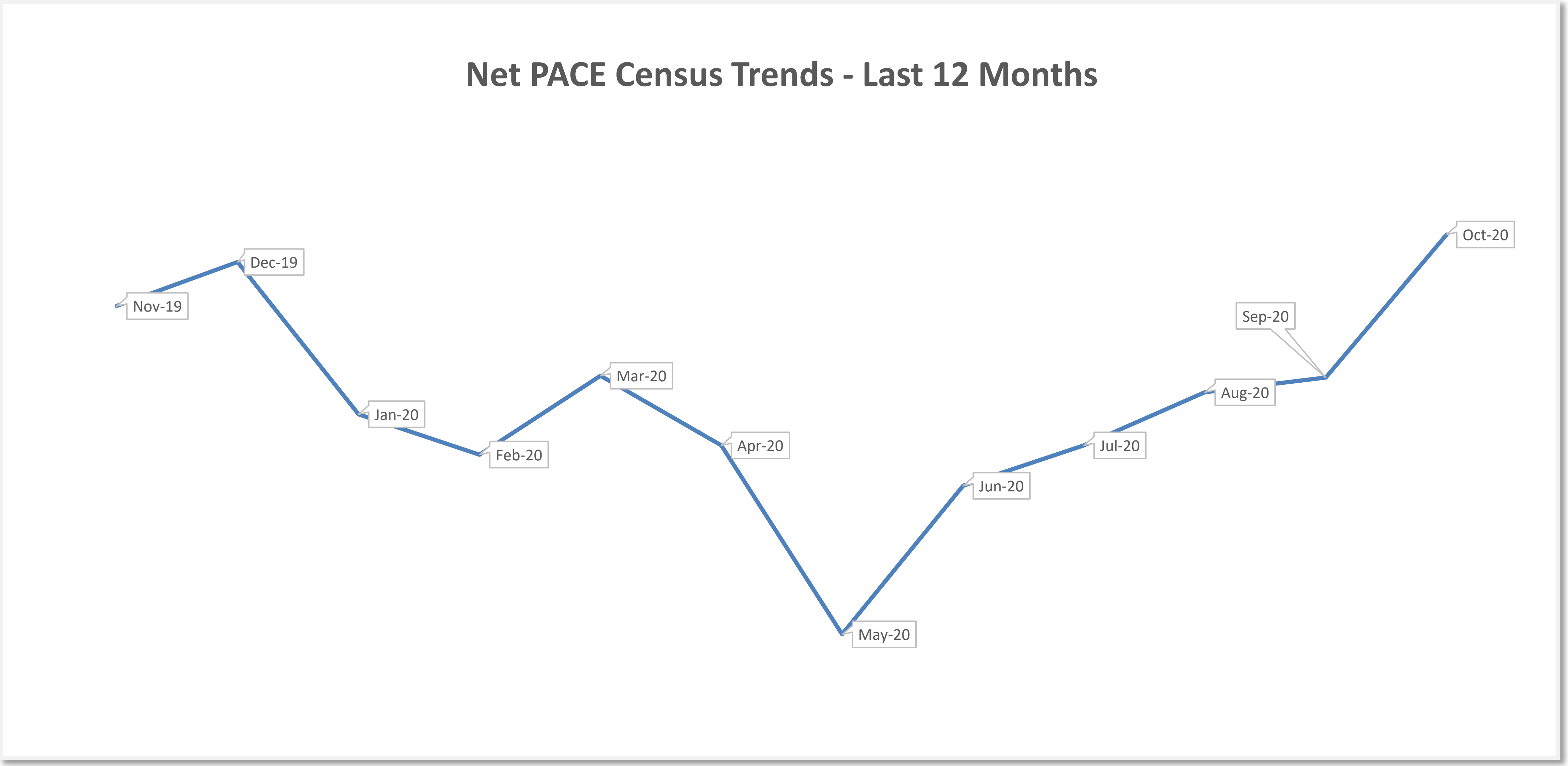
In addition to reporting all financial information required in accordance with GAAP, TRHC is also reporting gross margin excluding depreciation and amortization expense, Adjusted EBITDA and Adjusted Diluted EPS, each of which is considered a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's performance or financial position that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Adjusted EBITDA consists of net income or loss excluding certain other expenses, which includes interest expense, provision (benefit) for income tax, depreciation and amortization, change in fair value of acquisition-related contingent consideration expense, severance expense incurred in 2020 in connection with the Company's reorganization, acquisition-related expense and stock-based compensation expense. TRHC defines Adjusted Diluted EPS as net income or loss before fair value adjustments for acquisition-related contingent consideration, amortization of acquired intangibles, amortization of debt discount and issuance costs, severance expense incurred in 2020 in connection with the Company's reorganization, acquisition-related expense, stock-based compensation expense and the tax impact of using a normalized tax rate on pre-tax income adjusted for those items expressed on a per share basis using weighted average diluted shares outstanding. TRHC considers acquisition-related expense to include non-recurring direct transaction and integration costs, severance, and the impact of purchase accounting adjustments related to the fair value of acquired deferred revenue. TRHC believes the exclusion of these items assists in providing a more complete understanding of the company's underlying operations results and trends and allows for comparability with TRHC's peer company index and industry and to be more consistent with TRHC's expected capital structure on a going forward basis. Please note that other companies might define their non-GAAP financial measures differently than TRHC does. TRHC presents non-GAAP financial measures in this document because it considers them to be important supplemental measures of performance. TRHC uses these non-GAAP financial measures for planning purposes, including analysis of the company's performance against prior periods, the preparation of operating budgets and determination of appropriate levels of operating and capital investments. TRHC believes that these non-GAAP financial measures provide additional insight for analysts and investors in evaluating the company's financial and operational performance. TRHC also intends to provide these non-GAAP financial measures as part of the company's future earnings discussions and, therefore, their inclusion should provide consistency in the company's financial reporting.

This press release includes 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, that we believe to be reasonable as of today's date. Forward-looking statements give current expectation or forecasts of future events or our future financial or operating performance, and include TRHC's expectations regarding healthcare regulations, industry trends, available opportunities to TRHC, the financial and operating performance of TRHC, the impacts of the COVID-19 pandemic, and TRHC's expectations for 2021. Such statements are identified by use of the words "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects," "should," and similar expressions. These forward-looking statements are based on management's good-faith expectations, judgements and assumptions as of the date of this press release. Actual results might differ materially from those explicit or implicit in the forward-looking statements. Important factors that could cause actual results to differ materially include: the impacts of the current COVID-19 pandemic and other health epidemics; our continuing losses and need to achieve profitability; fluctuations in our financial results; the acceptance and use of our products and services by PACE organizations; the need to innovate and provide useful products and services; risks related to changing healthcare and other applicable regulations; our ability to maintain relationships with a specified drug wholesaler; increasing consolidation in the healthcare industry; managing our growth effectively; our ability to adequately protect our intellectual property; the requirements of being a public company; our ability to recognize the expected benefits from acquisitions on a timely basis or at all; and the other risk factors set forth from time to time in our filings with the Securities and Exchange Commission ("SEC"), including those factors discussed under the caption "Risk Factors" in our most recent annual report on Form 10-K, filed with the SEC on March 2, 2020, and in subsequent reports filed with or furnished to the SEC, copies of which are available free of charge within the Investor Relations section of the Tabula Rasa HealthCare website http://ir.trhc.com or upon request from our Investor Relations Department. Tabula Rasa HealthCare assumes no obligation and does not intend to update these forward-looking statements, except as required by law, to reflect events or circumstances occurring after today's date.

Q3 Highlights

- **PACE:** October 2020 census more than 2x September 2020 and the highest level in two years, driven by broad-based net enrollment gains.
- **Sales:** Despite COVID-related challenges, another strong quarter within MedWise and specifically, sales to health plans. Q3 overall bookings up 15% vs. a year ago and for the first nine months of 2020, overall bookings up 22%.
- **MedWise:** July 2020 integration of MedWise with our PrescribeWellness community pharmacy network and PioneerRx win expands our MedWise reach more than 14,000 pharmacies across the country.
- **Personica:** Excited to add Personica’s pharmacy services and 27,000 new PACE members to our CareVention services, immediately accretive to our revenue growth and profitability.

PACE Census Trends



Segment Results – Third Quarter 2020

	Q3 FY20	Q3 FY19	% Change	Commentary
Revenue				
CareVention HealthCare				
PACE product revenue	$ 39,086	$ 34,966	12%	New clients contributed $1.2 million (3% points) of growth, existing clients contributed $2.9 million (8% points) of growth.
PACE solutions	$ 11,214	$ 11,276	-1%	Excluding lower fees from renegotiated data analytics contract, revenue up 11% due to new clients and cross-sell efforts.
Total CareVention	**$ 50,300**	**$ 46,242**	**9%**	
MedWise HealthCare				
Product revenue	$ 279	$ -	0%	COVID-19 Test kits sold through PrescribeWellness network.
Medication safety services	$ 9,817	$ 18,706	-48%	Driven by decrease in medication safety services as a result of fewer CMRs due to CMS Star Rating changes.
Software subscriptions	$ 10,110	$ 9,322	8%	
Total MedWise	**$ 20,206**	**$ 28,028**	**-28%**	
Total Revenue	**$ 70,506**	**$ 74,270**	**-5%**	
Gross Margin (1)				(1) Excludes depreciation and amortization.
Product	$ 10,727	$ 9,035	19%	
Margin %	*27.3%*	*25.8%*		Higher Rx volume from growth in the number of patients served and reduced Rx costs from new prime vendor in Q3 2019.
Services/software subscriptions	$ 10,531	$ 18,794	-44%	
Margin %	*33.8%*	*47.8%*		Similar cost structures year-over-year combined with revenue decline in Medication Safety Services.
Total Gross Margin	**$ 21,258**	**$ 27,829**	**-24%**	
Margin %	*30.2%*	*37.5%*		
Operating Expense (2)				(2) Excludes change in fair value of acquisition-related contingent consideration expense.
S&M	$ 5,030	$ 6,884	-27%	Decrease largely driven by reallocation of employee headcount to G&A.
R&D	$ 5,101	$ 5,902	-14%	Adjusted for capitalized software, R&D up 12% to $8.8 million vs. $7.9 million a year ago.
G&A	$ 15,620	$ 12,155	29%	Higher stock-based compensation, increased headcount, reallocation cited above and Personica acquisition costs.
D&A	$ 12,199	$ 9,142	33%	Driven by PrescribeWellness acquisition and capitalized software amortization.
Total Operating Expense	**$ 37,950**	**$ 34,083**	**11%**	
Adjusted EBITDA (3)				(3) Adjusted EBITDA calculated by adding back stock compensation and acquisition-related costs to EBITDA.
CareVention HealthCare	$ 12,735	$ 12,632	1%	
Margin %	25.3%	27.3%		
MedWise HealthCare	$ 1,009	$ 5,388	-81%	
Margin %	5.0%	19.2%		
Corporate shared services	$ (8,650)	$ (7,444)	16%	
Adjusted EBITDA	**$ 5,094**	**$ 10,576**	**-52%**	

Full Year 2020 Outlook

$ in thousands	2019A	2020 Low	2020 High	2020 Low	2020 High
Total Revenue	$ 284,707	$ 294,000	$ 296,000	3%	4%
Adjusted EBITDA	$ 37,921	$ 21,000	$ 22,000	-45%	-42%

Key factors/assumptions:

- 2020 revenue range reflects: 1) Q3 shortfall, 2) CMS restrictions temporarily impacting the number of CMRs, and 3) COVID-related impact on medication adherence initiatives seasonally weighted toward the second half of the calendar year.
- Expect sequential revenue growth from Q3 to Q4 of 5% to 8% through a combination of organic growth and our October 5, 2020 acquisition of Personica.
- Expect Q4 operating expenses to remain relatively flat with Q3 2020.

2021: Initial View

- Based on all factors as of November 3, comfortable establishing initial 2021 revenue growth of 20% based on the mid-point of our 2020 revenue guidance.
- Confidence based on: 1) positive PACE census trends experienced through October 2020, 2) contracted backlog across CareVention and MedWise, including the single largest contract we signed during 2020 in our pharmacy segment, 3) the size of our sales pipeline across all segments, and 4) continued growth at Personica with upside based on successful cross-sell efforts.
- MedWise medication safety services headwinds related to COVID-19 and CMS changes will dissipate in 2021 and we expect to return to strong revenue growth.