



# Investor Day

Allscripts/Veradigm

September 28, 2022

# Allscripts | Forward-Looking Statements

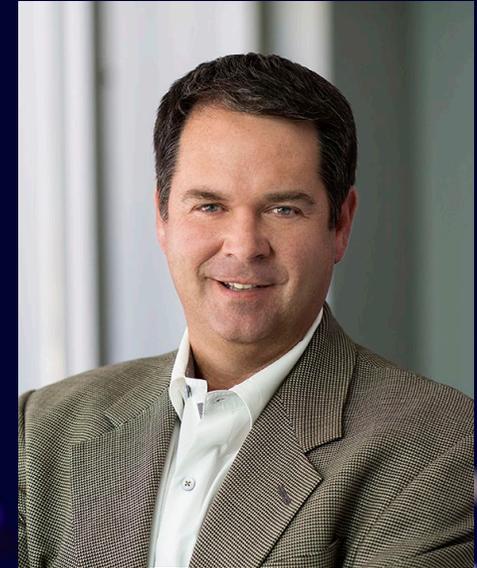
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the current beliefs and expectations of Allscripts management, only speak as of the date that they are made and are subject to significant risks and uncertainties. Such statements can be identified by the use of words such as “future,” “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “will,” “would,” “could,” “can,” “may,” “look forward,” “pipeline” and similar terms. Actual results could differ significantly from those set forth in the forward-looking statements and reported results should not be considered an indication of future performance or events.

Certain factors that could cause our actual results to differ materially from those described in the forward-looking statements include, but are not limited to: our use of the proceeds from the sale of our Hospitals and Large Physician Practices Business; our ability to achieve the margin targets associated with our profitability initiatives within the contemplated time periods, if at all; the continued impact of the COVID-19 pandemic; security breaches resulting in unauthorized access to our or our clients’ computer systems or data, including denial-of-services, ransomware or other Internet-based attacks; the failure by Practice Fusion to comply with the terms of the settlement agreements with the U.S. Department of Justice (the “DOJ”); the costs and burdens of compliance by Practice Fusion with the terms of its settlement agreements with the DOJ; additional investigations and proceedings from governmental entities or third parties other than the DOJ related to the same or similar conduct underlying the DOJ’s investigations into Practice Fusion’s business practices; our ability to recover from third parties (including insurers) any amounts paid in connection with Practice Fusion’s settlement agreements with the DOJ and related inquiries; the expected financial results of businesses acquired by us; the successful integration of businesses acquired by us; the anticipated and unanticipated expenses and liabilities related to businesses acquired by us, including the civil investigation by the U.S. Attorney’s Office involving our Enterprise Information Solutions business; other risks associated with investments and acquisitions; risks associated with disposition of the Hospitals and Large Physicians Practices Business, our failure to compete successfully; consolidation in our industry; current and future laws, regulations and industry initiatives; increased government involvement in our industry; the failure of markets in which we operate to develop as quickly as expected; our or our customers’ failure to see the benefits of government programs; changes in interoperability or other regulatory standards; our ability to maintain and expand our business with existing clients or effectively transition clients to newer products; the effects of the realignment of our sales, services and support organizations; market acceptance of our products and services; the unpredictability of the sales and implementation cycles for our products and services; our ability to manage future growth; our ability to introduce new products and services; our ability to establish and maintain strategic relationships; risks associated with investments and acquisitions; the performance of our products; our ability to protect our intellectual property rights; the outcome of legal proceedings involving us; our ability to hire, retain and motivate key personnel; performance by our content and service providers; liability for use of content; price reductions; our ability to license and integrate third-party technologies; risks related to global operations; variability of our quarterly operating results; risks related to our outstanding indebtedness; changes in tax rates or laws; business disruptions; our ability to maintain proper and effective internal controls; and asset and long-term investment impairment charges. Additional information about these and other risks, uncertainties, and factors affecting our business is contained in our filings with the Securities and Exchange Commission, including under the caption “Risk Factors” in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Qs. We do not undertake to update forward-looking statements to reflect changed assumptions, the impact of circumstances or events that may arise after the date of the forward-looking statements, or other changes in our business, financial condition or operating results over time.

# RICK POULTON

Chief Executive Officer

*Introduction*



# Agenda

**Rick Poulton**

CHIEF EXECUTIVE  
OFFICER

**Introduction**

**Tom Langan**

PRESIDENT & CHIEF  
COMMERCIAL OFFICER

**Veradigm Value**

**Jonathan Malek**

SVP & GM, PROVIDER

**Provider Base Foundation**

**Jay Bhattacharyya**

SVP & GM, PAYER

**Payer Connectivity**

**Stuart Green**

SVP & GM, LIFE SCIENCE

**New Perspectives for  
Biopharma**

**Leah Jones**

CHIEF FINANCIAL OFFICER

**Financial Update**





# Our Mission

At Veradigm we are transforming health, *insightfully*

Veradigm is a healthcare technology and analytics company spanning across the **three pillars of healthcare**

PAYER

PROVIDER

BIOPHARMA

Veradigm and the Veradigm Network are *different* because of our connectivity, scale, and expertise which provides a uniquely comprehensive scope and depth of interconnected resources, so our clients can drive improved health outcomes for the patients they serve.

# **Veradigm Value**

**Tom Langan**  
**President & Chief Commercial Officer**

# Growth Leaders



**Tom Langan**

PRESIDENT & CHIEF COMMERCIAL OFFICER

## EXPERIENCE

Executive Leadership, Commercial, and Sales Positions



**Jay Bhattacharyya**

SVP & GM PAYER

## EXPERIENCE

Leadership Positions in Finance, Strategy, M&A and Operations



**Stuart Green**

SVP & GM LIFE SCIENCE

## EXPERIENCE

Commercial Leadership & General Management Positions



**Jonathan Malek**

SVP & GM PROVIDER

## EXPERIENCE

Leadership Positions in Technology, Product & Operations



**Ray Joske**

VP MARKETING

## EXPERIENCE

Leadership Positions in Marketing, Sales & Operations



**Bruce Lucarelli**

VP & CHIEF DATA OFFICER

## EXPERIENCE

Leadership Positions in IT & Data Warehouse Development



# Market Trends Accelerate Our Growth Strategy



**MOVE TO  
OUTPATIENT AND  
AMBULATORY CARE**



**INCREASE IN HEALTHCARE  
SPENDING**



**CHANGING  
INTEROPERABILITY  
STANDARDS**



**INCREASED NEED FOR  
HEALTH ECONOMICS &  
OUTCOMES RESEARCH**



**EXPANDING USE OF  
REAL-WORLD DATA**



**DYNAMIC REGULATORY  
ENVIRONMENT**



## **GROWTH STRATEGY**

**Leverage Convergence of Healthcare Market and the  
Transition to Value-Based Care**



**Grow Provider Network**

**Expand Data Sources**

**Increase Share of Wallet**



# Veradigm Journey Starts with the Provider Footprint

## PROVIDER VALUE PROPOSITION



Partner with  
**Over 330K  
Healthcare  
Providers**  
via the  
Veradigm  
Network



Enable the  
transition to  
**Value Based  
Care**



**2 EHRs  
Targeted at  
Different Tiers  
of Practice  
Complexity**



**Industry-leading  
Practice  
Management /  
Clearinghouse  
Solution**



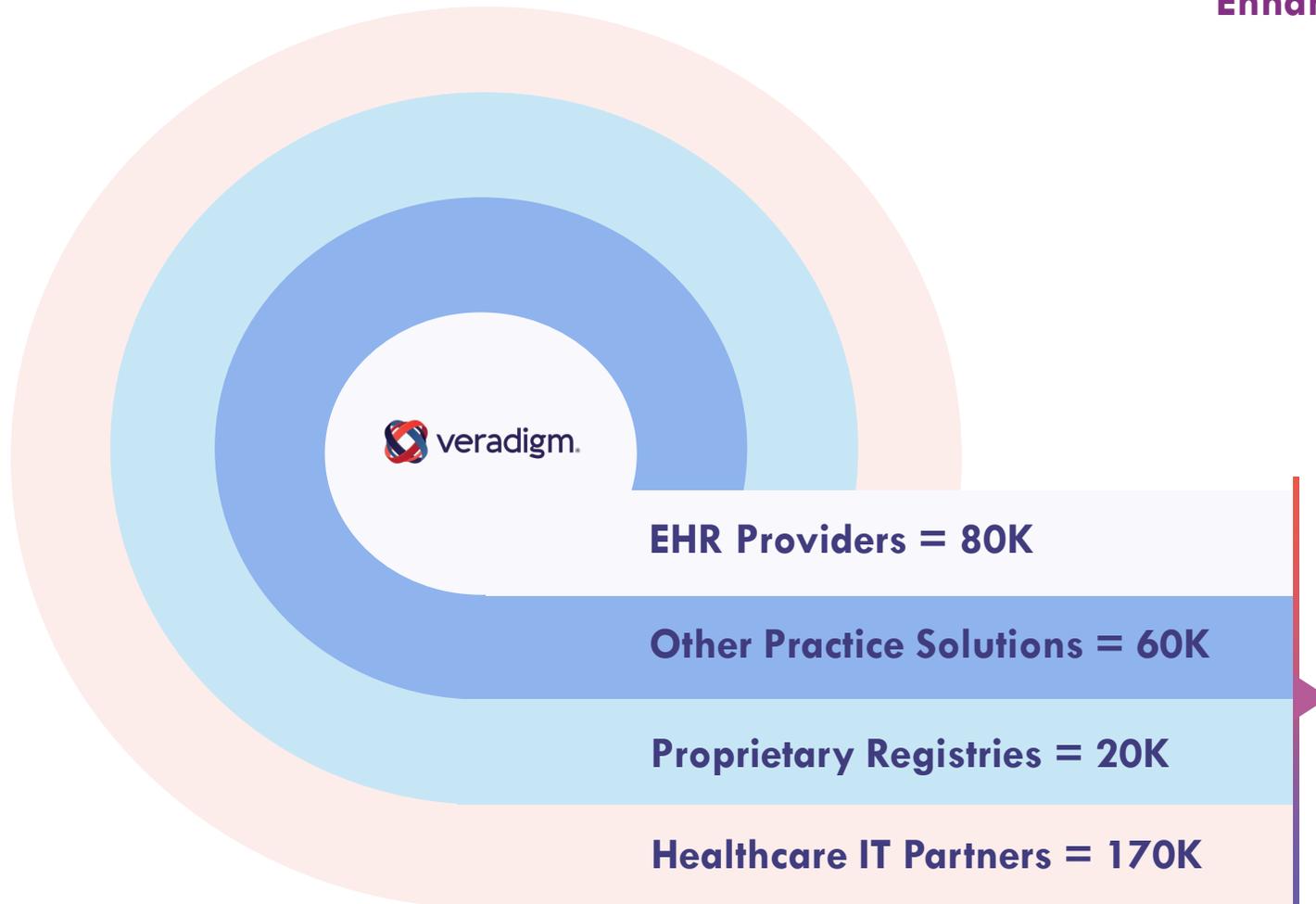
**Virtual Care  
Enablement /  
Patient  
Engagement**



**Revenue Cycle  
Management  
Services**

# The Veradigm Formula

**Scale + Analytics + Workflow Connectivity = Unique Ability to Drive Efficiencies;  
Enhance Decision Making at the Point of Care**



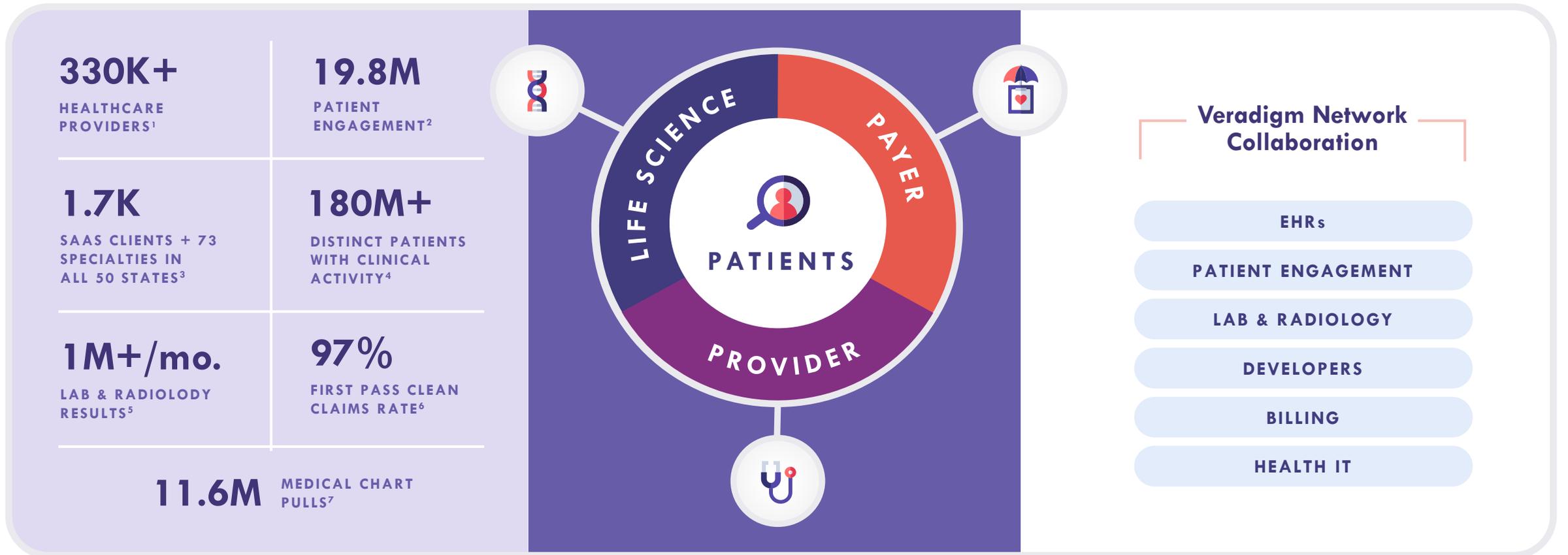
**Augment these direct relationships for  
even more market scale**



**Collectively, serve 330K+  
HEALTHCARE PROVIDERS &  
~180M PATIENTS via the  
Veradigm Network**

# Veradigm Network Growth Model

Veradigm Network Value = COLLECTIVE SCALE + DATA + WORKFLOW CONNECTIVITY



1-7 Data on File

# Competitive Market Landscape

## Life Sciences

Real-World Data	Real-World Evidence	Digital Health Media

## Payer

Payer Analytics + eChart Courier	PayerPath

## Provider

1-5 Independent Practice Segment	Platform	ePrescribe	Larger Practice Segment

# Veradigm's Competitive Advantages



**Patented Risk Adjustment Methodology** with dynamic intervention planning empowers Payers to identify actionable interventions



Easy-to-use, intuitive **Clinical, Financial, Revenue Cycle and Patient Engagement solutions** designed for Independent Providers



Scalable access to Research and Real-World Clinical Data via **direct connection with the Point-of-Care**



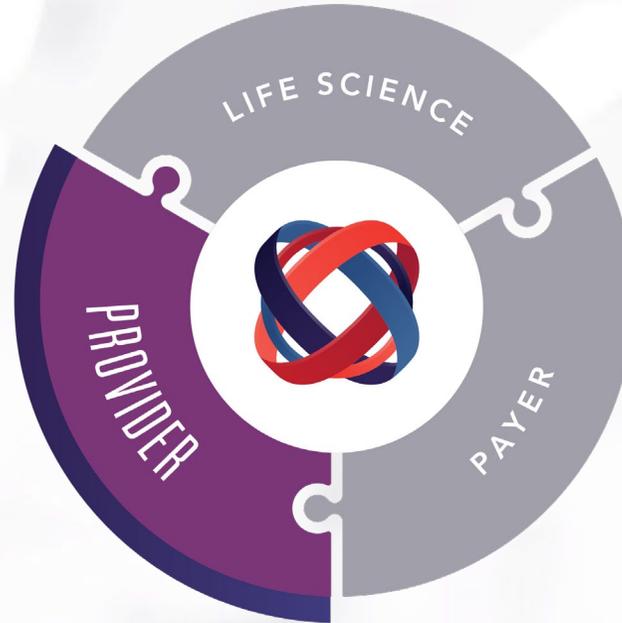
**Bi-directional clinical and financial data exchange** between Payers and **200k+** Providers drives value for all stakeholders



Secure, Reliable, and Compliant **Cloud Solutions** that scale

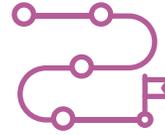


Highly-targeted, scalable delivery of **Biopharma Awareness Messaging** to HCPs via their EHRs



 veradigm® | **Provider**

# The Provider Network = Veradigm Foundation



Focus our Growth Through

Enabling the transition to **Value Based Care**



**2 EHRs Targeted at Different Healthcare Provider Audiences**



**Industry-leading Clearinghouse Solution<sup>1</sup> & Practice Management**



**Virtual Care and Patient Engagement**



**Revenue Cycle Management Services**



**Wallet Share**



**Industry Consolidation**

**Sources:**

1. [Veradigm Payerpath Ranked #1 by Blackbook in 2022](#) for Ambulatory Claims Management and Clearinghouse Solutions and End-To-End RCM Software Technology, Physicians Practices & Ambulatory Facilities/Groups Solutions

# Veradigm Provider Solutions

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## EHR

- Cloud EHR serves over **21,000 small practices**
- Professional EHR serves over **2,100 complex practices**

## Practice Mgmt. & Rev Cycle Mgmt.

- **850** healthcare services organizations
- **\$100B** processed charges
- Growth market among Cloud EHR practices

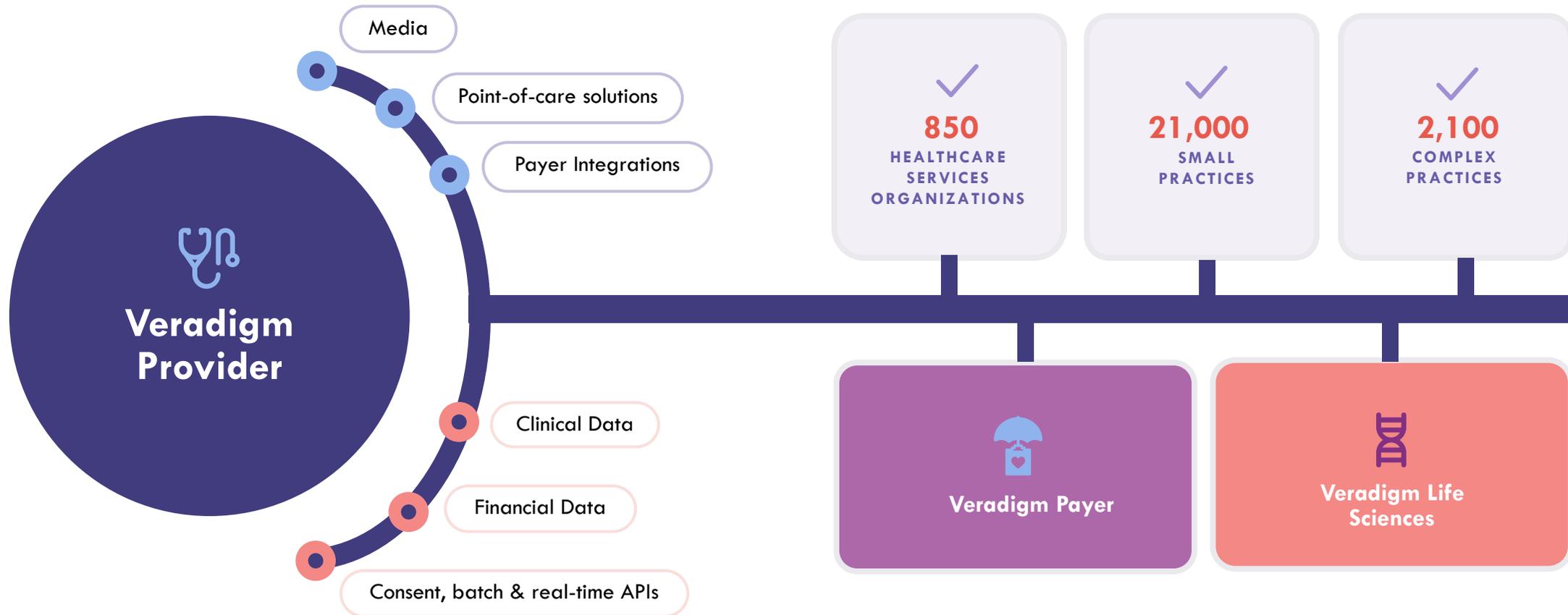
## Patient Engagement

- Personal Health Record & Patient Portal
- Telehealth, scheduling, payments and more
- Over **100M** patient engagement users

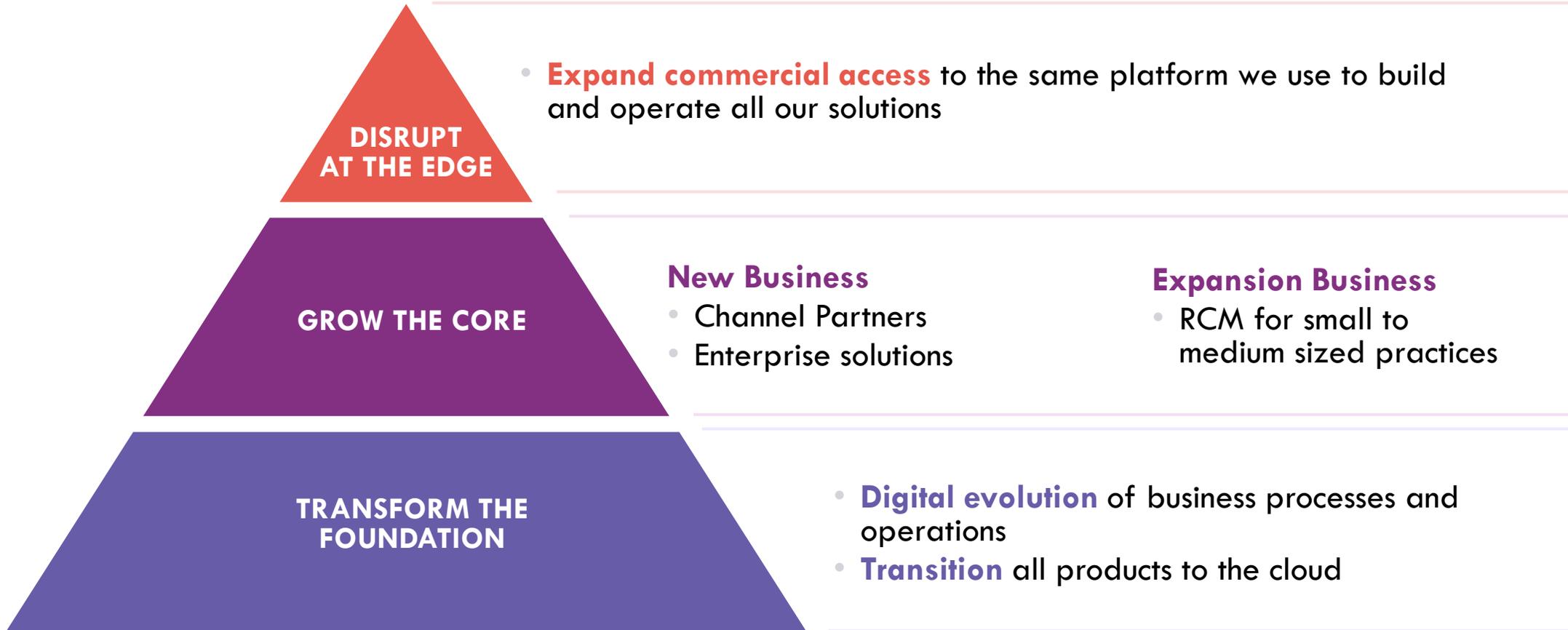
## Enterprise Platform

- **1,000+ platform customers** using commercial APIs for financial and clinical transactions

# How Does Provider Power Veradigm?



# Our Focus



# A Foundation of Experience & Scale

Senior, experienced  
technology team  
behind the  
Cloud EHR

Deep domain  
expertise  
across EHR and  
Practice Management,  
across decades

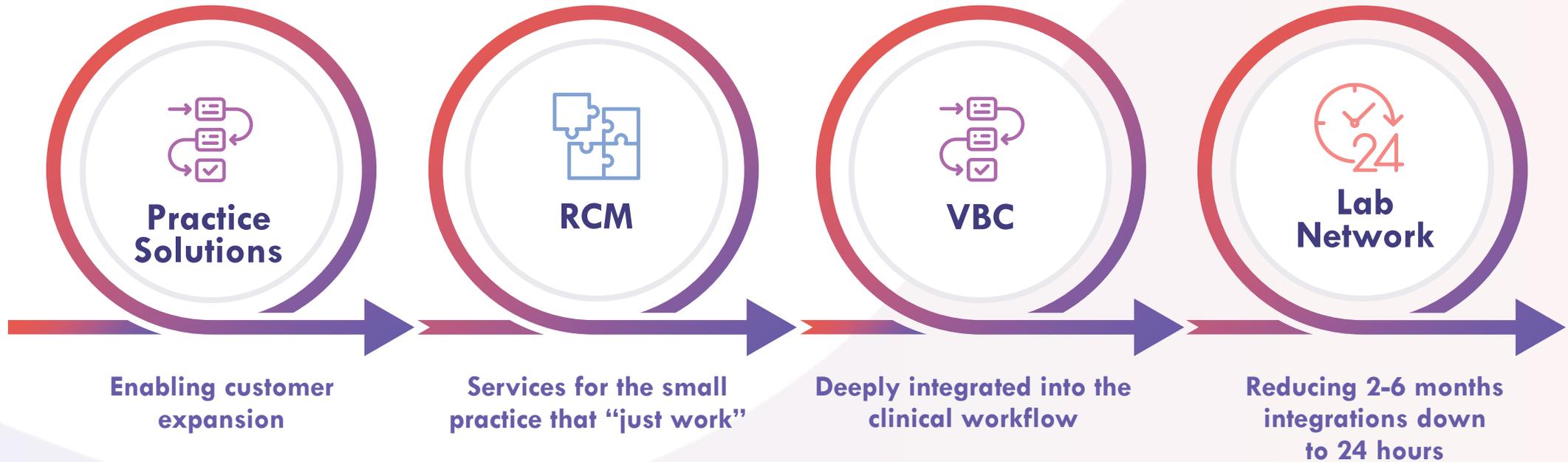
Proven, rapid  
and resilient  
execution  
capabilities

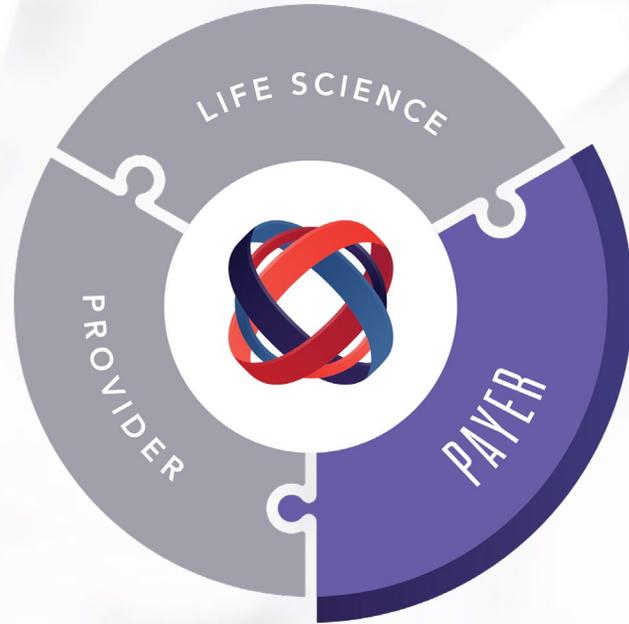
## In 2021 alone...

<b>1 B+</b>	Rev Cycle Transactions
<b>1 B+</b>	Transactions <i>Eligibility and medication history</i>
<b>953M+</b>	Verifications/Transformations
<b>600M+</b>	ePrescriptions <i>Including EPCS</i>
<b>400M+</b>	Claims Transactions

<b>300M</b>	Messaging
<b>53M+</b>	Labs & Imaging <i>Electronic orders and results</i>
<b>28M+</b>	Real Time Benefit Inquiries
<b>10M+</b>	Veradigm Community Direct Messaging
<b>730K+</b>	eAuthorizations

# Veradigm Network in Action

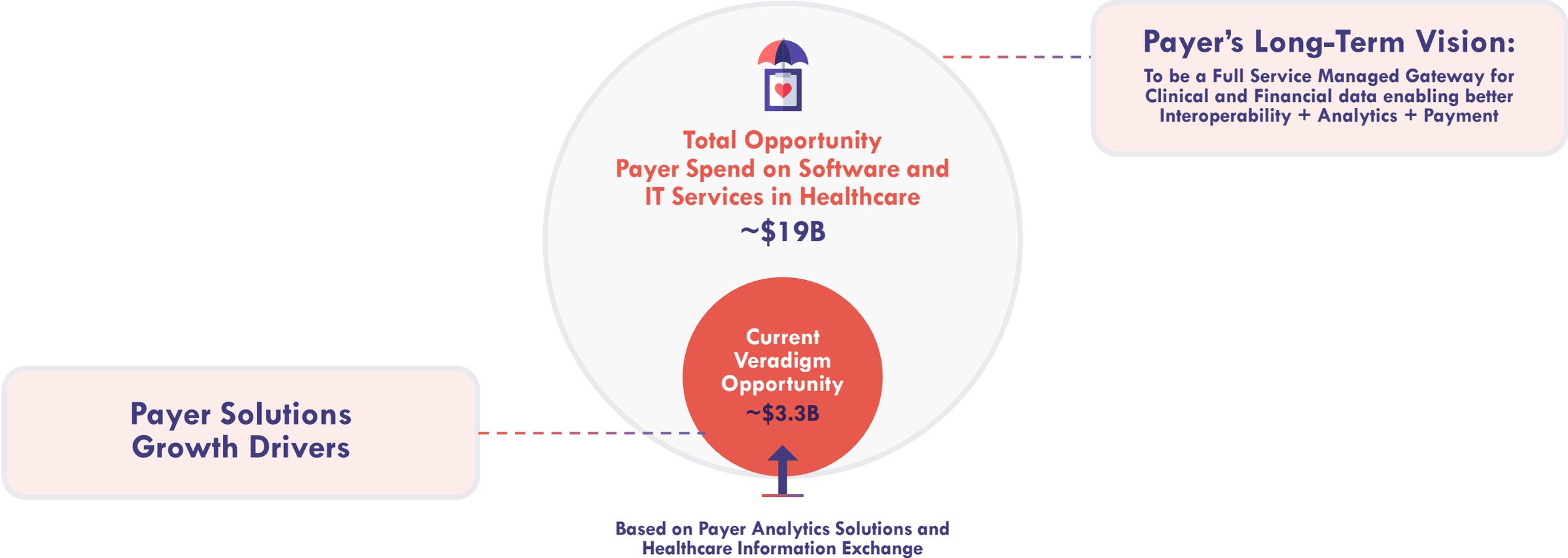




 veradigm. | **Payer**

# Payer Data & Analytics | Large Addressable Market

Veradigm Current \$3.3B Addressable Payer Data and Analytics Market Segment Expected to Grow 20%+ Annually



VALUE PROPOSITION



# Veradigm Payer

## Our insightful solutions lead to better patient outcomes, increased revenue, and lower costs

Anthem

Florida  
Blue

EmblemHealth

Children's  
Community Health Plan

PriorityHealth

United  
Healthcare

Humana

100+ health plan clients

9 of top 20 health plans

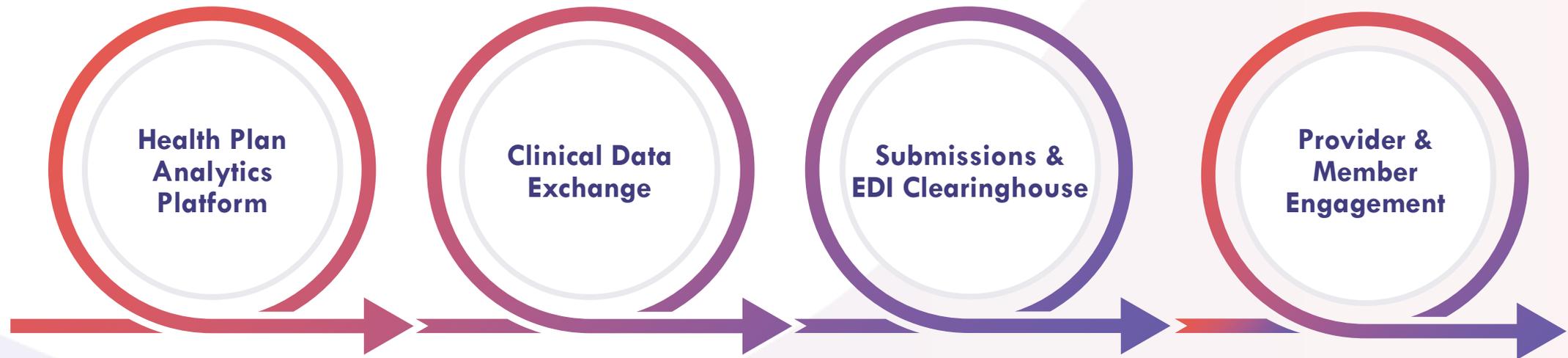
30M+ members across the US

Our Payer focused solutions connect to more than **275K Providers** across the US

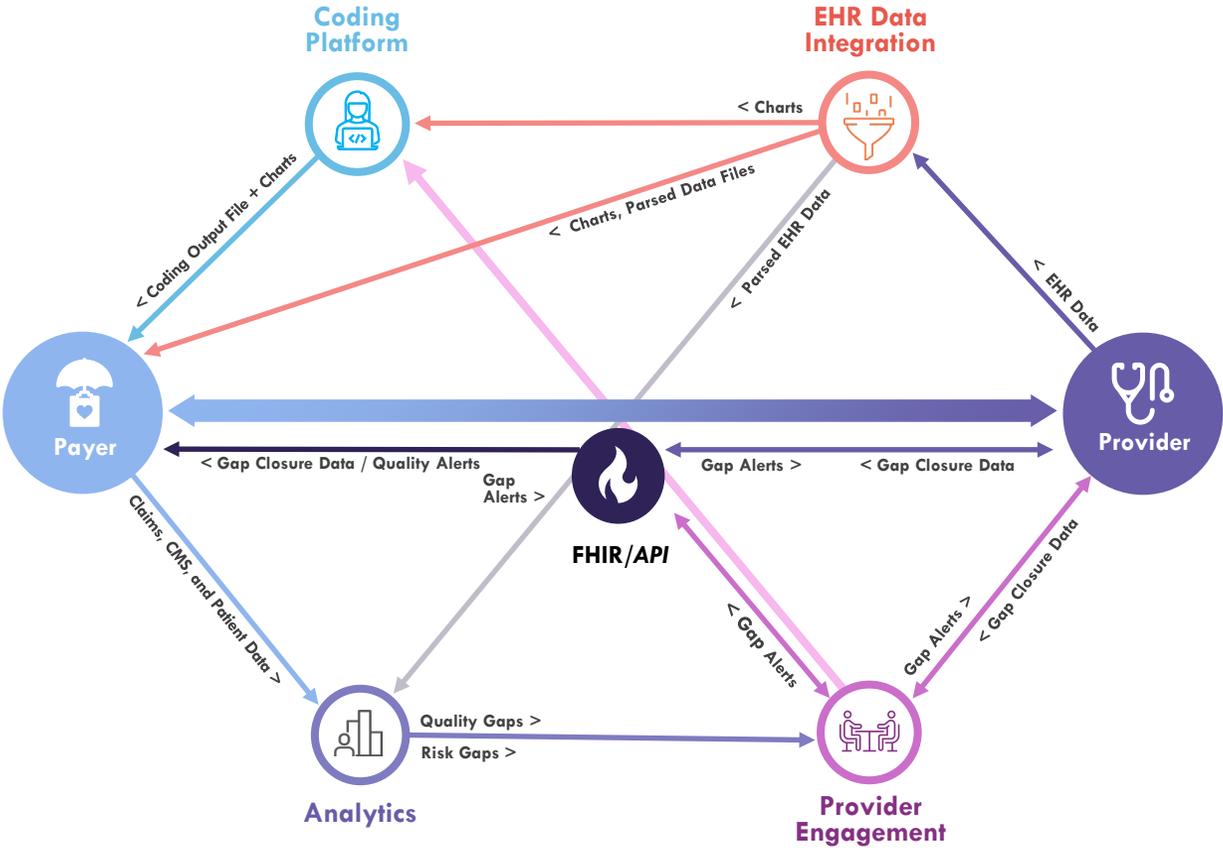
**Solutions address** Medicare Advantage, Managed Medicaid and ACA markets

# Veradigm Payer-Provider Collaboration Platform

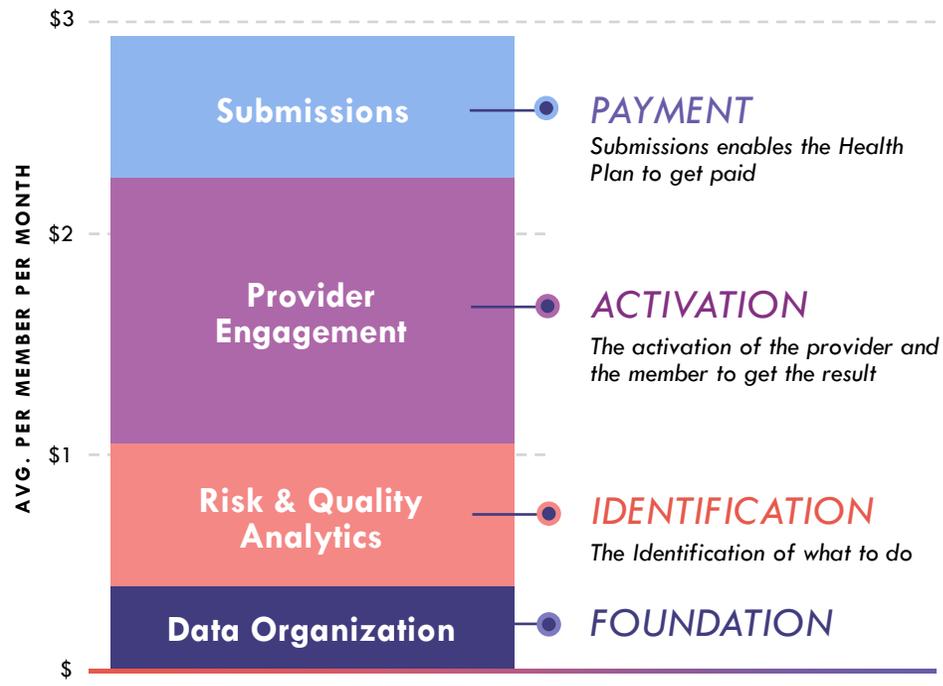
Simplifies Provider & Payer collaboration through analytics and better point-of-practice workflows



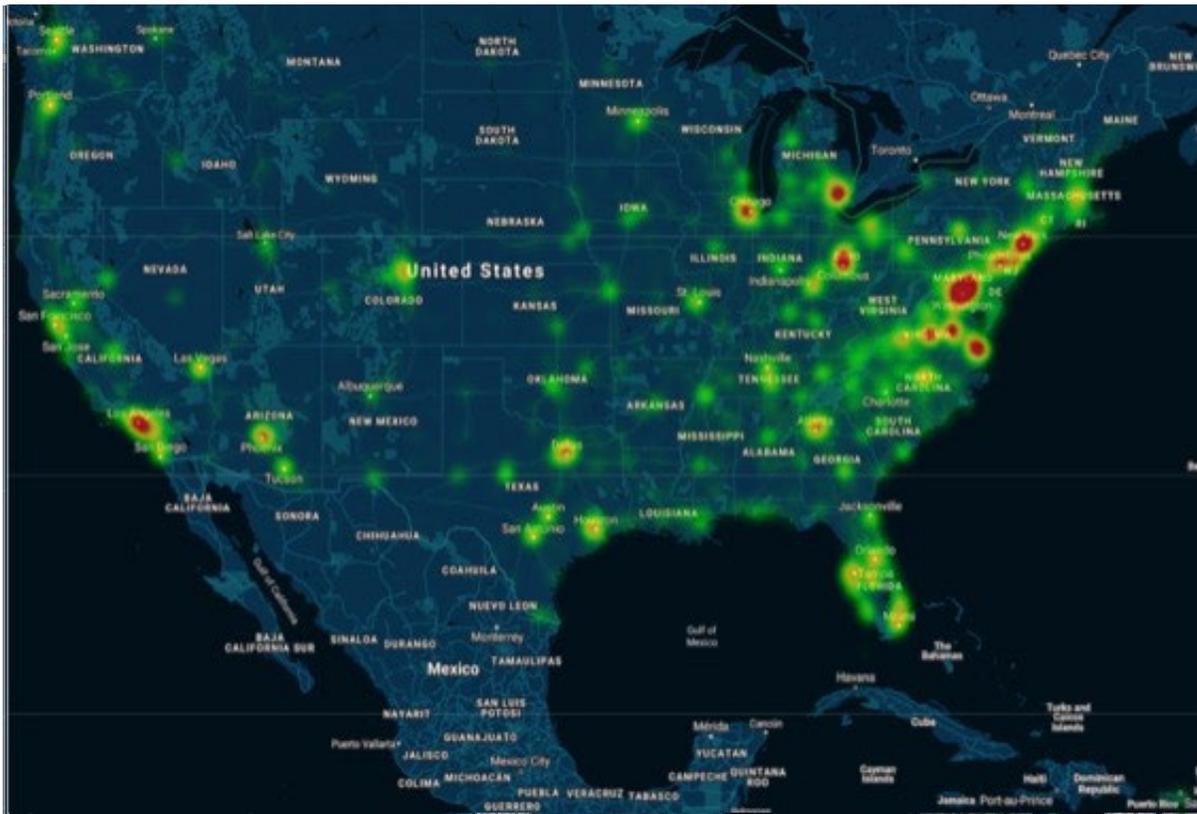
# End to End Payer Solutions



## End to End Solution Value Layering



Platform Scale enables Veradigm to engage providers and patients in a way that moves the needle for health plans nationwide



**Gaps In Care intervention messaging to maximize Quality and Risk Adjustment program value**

**TOTAL PROVIDERS IN US: ~1.1 million**

**TOTAL VERADIGM PAYER FOCUSED CONNECTED PROVIDERS\*: ~275,000**  
(~25% of the country)

**TOTAL VERADIGM HEALTH PLAN CUSTOMERS: 100+**

**VERADIGM PERFORMS ANALYTICS & SERVICES ON: 30M+ covered lives**

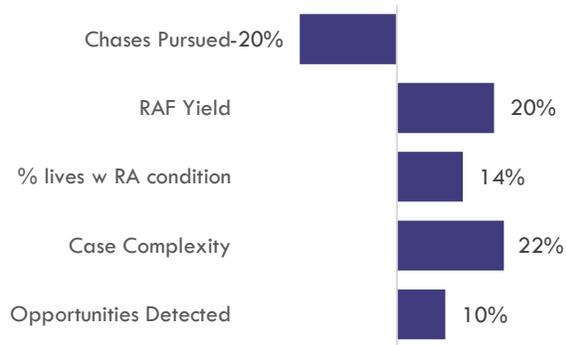
\* comprised of EHRs and EDI Clearinghouse doesn't represent the entire Veradigm Network

# The Impact of One End-to-End Solution

## Observed Results from Current Clients

### Risk Adjustment

Δ vs Previous Vendor

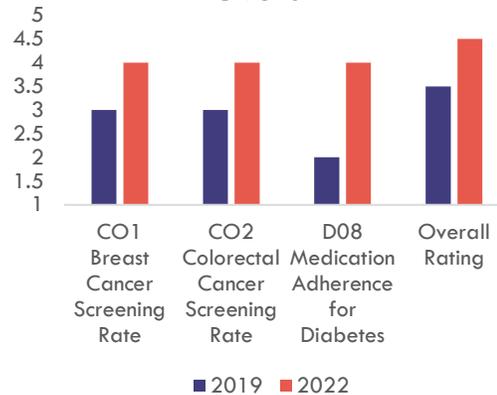


## 4:1 Return

On Improved Identification of Actionable, Impactful Opportunities via Patented RA Solutions including Dynamic Planning

### Quality

Quality Measures - Rates & Overall

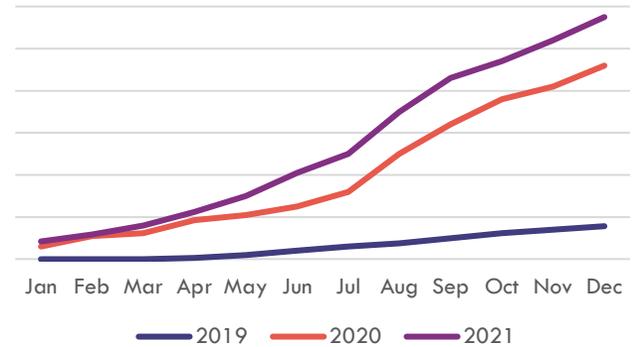


## +2.6M

Impact of Star Rating Level Change

### Provider Activation

Cumulative Completed Alerts

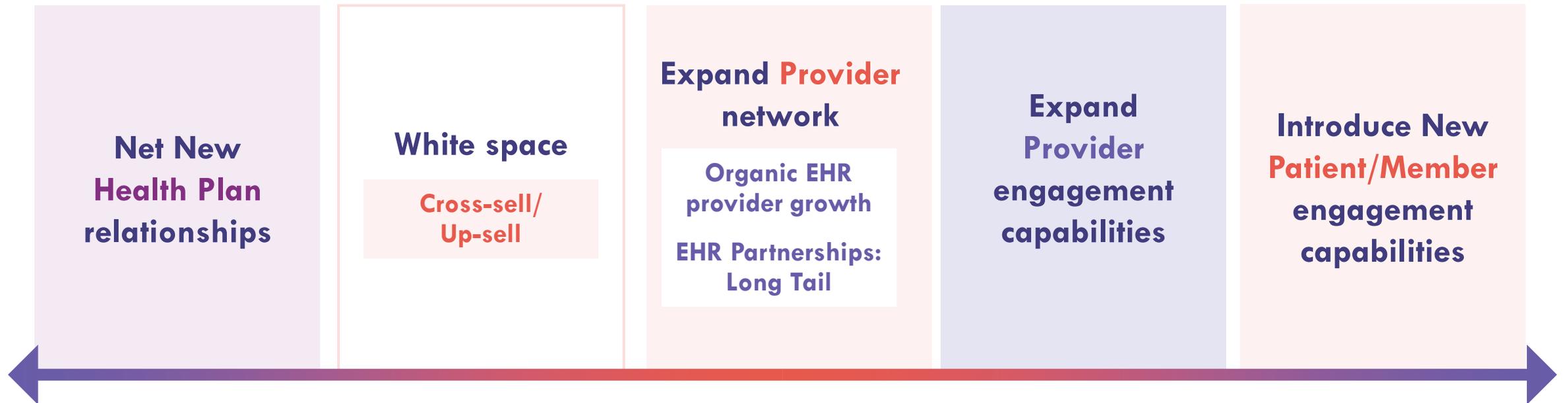


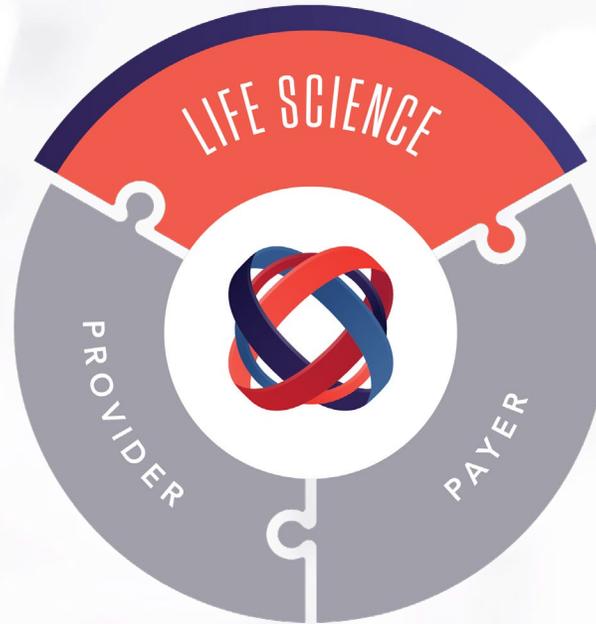
## 7:1 Return

On Provider Engagement

# Growth Initiatives

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 veradigm® | **Life Science**

SOLUTIONS  
**OVERVIEW**



**Veradigm  
Life Science**

Leverage Real-world  
Practice Data to Generate  
Insights

**What does our Life Science business do  
and who do we serve?**

Provide  
**data and registry  
information (ACC)**  
as standalone or  
combined data  
sets

We perform  
registry and study  
implementation  
services via our  
**RWE Consulting  
group**

Digital Health  
Media serves  
agencies and  
direct sponsors by  
providing ads via  
our Provider  
platforms

# Rich Real-World Data at the Point-of-Care

## Veradigm Ambulatory EHR Database

One of the largest **deidentified EHR datasets**

Derived from **Veradigm Network** ambulatory EHRs:

Professional	Touchworks
Practice Fusion	NextGen

Extensive **nationally distributed patient population** from a wide range of practice sizes

Supports patient longitudinal analysis, stand-alone or linked to other **real-world data sources**

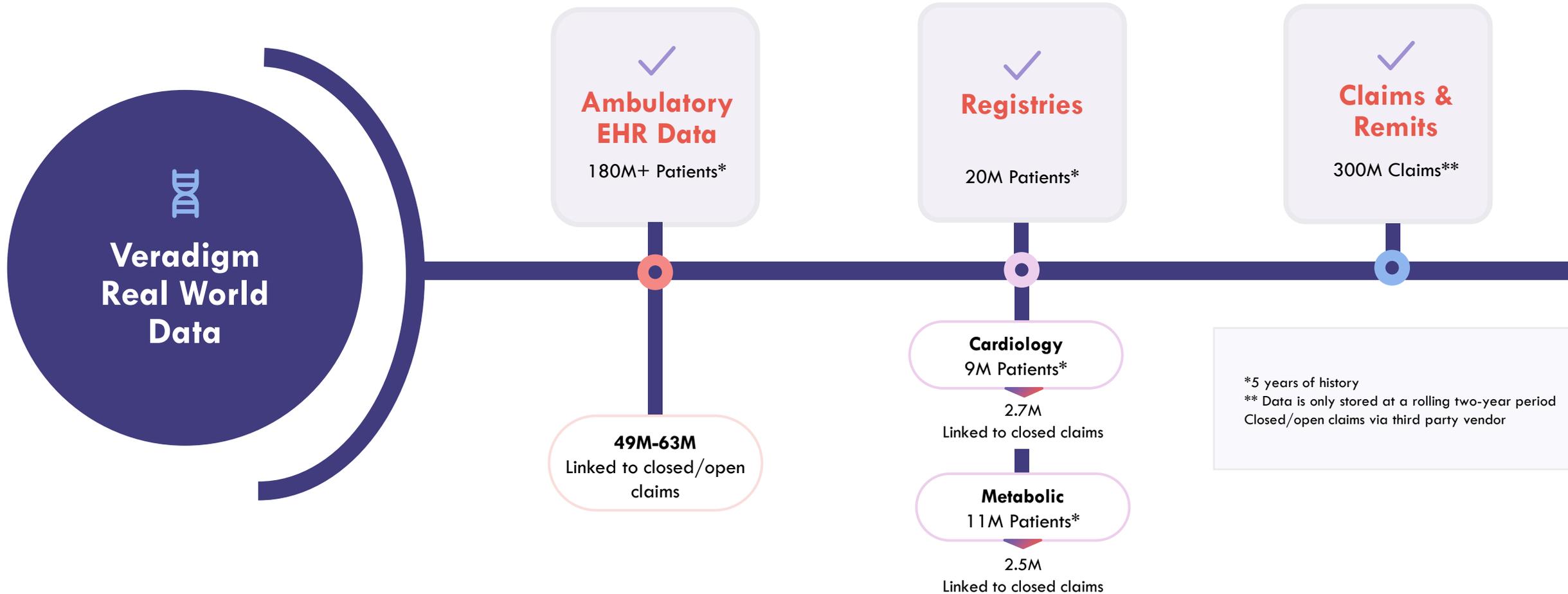


**~10 YEARS**  
OF DATA AVAILABLE



**>180M PATIENTS**  
ACROSS ALL PLATFORMS

# Veradigm Real-World Data Defined



# Reach Providers at the Point-of-Care

## Promotional Messaging

The screenshot shows a patient's EHR record for Rachel Booth. The patient's name, PRN, and age are visible at the top. The main content area is divided into several sections: Flowsheets, Allergies, Health concerns, Diagnoses, Medications, and Encounters. On the right side, there is a promotional message for Januvia (sitagliptin) with the text "PRESCRIPTION SAVINGS FOR ELIGIBLE PATIENTS" and "Learn more and request coupons for eligible patients\*".

- 1 Position marketing messages during the healthcare provider EHR workflow in a compliant manner
- 2 Drive awareness and adherence
- 3 Enhance return on advertising dollars by delivering promotional messaging with reach and precise targeting

\*The Practice Fusion EHR displays advertisements in an iframe window that is separate and distinguishable from the clinical and practice management workflow within the EHR. No biopharma or device advertisements appear during the prescribing workflow consistent with applicable law

# EHR Leader in Digital Media – Point of Care Messaging

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**20B+**

**Ad impressions served** since 2011

**100+**

**Biopharma companies** working with Veradigm for point-of-care media

**11+**

**Years delivering** multi-platform point-of-care media

**1K+**

**Campaigns** successfully executed over 11 years

# Moderna Real-World Evidence

## Evaluating Vaccine Effectiveness

### Situation

**Designing and implementing an FDA-mandated safety program**

### Approach

**Leverage the Veradigm Cardiovascular Registry, as well as the Practice Fusion EHR**

**Facilitating research studies**

### Outcomes

- ✓ **Use of our EHR data assets with broad publicly available data to provide insight**
- ✓ **Enabling and empowering Moderna to conduct internal analyses with data assets**



*Veradigm has been a valuable resource to Moderna by helping us gain insight into vaccination rates, so we can continue to help protect vulnerable populations from COVID-19.*

**James Mansi**

VP MEDICAL AFFAIRS, NORTH AMERICA | MODERNA



# **Financial Update**

**Leah Jones, Chief Financial Officer**

# Veradigm | Revenue Performance

Veradigm Revenue  
In millions



Veradigm Year-over-Year Revenue  
Growth

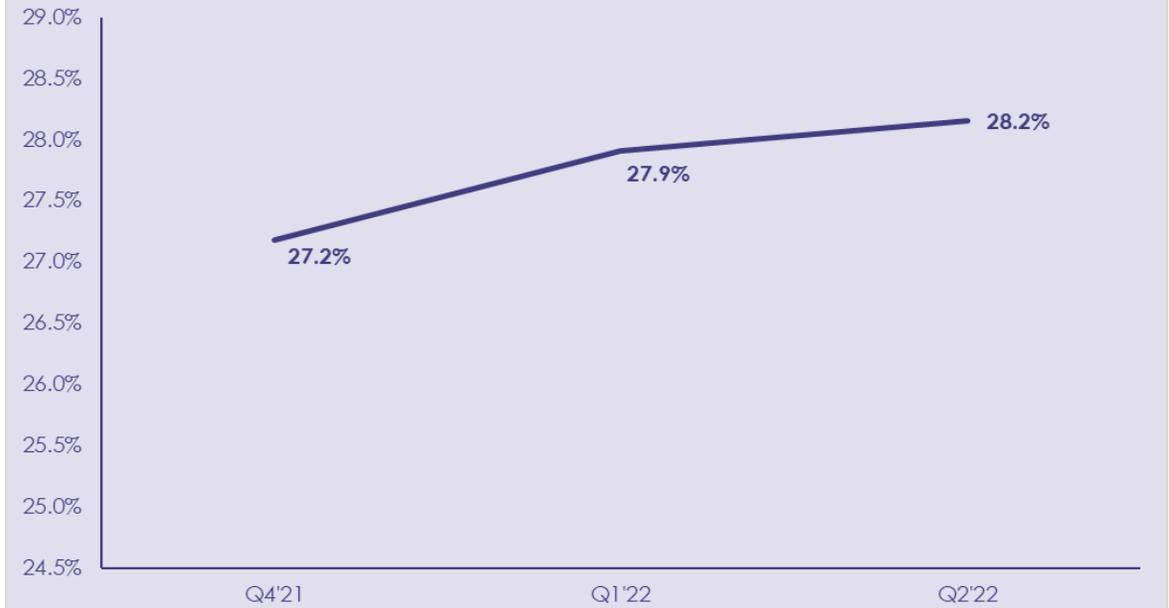


# Veradigm | Margin Performance

Veradigm Gross Margin % <sup>1</sup>  
Trailing twelve months

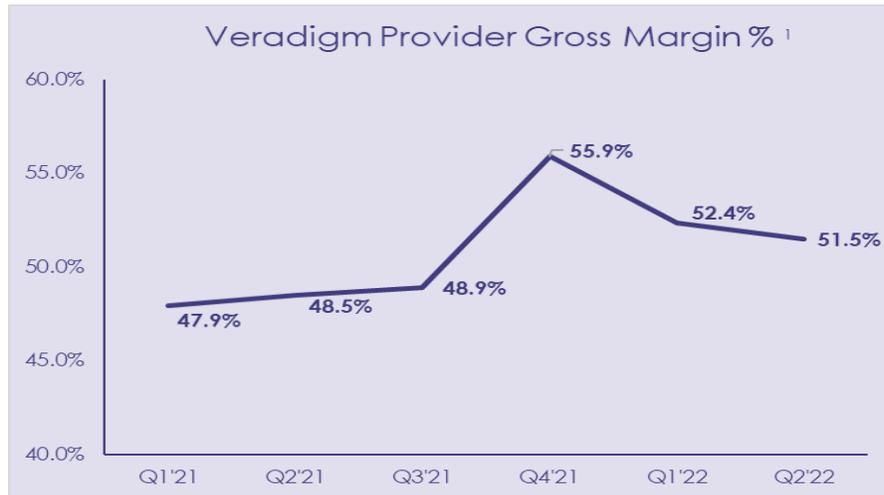
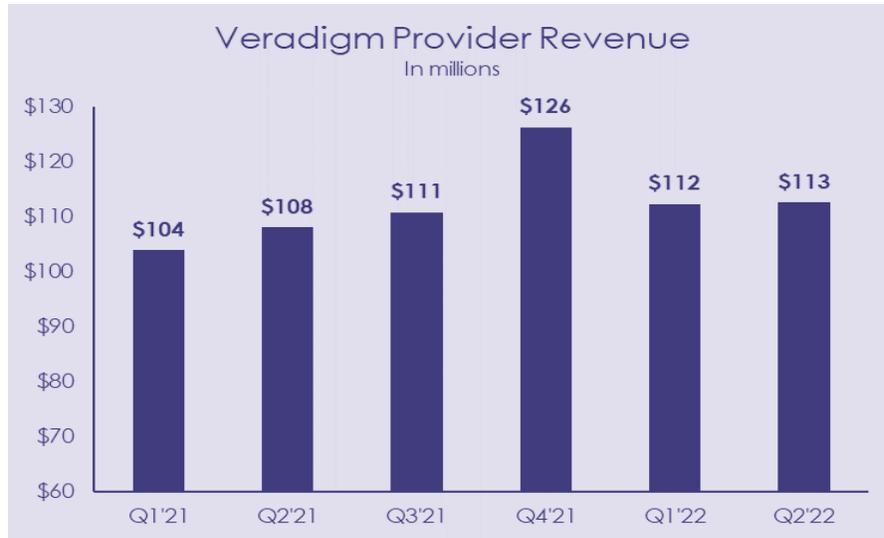


Veradigm Adjusted EBITDA % <sup>1</sup>  
Trailing twelve months



<sup>1</sup> See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Veradigm | Provider

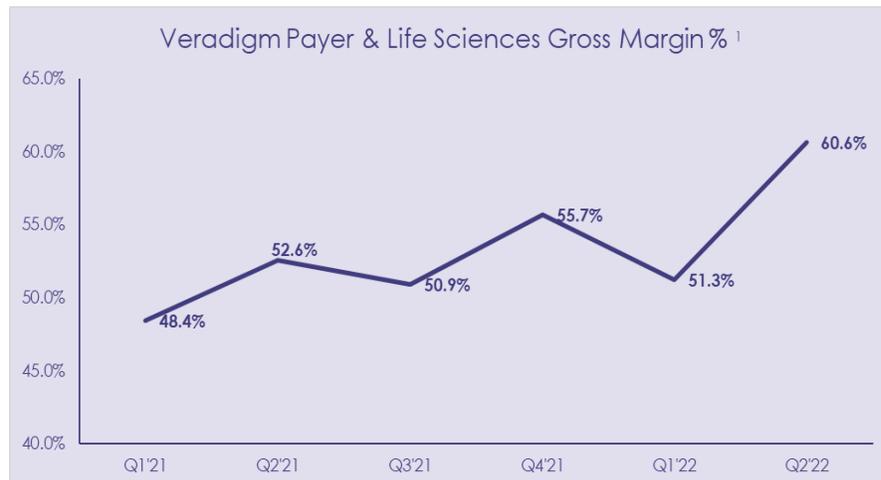
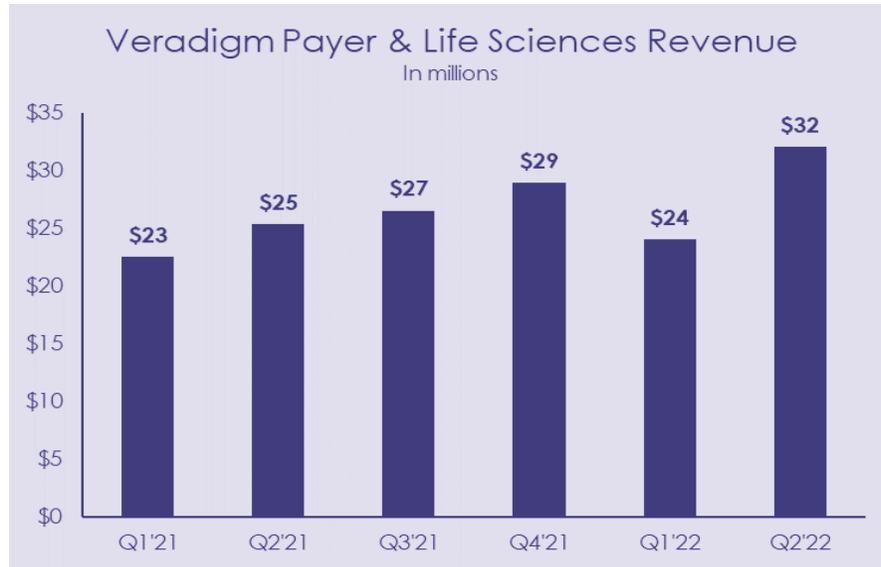


## Growth Levers

- **New Client Wins**
- **Expand Wallet Share**
- **Value-Based Care Partnerships**
- **Market Consolidation**

<sup>1</sup> See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Veradigm | Payer & Life Science

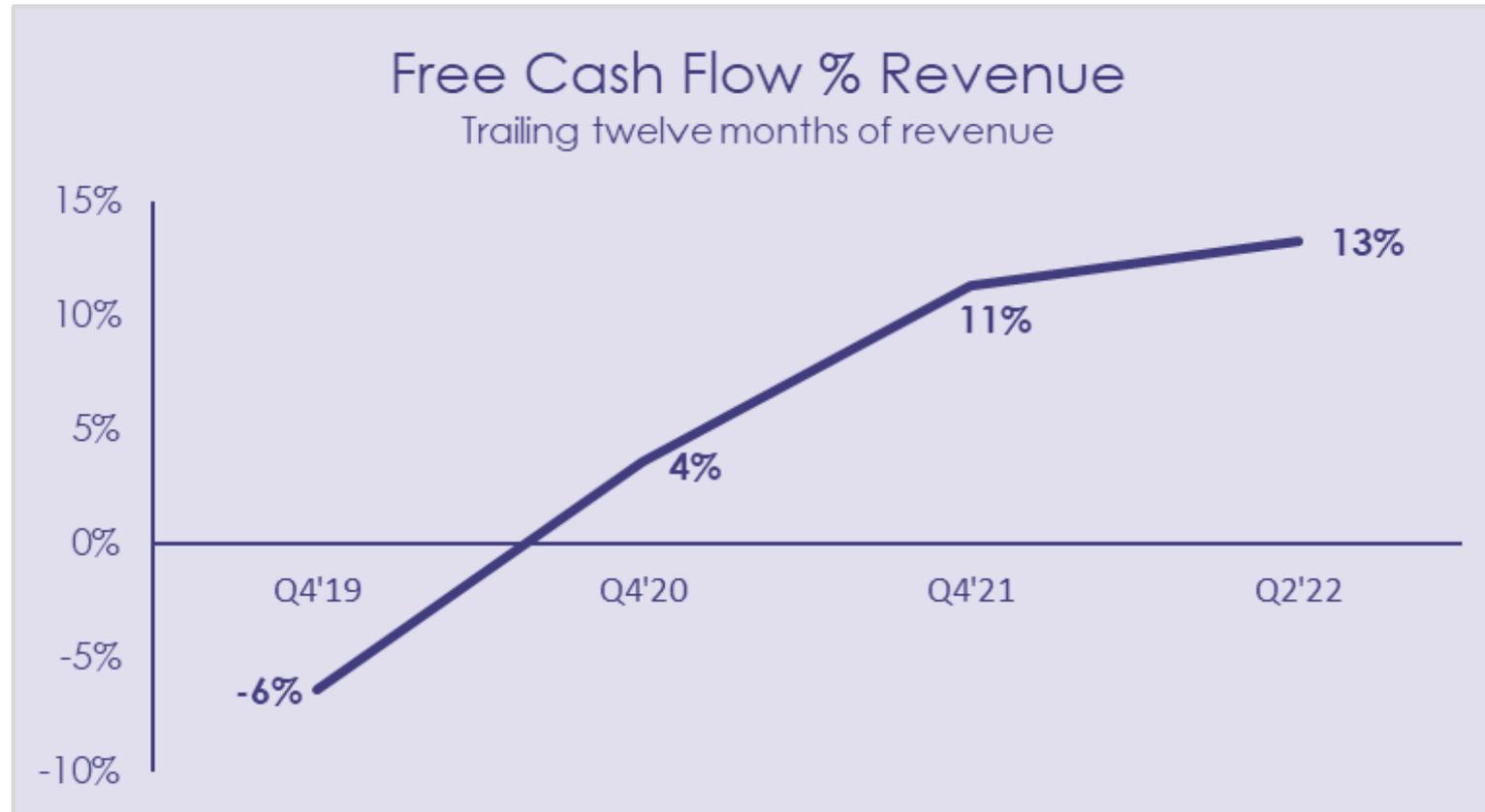


## Growth Levers

- **Expand Data Sources**
- **Broaden Existing Partnerships**
- **Increase Media Footprint**
- **Grow Health Plan Partnerships**

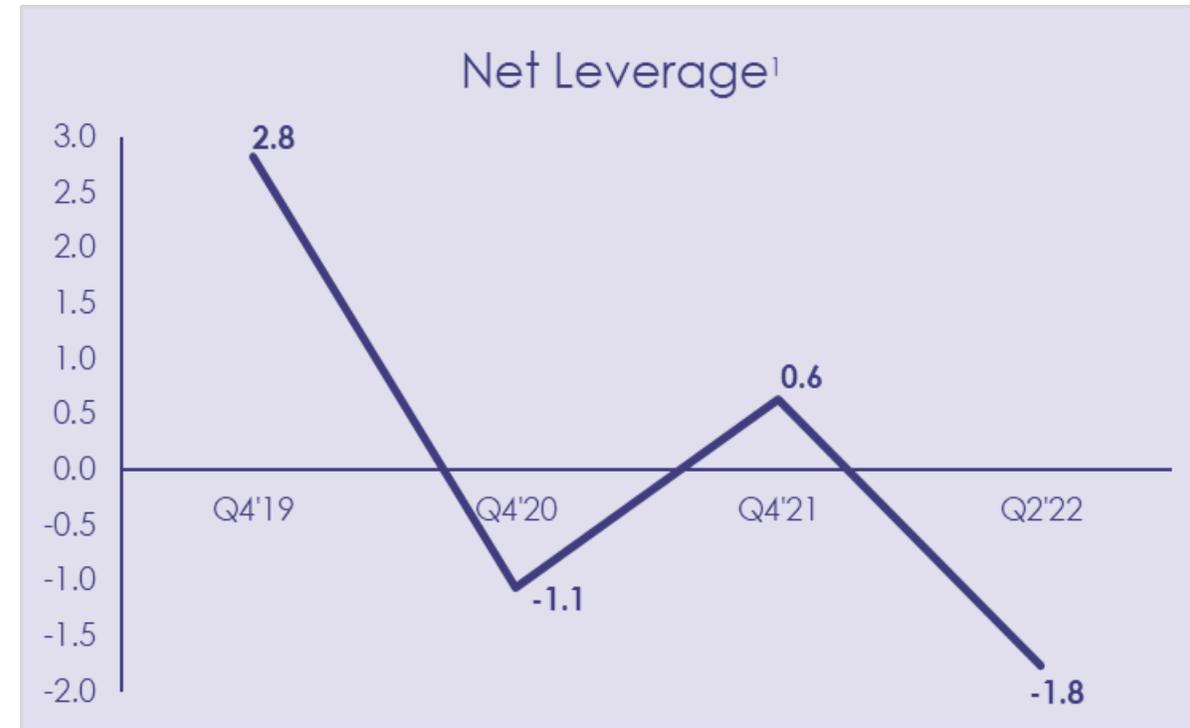
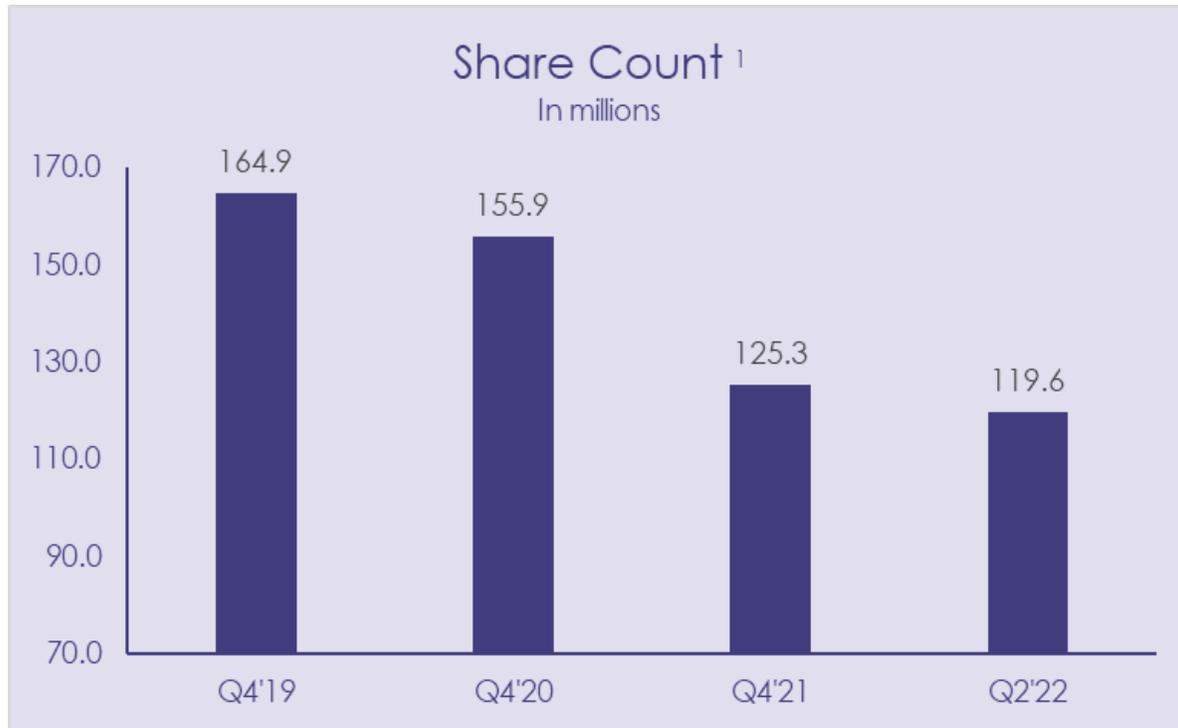
<sup>1</sup> See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Allscripts | Free Cash Flow % of Revenue Accelerates



<sup>1</sup> See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Allscripts | Simultaneously Reducing Share Count & Leverage



<sup>1</sup> See reconciliation of non-GAAP metrics in the appendix of this presentation.

# Allscripts | 2022 Guidance Reaffirmed

**6% - 7%**

Veradigm Revenue Growth YOY

**10% - 15%**

Veradigm Adjusted EBITDA Growth YOY

**\$110M - \$120M**

Allscripts Free Cash Flow

# Closing Comments

**Rick Poulton**

Chief Executive Officer



# Q&A

# Appendix: Non-GAAP Reconciliations

# Allscripts | Non-GAAP Segment Reconciliation (Veradigm Segment)

## Allscripts Healthcare Solutions, Inc.

### Non-GAAP Financial Information Reconciliation - Segment Details

(In millions)

(unaudited)

	2021					2022		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
<b><u>Total Veradigm</u></b>								
<b>Revenue, as reported</b>	<b>\$126.4</b>	<b>\$133.4</b>	<b>\$137.2</b>	<b>\$155.2</b>	<b>\$552.2</b>	<b>\$136.3</b>	<b>\$144.6</b>	<b>\$280.9</b>
<b>Gross profit, GAAP</b>	<b>\$58.6</b>	<b>\$63.6</b>	<b>\$65.7</b>	<b>\$84.6</b>	<b>\$272.5</b>	<b>\$69.2</b>	<b>\$75.4</b>	<b>\$144.6</b>
Acquisition-related amortization	1.8	1.8	1.7	1.8	7.1	1.6	1.7	3.3
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.6
<b>Non-GAAP Gross profit</b>	<b>\$60.7</b>	<b>\$65.7</b>	<b>\$67.7</b>	<b>\$86.7</b>	<b>\$280.8</b>	<b>\$71.1</b>	<b>\$77.4</b>	<b>\$148.5</b>
<b>Income (loss) from operations, GAAP</b>	<b>\$11.4</b>	<b>\$17.9</b>	<b>\$16.9</b>	<b>\$35.2</b>	<b>\$81.4</b>	<b>\$18.1</b>	<b>\$24.0</b>	<b>\$42.1</b>
Acquisition-related amortization	4.2	4.2	4.1	3.9	16.4	3.8	4.0	7.8
Stock-based compensation expense	3.4	3.1	3.2	3.3	13.0	3.6	2.3	5.9
Transaction and other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-GAAP Income (loss) from operations</b>	<b>\$19.0</b>	<b>\$25.2</b>	<b>\$24.2</b>	<b>\$42.4</b>	<b>\$110.8</b>	<b>\$25.5</b>	<b>\$30.3</b>	<b>\$55.8</b>
Asset Impairment Charges	0.0	0.2	0.6	0.0	0.8	0.0	0.0	0.0
Depreciation and amortization	9.4	9.9	9.7	9.5	38.5	9.7	9.5	19.2
<b>Adjusted EBITDA</b>	<b>\$28.4</b>	<b>\$35.3</b>	<b>\$34.5</b>	<b>\$51.9</b>	<b>\$150.1</b>	<b>\$35.2</b>	<b>\$39.8</b>	<b>\$75.0</b>

# Allscripts | Non-GAAP Segment Summary

## Total Veradigm, Non-GAAP

Revenue

Gross profit

Gross margin

Income from operations

Adjusted EBITDA

Adjusted EBITDA margin

2021				
Q1	Q2	Q3	Q4	Total
126.4	133.4	137.2	155.2	552.2
60.7	65.7	67.7	86.7	280.8
48.0%	49.3%	49.3%	55.9%	50.9%
19.0	25.2	24.2	42.4	110.8
28.4	35.3	34.5	51.9	150.1
22.5%	26.5%	25.1%	33.4%	27.2%

2022		
Q1	Q2	Total
136.3	144.6	280.9
71.1	77.4	148.5
52.2%	53.5%	52.9%
25.5	30.3	55.8
35.2	39.8	75.0
25.8%	27.5%	26.7%

# Allscripts | Non-GAAP Reconciliations (Provider and Payer & Life Sciences)

Allscripts Healthcare Solutions, Inc.  
 Non-GAAP Financial Information Reconciliation - Provider and Payer & Life Sciences Details  
 (In millions)  
 (unaudited)

	2021					2022		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
<b><u>Veradigm Provider</u></b>								
Gross profit, as reported	\$48.2	\$50.8	\$52.6	\$69.0	\$220.6	\$57.4	\$56.5	\$113.9
Acquisition-related amortization	1.3	1.3	1.3	1.3	5.2	1.1	1.2	2.3
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.6
<b>Non-GAAP Gross profit</b>	<b>\$49.8</b>	<b>\$52.4</b>	<b>\$54.2</b>	<b>\$70.6</b>	<b>\$227.0</b>	<b>\$58.8</b>	<b>\$58.0</b>	<b>\$116.8</b>
<b><u>Veradigm Payer &amp; Life Sciences</u></b>								
Gross profit, as reported	\$10.4	\$12.8	\$13.1	\$15.6	\$51.9	\$11.8	\$18.9	\$30.7
Acquisition-related amortization	0.5	0.5	0.4	0.5	1.9	0.5	0.5	1.0
Stock-based compensation expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-GAAP Gross profit</b>	<b>\$10.9</b>	<b>\$13.3</b>	<b>\$13.5</b>	<b>\$16.1</b>	<b>\$53.8</b>	<b>\$12.3</b>	<b>\$19.4</b>	<b>\$31.7</b>
<b><u>Total Veradigm</u></b>								
Gross profit, as reported	\$58.6	\$63.6	\$65.7	\$84.6	\$272.5	\$69.2	\$75.4	\$144.6
Acquisition-related amortization	1.8	1.8	1.7	1.8	7.1	1.6	1.7	3.3
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3	0.3	0.6
<b>Non-GAAP Gross profit</b>	<b>\$60.7</b>	<b>\$65.7</b>	<b>\$67.7</b>	<b>\$86.7</b>	<b>\$280.8</b>	<b>\$71.1</b>	<b>\$77.4</b>	<b>\$148.5</b>

# Allscripts | Non-GAAP Summary (Provider and Payer & Life Sciences)

## Allscripts Healthcare Solutions, Inc.

### Non-GAAP Financial Information from Continuing Operations - Provider and Payer and Life Sciences Details

(In millions)

(unaudited)

#### Veradigm Provider, Non-GAAP

Revenue

Gross profit

Gross margin

#### Veradigm Payer & Life Sciences, Non-GAAP

Revenue

Gross Profit

Gross Margin

#### Total Veradigm, Non-GAAP

Revenue

Gross profit

Gross margin

	2021					2022		
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Total
Revenue	103.9	108.1	110.8	126.3	449.0	112.3	112.6	224.9
Gross profit	49.8	52.4	54.2	70.6	227.0	58.8	58.0	116.8
Gross margin	47.9%	48.5%	48.9%	55.9%	50.6%	52.4%	51.5%	51.9%
Revenue	22.5	25.3	26.5	28.9	103.2	24.0	32.0	56.0
Gross Profit	10.9	13.3	13.5	16.1	53.8	12.3	19.4	31.7
Gross Margin	48.4%	52.6%	50.9%	55.7%	52.1%	51.3%	60.6%	56.6%
Revenue	126.4	133.4	137.3	155.2	552.2	136.3	144.6	280.9
Gross profit	60.7	65.7	67.7	86.7	280.8	71.1	77.4	148.5
Gross margin	48.0%	49.3%	49.3%	55.9%	50.9%	52.2%	53.5%	52.9%

# Allscripts | Non-GAAP Reconciliations (Free Cash Flow & Free Cash Flow % of Revenue)

## Allscripts Healthcare Solutions, Inc.

### Non-GAAP Financial Information - Free Cash Flow

(In millions)

(Unaudited)

	Trailing Twelve Months			
	Q419	Q420	Q421	Q222
Net cash provided by (used in) operating activities - continuing operations	\$15.4	\$12.3	\$248.3	\$199.8
Addback of DOJ settlement	0.0	147.2	0.0	0.0
Adjusted Net cash provided by (used in) operating activities - continuing operations	\$15.4	\$159.5	\$248.3	\$199.8
Cash flows from investing activities:				
Capital expenditures	(16.5)	(17.0)	(5.3)	(3.8)
Capitalized software	(103.3)	(88.0)	(73.3)	(56.1)
Free cash flow	<u>(\$104.4)</u>	<u>\$54.5</u>	<u>\$169.7</u>	<u>\$139.9</u>

## Allscripts Healthcare Solutions, Inc.

### Non-GAAP Financial Information - Free Cash Flow as % of Revenue

(In millions)

(Unaudited)

	Trailing Twelve Months			
	Q419	Q420	Q421	Q222
Free cash flow	(\$104.4)	\$54.5	\$169.7	\$139.9
Revenue as reported, trailing twelve months	1,633	1,503	1,503	1,055
Free cash flow as % trailing twelve months of revenue as reported	-6%	4%	11%	13%

# Allscripts | Non-GAAP Reconciliations (Non-GAAP diluted shares outstanding)

**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information - Weighted shared outstanding - diluted**

	<b>Three Months Ended December 31, 2019</b>	<b>Three Months Ended December 31, 2020</b>	<b>Three Months Ended December 31, 2021</b>	<b>Three Months Ended June 30, 2022</b>
Weighted shares outstanding - diluted	164.9	155.9	127.8	118.7
Less the net effect of convertible notes and note hedges	0.0	0.0	-2.5	0.9
Non-GAAP Weighted shares outstanding - diluted	164.9	155.9	125.3	119.6

# Allscripts | Non-GAAP Reconciliations (Net Leverage)

**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information - Net Leverage**

(In millions)

(Unaudited)

	Q4'19	Q4'20	Q4'21	Q2'22
Total Debt	\$973.0	\$207.9	\$382.9	\$207.9
Total Cash (Cash, Cash Equivalents, Restricted Cash)	137.5	537.5	190.5	501.5
<b>Total debt less total cash</b>	<b>\$835.5</b>	<b>(\$329.6)</b>	<b>\$192.4</b>	<b>(\$293.6)</b>
<b>Trailing twelve months of adjusted EBITDA</b>	<b>\$295.1</b>	<b>\$311.9</b>	<b>\$301.1</b>	<b>\$166.7</b>
<b>Net Leverage <sup>1</sup></b>	<b>2.8</b>	<b>-1.1</b>	<b>0.6</b>	<b>-1.8</b>

<sup>1</sup> Net Leverage: Total debt less total cash divided by trailing twelve months of adjusted EBITDA

# Allscripts | Non-GAAP Reconciliations (Adjusted EBITDA)

**Allscripts Healthcare Solutions, Inc.**  
**Non-GAAP Financial Information - Adjusted EBITDA**  
(In millions)  
(Unaudited)

	Trailing Twelve Months				*Trailing Six Months	
	Q4'19	Q4'20	Q4'21	*Q2'22 <sup>1</sup>	Q4'21 <sup>1</sup>	Q2'22 <sup>1</sup>
<b>Income (loss) from operations, as reported</b>	(\$99.6)	(\$130.9)	\$84.4	\$61.1	\$59.9	\$1.2
Plus:						
Depreciation and amortization	181.7	176.3	56.9	\$54.7	27.6	27.1
Impairments	37.2	76.6	0.5	\$0.4	0.4	0.0
Stock-based compensation expense	42.6	38.4	13.9	\$22.6	6.5	16.1
Transaction and other	48.9	64.3		27.9	0.0	27.9
<b>Adjusted EBITDA from continuing operations</b>	<b>210.8</b>	<b>224.7</b>	<b>155.8</b>	<b>166.7</b>	<b>94.4</b>	<b>72.3</b>
Adjusted EBITDA related to businesses reported as discontinued operations	84.3	87.2	145.3	0.0	0.0	0.0
<b>Adjusted EBITDA</b>	<b>\$295.1</b>	<b>\$311.9</b>	<b>\$301.1</b>	<b>\$166.7</b>	<b>\$94.4</b>	<b>\$72.3</b>

<sup>1</sup> Excludes Altera Adjusted EBITDA

# Allscripts | Non-GAAP Financial Measures

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Allscripts reports its financial results in accordance with U.S. generally accepted accounting principles, or GAAP. To supplement this information, Allscripts presents non-GAAP bookings, gross profit, income from operations, Adjusted EBITDA, Adjusted EBITDA margin, and free cash flow, which are considered non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended. The definitions of non-GAAP financial measures are presented below:

- Non-GAAP gross profit consists of GAAP gross profit, as reported, and excludes acquisition-related amortization and; stock-based compensation expense. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of revenue in the applicable period.
- Non-GAAP income from operations consists of GAAP income (loss) from operations, as reported, and excludes acquisition-related amortization; stock-based compensation expense; and transaction and other costs.
- Adjusted EBITDA is a non-GAAP measure and consists of GAAP income/(loss) from operations, as reported, and adjusts for: depreciation and amortization; asset impairment charges; stock-based compensation expense; and transaction and other costs.
- Adjusted EBITDA margin is a non-GAAP measure that is calculated by dividing Adjusted EBITDA by revenue.
- Non-GAAP diluted weighted shares outstanding consists of diluted weighted shares outstanding, as reported, less the dilutive impact of 0.875% convertible notes due to the intent to settle the principal in cash and shares to be delivered at settlement by the convertible note hedge.
- Free cash flow consists of GAAP cash flows from continuing operations in the applicable period, net of capital expenditures and capitalized software costs. Reconciliations to GAAP cash flows from continuing operations are found in Table 6 within this press release.
- Non-GAAP diluted weighted shares outstanding: consists of diluted weighted shares outstanding, as reported, less the dilutive impact of 0.875% convertible notes due to the intent to settle the principal in cash and shares to be delivered at settlement by the convertible note hedge.
- Net Leverage: Total debt less total cash divided by trailing twelve months of adjusted EBITDA.
- Free Cash Flow % Revenue: Trailing twelve months of free cash flow divided by trailing twelve months of revenue.

# Allscripts | Non-GAAP Financial Measures

**Acquisition-Related Amortization.** Acquisition-related amortization expense is a non-cash expense arising primarily from the acquisition of intangible assets in connection with acquisitions or investments. Allscripts excludes acquisition-related amortization expense from non-GAAP gross profit, non-GAAP operating income, and non-GAAP net income because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods because of new acquisitions and full amortization of previously acquired intangible assets. Investors should note that the use of these intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation, and the related amortization expense will recur in future periods.

**Stock-Based Compensation Expense.** Stock-based compensation expense is a non-cash expense arising from the grant of stock-based awards. Allscripts excludes stock-based compensation expense from non-GAAP gross profit, non-GAAP operating income, non-GAAP net income and Adjusted EBITDA because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods as a result of the timing and valuation of grants of new stock-based awards, including grants in connection with acquisitions. Investors should note that stock-based compensation is a key incentive offered to employees whose efforts contributed to the operating results in the periods presented and are expected to contribute to operating results in future periods, and such expense will recur in future periods.

**Transaction and Other Costs.** Transaction and other costs relate to certain legal proceedings and investigations, consulting, severance, incentive compensation and other charges incurred in connection with activities that are considered not reflective of our core business. Other costs also include non-cash impairment charges based on management's assessment of the likelihood of near-term recovery of the investments' value. Allscripts excludes transaction and other costs, in whole or in part, from non-GAAP gross profit, non-GAAP operating income, non-GAAP net income and Adjusted EBITDA because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods.

**Asset Impairment Charges.** Asset impairment charges reflect non-cash charges related to the write-offs of deferred costs related to our private cloud hosting operations.

# Allscripts | Non-GAAP Financial Measures

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**Asset Impairment Charges.** Asset impairment charges reflect non-cash charges related to the write-offs of deferred costs related to our private cloud hosting operations.

Management also believes that non-GAAP gross profit, income from operations, effective income tax rate, net income, diluted earnings per share, Adjusted EBITDA, Adjusted EBITDA margin and free cash flow provide useful supplemental information to management and investors regarding the underlying performance of Allscripts business operations. Acquisition accounting adjustments, transaction, and other costs recorded in accordance with GAAP can make it difficult to make meaningful comparisons of the underlying operations of the business without considering the non-GAAP adjustments provided and discussed herein.

Management also uses this information internally for forecasting and budgeting, as it believes that these measures are indicative of core operating results. In addition, management may use non-GAAP gross profit, operating income, net income, diluted earnings per share, Adjusted EBITDA and/or Adjusted EBITDA margin to measure achievement under Allscripts stock and cash incentive compensation plans. Note, however, that non-GAAP gross profit, operating income, net income, diluted earnings per share, Adjusted EBITDA and Adjusted EBITDA margin are performance measures only, and they do not provide any measure of cash flow or liquidity. Allscripts considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after capital expenditures and capitalized software costs. Free cash flow provides management and investors a valuable measure to determine the quantity of capital generated that can be deployed to create additional shareholder value by a variety of means. Non-GAAP financial measures are not in accordance with, or an alternative for, measures of financial performance prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Allscripts results of operations as determined in accordance with GAAP. Investors and potential investors are encouraged to review the definitions and reconciliations of non-GAAP financial measures with GAAP financial measures contained within the attached condensed consolidated financial statements.