# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended April 1, 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: 001-16769**

# WW INTERNATIONAL, INC.

**(Exact name of registrant as specified in its charter)**

| **Virginia** | **11-6040273** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |

**675 Avenue of the Americas, 6th Floor, New York, New York 10010**
**(Address of principal executive offices) (Zip Code)**

**Registrant's telephone number, including area code: (212) 589-2700**

**(Former name, former address and former fiscal year, if changed since last report)**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, no par value | WW | The Nasdaq Stock Market LLC |

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 (§232.405 of this chapter) 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 ☒

The number of shares of common stock outstanding as of April 27, 2023 was 78,661,084.

**WW INTERNATIONAL, INC.**
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**PART I—FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**WW INTERNATIONAL, INC. AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED BALANCE SHEETS AT**
**(IN THOUSANDS)**

| | April 1, 2023 | December 31, 2022 |
|---|---|---|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 140,847 | $ 178,326 |
| Receivables (net of allowances: April 1, 2023 - $1,023 and December 31, 2022 - $976) | 31,059 | 24,273 |
| Inventories | 10,668 | 20,528 |
| Prepaid income taxes | 15,337 | 19,447 |
| Prepaid expenses and other current assets | 37,323 | 38,757 |
| TOTAL CURRENT ASSETS | 235,234 | 281,331 |
| Property and equipment, net | 25,612 | 28,229 |
| Operating lease assets | 68,962 | 75,696 |
| Franchise rights acquired | 386,608 | 386,745 |
| Goodwill | 156,211 | 155,998 |
| Other intangible assets, net | 64,178 | 63,306 |
| Deferred income taxes | 23,006 | 22,246 |
| Other noncurrent assets | 13,917 | 14,879 |
| TOTAL ASSETS | $ 973,728 | $ 1,028,430 |
| LIABILITIES AND TOTAL DEFICIT | | |
| CURRENT LIABILITIES | | |
| Portion of operating lease liabilities due within one year | $ 15,464 | $ 17,955 |
| Accounts payable | 21,697 | 18,890 |
| Salaries and wages payable | 64,041 | 72,577 |
| Accrued marketing and advertising | 14,664 | 17,927 |
| Accrued interest | 10,938 | 5,289 |
| Other accrued liabilities | 42,288 | 30,118 |
| Income taxes payable | 62,058 | 1,646 |
| Deferred revenue | 35,716 | 32,156 |
| TOTAL CURRENT LIABILITIES | 266,866 | 196,558 |
| Long-term debt, net | 1,423,329 | 1,422,284 |
| Long-term operating lease liabilities | 63,783 | 68,099 |
| Deferred income taxes | 19,940 | 23,119 |
| Other | 2,079 | 2,185 |
| TOTAL LIABILITIES | 1,775,997 | 1,712,245 |
| TOTAL DEFICIT | | |
| Common stock, $0 par value; 1,000,000 shares authorized; 122,052 shares issued at April 1, 2023 and 122,052 shares issued at December 31, 2022 | 0 | 0 |
| Treasury stock, at cost, 51,418 shares at April 1, 2023 and 51,496 shares at December 31, 2022 | (3,093,237) | (3,097,304) |
| Retained earnings | 2,298,701 | 2,418,959 |
| Accumulated other comprehensive loss | (7,733) | (5,470) |
| TOTAL DEFICIT | (802,269) | (683,815) |
| TOTAL LIABILITIES AND TOTAL DEFICIT | $ 973,728 | $ 1,028,430 |

The accompanying notes are an integral part of the consolidated financial statements.

**WW INTERNATIONAL, INC. AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)**

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Subscription revenues, net | $ 211,032 | $ 256,985 |
| Product sales and other, net | 30,863 | 40,776 |
| Revenues, net | 241,895 | 297,761 |
| Cost of subscription revenues | 94,897 | 86,041 |
| Cost of product sales and other | 27,487 | 31,622 |
| Cost of revenues | 122,384 | 117,663 |
| Gross profit | 119,511 | 180,098 |
| Marketing expenses | 88,234 | 107,570 |
| Selling, general and administrative expenses | 59,860 | 63,558 |
| Operating (loss) income | (28,583) | 8,970 |
| Interest expense | 22,846 | 18,671 |
| Other (income) expense, net | (330) | 344 |
| Loss before income taxes | (51,099) | (10,045) |
| Provision for (benefit from) income taxes | 67,580 | (1,802) |
| Net loss | $ (118,679) | $ (8,243) |
| Net loss per share | | |
| Basic | $ (1.68) | $ (0.12) |
| Diluted | $ (1.68) | $ (0.12) |
| Weighted average common shares outstanding | | |
| Basic | 70,596 | 70,086 |
| Diluted | 70,596 | 70,086 |

The accompanying notes are an integral part of the consolidated financial statements.

**WW INTERNATIONAL, INC. AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**
**(IN THOUSANDS)**

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Net loss | $ (118,679) | $ (8,243) |
| Other comprehensive (loss) gain: | | |
| Foreign currency translation gain (loss) | 113 | (141) |
| Income tax (expense) benefit on foreign currency translation gain (loss) | (28) | 35 |
| Foreign currency translation gain (loss), net of taxes | 85 | (106) |
| (Loss) gain on derivatives | (3,130) | 14,756 |
| Income tax benefit (expense) on (loss) gain on derivatives | 782 | (3,708) |
| (Loss) gain on derivatives, net of taxes | (2,348) | 11,048 |
| Total other comprehensive (loss) gain | (2,263) | 10,942 |
| Comprehensive (loss) income | $ (120,942) | $ 2,699 |

The accompanying notes are an integral part of the consolidated financial statements.

**WW INTERNATIONAL, INC. AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL DEFICIT**
**(IN THOUSANDS)**

**Three Months Ended April 1, 2023**

| | Common Stock | | Treasury Stock | | Accumulated Other Comprehensive Loss | Retained Earnings | Total |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | |
| Balance at December 31, 2022 | 122,052 | $ 0 | 51,496 | $ (3,097,304) | $ (5,470) | $ 2,418,959 | $ (683,815) |
| Comprehensive loss | | | | | (2,263) | (118,679) | (120,942) |
| Issuance of treasury stock under stock plans | | | (78) | 4,067 | | (4,248) | (181) |
| Compensation expense on share-based awards | | | | | | 2,669 | 2,669 |
| Balance at April 1, 2023 | 122,052 | $ 0 | 51,418 | $ (3,093,237) | $ (7,733) | $ 2,298,701 | $ (802,269) |

**Three Months Ended April 2, 2022**

| | Common Stock | | Treasury Stock | | Accumulated Other Comprehensive Loss | Retained Earnings | Total |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | |
| Balance at January 1, 2022 | 122,052 | $ 0 | 51,988 | $ (3,120,149) | $ (18,604) | $ 2,682,349 | $ (456,404) |
| Comprehensive income (loss) | | | | | 10,942 | (8,243) | 2,699 |
| Issuance of treasury stock under stock plans | | | (65) | 2,715 | | (3,039) | (324) |
| Compensation expense on share-based awards | | | | | | 4,700 | 4,700 |
| Balance at April 2, 2022 | 122,052 | $ 0 | 51,923 | $ (3,117,434) | $ (7,662) | $ 2,675,767 | $ (449,329) |

The accompanying notes are an integral part of the consolidated financial statements.

**WW INTERNATIONAL, INC. AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(IN THOUSANDS)**

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Operating activities: | | |
| Net loss | $ (118,679) | $ (8,243) |
| Adjustments to reconcile net loss to cash used for operating activities: | | |
| Depreciation and amortization | 11,989 | 10,759 |
| Amortization of deferred financing costs and debt discount | 1,254 | 1,254 |
| Impairment of intangible and long-lived assets | 171 | 42 |
| Share-based compensation expense | 2,669 | 4,700 |
| Deferred tax benefit | (3,110) | (6,693) |
| Allowance for doubtful accounts | (74) | 72 |
| Reserve for inventory obsolescence | 2,037 | 1,254 |
| Foreign currency exchange rate (gain) loss | (389) | 623 |
| Changes in cash due to: | | |
| Receivables | (5,961) | (10,596) |
| Inventories | 7,994 | (120) |
| Prepaid expenses | 4,937 | (4,106) |
| Accounts payable | 2,728 | 7,118 |
| Accrued liabilities | 3,188 | (5,268) |
| Deferred revenue | 3,405 | 3,560 |
| Other long term assets and liabilities, net | 734 | (3,003) |
| Income taxes | 60,385 | (1,807) |
| Cash used for operating activities | (26,722) | (10,454) |
| Investing activities: | | |
| Capital expenditures | (990) | (323) |
| Capitalized software expenditures | (9,350) | (8,905) |
| Cash paid for acquisitions | — | (4,350) |
| Other items, net | (8) | (11) |
| Cash used for investing activities | (10,348) | (13,589) |
| Financing activities: | | |
| Taxes paid related to net share settlement of equity awards | (205) | (374) |
| Proceeds from stock options exercised | 7 | — |
| Cash paid for acquisitions | (500) | — |
| Other items, net | (26) | (35) |
| Cash used for financing activities | (724) | (409) |
| Effect of exchange rate changes on cash and cash equivalents | 315 | (1,702) |
| Net decrease in cash and cash equivalents | (37,479) | (26,154) |
| Cash and cash equivalents, beginning of period | 178,326 | 153,794 |
| Cash and cash equivalents, end of period | $ 140,847 | $ 127,640 |

The accompanying notes are an integral part of the consolidated financial statements.

## 1. Basis of Presentation

The accompanying consolidated financial statements include the accounts of WW International, Inc. and all of its subsidiaries. The terms "Company" and "WW" as used throughout these notes are used to indicate WW International, Inc. and all of its operations consolidated for purposes of its financial statements. The Company's "Digital" business refers to providing subscriptions to the Company's digital product offerings, which formerly included Digital 360 (as applicable). The Company's "Workshops + Digital" business refers to providing unlimited access to the Company's workshops combined with the Company's digital subscription product offerings to commitment plan subscribers, including former Digital 360 members (as applicable). It also formerly included the provision of access to workshops for members who did not subscribe to commitment plans, which included the Company's "pay-as-you-go" members. In the second quarter of fiscal 2022, the Company ceased offering its Digital 360 product. More than a majority of associated members were transitioned from the Company's Digital business to its Workshops + Digital business during the second quarter of fiscal 2022, with a de minimis number transitioning during the beginning of the third quarter of fiscal 2022. The cessation of this product offering and these transitions of former Digital 360 members at the then-current pricing for such product impacted the number of End of Period Subscribers in each business as well as the associated Paid Weeks and Revenues for each business.

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") for interim financial information and include amounts that are based on management's best estimates and judgments. While all available information has been considered, actual amounts could differ from those estimates. These assumptions and estimates may change as new events occur and additional information is obtained, and such future changes may have an adverse impact on the Company's results of operations, financial position and liquidity. The consolidated financial statements include all of the Company's majority-owned subsidiaries. All entities acquired, and any entity of which a majority interest was acquired, are included in the consolidated financial statements from the date of acquisition. All intercompany accounts and transactions have been eliminated in consolidation. The Company's operating results for any interim period are not necessarily indicative of future or annual results. The consolidated financial statements are unaudited and, accordingly, they do not include all of the information necessary for a comprehensive presentation of results of operations, financial position and cash flow activity required by GAAP for complete financial statements but, in the opinion of management, reflect all adjustments including those of a normal recurring nature necessary for a fair statement of the interim results presented.

With respect to the Company's previously announced change in segment reporting, segment data for the three months ended April 2, 2022 has been updated to reflect the new reportable segment structure. See Notes 4 and 14 for disclosures related to segments.

These statements should be read in conjunction with the Company's Annual Report on Form 10-K for fiscal 2022 filed on March 6, 2023, which includes additional information about the Company, its results of operations, its financial position and its cash flows.

## 2. Accounting Standards Adopted in Current Year

There were no new accounting standards adopted during the three months ended April 1, 2023.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

## 3. Leases

At April 1, 2023 and December 31, 2022, the Company's lease assets and lease liabilities, primarily for its studios and corporate offices, were as follows:

| | April 1, 2023 | December 31, 2022 |
|---|---|---|
| Assets: | | |
| Operating leases | $ 68,962 | $ 75,696 |
| Finance leases | 28 | 54 |
| Total lease assets | $ 68,990 | $ 75,750 |
| | | |
| Liabilities: | | |
| Current | | |
| Operating leases | $ 15,464 | $ 17,955 |
| Finance leases | 19 | 31 |
| Noncurrent | | |
| Operating leases | 63,783 | 68,099 |
| Finance leases | 2 | 7 |
| Total lease liabilities | $ 79,268 | $ 86,092 |

For the three months ended April 1, 2023 and April 2, 2022, the components of the Company's lease expense were as follows:

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Operating lease cost: | | |
| Fixed lease cost | $ 7,153 | $ 8,112 |
| Lease termination cost | 12,219 | (120) |
| Variable lease cost | 15 | 7 |
| Total operating lease cost | $ 19,387 | $ 7,999 |
| Finance lease cost: | | |
| Amortization of leased assets | $ 26 | $ 35 |
| Interest on lease liabilities | 0 | 1 |
| Total finance lease cost | $ 26 | $ 36 |
| Total lease cost | $ 19,413 | $ 8,035 |

As previously disclosed, in conjunction with the continued rationalization of its real estate portfolio, the Company entered into subleases with commencement dates in the first quarter of fiscal 2023. The Company recorded $621 of sublease income for the three months ended April 1, 2023 as an offset to general and administrative expenses.

At April 1, 2023 and December 31, 2022, the Company's weighted average remaining lease term and weighted average discount rates were as follows:

| | April 1, 2023 | December 31, 2022 |
|---|---|---|
| Weighted Average Remaining Lease Term (years) | | |
| Operating leases | 7.00 | 6.90 |
| Finance leases | 1.06 | 1.00 |
| | | |
| Weighted Average Discount Rate | | |
| Operating leases | 7.13 | 7.03 |
| Finance leases | 3.82 | 3.52 |

The Company's leases have remaining lease terms of 0 to 9 years with a weighted average lease term of 7.00 years as of April 1, 2023.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

At April 1, 2023, the maturity of the Company's lease liabilities in each of the next five fiscal years and thereafter were as follows:

| | Operating Leases | Finance Leases | Total |
|---|---|---|---|
| Remainder of fiscal 2023 | $ 15,428 | $ 15 | $ 15,443 |
| Fiscal 2024 | 18,485 | 7 | 18,492 |
| Fiscal 2025 | 13,148 | — | 13,148 |
| Fiscal 2026 | 9,805 | — | 9,805 |
| Fiscal 2027 | 9,449 | — | 9,449 |
| Fiscal 2028 | 9,197 | — | 9,197 |
| Thereafter | 26,921 | — | 26,921 |
| Total lease payments | $ 102,433 | $ 22 | $ 102,455 |
| Less imputed interest | 23,186 | 1 | 23,187 |
| Present value of lease liabilities | $ 79,247 | $ 21 | $ 79,268 |

Supplemental cash flow information related to leases for the three months ended April 1, 2023 and April 2, 2022 were as follows:

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Cash paid for amounts included in the measurement of lease liabilities | | |
| Operating cash flows from operating leases | $ 7,208 | $ 8,509 |
| Operating cash flows from finance leases | $ 0 | $ 1 |
| Financing cash flows from finance leases | $ 26 | $ 35 |
| | | |
| Lease assets (modified) obtained in exchange for (modified) new operating lease liabilities | $ (1,052) | $ 2,859 |
| Lease assets obtained in exchange for new finance lease liabilities | $ — | $ 46 |

## 4. Revenue

Revenues are recognized when control of the promised services or goods is transferred to the Company's customers, in an amount that reflects the consideration it expects to be entitled to in exchange for those services or goods.

The following table presents the Company's revenues disaggregated by revenue source:

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Digital Subscription Revenues | $ 149,344 | $ 191,482 |
| Workshops + Digital Fees | 61,688 | 65,503 |
| Subscription Revenues, net | $ 211,032 | $ 256,985 |
| Product sales and other, net | 30,863 | 40,776 |
| Revenues, net | $ 241,895 | $ 297,761 |

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

Segment information for the three months ended April 2, 2022 presented below has been updated to reflect the new reportable segment structure. The following tables present the Company's revenues disaggregated by revenue source and segment:

| | Three Months Ended April 1, 2023 | | |
|---|---|---|---|
| | North America | International | Total |
| Digital Subscription Revenues | $ 97,772 | $ 51,572 | $ 149,344 |
| Workshops + Digital Fees | 49,482 | 12,206 | 61,688 |
| Subscription Revenues, net | $ 147,254 | $ 63,778 | $ 211,032 |
| Product sales and other, net | 23,771 | 7,092 | 30,863 |
| Revenues, net | $ 171,025 | $ 70,870 | $ 241,895 |

| | Three Months Ended April 2, 2022 | | |
|---|---|---|---|
| | North America | International | Total |
| Digital Subscription Revenues | $ 125,319 | $ 66,163 | $ 191,482 |
| Workshops + Digital Fees | 50,980 | 14,523 | 65,503 |
| Subscription Revenues, net | $ 176,299 | $ 80,686 | $ 256,985 |
| Product sales and other, net | 28,381 | 12,395 | 40,776 |
| Revenues, net | $ 204,680 | $ 93,081 | $ 297,761 |

*Information about Contract Balances*

For Subscription Revenues, the Company can collect payment in advance of providing services. Any amounts collected in advance of services being provided are recorded in deferred revenue. In the case where amounts are not collected, but the service has been provided and the revenue has been recognized, the amounts are recorded in accounts receivable. The opening and ending balances of the Company's deferred revenues were as follows:

| | Deferred Revenue | Deferred Revenue-Long Term |
|---|---|---|
| Balance as of December 31, 2022 | $ 32,156 | $ 360 |
| Net increase (decrease) during the period | 3,560 | (57) |
| Balance as of April 1, 2023 | $ 35,716 | $ 303 |
| | | |
| Balance as of January 1, 2022 | $ 45,855 | $ 28 |
| Net increase during the period | 3,136 | 21 |
| Balance as of April 2, 2022 | $ 48,991 | $ 49 |

Revenue recognized from amounts included in current deferred revenue as of December 31, 2022 was $29,733 for the three months ended April 1, 2023. Revenue recognized from amounts included in current deferred revenue as of January 1, 2022 was $41,393 for the three months ended April 2, 2022. The Company's long-term deferred revenue, which is included in other liabilities on the Company's consolidated balance sheet, represents revenue that will not be recognized during the next fiscal year and is generally related to upfront payments received as an inducement for entering into certain sales-based royalty agreements with third party licensees. This revenue is amortized on a straight-line basis over the term of the applicable agreement.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

## 5. Acquisitions

*Acquisitions of Franchisees*

On February 18, 2022, the Company acquired the entire issued share capital of its Republic of Ireland franchisee, Denross Limited, and its Northern Ireland franchisee, Checkweight Limited, as follows:

(a) The Company acquired the entire issued share capital of Denross Limited for a purchase price of $4,500. Payment was in the form of cash paid on December 21, 2021 ($650), cash paid on February 18, 2022 ($3,100) and cash in reserves ($750), of which $375 was paid on February 17, 2023. The total purchase price was allocated to goodwill ($4,645), deferred tax asset ($496) fully offset by a tax valuation allowance ($496), assumed liabilities ($166), customer relationship value ($14), cash ($4) and other receivables ($3). The goodwill will not be deductible for tax purposes; and

(b) The Company acquired the entire issued share capital of Checkweight Limited for a purchase price of $1,500. Payment was in the form of cash ($1,250) and cash in reserves ($250), of which $125 was paid on February 17, 2023. The total purchase price was allocated to goodwill ($1,291), franchise rights acquired ($240), assumed liabilities ($56), customer relationship value ($17), deferred tax asset ($5) fully offset by a tax valuation allowance ($5), cash ($4) and other receivables ($4). The goodwill will not be deductible for tax purposes.

These acquisitions have been accounted for under the purchase method of accounting and, accordingly, earnings of the acquired franchises have been included in the consolidated operating results of the Company since the date of acquisition.

## 6. Franchise Rights Acquired, Goodwill and Other Intangible Assets

Franchise rights acquired are due to acquisitions of the Company's franchised territories as well as the acquisition of franchise promotion agreements and other factors associated with the acquired franchise territories. For the three months ended April 1, 2023, the change in the carrying value of franchise rights acquired was due to the effect of exchange rate changes.

Goodwill primarily relates to the acquisition of the Company by The Kraft Heinz Company (successor to H.J. Heinz Company) in 1978, and the Company's acquisitions of WW.com, LLC (formerly known as WW.com, Inc. and WeightWatchers.com, Inc.) in 2005 and the Company's franchised territories. See Note 5 for additional information about acquisitions by the Company. For the three months ended April 1, 2023, the change in the carrying amount of goodwill was due to the effect of exchange rate changes as follows:

| | North America | International | Total |
|---|---|---|---|
| Balance as of January 1, 2022 | $ 147,530 | $ 9,844 | $ 157,374 |
| Goodwill acquired during the period | — | 5,936 | 5,936 |
| Goodwill impairment | (1,101) | (2,023) | (3,124) |
| Effect of exchange rate changes | (2,862) | (1,326) | (4,188) |
| Balance as of December 31, 2022 | $ 143,567 | $ 12,431 | $ 155,998 |
| Effect of exchange rate changes | 101 | 112 | 213 |
| Balance as of April 1, 2023 | $ 143,668 | $ 12,543 | $ 156,211 |

*Finite-lived Intangible Assets*

The carrying values of finite-lived intangible assets as of April 1, 2023 and December 31, 2022 were as follows:

| | April 1, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Capitalized software costs | $ 107,948 | $ 96,914 | $ 107,229 | $ 94,375 |
| Website development costs | 142,524 | 97,332 | 133,818 | 91,482 |
| Trademarks | 12,171 | 11,928 | 12,162 | 11,882 |
| Other | 13,973 | 6,264 | 13,961 | 6,125 |
| Trademarks and other intangible assets | $ 276,616 | $ 212,438 | $ 267,170 | $ 203,864 |
| Franchise rights acquired | 8,207 | 5,218 | 8,164 | 5,101 |
| Total finite-lived intangible assets | $ 284,823 | $ 217,656 | $ 275,334 | $ 208,965 |

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

Aggregate amortization expense for finite-lived intangible assets was recorded in the amounts of $8,519 and $8,174 for the three months ended April 1, 2023 and April 2, 2022, respectively.

Estimated amortization expense of existing finite-lived intangible assets for the next five fiscal years and thereafter is as follows:

| | |
|---|---|
| Remainder of fiscal 2023 | $ 23,730 |
| Fiscal 2024 | $ 22,678 |
| Fiscal 2025 | $ 11,276 |
| Fiscal 2026 | $ 1,588 |
| Fiscal 2027 | $ 724 |
| Fiscal 2028 | $ 709 |
| Thereafter | $ 6,462 |

## 7. Long-Term Debt

The components of the Company's long-term debt were as follows:

| | April 1, 2023 | | | | December 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Principal Balance | Unamortized Deferred Financing Costs | Unamortized Debt Discount | Effective Rate [1] | Principal Balance | Unamortized Deferred Financing Costs | Unamortized Debt Discount | Effective Rate [1] |
| Revolving Credit Facility due April 13, 2026 | $ — | $ — | $ — | 0.00 % | $ — | $ — | $ — | 0.00 % |
| Term Loan Facility due April 13, 2028 | 945,000 | 5,544 | 11,489 | 8.56 % | 945,000 | 5,821 | 12,064 | 5.85 % |
| Senior Secured Notes due April 15, 2029 | 500,000 | 4,638 | — | 4.65 % | 500,000 | 4,831 | — | 4.70 % |
| Total | $ 1,445,000 | $ 10,182 | $ 11,489 | 7.20 % | $ 1,445,000 | $ 10,652 | $ 12,064 | 5.45 % |
| Less: Current portion | — | | | | — | | | |
| Unamortized deferred financing costs | 10,182 | | | | 10,652 | | | |
| Unamortized debt discount | 11,489 | | | | 12,064 | | | |
| Total long-term debt | $ 1,423,329 | | | | $ 1,422,284 | | | |

(1) Includes amortization of deferred financing costs and debt discount.

On April 13, 2021, the Company (1) repaid in full approximately $1,189,750 in aggregate principal amount of senior secured tranche B term loans due in 2024 under its then-existing credit facilities and (2) redeemed all of the $300,000 in aggregate principal amount of its then-outstanding 8.625% Senior Notes due in 2025 (the "Discharged Senior Notes"). On April 13, 2021, the Company's then-existing credit facilities included a senior secured revolving credit facility (which included borrowing capacity available for letters of credit) due in 2022 with $175,000 in an aggregate principal amount of commitments. There were no outstanding borrowings under such revolving credit facility on that date. The Company funded such repayment of loans and redemption of notes with cash on hand as well as with proceeds received from approximately $1,000,000 in an aggregate principal amount of borrowings under its new credit facilities (as amended from time to time, the "Credit Facilities") and proceeds received from the issuance of $500,000 in aggregate principal amount of 4.500% Senior Secured Notes due 2029 (the "Senior Secured Notes"), each as described below. These transactions are collectively referred to herein as the "April 2021 debt refinancing". During the second quarter of fiscal 2021, the Company incurred fees of $37,910 (which included $12,939 of a prepayment penalty on the Discharged Senior Notes and $5,000 of a debt discount on its Term Loan Facility (as defined below)) in connection with the April 2021 debt refinancing. In addition, the Company recorded a loss on early extinguishment of debt of $29,169 in connection thereto. This early extinguishment of debt charge was comprised of $12,939 of a prepayment penalty on the Discharged Senior Notes, $9,017 of financing fees paid in connection with the April 2021 debt refinancing and the write-off of $7,213 of pre-existing deferred financing fees and debt discount.

*Credit Facilities*

The Credit Facilities were issued under a credit agreement, dated April 13, 2021 (as amended from time to time, the "Credit Agreement"), among the Company, as borrower, the lenders party thereto, and Bank of America, N.A. ("Bank of America"), as administrative agent and an issuing bank. The Credit Facilities consist of (1) $1,000,000 in aggregate principal amount of senior secured tranche B term loans due in 2028 (the "Term Loan Facility") and (2) $175,000 in an aggregate principal amount of commitments under a senior secured revolving credit facility (which includes borrowing capacity available for letters of credit) due in 2026 (the "Revolving Credit Facility").

In December 2021, the Company made voluntary prepayments at par in an aggregate amount of $52,500 in respect of its outstanding term loans under the Term Loan Facility. As a result of these prepayments, the Company wrote off a debt discount and deferred financing fees of $1,183 in the aggregate in the fourth quarter of fiscal 2021.

As of April 1, 2023, the Company had $945,000 in an aggregate principal amount of loans outstanding under the Credit Facilities, with $173,921 of availability and $1,079 in issued but undrawn letters of credit outstanding under the Revolving Credit Facility subject to its terms and conditions as discussed below. There were no outstanding borrowings under the Revolving Credit Facility as of April 1, 2023.

All obligations under the Credit Agreement are guaranteed by, subject to certain exceptions, each of the Company's current and future wholly-owned material domestic restricted subsidiaries. All obligations under the Credit Agreement, and the guarantees of those obligations, are secured by substantially all of the assets of the Company and each guarantor, subject to customary exceptions, including:

- a pledge of 100% of the equity interests directly held by the Company and each guarantor in any wholly-owned material subsidiary of the Company or any guarantor (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such first-tier non-U.S. subsidiary), subject to certain exceptions; and
- a security interest in substantially all other tangible and intangible assets of the Company and each guarantor, subject to certain exceptions.

The Credit Facilities require the Company to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 25% and 0% if the Company attains certain first lien secured net leverage ratios) of the Company's annual excess cash flow;
- 100% of the net cash proceeds of certain non-ordinary course asset sales by the Company and its restricted subsidiaries (including casualty and condemnation events, subject to de minimis thresholds), and subject to the right to reinvest 100% of such proceeds, subject to certain qualifications; and
- 100% of the net proceeds of any issuance or incurrence of debt by the Company or any of its restricted subsidiaries, other than certain debt permitted under the Credit Agreement.

The foregoing mandatory prepayments will be used to reduce the installments of principal on the Term Loan Facility. The Company may voluntarily repay outstanding loans under the Credit Facilities at any time without penalty, except for customary "breakage" costs with respect to LIBOR loans under the Credit Facilities.

Borrowings under the Term Loan Facility bear interest at a rate per annum equal to, at the Company's option, either (1) an applicable margin plus a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate as determined by the Federal Reserve Bank of New York, (b) the prime rate of Bank of America and (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00%; provided that such rate is not lower than a floor of 1.50% or (2) an applicable margin plus a LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided that LIBOR is not lower than a floor of 0.50%. Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to an applicable margin based upon a leverage-based pricing grid, plus, at the Company's option, either (1) a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate as determined by the Federal Reserve Bank of New York, (b) the prime rate of Bank of America and (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00%; provided that such rate is not lower than a floor of 1.00% or (2) a LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided such rate is not lower than a floor of zero. As of April 1, 2023, the applicable margins for the LIBOR rate borrowings under the Term Loan Facility and the Revolving Credit Facility were 3.50% and 2.75%, respectively. In the event that LIBOR is phased out as is currently expected, the Credit Agreement provides that the Company and the administrative agent may amend the Credit Agreement to replace the LIBOR definition therein with a successor rate subject to notifying the lending syndicate of such change and not receiving within five business days of such notification objections to such replacement rate from lenders holding at least a majority of the aggregate principal amount of loans and commitments then outstanding under the Credit Agreement; provided that such lending syndicate may not object to a SOFR-based successor rate contained in any such amendment. If the Company fails to do so, its borrowings will be based off of the alternative base rate plus a margin. The Company expects to transition from LIBOR in advance of its cessation on or about June 30, 2023.

On a quarterly basis, the Company pays a commitment fee to the lenders under the Revolving Credit Facility in respect of unutilized commitments thereunder, which commitment fee fluctuates depending upon the Company's Consolidated First Lien Leverage Ratio (as defined in the Credit Agreement).

The Credit Agreement contains other customary terms, including (1) representations, warranties and affirmative covenants, (2) negative covenants, including limitations on indebtedness, liens, mergers, acquisitions, asset sales, investments, distributions, prepayments of subordinated debt, amendments of material agreements governing subordinated indebtedness, changes to lines of business and transactions with affiliates, in each case subject to baskets, thresholds and other exceptions, and (3) customary events of default.

The availability of certain baskets and the ability to enter into certain transactions are also subject to compliance with certain financial ratios. In addition, if the aggregate principal amount of extensions of credit outstanding under the Revolving Credit Facility as of any fiscal quarter end exceeds 35% of the amount of the aggregate commitments under the Revolving Credit Facility in effect on such date, the Company must be in compliance with a Consolidated First Lien Leverage Ratio of 5.75:1.00 for the period ending after the first fiscal quarter of 2022 through and including the first fiscal quarter of 2023, with a step down to 5.50:1.00 for the period ending after the first fiscal quarter of 2023 through and including the first fiscal quarter of 2024, with an additional step down to 5.25:1.00 for the period ending after the first fiscal quarter of 2024 through and including the first fiscal quarter of 2025 and again to 5.00:1.00, for the period following the first fiscal quarter of 2025. As of April 1, 2023, the Company's actual Consolidated First Lien Leverage Ratio was 6.39:1.00 and there were no borrowings under its Revolving Credit Facility and total letters of credit issued were $1,079. The Company was not in compliance with the Consolidated First Lien Leverage Ratio as of April 1, 2023, and as a result, the Company is limited to borrowing no more than 35%, or $61,250, of the amount of the aggregate commitments under the Revolving Credit Facility as of each fiscal quarter end until the Company complies with the applicable ratio.

*Senior Secured Notes*

The Senior Secured Notes were issued pursuant to an Indenture, dated as of April 13, 2021 (as amended, supplemented or modified from time to time, the "Indenture"), among the Company, the guarantors named therein and The Bank of New York Mellon, as trustee and notes collateral agent. The Indenture contains customary terms, events of default and covenants for an issuer of non-investment grade debt securities. These covenants include limitations on indebtedness, liens, mergers, acquisitions, asset sales, investments, distributions, prepayments of subordinated debt and transactions with affiliates, in each case subject to baskets, thresholds and other exceptions.

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The Senior Secured Notes accrue interest at a rate per annum equal to 4.500% and will mature on April 15, 2029. Interest on the Senior Secured Notes is payable semi-annually on April 15 and October 15 of each year, beginning on October 15, 2021. On or after April 15, 2024, the Company may on any one or more occasions redeem some or all of the Senior Secured Notes at a purchase price equal to 102.250% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date, such optional redemption price decreasing to 101.125% on or after April 15, 2025 and to 100.000% on or after April 15, 2026. Prior to April 15, 2024, the Company may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Senior Secured Notes with an amount not to exceed the net proceeds of certain equity offerings at 104.500% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date. Prior to April 15, 2024, the Company may redeem some or all of the Senior Secured Notes at a make-whole price plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, during any twelve-month period ending prior to April 15, 2024, the Company may redeem up to 10% of the aggregate principal amount of the Senior Secured Notes at a purchase price equal to 103.000% of the principal amount of the Senior Secured Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. If a change of control occurs, the Company must offer to purchase for cash the Senior Secured Notes at a purchase price equal to 101% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date. Following the sale of certain assets and subject to certain conditions, the Company must offer to purchase for cash the Senior Secured Notes at a purchase price equal to 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date.

The Senior Secured Notes are guaranteed on a senior secured basis by the Company's subsidiaries that guarantee the Credit Facilities. The Senior Secured Notes and the note guarantees are secured by a first-priority lien on all the collateral that secures the Credit Facilities, subject to a shared lien of equal priority with the Company's and each guarantor's obligations under the Credit Facilities and subject to certain thresholds, exceptions and permitted liens.

*Outstanding Debt*

At April 1, 2023, the Company had $1,445,000 outstanding under the Credit Facilities and the Senior Secured Notes, consisting of borrowings under the Term Loan Facility of $945,000, $0 drawn down on the Revolving Credit Facility and $500,000 in aggregate principal amount of Senior Secured Notes issued and outstanding.

At April 1, 2023 and December 31, 2022, the Company's debt consisted of both fixed and variable-rate instruments. Interest rate swaps were entered into to hedge a portion of the cash flow exposure associated with the Company's variable-rate borrowings. See Note 11 for information on the Company's interest rate swaps. The weighted average interest rate (which includes amortization of deferred financing costs and debt discount) on the Company's outstanding debt, exclusive of the impact of the swaps then in effect, was approximately 7.20% and 5.45% per annum at April 1, 2023 and December 31, 2022, respectively, based on interest rates on these dates. The weighted average interest rate (which includes amortization of deferred financing costs and debt discount) on the Company's outstanding debt, including the impact of the swaps then in effect, was approximately 6.30% and 5.50% per annum at April 1, 2023 and December 31, 2022, respectively, based on interest rates on these dates.

## 8. Per Share Data

Basic net loss per share is calculated utilizing the weighted average number of common shares outstanding during the periods presented. Diluted net loss per share is calculated utilizing the weighted average number of common shares outstanding during the periods presented adjusted for the effect of dilutive common stock equivalents.

The following table sets forth the computation of basic and diluted net loss per share data:

| | Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| Numerator: | | |
| Net loss | $ (118,679) | $ (8,243) |
| Denominator: | | |
| Weighted average shares of common stock outstanding | 70,596 | 70,086 |
| Effect of dilutive common stock equivalents | — | — |
| Weighted average diluted common shares outstanding | 70,596 | 70,086 |
| Net loss per share | | |
| Basic | $ (1.68) | $ (0.12) |
| Diluted | $ (1.68) | $ (0.12) |

See Note 17 for details on the newly issued shares of the Company's common stock upon the completion of its acquisition of Sequence (as defined below).

The number of anti-dilutive common stock equivalents excluded from the calculation of the weighted average number of common shares for diluted net loss per share was 8,999 and 7,040 for the three months ended April 1, 2023 and April 2, 2022, respectively.

## 9. Taxes

*Income Taxes*

The Company's effective tax rate for the three months ended April 1, 2023 was (132.3%) compared to 17.9% for the three months ended April 2, 2022. The effective tax rate for interim periods is determined using an annual effective tax rate, adjusted for discrete items. The Company was required to increase the valuation allowance recorded against U.S. deferred tax assets as a result of the limitation on interest deductions in the U.S. The forecasted full-year tax expense, which included the increase in valuation allowance, in relation to the Company's forecasted full-year pretax loss (albeit minimal), drove an unusually high negative annual effective tax rate. Applying this negative annual effective tax rate to the pretax loss for the three months ended April 1, 2023 resulted in an income tax expense of $67,580, which is mostly reflected in income taxes payable on the Company's consolidated balance sheet and consolidated statement of cash flows. Given the seasonal nature of the Company's principal business, this income tax expense is expected to largely reverse in the second, third and fourth quarters of fiscal 2023, when the Company expects to earn pretax income.

For the three months ended April 1, 2023, the difference between the U.S. federal statutory tax rate and the Company's consolidated effective tax rate was primarily due to the valuation allowance noted above. In addition, the effective tax rate was impacted by tax expense from income earned in foreign jurisdictions, partially offset by tax benefits related to state income tax and foreign-derived intangible income ("FDII"). For the three months ended April 2, 2022, the difference between the U.S. federal statutory tax rate and the Company's consolidated effective tax rate was primarily due to a tax benefit related to FDII, partially offset by state income tax expense and tax expense from income earned in foreign jurisdictions.

*Non-Income Tax Matters*

The Internal Revenue Service (the "IRS") notified the Company of certain penalties assessed related to the annual disclosure and reporting requirements of the Affordable Care Act. The Company is in the process of appealing this determination and does not believe it has any liability with respect to this matter. Until the appeals process is complete, the IRS will maintain a federal tax lien which is currently limited to certain IRS refunds due to the Company.

## 10. Legal

Due to the nature of the Company's activities, it is, at times, subject to pending and threatened legal actions that arise out of the ordinary course of business. In the opinion of management, the disposition of any such matters is not expected, individually or in the aggregate, to have a material adverse effect on the Company's results of operations, financial condition or cash flows. However, the results of legal actions cannot be predicted with certainty. Therefore, it is possible that the Company's results of operations, financial condition or cash flows could be materially adversely affected in any particular period by the unfavorable resolution of one or more legal actions.

## 11. Derivative Instruments and Hedging

As of April 1, 2023 and December 31, 2022, the Company had in effect interest rate swaps with an aggregate notional amount totaling $500,000.

On June 11, 2018, in order to hedge a portion of its variable rate debt, the Company entered into a forward-starting interest rate swap (the "2018 swap") with an effective date of April 2, 2020 and a termination date of March 31, 2024. The initial notional amount of this swap was $500,000. During the term of this swap, the notional amount decreased from $500,000 effective April 2, 2020 to $250,000 on March 31, 2021. This interest rate swap effectively fixed the variable interest rate on the notional amount of this swap at 3.1005%. On June 7, 2019, in order to hedge a portion of its variable rate debt, the Company entered into a forward-starting interest rate swap (the "2019 swap", and together with the 2018 swap, the "current swaps") with an effective date of April 2, 2020 and a termination date of March 31, 2024. The notional amount of this swap is $250,000. This interest rate swap effectively fixed the variable interest rate on the notional amount of this swap at 1.901%. The current swaps qualify for hedge accounting and, therefore, changes in the fair value of the current swaps have been recorded in accumulated other comprehensive loss.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

As of April 1, 2023, the cumulative unrealized gain for qualifying hedges was reported as a component of accumulated other comprehensive loss in the amount of $8,375 ($11,016 before taxes). As of December 31, 2022, the cumulative unrealized gain for qualifying hedges was reported as a component of accumulated other comprehensive loss in the amount of $10,723 ($14,146 before taxes).

The following table presents the aggregate fair value of the Company's derivative financial instruments by balance sheet classification and location:

| | Balance Sheet Classification | Balance Sheet Location | Fair Value | |
|---|---|---|---|---|
| | | | April 1, 2023 | December 31, 2022 |
| Assets: | | | | |
| Interest rate swaps - current swaps | Current asset | Prepaid expenses and other current assets | $ 11,081 | $ 11,748 |
| Interest rate swaps - current swaps | Noncurrent asset | Other noncurrent assets | — | 2,450 |
| Total assets | | | $ 11,081 | $ 14,198 |

The Company is hedging forecasted transactions for periods not exceeding the next year. The Company expects approximately $10,174 ($13,567 before taxes) of net derivative gains included in accumulated other comprehensive loss at April 1, 2023, based on current market rates, will be reclassified into earnings within the next 12 months.

## 12. Fair Value Measurements

Accounting guidance on fair value measurements for certain financial assets and liabilities requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

When measuring fair value, the Company is required to maximize the use of observable inputs and minimize the use of unobservable inputs.

*Fair Value of Financial Instruments*

The Company's significant financial instruments include long-term debt and interest rate swap agreements as of April 1, 2023 and December 31, 2022. Since there were no outstanding borrowings under the Revolving Credit Facility as of April 1, 2023 and December 31, 2022, the fair value approximated a carrying value of $0 at both April 1, 2023 and December 31, 2022.

The fair value of the Company's Credit Facilities is determined by utilizing average bid prices on or near the end of each fiscal quarter (Level 2 input). As of April 1, 2023 and December 31, 2022, the fair value of the Company's long-term debt was approximately $808,438 and $782,384, respectively, as compared to the carrying value (net of deferred financing costs and debt discount) of $1,423,329 and $1,422,284, respectively.

*Derivative Financial Instruments*

The fair values for the Company's derivative financial instruments are determined using observable current market information such as the prevailing LIBOR interest rate and LIBOR yield curve rates and include consideration of counterparty credit risk. See Note 11 for disclosures related to derivative financial instruments.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

The following table presents the aggregate fair value of the Company's derivative financial instruments:

| | | Fair Value Measurements Using: | | |
|---|---|---|---|---|
| | Total Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Interest rate swap current asset at April 1, 2023 | $ 11,081 | $ — | $ 11,081 | $ — |
| Interest rate swap current asset at December 31, 2022 | $ 11,748 | $ — | $ 11,748 | $ — |
| Interest rate swap noncurrent asset at December 31, 2022 | $ 2,450 | $ — | $ 2,450 | $ — |

The Company did not have any transfers into or out of Levels 1 and 2 and did not maintain any assets or liabilities classified as Level 3 during the three months ended April 1, 2023 and the fiscal year ended December 31, 2022.

## 13. Accumulated Other Comprehensive Loss

Amounts reclassified out of accumulated other comprehensive loss were as follows:

**Changes in Accumulated Other Comprehensive Loss by Component [1]**

| | Three Months Ended April 1, 2023 | | |
|---|---|---|---|
| | Gain on Qualifying Hedges | Loss on Foreign Currency Translation | Total |
| Beginning balance at December 31, 2022 | $ 10,723 | $ (16,193) | $ (5,470) |
| Other comprehensive (loss) income before reclassifications, net of tax | (415) | 85 | (330) |
| Amounts reclassified from accumulated other comprehensive loss, net of tax [2] | (1,933) | — | (1,933) |
| Net current period other comprehensive (loss) income | $ (2,348) | $ 85 | $ (2,263) |
| Ending balance at April 1, 2023 | $ 8,375 | $ (16,108) | $ (7,733) |

(1) Amounts in parentheses indicate debits
(2) See separate table below for details about these reclassifications

| | Three Months Ended April 2, 2022 | | |
|---|---|---|---|
| | (Loss) Gain on Qualifying Hedges | Loss on Foreign Currency Translation | Total |
| Beginning balance at January 1, 2022 | $ (10,843) | $ (7,761) | $ (18,604) |
| Other comprehensive income (loss) before reclassifications, net of tax | 9,391 | (106) | 9,285 |
| Amounts reclassified from accumulated other comprehensive loss, net of tax [2] | 1,657 | — | 1,657 |
| Net current period other comprehensive income (loss) | $ 11,048 | $ (106) | $ 10,942 |
| Ending balance at April 2, 2022 | $ 205 | $ (7,867) | $ (7,662) |

(1) Amounts in parentheses indicate debits
(2) See separate table below for details about these reclassifications

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

**Reclassifications out of Accumulated Other Comprehensive Loss [(1)]**

| Details about Other Comprehensive Loss Components | Three Months Ended: April 1, 2023 — Amounts Reclassified from Accumulated Other Comprehensive Loss | Three Months Ended: April 2, 2022 — Amounts Reclassified from Accumulated Other Comprehensive Loss | Affected Line Item in the Statement Where Net Income is Presented |
|---|---|---|---|
| Gain (Loss) on Qualifying Hedges | | | |
| Interest rate contracts | $ 2,578 | $ (2,213) | Interest expense |
| | 2,578 | (2,213) | Loss before income taxes |
| | (645) | 556 | Provision for (benefit from) income taxes |
| | $ 1,933 | $ (1,657) | Net loss |

(1) Amounts in parentheses indicate debits to profit/loss

## 14. Segment Data

As previously disclosed, effective the first day of fiscal 2023 (i.e., January 1, 2023), the Company realigned its organizational structure and resources to more closely align with its strategic priorities and centralized the global management of certain functions and systems. As a result of the change in its organizational structure, the Company now has two reportable segments, consisting of North America and International, for the purpose of making operational and resource decisions and assessing financial performance. “North America” refers to the Company’s North American Company-owned operations and franchise revenues and related costs; and “International” refers to the Company’s Continental Europe Company-owned operations, United Kingdom Company-owned operations, and Australia, New Zealand and emerging markets operations. The new reportable segments will continue to provide similar services and products. To be consistent with the information that is presented to the chief operating decision maker, the Company does not include intercompany activity in the segment results. Segment information for the three months ended April 2, 2022 presented below has been updated to reflect the new reportable segment structure.

Information about the Company’s reportable segments is as follows:

| | Total Revenues, net Three Months Ended: April 1, 2023 | April 2, 2022 |
|---|---|---|
| North America | $ 171,025 | $ 204,680 |
| International | 70,870 | 93,081 |
| Total revenues, net | $ 241,895 | $ 297,761 |

| | Net Loss Three Months Ended: April 1, 2023 | April 2, 2022 |
|---|---|---|
| Segment operating income: | | |
| North America | $ 10,686 | $ 21,409 |
| International | 9,179 | 18,267 |
| Total segment operating income | 19,865 | 39,676 |
| General corporate expenses | 48,448 | 30,706 |
| Interest expense | 22,846 | 18,671 |
| Other (income) expense, net | (330) | 344 |
| Provision for (benefit from) income taxes | 67,580 | (1,802) |
| Net loss | $ (118,679) | $ (8,243) |

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

| | Depreciation and Amortization Three Months Ended | |
|---|---|---|
| | April 1, 2023 | April 2, 2022 |
| North America | $ 7,468 | $ 8,453 |
| International | 289 | 506 |
| Total segment depreciation and amortization | 7,757 | 8,959 |
| General corporate depreciation and amortization | 5,486 | 3,054 |
| Depreciation and amortization | $ 13,243 | $ 12,013 |

## 15. Related Party

As previously disclosed, on October 18, 2015, the Company entered into the Strategic Collaboration Agreement with Oprah Winfrey, under which she would consult with the Company and participate in developing, planning, executing and enhancing the WW program and related initiatives, and provide it with services in her discretion to promote the Company and its programs, products and services for an initial term of five years (the "Initial Term").

As previously disclosed, on December 15, 2019, the Company entered into an amendment of the Strategic Collaboration Agreement with Ms. Winfrey, pursuant to which, among other things, the Initial Term of the Strategic Collaboration Agreement was extended until April 17, 2023 (with no additional successive renewal terms) after which a second term will commence and continue through the earlier of the date of the Company's 2025 annual meeting of shareholders or May 31, 2025. Ms. Winfrey will continue to provide the above-described services during the remainder of the Initial Term and, during the second term, will provide certain consulting and other services to the Company.

In addition to the Strategic Collaboration Agreement, Ms. Winfrey and her related entities provided services to the Company totaling $235 and $432 for the three months ended April 1, 2023 and April 2, 2022, respectively, which services included advertising, production and related fees.

The Company's accounts payable to parties related to Ms. Winfrey at April 1, 2023 and December 31, 2022 was $0 and $0, respectively.

## 16. Restructuring

*2023 Plan*

As previously disclosed, in the fourth quarter of fiscal 2022, management reviewed the then-current global business operations of the Company as well as the different functions and systems supporting those operations and contrasted them with the Company's strategic priorities and requirements for fiscal 2023 and beyond. Based on that review, in December 2022, the Company's management resolved to centralize its global management of certain functions and systems, deprioritize and in some cases cease operations for certain non-strategic business lines, and continue the rationalization of its real estate portfolio to align with its future needs. Throughout December 2022 and January 2023, management developed and continued refining a detailed plan to achieve these goals.

The Company has committed to a restructuring plan consisting of (i) an organizational restructuring and rationalization of certain functions and systems to centralize the Company's management, align resources with strategic business lines and reduce costs associated with certain functions and systems (the "Organizational Restructuring") and (ii) the continued rationalization of its real estate portfolio and resulting operating lease termination charges and the associated employment termination costs (the "Real Estate Restructuring," and together with the Organizational Restructuring, the "2023 Plan"). In connection with the 2023 Plan, the Company continues to expect to record restructuring charges of approximately $39,000 to $46,000 in the aggregate. For the fiscal year ended December 31, 2022, the Company recorded restructuring charges totaling $13,608 ($10,201 after tax) in connection with the 2023 Plan. For the three months ended April 1, 2023, the Company recorded restructuring charges totaling $22,632 ($16,972 after tax) in connection with the 2023 Plan.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

The Organizational Restructuring has resulted and will further result in the elimination of certain positions and the termination of employment for certain employees worldwide. In connection with the Organizational Restructuring, the Company continues to expect to record restructuring charges of approximately $15,000 to $18,000 in the aggregate, consisting primarily of general and administrative expenses. The majority of these charges were recorded in the fourth quarter of fiscal 2022 at the time management resolved to undertake the Organizational Restructuring. For the fiscal year ended December 31, 2022, the Company recorded employee termination benefit costs related to the Organizational Restructuring totaling $11,810 ($8,853 after tax). For the three months ended April 1, 2023, the Company recorded employee termination benefit costs related to the Organizational Restructuring totaling $3,739 ($2,804 after tax).

In connection with the Real Estate Restructuring, the Company continues to expect to record restructuring charges of approximately $24,000 to $28,000 in the aggregate, the majority of which was recorded in the first quarter of fiscal 2023. For the fiscal year ended December 31, 2022, the Company recorded employee termination benefit costs related to the Real Estate Restructuring totaling $1,798 ($1,348 after tax). For the three months ended April 1, 2023, in connection with the Real Estate Restructuring, the Company recorded lease termination and other related costs totaling $14,329 ($10,745 after tax) and employee termination benefit costs totaling $4,364 ($3,273 after tax).

Substantially all of the costs arising from the 2023 Plan are expected to result in cash expenditures related to separation payments, other employee termination expenses and lease termination payments. The Company expects the 2023 Plan to be fully executed by the end of fiscal 2023.

For the three months ended April 1, 2023, the components of the Company's restructuring charges for the 2023 Plan were as follows:

| | Three Months Ended April 1, 2023 |
|---|---|
| Real Estate Restructuring - Lease termination and other related costs | $ 14,329 |
| Real Estate Restructuring - Employee termination benefit costs | 4,364 |
| Organizational Restructuring - Employee termination benefit costs | 3,739 |
| Other costs | 200 |
| Total restructuring charges | $ 22,632 |

For the three months ended April 1, 2023, restructuring charges for the 2023 Plan were recorded in the Company's consolidated statements of operations as follows:

| | Three Months Ended April 1, 2023 |
|---|---|
| Cost of revenues | $ 18,893 |
| Selling, general and administrative expenses | 3,739 |
| Total restructuring charges | $ 22,632 |

For the fiscal year ended December 31, 2022, the components of the Company's restructuring charges for the 2023 Plan were as follows:

| | Fiscal Year Ended December 31, 2022 |
|---|---|
| Real Estate Restructuring - Employee termination benefit costs | $ 1,798 |
| Organizational Restructuring - Employee termination benefit costs | 11,810 |
| Total restructuring charges | $ 13,608 |

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

For the fiscal year ended December 31, 2022, restructuring charges for the 2023 Plan were recorded in the Company's consolidated statements of operations as follows:

| | Fiscal Year Ended December 31, 2022 |
|---|---|
| Cost of revenues | $ 1,798 |
| Selling, general and administrative expenses | 11,810 |
| Total restructuring charges | $ 13,608 |

All expenses were recorded to general corporate expenses and, therefore, there was no impact to the segments.

In connection with the Real Estate Restructuring, for the three months ended April 1, 2023, the Company made payments of $1,473 towards the liability for the lease termination costs and $1,623 towards the liability for the employee termination benefit costs. In connection with the Organizational Restructuring, for the three months ended April 1, 2023, the Company made payments of $2,965 towards the liability for the employee termination benefit costs.

The Company expects the remaining lease termination liability related to the Real Estate Restructuring of $10,971, the remaining employee termination benefit liability related to the Real Estate Restructuring of $4,539 and the remaining employee termination benefit liability related to the Organizational Restructuring of $12,584 to be paid in full by the end of fiscal 2025.

*2022 Plan*

As previously disclosed, in the second quarter of fiscal 2022, the Company committed to a restructuring plan consisting of (i) an organizational realignment to simplify the Company's corporate structure and reduce associated costs (the "Organizational Realignment") and (ii) a continued rationalization of its real estate portfolio resulting in the termination of certain of the Company's operating leases (together with the Organizational Realignment, the "2022 Plan"). The Organizational Realignment has resulted in the elimination of certain positions and termination of employment for certain employees worldwide. For the fiscal year ended December 31, 2022, the Company recorded restructuring charges totaling $27,181 ($20,375 after tax).

Costs arising from the 2022 Plan related to separation payments, other employee termination expenses and lease termination and other related costs, except for lease impairment and accelerated depreciation and amortization related to leased locations, are expected to result in cash expenditures.

For the fiscal year ended December 31, 2022, the components of the Company's restructuring charges for the 2022 Plan were as follows:

| | Fiscal Year Ended December 31, 2022 |
|---|---|
| Lease termination and other related costs | $ 3,791 |
| Employee termination benefit costs | 19,170 |
| Lease impairments | 2,680 |
| Other costs | 1,540 |
| Total restructuring charges | $ 27,181 |

For the fiscal year ended December 31, 2022, restructuring charges for the 2022 Plan were recorded in the Company's consolidated statements of operations as follows:

| | Fiscal Year Ended December 31, 2022 |
|---|---|
| Cost of revenues | $ 6,476 |
| Selling, general and administrative expenses | 20,705 |
| Total restructuring charges | $ 27,181 |

All expenses were recorded to general corporate expenses and, therefore, there was no impact to the segments.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

For the fiscal year ended December 31, 2022, the Company made payments of $1,877 towards the liability for the lease termination costs. For the fiscal year ended December 31, 2022, the Company made payments of $10,909 towards the liability for the employee termination benefit costs.

For the three months ended April 1, 2023, the Company made payments of $122 towards the liability for the lease termination costs and decreased provision estimates by $425. For the three months ended April 1, 2023, the Company made payments of $1,750 towards the liability for the employee termination benefit costs and increased provision estimates by $465.

As of April 1, 2023, there was no outstanding lease termination liability. The Company expects the remaining employee termination benefit liability of $6,976 to be paid in full by the end of fiscal 2024.

*2021 Plan*

As previously disclosed, in the first quarter of fiscal 2021, as the Company continued to evaluate its cost structure, anticipate consumer demand and focus on costs, the Company committed to a plan which has resulted in the termination of operating leases and elimination of certain positions worldwide. For the fiscal year ended January 1, 2022, the Company recorded restructuring charges totaling $21,534 ($16,109 after tax).

For the fiscal year ended January 1, 2022, the components of the Company's restructuring charges were as follows:

| | | Fiscal Year Ended January 1, 2022 |
|---|---|---|
| Lease termination and other related costs | $ | 12,688 |
| Employee termination benefit costs | | 8,846 |
| Total restructuring charges | $ | 21,534 |

For the fiscal year ended January 1, 2022, restructuring charges were recorded in the Company's consolidated statements of operations as follows:

| | | Fiscal Year Ended January 1, 2022 |
|---|---|---|
| Cost of revenues | $ | 16,727 |
| Selling, general and administrative expenses | | 4,807 |
| Total restructuring charges | $ | 21,534 |

All expenses were recorded to general corporate expenses and, therefore, there was no impact to the segments.

For the fiscal year ended January 1, 2022, the Company made payments of $7,640 towards the liability for the lease termination costs and decreased provision estimates by $3. For the fiscal year ended January 1, 2022, the Company made payments of $4,802 towards the liability for the employee termination benefit costs.

For the fiscal year ended December 31, 2022, the Company made payments of $777 towards the liability for the lease termination costs, decreased provision estimates by $681 and incurred additional lease termination and other related costs of $119. For the fiscal year ended December 31, 2022, the Company made payments of $3,814 towards the liability for the employee termination benefit costs, increased provision estimates by $72 and incurred additional employee termination benefit costs of $148.

For the three months ended April 1, 2023, the Company made payments of $323 towards the liability for the employee termination benefit costs and decreased provision estimates by $7.

As of April 1, 2023, there was no outstanding lease termination liability. The Company expects the remaining employee termination benefit liability of $120 to be paid in full by the end of fiscal 2023.

(IN THOUSANDS, EXCEPT PER SHARE AND PER UNIT AMOUNTS)

*2020 Plan*

As previously disclosed, in the second quarter of fiscal 2020, in connection with its cost-savings initiative, and its continued response to the COVID-19 pandemic and the related shift in market conditions, the Company committed to a plan of reduction in force which has resulted in the elimination of certain positions and termination of employment for certain employees worldwide. To adjust to anticipated consumer demand, the Company evolved its workshop strategy and expanded its restructuring plan to include lease termination and other related costs. For the fiscal year ended January 2, 2021, the Company recorded restructuring charges totaling $33,092 ($24,756 after tax).

For the fiscal year ended January 2, 2021, the components of the Company's restructuring charges were as follows:

| | Fiscal Year Ended January 2, 2021 |
|---|---|
| Lease termination and other related costs | $ 7,989 |
| Employee termination benefit costs | 25,103 |
| Total restructuring charges | $ 33,092 |

For the fiscal year ended January 2, 2021, restructuring charges were recorded in the Company's consolidated statements of operations as follows:

| | Fiscal Year Ended January 2, 2021 |
|---|---|
| Cost of revenues | $ 23,300 |
| Selling, general and administrative expenses | 9,792 |
| Total restructuring charges | $ 33,092 |

All expenses were recorded to general corporate expenses and, therefore, there was no impact to the segments.

For the fiscal year ended January 2, 2021, the Company made payments of $645 towards the liability for the lease termination costs. For the fiscal year ended January 2, 2021, the Company made payments of $15,434 towards the liability for the employee termination benefit costs and increased provision estimates by $180.

For the fiscal year ended January 1, 2022, the Company made payments of $4,649 towards the liability for the lease termination costs and decreased provision estimates by $470. For the fiscal year ended January 1, 2022, the Company made payments of $6,773 towards the liability for the employee termination benefit costs and decreased provision estimates by $1,136.

For the fiscal year ended December 31, 2022, the Company made payments of $86 towards the liability for the lease termination costs and decreased provision estimates by $116. For the fiscal year ended December 31, 2022, the Company made payments of $1,202 towards the liability for the employee termination benefit costs and decreased provision estimates by $621.

For the three months ended April 1, 2023, the Company made payments of $94 towards the liability for the employee termination benefit costs and decreased provision estimates by $5.

As of April 1, 2023, there was no outstanding lease termination liability. The Company expects the remaining employee termination benefit liability of $18 to be paid in full by the end of fiscal 2023.

## 17. Subsequent Event

On April 10, 2023 (the "Closing Date"), the Company completed its previously announced acquisition of Weekend Health, Inc., doing business as Sequence, a Delaware corporation ("Sequence"), subject to the terms and conditions set forth in the Agreement and Plan of Merger, dated as of March 4, 2023, by and among the Company, Well Holdings, Inc., a Delaware corporation and a wholly-owned subsidiary of the Company, Sequence, and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as the Equityholders' Representative (as defined therein) for Sequence (the "Merger Agreement"), pursuant to which Sequence continued as a wholly-owned subsidiary of the Company (the "Acquisition"). Sequence provides a technology powered care platform and mobile web application through its subscription based service, which includes a comprehensive weight management program, pharmacotherapy treatment, nutrition plans, health insurance coordination services, and access to clinicians, dietitians, fitness coaches and care coordinators.

As consideration for the Acquisition, the Company agreed to pay an aggregate amount equal to $132,000, subject to the adjustments set forth in the Merger Agreement (the "Merger Consideration"). Subject to the terms and conditions of the Merger Agreement, the Merger Consideration has been paid, or is payable, as follows: (i) approximately $64,217 in cash (inclusive of approximately $25,800 of cash on the balance sheet of Sequence) and approximately $34,702 in the form of approximately 7,996 newly issued shares of Company common stock (valued at $4.34 per share), in each case, paid on or payable following the Closing Date, (ii) $16,000 in cash to be paid on April 10, 2024, and (iii) $16,000 in cash to be paid on April 10, 2025, in each case, subject to the adjustments and deductions set forth in the Merger Agreement.

The initial allocation of the purchase price for the Acquisition is pending the completion of the Company's analysis. Accordingly, such disclosures related to this business combination were not made at the time these consolidated financial statements were issued. The results of operations of Sequence will be included in the consolidated operating results of the Company from the Closing Date.

## CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Except for historical information contained herein, this Quarterly Report on Form 10-Q 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 (the "Exchange Act"), including, in particular, the statements about our plans, strategies, objectives and prospects under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." We have generally used the words "may," "will," "could," "expect," "anticipate," "believe," "estimate," "plan," "intend," "aim" and similar expressions in this Quarterly Report on Form 10-Q to identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. Actual results could differ materially from those projected in these forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions, including, among other things:

- the impact of the COVID-19 pandemic on our business and the consumer environment and markets in which we operate;
- competition from other weight management and wellness industry participants or the development of more effective or more favorably perceived weight management methods;
- our failure to continue to retain and grow our subscriber base;
- our ability to continue to develop new, innovative services and products and enhance our existing services and products or the failure of our services, products or brands to continue to appeal to the market, or our ability to successfully expand into new channels of distribution or respond to consumer trends or sentiment;
- the ability to successfully implement strategic initiatives;
- our ability to transform our Workshops + Digital business strategy to meet the evolving needs of our members;
- the effectiveness and efficiency of our advertising and marketing programs, including the strength of our social media presence;
- the impact on our reputation of actions taken by our franchisees, licensees, suppliers and other partners, including as a result of our acquisition of Weekend Health, Inc., doing business as Sequence ("Sequence") (the "Acquisition");
- the recognition of asset impairment charges;
- the loss of key personnel, strategic partners or consultants or failure to effectively manage and motivate our workforce;
- our chief executive officer transition;
- the inability to renew certain of our licenses, or the inability to do so on terms that are favorable to us;
- the early termination by us of leases;
- uncertainties related to a downturn in general economic conditions or consumer confidence, including as a result of the existing inflationary environment, the potential impact of political and social unrest and instability in the banking system as a result of several recent bank failures;
- our ability to successfully make acquisitions or enter into joint ventures or collaborations, including our ability to successfully integrate, operate or realize the anticipated benefits of such businesses, including with respect to Sequence;
- the seasonal nature of our principal business;
- the impact of events that discourage or impede people from gathering with others or impede accessing resources;
- our failure to maintain effective internal control over financial reporting;
- the impact of our substantial amount of debt, debt service obligations and debt covenants, and our exposure to variable rate indebtedness;
- the ability to generate sufficient cash to service our debt and satisfy our other liquidity requirements;
- uncertainties regarding the satisfactory operation of our technology or systems;
- the impact of data security breaches and other malicious acts or privacy concerns, including the costs of compliance with evolving privacy laws and regulations;
- our ability to enforce our intellectual property rights both domestically and internationally, as well as the impact of our involvement in any claims related to intellectual property rights;
- risks and uncertainties associated with our international operations, including regulatory, economic, political, social, intellectual property, and foreign currency risks, which risks may be exacerbated as a result of the war in Ukraine;
- the outcomes of litigation or regulatory actions;
- the impact of existing and future laws and regulations;
- risks related to our Acquisition, including risks that the Acquisition may not achieve its intended results;
- risks related to our exposure to extensive and complex healthcare laws and regulations as a result of the Acquisition;

- the possibility that the interests of Artal Group S.A. (“Artal”), the largest holder of our common stock and a shareholder with significant influence over us, will conflict with our interests or the interests of other holders of our common stock;
- the impact that the sale of substantial amounts of our common stock by existing large shareholders, or the perception that such sales could occur, could have on the market price of our common stock; and
- other risks and uncertainties, including those detailed from time to time in our periodic reports filed with the Securities and Exchange Commission (the “SEC”).

You should not put undue reliance on any forward-looking statements. You should understand that many important factors, including those discussed herein, could cause our results to differ materially from those expressed or suggested in any forward-looking statement. Except as required by law, we do not undertake any obligation to update or revise these forward-looking statements to reflect new information or events or circumstances that occur after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of unanticipated events or otherwise.

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

WW International, Inc. is a Virginia corporation with its principal executive offices in New York, New York. In this Quarterly Report on Form 10-Q unless the context indicates otherwise: "we," "us," "our," the "Company," "Weight Watchers" and "WW" refer to WW International, Inc. and all of its operations consolidated for purposes of its financial statements; "North America" refers to our North American Company-owned operations and franchise revenues and related costs; and "International" refers to our Continental Europe Company-owned operations, United Kingdom Company-owned operations, and Australia, New Zealand and emerging markets operations. Effective the first day of fiscal 2023 (i.e., January 1, 2023), we realigned our organizational structure and resources to more closely align with our strategic priorities and centralized the global management of certain functions and systems, resulting in each of North America and International being our sole reportable segments as of such date. Our "Digital" business refers to providing subscriptions to our digital product offerings, which formerly included Digital 360 (as applicable). Our "Workshops + Digital" business refers to providing unlimited access to our workshops combined with our digital subscription product offerings to commitment plan subscribers, including former Digital 360 members (as applicable). It also formerly included the provision of access to workshops for members who did not subscribe to commitment plans, which included our "pay-as-you-go" members. In the second quarter of fiscal 2022, we ceased offering our Digital 360 product. More than a majority of associated members were transitioned from our Digital business to our Workshops + Digital business during the second quarter of fiscal 2022, with a de minimis number transitioning during the beginning of the third quarter of fiscal 2022. For additional details on the cessation of this product offering and how these transitions of former Digital 360 members at the then-current pricing for such product impacted the fiscal 2022 second quarter and first half number of End of Period Subscribers in each business as well as the associated Paid Weeks and Revenues for each business, see our Quarterly Report on Form 10-Q for the second quarter of fiscal 2022.

Our fiscal year ends on the Saturday closest to December 31st and consists of either 52- or 53-week periods. In this Quarterly Report on Form 10-Q:

- "fiscal 2020" refers to our fiscal year ended January 2, 2021 (included a 53rd week);
- "fiscal 2021" refers to our fiscal year ended January 1, 2022;
- "fiscal 2022" refers to our fiscal year ended December 31, 2022;
- "fiscal 2023" refers to our fiscal year ended December 30, 2023;
- "fiscal 2024" refers to our fiscal year ended December 28, 2024;
- "fiscal 2025" refers to our fiscal year ended January 3, 2026 (includes a 53rd week);
- "fiscal 2026" refers to our fiscal year ended January 2, 2027;
- "fiscal 2027" refers to our fiscal year ended January 1, 2028; and
- "fiscal 2028" refers to our fiscal year ended December 30, 2028.

The following terms used in this Quarterly Report on Form 10-Q are our trademarks: Digital 360®, Weekend Health™, Weight Watchers® and the WW logo.

You should read the following discussion in conjunction with our Annual Report on Form 10-K for fiscal 2022 that includes additional information about us, our results of operations, our financial position and our cash flows, and with our unaudited consolidated financial statements and related notes included in Item 1 of this Quarterly Report on Form 10-Q (collectively referred to as the "Consolidated Financial Statements").

**NON-GAAP FINANCIAL MEASURES**

To supplement our consolidated results presented in accordance with accounting principles generally accepted in the United States ("GAAP"), we have disclosed non-GAAP financial measures of operating results that exclude or adjust certain items. Gross profit, gross margin, operating (loss) income, operating (loss) income margin and components thereof are discussed in this Quarterly Report on Form 10-Q both as reported (on a GAAP basis) and as adjusted (on a non-GAAP basis), as applicable, with respect to (i) the first quarter of fiscal 2023 to exclude the net impact of (a) charges associated with our previously disclosed 2023 restructuring plan (the "2023 plan"), (b) charges associated with our previously disclosed 2022 restructuring plan (the "2022 plan") or the reversal of certain of the charges associated with the 2022 plan, as applicable, (c) the reversal of certain of the charges associated with our previously disclosed 2021 organizational restructuring plan (the "2021 plan"), and (d) the reversal of certain of the charges associated with our previously disclosed 2020 organizational restructuring plan (the "2020 plan"); and (ii) the first quarter of fiscal 2022 to exclude (a) the net impact of (x) charges associated with the 2021 plan and (y) the reversal of certain of the charges associated with the 2020 plan or (b) the impact of charges associated with the 2021 plan. We generally refer to such non-GAAP measures as excluding or adjusting for the net impact of restructuring charges or the impact of restructuring charges, as applicable. We also present within this Quarterly Report on Form 10-Q the non-GAAP financial measures: earnings before interest, taxes, depreciation, amortization and stock-based compensation ("EBITDAS"); earnings before interest, taxes, depreciation, amortization, stock-based compensation, franchise rights acquired and goodwill impairments, and restructuring charges (including the net impact where applicable) ("Adjusted EBITDAS"); total debt less unamortized deferred financing costs, unamortized debt discount and cash on hand (i.e., net debt); and a net debt/Adjusted EBITDAS ratio. See "—Liquidity and Capital Resources—EBITDAS, Adjusted EBITDAS and Net Debt" for the reconciliations of these non-GAAP financial measures to the most comparable GAAP financial measure in each case. Our management believes these non-GAAP financial measures provide useful supplemental information to investors regarding the performance of our business and are useful for period-over-period comparisons of the performance of our business. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similarly entitled measures reported by other companies.

**USE OF CONSTANT CURRENCY**

As exchange rates are an important factor in understanding period-to-period comparisons, we believe in certain cases the presentation of results on a constant currency basis in addition to reported results helps improve investors' ability to understand our operating results and evaluate our performance in comparison to prior periods. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a constant currency basis as one measure to evaluate our performance. In this Quarterly Report on Form 10-Q, we calculate constant currency by calculating current-year results using prior-year foreign currency exchange rates. We generally refer to such amounts calculated on a constant currency basis as excluding or adjusting for the impact of foreign currency or being on a constant currency basis. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP and are not meant to be considered in isolation. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with GAAP.

**CRITICAL ACCOUNTING ESTIMATES**

For a discussion of the critical accounting estimates affecting us, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" of our Annual Report on Form 10-K for fiscal 2022. Our critical accounting estimates have not changed since the end of fiscal 2022.

**PERFORMANCE INDICATORS**

Our management team regularly reviews and analyzes a number of financial and operating metrics, including the key performance indicators listed below, in order to manage our business, measure our performance, identify trends affecting our business, determine the allocation of resources, make decisions regarding corporate strategies and assess the quality and potential variability of our cash flows and earnings. We also believe that these key performance indicators are useful to both management and investors for forecasting purposes and to facilitate comparisons to our historical operating results. These metrics are supplemental to our GAAP results and include operational measures.

- Revenues—Our "Subscription Revenues" consist of "Digital Subscription Revenues" and "Workshops + Digital Fees". "Digital Subscription Revenues" consist of the fees associated with subscriptions for our Digital offerings, which formerly included Digital 360 (as applicable). "Workshops + Digital Fees" consist of the fees associated with our subscription plans for combined workshops and digital offerings and other payment arrangements for access to workshops. In addition, "product sales and other" consists of sales of consumer products via e-commerce, in studios and through our trusted partners, revenues from licensing and publishing, other revenues, and, in the case of the consolidated financial results and the North America reportable segment, franchise fees with respect to commitment plans and royalties.
- Paid Weeks—The "Paid Weeks" metric reports paid weeks by WW customers in Company-owned operations for a given period as follows: (i) "Digital Paid Weeks" is the total paid subscription weeks for our digital subscription products, which formerly included Digital 360 (as applicable); (ii) "Workshops + Digital Paid Weeks" is the sum of total paid commitment plan weeks which include workshops and digital offerings and formerly included total "pay-as-you-go" weeks; and (iii) "Total Paid Weeks" is the sum of Digital Paid Weeks and Workshops + Digital Paid Weeks.
- Incoming Subscribers—"Subscribers" refer to Digital subscribers and Workshops + Digital subscribers who participate in recurring bill programs in Company-owned operations. The "Incoming Subscribers" metric reports WW subscribers in Company-owned operations at a given period start as follows: (i) "Incoming Digital Subscribers" is the total number of Digital, including former Digital 360 (as applicable), subscribers; (ii) "Incoming Workshops + Digital Subscribers" is the total number of commitment plan subscribers that have access to combined workshops and digital offerings; and (iii) "Incoming Subscribers" is the sum of Incoming Digital Subscribers and Incoming Workshops + Digital Subscribers. Recruitment and retention are key drivers for this metric.
- End of Period Subscribers—The "End of Period Subscribers" metric reports WW subscribers in Company-owned operations at a given period end as follows: (i) "End of Period Digital Subscribers" is the total number of Digital, including former Digital 360 (as applicable), subscribers; (ii) "End of Period Workshops + Digital Subscribers" is the total number of commitment plan subscribers that have access to combined workshops and digital offerings; and (iii) "End of Period Subscribers" is the sum of End of Period Digital Subscribers and End of Period Workshops + Digital Subscribers. Recruitment and retention are key drivers for this metric.
- Gross profit and operating expenses as a percentage of revenue.

## RESULTS OF OPERATIONS

### THREE MONTHS ENDED APRIL 1, 2023 COMPARED TO THE THREE MONTHS ENDED APRIL 2, 2022

The table below sets forth selected financial information for the first quarter of fiscal 2023 from our consolidated statements of operations for the three months ended April 1, 2023 versus selected financial information for the first quarter of fiscal 2022 from our consolidated statements of operations for the three months ended April 2, 2022.

**Summary of Selected Financial Data**

| | (In millions, except per share amounts) For The Three Months Ended | | | | |
|---|---|---|---|---|---|
| | April 1, 2023 | April 2, 2022 | Increase/ (Decrease) | % Change | % Change Constant Currency |
| Revenues, net | $ 241.9 | $ 297.8 | $ (55.9) | (18.8%) | (17.1%) |
| Cost of revenues | 122.4 | 117.7 | 4.7 | 4.0% | 5.4% |
| Gross profit | 119.5 | 180.1 | (60.6) | (33.6%) | (31.8%) |
| *Gross Margin %* | *49.4%* | *60.5%* | | | |
| | | | | | |
| Marketing expenses | 88.2 | 107.6 | (19.3) | (18.0%) | (16.2%) |
| Selling, general & administrative expenses | 59.9 | 63.6 | (3.7) | (5.8%) | (4.6%) |
| Operating (loss) income | (28.6) | 9.0 | (37.6) | (100.0%)* | (100.0%)* |
| *Operating (Loss) Income Margin %* | *(11.8%)* | *3.0%* | | | |
| | | | | | |
| Interest expense | 22.8 | 18.7 | 4.2 | 22.4% | 22.4% |
| Other (income) expense, net | (0.3) | 0.3 | (0.7) | (100.0%)* | (100.0%)* |
| Loss before income taxes | (51.1) | (10.0) | (41.1) | (100.0%)* | (100.0%)* |
| | | | | | |
| Provision for (benefit from) income taxes | 67.6 | (1.8) | 69.4 | 100.0%* | 100.0%* |
| Net loss | $ (118.7) | $ (8.2) | $ (110.4) | (100.0%)* | (100.0%)* |
| | | | | | |
| Weighted average diluted shares outstanding | 70.6 | 70.1 | 0.5 | 0.7% | 0.7% |
| Diluted net loss per share | $ (1.68) | $ (0.12) | $ (1.56) | (100.0%)* | (100.0%)* |

Note: Totals may not sum due to rounding.
*Note: Percentage in excess of 100.0%.

Certain results for the first quarter of fiscal 2023 are adjusted to exclude the net impact of the $22.6 million of 2023 plan restructuring charges and de minimis 2022 plan restructuring charges, 2021 plan restructuring charges and 2020 plan restructuring charges. See "Non-GAAP Financial Measures" above. The table below sets forth a reconciliation of certain of those components of our selected financial data for the three months ended April 1, 2023 which have been adjusted.

| (in millions except percentages) | Gross Profit | Gross Margin | Operating Loss | Operating Loss Margin |
|---|---|---|---|---|
| **First Quarter of Fiscal 2023** | $ 119.5 | *49.4%* | $ (28.6) | *(11.8%)* |
| Adjustments to reported amounts [1] | | | | |
| 2023 plan restructuring charges | 18.9 | | 22.6 | |
| 2022 plan restructuring charges | (0.3) | | 0.0 | |
| 2021 plan restructuring charges | (0.0) | | (0.0) | |
| 2020 plan restructuring charges | (0.0) | | (0.0) | |
| Total adjustments [1] | 18.6 | | 22.7 | |
| **First Quarter of Fiscal 2023, as adjusted [1]** | $ 138.1 | *57.1%* | $ (5.9) | *(2.4%)* |

Note: Totals may not sum due to rounding.

(1) The "As adjusted" measure is a non-GAAP financial measure that adjusts the consolidated statements of operations for the first quarter of fiscal 2023 to exclude the net impact of the $22.6 million ($17.0 million after tax) of 2023 plan restructuring charges, the $40 thousand ($30 thousand after tax) of 2022 plan restructuring charges, the reversal of $7 thousand ($5 thousand after tax) of 2021 plan restructuring charges and the reversal of $5 thousand ($4 thousand after tax) of 2020 plan restructuring charges. See "Non-GAAP Financial Measures" above for an explanation of our use of non-GAAP financial measures.

Certain results for the first quarter of fiscal 2022 are adjusted to exclude the net impact of the $0.3 million of 2021 plan restructuring charges and the reversal of $0.1 million of 2020 plan restructuring charges. See "Non-GAAP Financial Measures" above. The table below sets forth a reconciliation of certain of those components of our selected financial data for the three months ended April 2, 2022 which have been adjusted.

| (in millions except percentages) | Gross Profit | Gross Margin | Operating Income | Operating Income Margin |
|---|---|---|---|---|
| **First Quarter of Fiscal 2022** | $ 180.1 | *60.5%* | $ 9.0 | *3.0%* |
| Adjustments to reported amounts [1] | | | | |
| 2021 plan restructuring charges | 0.0 | | 0.3 | |
| 2020 plan restructuring charges | (0.1) | | (0.1) | |
| Total adjustments [1] | (0.1) | | 0.1 | |
| **First Quarter of Fiscal 2022, as adjusted [1]** | $ 180.0 | *60.5%* | $ 9.1 | *3.1%* |

Note: Totals may not sum due to rounding.

(1) The "As adjusted" measure is a non-GAAP financial measure that adjusts the consolidated statements of operations for the first quarter of fiscal 2022 to exclude the net impact of $0.3 million ($0.2 million after tax) of 2021 plan restructuring charges and the reversal of $0.1 million ($0.1 million after tax) of 2020 plan restructuring charges. See "Non-GAAP Financial Measures" above for an explanation of our use of non-GAAP financial measures.

**Consolidated Results**

*Revenues*

Revenues for the first quarter of fiscal 2023 were $241.9 million, a decrease of $55.9 million, or 18.8%, versus the first quarter of fiscal 2022. Excluding the impact of foreign currency, which negatively impacted our revenues in the first quarter of fiscal 2023 by $4.9 million, revenues for the first quarter of fiscal 2023 would have decreased 17.1% versus the prior year period. This decrease was driven primarily by lower Digital Subscription Revenues as a result of the lower number of Incoming Digital Subscribers at the beginning of fiscal 2023 versus the beginning of fiscal 2022. See "—Segment Results" for additional details on revenues.

*Cost of Revenues*

Cost of revenues for the first quarter of fiscal 2023 increased $4.7 million, or 4.0%, versus the first quarter of fiscal 2022. Excluding the impact of foreign currency, which decreased cost of revenues in the first quarter of fiscal 2023 by $1.6 million, cost of revenues for the first quarter of fiscal 2023 would have increased 5.4% versus the prior year period. Excluding the net impact of the $18.6 million of restructuring charges in the first quarter of fiscal 2023 and the net impact of the $(0.1) million of restructuring charges in the first quarter of fiscal 2022, cost of revenues for the first quarter of fiscal 2023 would have decreased by 11.9%, or 10.5% on a constant currency basis, versus the prior year period.

*Gross Profit*

Gross profit for the first quarter of fiscal 2023 decreased $60.6 million, or 33.6%, versus the first quarter of fiscal 2022. Excluding the impact of foreign currency, which negatively impacted gross profit in the first quarter of fiscal 2023 by $3.3 million, gross profit for the first quarter of fiscal 2023 would have decreased 31.8% versus the prior year period. Excluding the net impact of the $18.6 million of restructuring charges in the first quarter of fiscal 2023 and the net impact of the $(0.1) million of restructuring charges in the first quarter of fiscal 2022, gross profit for the first quarter of fiscal 2023 would have decreased by 23.3%, or 21.4% on a constant currency basis, versus the prior year period primarily due to the decrease in revenues. Gross margin for the first quarter of fiscal 2023 decreased to 49.4% versus 60.5% for the first quarter of fiscal 2022. Excluding the impact of foreign currency, gross margin in the first quarter of fiscal 2023 would have decreased 10.7% to 49.8% versus the prior year period. Excluding the net impact of restructuring charges in the first quarter of fiscal 2023 and the net impact of restructuring charges in the first quarter of fiscal 2022, gross margin for the first quarter of fiscal 2023 would have decreased 3.4% to 57.1% versus the prior year period. Excluding the impact of foreign currency, the net impact of restructuring charges in the first quarter of fiscal 2023 and the net impact of restructuring charges in the first quarter of fiscal 2022, gross margin for the first quarter of fiscal 2023 would have decreased 3.1% to 57.3% versus the prior year period. This gross margin decrease was driven primarily by a mix shift to the Workshops + Digital business, fixed cost deleverage, and the accounting for subscription and consumer product promotional bundles in the first quarter of fiscal 2023.

*Marketing*

Marketing expenses for the first quarter of fiscal 2023 decreased $19.3 million, or 18.0%, versus the first quarter of fiscal 2022. Excluding the impact of foreign currency, which decreased marketing expenses in the first quarter of fiscal 2023 by $1.9 million, marketing expenses for the first quarter of fiscal 2023 would have decreased 16.2% versus the prior year period. This decrease in marketing expenses was primarily due to lower spend on TV advertising in the first quarter of fiscal 2023 versus the prior year period as well as the shift of marketing spend out of the first quarter to the remainder of the year in connection with our performance marketing plan. Marketing expenses as a percentage of revenue for the first quarter of fiscal 2023 increased to 36.5% from 36.1% for the first quarter of fiscal 2022.

*Selling, General and Administrative*

Selling, general and administrative expenses for the first quarter of fiscal 2023 decreased $3.7 million, or 5.8%, versus the first quarter of fiscal 2022. Excluding the impact of foreign currency, which decreased selling, general and administrative expenses in the first quarter of fiscal 2023 by $0.8 million, selling, general and administrative expenses for the first quarter of fiscal 2023 would have decreased 4.6% versus the prior year period. Excluding the net impact of the $4.0 million of restructuring charges in the first quarter of fiscal 2023 and the impact of the $0.2 million of restructuring charges in the first quarter of fiscal 2022, selling, general and administrative expenses for the first quarter of fiscal 2023 would have decreased by 11.8%, or 10.6% on a constant currency basis, versus the prior year period. This decrease in selling, general and administrative expenses was primarily due to lower salaries and related costs as a result of the 2022 restructuring plan, partially offset by certain transaction costs in connection with the acquisition of Sequence (as defined below). Selling, general and administrative expenses as a percentage of revenue for the first quarter of fiscal 2023 increased to 24.7% from 21.3% for the first quarter of fiscal 2022. Excluding the net impact of restructuring charges in the first quarter of fiscal 2023 and the impact of restructuring charges in the first quarter of fiscal 2022, selling, general and administrative expenses as a percentage of revenue for the first quarter of fiscal 2023 would have increased by 1.8%, or 1.7% on a constant currency basis, versus the prior year period.

*Operating (Loss) Income*

Operating loss for the first quarter of fiscal 2023 was $28.6 million compared to operating income for the first quarter of fiscal 2022 of $9.0 million. Operating loss for the first quarter of fiscal 2023 was negatively impacted by $0.6 million of foreign currency. Excluding the net impact of the $22.7 million of restructuring charges in the first quarter of fiscal 2023 and the net impact of the $0.1 million of restructuring charges in the first quarter of fiscal 2022, operating loss for the first quarter of fiscal 2023 would have decreased to $5.9 million from $9.1 million of operating income in the prior year period. Operating loss margin for the first quarter of fiscal 2023 was 11.8% compared to operating income margin for the first quarter of fiscal 2022 of 3.0%. Excluding the net impact of restructuring charges in the first quarter of fiscal 2023 and the net impact of restructuring charges in the first quarter of fiscal 2022, operating loss margin for the first quarter of fiscal 2023 would have decreased to 2.4% from 3.1% of operating income margin in the prior year period. This change in operating loss margin for the first quarter of fiscal 2023 versus the operating income margin for the first quarter of fiscal 2022 was driven primarily by a decrease in gross margin, an increase in selling, general and administrative expenses as a percentage of revenue and an increase in marketing expenses as a percentage of revenue.

*Interest Expense*

Interest expense for the first quarter of fiscal 2023 increased $4.2 million, or 22.4%, versus the first quarter of fiscal 2022. The increase in interest expense was driven primarily by an increase in the base rate of our Term Loan Facility (as defined below). The effective interest rate on our debt, based on interest incurred (which includes amortization of our deferred financing costs and debt discount) and our average borrowings during the first quarter of fiscal 2023 and the first quarter of fiscal 2022 and excluding the impact of our interest rate swaps then in effect, increased to 7.20% per annum at the end of the first quarter of fiscal 2023 from 4.53% per annum at the end of the first quarter of fiscal 2022. Including the impact of our interest rate swaps then in effect, the effective interest rate on our debt, based on interest incurred (which includes amortization of our deferred financing costs and debt discount) and our average borrowings during the first quarter of fiscal 2023 and the first quarter of fiscal 2022, increased to 6.48% per annum at the end of the first quarter of fiscal 2023 from 5.14% per annum at the end of the first quarter of fiscal 2022. See "—Liquidity and Capital Resources—Long-Term Debt" for additional details regarding our debt, including interest rates and payments thereon. For additional details on our interest rate swaps, see "Item 3. Quantitative and Qualitative Disclosures about Market Risk" in Part I of this Quarterly Report on Form 10-Q.

*Other (Income) Expense, Net*

Other (income) expense, net, which consists primarily of the impact of foreign currency on intercompany transactions, changed by $0.7 million for the first quarter of fiscal 2023 to $0.3 million of income as compared to $0.3 million of expense for the first quarter of fiscal 2022.

*Tax*

Our effective tax rate for the first quarter of fiscal 2023 was (132.3%) compared to 17.9% for the first quarter of fiscal 2022. The effective tax rate for interim periods is determined using an annual effective tax rate, adjusted for discrete items. We were required to increase the valuation allowance recorded against U.S. deferred tax assets as a result of the limitation on interest deductions in the U.S. The forecasted full-year tax expense, which included the increase in valuation allowance, in relation to our forecasted full-year pretax loss (albeit minimal), drove an unusually high negative annual effective tax rate. Applying this negative annual effective tax rate to the pretax loss for the first quarter of fiscal 2023 resulted in an income tax expense of $67.6 million, which is mostly reflected in income taxes payable on our consolidated balance sheet and consolidated statement of cash flows. Given the seasonal nature of our principal business, this income tax expense is expected to largely reverse in the second, third and fourth quarters of fiscal 2023, when we expect to earn pretax income.

For the first quarter of fiscal 2023, the difference between the U.S. federal statutory tax rate and our consolidated effective tax rate was primarily due to the valuation allowance noted above. In addition, the effective tax rate was impacted by tax expense from income earned in foreign jurisdictions, partially offset by tax benefits related to state income tax and foreign-derived intangible income ("FDII"). For the first quarter of fiscal 2022, the difference between the U.S. federal statutory tax rate and our consolidated effective tax rate was primarily due to a tax benefit related to FDII, partially offset by state income tax expense and tax expense from income earned in foreign jurisdictions.

*Net Loss and Diluted Net Loss Per Share*

Net loss for the first quarter of fiscal 2023 was $118.7 million compared to net loss for the first quarter of fiscal 2022 of $8.2 million. Excluding the impact of foreign currency, which negatively impacted net loss in the first quarter of fiscal 2023 by $0.4 million, net loss for the first quarter of fiscal 2023 would have decreased to $118.3 million. Net loss for the first quarter of fiscal 2023 included a $17.0 million net impact from restructuring charges. Net loss for the first quarter of fiscal 2022 included a $0.1 million net impact from restructuring charges.

Diluted net loss per share for the first quarter of fiscal 2023 was $1.68 compared to diluted net loss per share for the first quarter of fiscal 2022 of $0.12. Diluted net loss per share for the first quarter of fiscal 2023 included a $0.24 net impact from restructuring charges. Diluted net loss per share for the first quarter of fiscal 2022 included a de minimis net impact from restructuring charges.

**Segment Results**

As previously disclosed, effective the first day of fiscal 2023 (i.e., January 1, 2023), we realigned our organizational structure and resources to more closely align with our strategic priorities and centralized the global management of certain functions and systems. As a result of the change in our organizational structure, we now have two reportable segments, consisting of North America and International, for the purpose of making operational and resource decisions and assessing financial performance. The new reportable segments will continue to provide similar services and products.

*Metrics and Business Trends*

The following tables set forth key metrics by reportable segment for the first quarter of fiscal 2023 and the percentage change in those metrics versus the prior year period:

**(in millions except percentages and as noted)**

| | Q1 2023 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | GAAP | | | Constant Currency | | | | | |
| | Subscription Revenues | Product Sales & Other | Total Revenues | Subscription Revenues | Product Sales & Other | Total Revenues | Total Paid Weeks | Incoming Subscribers | EOP Subscribers |
| | | | | | | | | (in thousands) | |
| North America | $ 147.3 | $ 23.8 | $ 171.0 | $ 147.8 | $ 23.8 | $ 171.7 | 33.8 | 2,337.0 | 2,669.8 |
| International | 63.8 | 7.1 | 70.9 | 67.5 | 7.5 | 75.1 | 17.2 | 1,209.2 | 1,352.7 |
| Total | $ 211.0 | $ 30.9 | $ 241.9 | $ 215.4 | $ 31.4 | $ 246.8 | 51.0 | 3,546.1 | 4,022.4 |
| | % Change Q1 2023 vs. Q1 2022 | | | | | | | | |
| North America | (16.5%) | (16.2%) | (16.4%) | (16.1%) | (16.0%) | (16.1%) | (12.6%) | (14.6%) | (10.6%) |
| International | (21.0%) | (42.8%) | (23.9%) | (16.3%) | (39.2%) | (19.3%) | (15.2%) | (15.7%) | (13.2%) |
| Total | (17.9%) | (24.3%) | (18.8%) | (16.2%) | (23.0%) | (17.1%) | (13.5%) | (14.9%) | (11.5%) |

Note: Totals may not sum due to rounding.

**(in millions except percentages and as noted)**

| | Q1 2023 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Digital Subscription Revenues | | | | | Workshops + Digital Fees | | | | |
| | GAAP | Constant Currency | Digital Paid Weeks | Incoming Digital Subscribers | EOP Digital Subscribers | GAAP | Constant Currency | Workshops + Digital Paid Weeks | Incoming Workshops + Digital Subscribers | EOP Workshops + Digital Subscribers |
| | | | | (in thousands) | | | | | (in thousands) | |
| North America | $ 97.8 | $ 98.2 | 26.1 | 1,802.5 | 2,090.2 | $ 49.5 | $ 49.6 | 7.7 | 534.5 | 579.6 |
| International | 51.6 | 54.5 | 14.7 | 1,033.1 | 1,164.3 | 12.2 | 13.0 | 2.5 | 176.0 | 188.4 |
| Total | $ 149.3 | $ 152.7 | 40.8 | 2,835.6 | 3,254.5 | $ 61.7 | $ 62.7 | 10.2 | 710.5 | 767.9 |
| | % Change Q1 2023 vs. Q1 2022 | | | | | | | | | |
| North America | (22.0%) | (21.6%) | (16.8%) | (17.6%) | (14.7%) | (2.9%) | (2.6%) | 5.3% | (2.5%) | 8.2% |
| International | (22.1%) | (17.6%) | (17.6%) | (17.6%) | (15.4%) | (16.0%) | (10.3%) | 1.9% | (1.9%) | 2.7% |
| Total | (22.0%) | (20.2%) | (17.1%) | (17.6%) | (15.0%) | (5.8%) | (4.3%) | 4.5% | (2.3%) | 6.8% |

Note: Totals may not sum due to rounding.

*North America Performance*

The decrease in North America revenues for the first quarter of fiscal 2023 versus the prior year period was driven primarily by a decrease in Subscription Revenues. The decrease in Subscription Revenues for the first quarter of fiscal 2023 versus the prior year period was driven primarily by a decrease in Digital Subscription Revenues. Digital Subscription Revenues were negatively impacted by the lower number of Incoming Digital Subscribers at the beginning of fiscal 2023 versus the beginning of fiscal 2022. The decrease in North America Total Paid Weeks for the first quarter of fiscal 2023 versus the prior year period was driven primarily by both the lower number of Total Incoming Subscribers at the beginning of fiscal 2023 versus the beginning of fiscal 2022 and lower recruitments for the first quarter of fiscal 2023 versus the prior year period.

The decrease in North America product sales and other for the first quarter of fiscal 2023 versus the prior year period was driven primarily by a decrease in e-commerce product sales.

*International Performance*

The decrease in International revenues for the first quarter of fiscal 2023 versus the prior year period was driven primarily by a decrease in Subscription Revenues. The decrease in Subscription Revenues for the first quarter of fiscal 2023 versus the prior year period was driven primarily by a decrease in Digital Subscription Revenues. Digital Subscription Revenues were negatively impacted by the lower number of Incoming Digital Subscribers at the beginning of fiscal 2023 versus the beginning of fiscal 2022. The decrease in International Total Paid Weeks for the first quarter of fiscal 2023 versus the prior year period was driven primarily by both the lower number of Total Incoming Subscribers at the beginning of fiscal 2023 versus the beginning of fiscal 2022 and lower recruitments for the first quarter of fiscal 2023 versus the prior year period.

The decrease in International product sales and other for the first quarter of fiscal 2023 versus the prior year period was driven primarily by a decrease in e-commerce product sales.

**LIQUIDITY AND CAPITAL RESOURCES**

Cash flows provided by operating activities have historically supplied us with our primary source of liquidity. We have used these cash flows, supplemented with long-term debt and short-term borrowings, to fund our operations and global strategic initiatives, pay down debt and engage in selective acquisitions. Upon the completion of our previously announced acquisition of Weekend Health, Inc., doing business as Sequence ("Sequence") (the "Acquisition"), in the second quarter of fiscal 2023, we had a net cash outlay of $40.3 million on April 10, 2023 with respect to the payment of the purchase price and certain transaction costs. For additional details on the purchase price consideration for the Acquisition and related terms, see Part I, Item 1 of this Quarterly Report on Form 10-Q under Note 17 "Subsequent Event" in the Notes to the Consolidated Financial Statements. This cash outlay has reduced the liquidity available to us in the future. See "Item 1A. Risk Factors—Risks Related to Our Acquisition of Weekend Health, Inc. (d/b/a Sequence)—The Acquisition may not achieve its intended results." of this Quarterly Report on Form 10-Q and "Risk Factors—Risks Related to Our Liquidity—We may not be able to generate sufficient cash to service all of our debt and satisfy our other liquidity requirements." of our Annual Report on Form 10-K for fiscal 2022 for additional details. We currently believe that cash generated by operations, our cash on hand of approximately $140.8 million at April 1, 2023, our availability under our Revolving Credit Facility (as defined and described below) at April 1, 2023 and our continued cost focus will provide us with sufficient liquidity to meet our obligations for the short- and long-term. In addition, if necessary, we have the flexibility to delay investments or reduce marketing spend.

We continue to proactively manage our liquidity so we can maintain flexibility to fund investments in our business, honor our long-term debt obligations, and respond to evolving business and consumer conditions. To increase our flexibility and reduce our cash interest payments, we refinanced our then-existing credit facilities and then-existing senior notes in April 2021. See "—Long-Term Debt" for additional details on this refinancing. Additionally, we instituted a number of measures throughout our operations to mitigate expenses and reduce costs as well as ensure liquidity. For example, we instituted restructuring plans in recent fiscal years which have resulted in aggregate cash outlays of approximately $8.4 million in the first quarter of fiscal 2023 and are expected to result in an additional $26.7 million for the remainder of fiscal 2023. For additional details, see Part I, Item 1 of this Quarterly Report on Form 10-Q under Note 16 "Restructuring" in the Notes to the Consolidated Financial Statements. The evolving nature, and uncertain economic impact, of the current demand environment may impact our liquidity going forward. To the extent that we do not successfully manage our costs, our liquidity and financial results, as well as our ability to fully access our Revolving Credit Facility, may be adversely affected.

As market conditions warrant, we may, from time to time, seek to purchase our outstanding debt securities or loans, including the Senior Secured Notes and borrowings under the Credit Facilities (each as defined below). Such transactions could be privately negotiated or open market transactions, pursuant to tender offers or otherwise. Subject to any applicable limitations contained in the agreements governing, or terms of, our indebtedness, any such purchases made by us may be funded by the use of cash on our balance sheet, the incurrence of new secured or unsecured debt, the issuance of our equity or the sale of assets. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may equate to a substantial amount of a particular class or series of debt, which may reduce the trading liquidity of such class or series.

**Adverse Developments Affecting the Financial Services Industry**

During the first quarter of fiscal 2023, certain U.S. and international government banking regulators took steps to intervene in the operations of certain financial institutions due to liquidity concerns, which caused general heightened uncertainties in financial markets. While these events have not had a material direct impact on our operations, if further liquidity and financial stability concerns arise with respect to banks and financial institutions, either nationally or in specific regions, our ability to access cash or enter into new financing arrangements on favorable terms, or at all, may be threatened, which could have a material adverse effect on our business, financial condition and results of operations.

**Balance Sheet Working Capital**

The following table sets forth certain relevant measures of our balance sheet working capital deficit, excluding cash and cash equivalents at:

| | April 1, 2023 | December 31, 2022 | Increase/ (Decrease) |
|---|---|---|---|
| | | (in millions) | |
| Total current assets | $ 235.2 | $ 281.3 | $ (46.1) |
| Total current liabilities | 266.9 | 196.6 | 70.3 |
| Working capital (deficit) surplus | (31.6) | 84.8 | 116.4 |
| Cash and cash equivalents | 140.8 | 178.3 | (37.5) |
| Working capital deficit, excluding cash and cash equivalents | $ (172.5) | $ (93.6) | $ 78.9 |

Note: Totals may not sum due to rounding.

The following table sets forth a summary of the primary factors contributing to the $78.9 million increase in our working capital deficit, excluding cash and cash equivalents:

| | April 1, 2023 | December 31, 2022 | Increase/ (Decrease) | Impact to Working Capital Deficit |
|---|---|---|---|---|
| | | (in millions) | | |
| Portion of operating lease liabilities due within one year | $ 15.5 | $ 18.0 | $ (2.5) | $ (2.5) |
| Derivative receivable | $ 11.1 | $ 11.7 | $ (0.7) | $ 0.7 |
| Deferred revenue | $ 35.7 | $ 32.2 | $ 3.6 | $ 3.6 |
| Prepaid income taxes | $ 15.3 | $ 19.4 | $ (4.1) | $ 4.1 |
| Accrued interest | $ 10.9 | $ 5.3 | $ 5.6 | $ 5.6 |
| Operational liabilities and other, net of assets | $ 74.8 | $ 67.8 | $ 7.0 | $ 7.0 |
| Income taxes payable | $ 62.1 | $ 1.6 | $ 60.4 | $ 60.4 |
| Working capital deficit change, excluding cash and cash equivalents | | | | $ 78.9 |

Note: Totals may not sum due to rounding.

The increase in income taxes payable was primarily due to the outsized impact of a significant, largely non-cash, income tax expense resulting from the valuation allowance recorded to reflect the uncertainty of the realization of certain U.S. deferred tax assets. A decrease in income taxes payable is expected to largely reverse this impact in the second, third and fourth quarters of fiscal 2023. The increase in operational liabilities and other, net of assets, which includes accrued salaries and wages, was driven primarily by lower inventory due to the ongoing rationalization of our consumer products business, including the previously announced discontinuation of consumer products sales in our international markets, and an increase in accrued liabilities related to lease termination costs, partially offset by the timing of our annual bonus payment and an increase in receivables due to seasonality. The increase in accrued interest was primarily due to the timing of debt payments.

**Cash Flows**

The following table sets forth a summary of our cash flows for the three months ended:

| | April 1, 2023 | April 2, 2022 |
|---|---|---|
| | (in millions) | |
| Net cash used for operating activities | $ (26.7) | $ (10.5) |
| Net cash used for investing activities | $ (10.3) | $ (13.6) |
| Net cash used for financing activities | $ (0.7) | $ (0.4) |

*Operating Activities*

Cash flows used for operating activities of $26.7 million for the first three months of fiscal 2023 reflected an increase of $16.3 million from $10.5 million of cash flows used for operating activities for the first three months of fiscal 2022. The increase in cash used for operating activities was primarily attributable to an increase in net loss, partially offset by a decrease in cash used for operating assets and liabilities in the first three months of fiscal 2023 as compared to the prior year period.

*Investing Activities*

Net cash used for investing activities totaled $10.3 million for the first three months of fiscal 2023, a decrease of $3.2 million as compared to the first three months of fiscal 2022. This decrease was primarily attributable to a decrease in cash paid for acquisitions in the first three months of fiscal 2023 as compared to the prior year period.

*Financing Activities*

Net cash used for financing activities totaled $0.7 million for the first three months of fiscal 2023, an increase of $0.3 million as compared to the first three months of fiscal 2022. This increase was primarily attributable to an increase in cash paid for acquisitions in the first three months of fiscal 2023 as compared to the prior year period.

**Long-Term Debt**

We currently plan to meet our long-term debt obligations by using cash flows provided by operating activities and opportunistically using other means to repay or refinance our obligations as we determine appropriate.

The following schedule sets forth our long-term debt obligations at April 1, 2023:

**Long-Term Debt**
**At April 1, 2023**
**(in millions)**

| | April 1, 2023 |
|---|---|
| Term Loan Facility due April 13, 2028 | $ 945.0 |
| Senior Secured Notes due April 15, 2029 | 500.0 |
| Total | 1,445.0 |
| Less: Current portion | — |
| Unamortized deferred financing costs | 10.2 |
| Unamortized debt discount | 11.5 |
| Total long-term debt | $ 1,423.3 |

Note: Totals may not sum due to rounding.

On April 13, 2021, we (1) repaid in full approximately $1.2 billion in aggregate principal amount of senior secured tranche B term loans due in 2024 under our then-existing credit facilities and (2) redeemed all of the $300.0 million in aggregate principal amount of our then-outstanding 8.625% Senior Notes due in 2025 (the "Discharged Senior Notes"). On April 13, 2021, our then-existing credit facilities included a senior secured revolving credit facility (which included borrowing capacity available for letters of credit) due in 2022 with $175.0 million in an aggregate principal amount of commitments. There were no outstanding borrowings under such revolving credit facility on that date. We funded such repayment of loans and redemption of notes with cash on hand as well as with proceeds received from approximately $1,000.0 million in an aggregate principal amount of borrowings under our new credit facilities (as amended from time to time, the "Credit Facilities") and proceeds received from the issuance of $500.0 million in aggregate principal amount of 4.500% Senior Secured Notes due 2029 (the "Senior Secured Notes"), each as described below. These transactions are collectively referred to herein as the "April 2021 debt refinancing". During the second quarter of fiscal 2021, we incurred fees of $37.9 million (which included $12.9 million of a prepayment penalty on the Discharged Senior Notes and $5.0 million of a debt discount on our Term Loan Facility (as defined below)) in connection with our April 2021 debt refinancing. In addition, we recorded a loss on early extinguishment of debt of $29.2 million in connection thereto. This early extinguishment of debt charge was comprised of $12.9 million of a prepayment penalty on the Discharged Senior Notes, $9.0 million of financing fees paid in connection with our April 2021 debt refinancing and the write-off of $7.2 million of pre-existing deferred financing fees and debt discount.

*Credit Facilities*

The Credit Facilities were issued under a credit agreement, dated April 13, 2021 (as amended from time to time, the "Credit Agreement"), among the Company, as borrower, the lenders party thereto, and Bank of America, N.A. ("Bank of America"), as administrative agent and an issuing bank. The Credit Facilities consist of (1) $1,000.0 million in aggregate principal amount of senior secured tranche B term loans due in 2028 (the "Term Loan Facility") and (2) $175.0 million in an aggregate principal amount of commitments under a senior secured revolving credit facility (which includes borrowing capacity available for letters of credit) due in 2026 (the "Revolving Credit Facility").

In December 2021, we made voluntary prepayments at par in an aggregate amount of $52.5 million in respect of our outstanding term loans under the Term Loan Facility. As a result of these prepayments, we wrote off a debt discount and deferred financing fees of $1.2 million in the aggregate in the fourth quarter of fiscal 2021.

As of April 1, 2023, we had $945.0 million in an aggregate principal amount of loans outstanding under our Credit Facilities, with $173.9 million of availability and $1.1 million in issued but undrawn letters of credit outstanding under the Revolving Credit Facility subject to its terms and conditions as discussed below. There were no outstanding borrowings under the Revolving Credit Facility as of April 1, 2023.

All obligations under the Credit Agreement are guaranteed by, subject to certain exceptions, each of our current and future wholly-owned material domestic restricted subsidiaries. All obligations under the Credit Agreement, and the guarantees of those obligations, are secured by substantially all of the assets of the Company and each guarantor, subject to customary exceptions, including:

- a pledge of 100% of the equity interests directly held by the Company and each guarantor in any wholly-owned material subsidiary of the Company or any guarantor (which pledge, in the case of any non-U.S. subsidiary of a U.S. subsidiary, will not include more than 65% of the voting stock of such first-tier non-U.S. subsidiary), subject to certain exceptions; and
- a security interest in substantially all other tangible and intangible assets of the Company and each guarantor, subject to certain exceptions.

The Credit Facilities require the Company to prepay outstanding term loans, subject to certain exceptions, with:

- 50% (which percentage will be reduced to 25% and 0% if the Company attains certain first lien secured net leverage ratios) of the Company's annual excess cash flow;
- 100% of the net cash proceeds of certain non-ordinary course asset sales by the Company and its restricted subsidiaries (including casualty and condemnation events, subject to de minimis thresholds), and subject to the right to reinvest 100% of such proceeds, subject to certain qualifications; and
- 100% of the net proceeds of any issuance or incurrence of debt by the Company or any of its restricted subsidiaries, other than certain debt permitted under the Credit Agreement.

The foregoing mandatory prepayments will be used to reduce the installments of principal on the Term Loan Facility. We may voluntarily repay outstanding loans under the Credit Facilities at any time without penalty, except for customary "breakage" costs with respect to LIBOR loans under the Credit Facilities.

Borrowings under the Term Loan Facility bear interest at a rate per annum equal to, at our option, either (1) an applicable margin plus a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate as determined by the Federal Reserve Bank of New York, (b) the prime rate of Bank of America and (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00%; provided that such rate is not lower than a floor of 1.50% or (2) an applicable margin plus a LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided that LIBOR is not lower than a floor of 0.50%. Borrowings under the Revolving Credit Facility bear interest at a rate per annum equal to an applicable margin based upon a leverage-based pricing grid, plus, at our option, either (1) a base rate determined by reference to the highest of (a) 0.50% per annum plus the Federal Funds Effective Rate as determined by the Federal Reserve Bank of New York, (b) the prime rate of Bank of America and (c) the LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00%; provided that such rate is not lower than a floor of 1.00% or (2) a LIBOR rate determined by reference to the cost of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, provided such rate is not lower than a floor of zero. As of April 1, 2023, the applicable margins for the LIBOR rate borrowings under the Term Loan Facility and the Revolving Credit Facility were 3.50% and 2.75%, respectively. In the event that LIBOR is phased out as is currently expected, the Credit Agreement provides that we and the administrative agent may amend the Credit Agreement to replace the LIBOR definition therein with a successor rate subject to notifying the lending syndicate of such change and not receiving within five business days of such notification objections to such replacement rate from lenders holding at least a majority of the aggregate principal amount of loans and commitments then outstanding under the Credit Agreement; provided that such lending syndicate may not object to a SOFR-based successor rate contained in any such amendment. If we fail to do so, our borrowings will be based off of the alternative base rate plus a margin. We expect to transition from LIBOR in advance of its cessation on or about June 30, 2023.

On a quarterly basis, we pay a commitment fee to the lenders under the Revolving Credit Facility in respect of unutilized commitments thereunder, which commitment fee fluctuates depending upon our Consolidated First Lien Leverage Ratio (as defined in the Credit Agreement).

The Credit Agreement contains other customary terms, including (1) representations, warranties and affirmative covenants, (2) negative covenants, including limitations on indebtedness, liens, mergers, acquisitions, asset sales, investments, distributions, prepayments of subordinated debt, amendments of material agreements governing subordinated indebtedness, changes to lines of business and transactions with affiliates, in each case subject to baskets, thresholds and other exceptions, and (3) customary events of default. As of April 1, 2023, we were in compliance with the covenants under the Credit Agreement that were in effect on such date.

The availability of certain baskets and the ability to enter into certain transactions are also subject to compliance with certain financial ratios. In addition, if the aggregate principal amount of extensions of credit outstanding under the Revolving Credit Facility as of any fiscal quarter end exceeds 35% of the amount of the aggregate commitments under the Revolving Credit Facility in effect on such date, we must be in compliance with a Consolidated First Lien Leverage Ratio of 5.75:1.00 for the period ending after the first fiscal quarter of 2022 through and including the first fiscal quarter of 2023, with a step down to 5.50:1.00 for the period ending after the first fiscal quarter of 2023 through and including the first fiscal quarter of 2024, with an additional step down to 5.25:1.00 for the period ending after the first fiscal quarter of 2024 through and including the first fiscal quarter of 2025 and again to 5.00:1.00, for the period following the first fiscal quarter of 2025. As of April 1, 2023, our actual Consolidated First Lien Leverage Ratio was 6.39:1.00 and there were no borrowings under our Revolving Credit Facility and total letters of credit issued were $1.1 million. We were not in compliance with the Consolidated First Lien Leverage Ratio as of April 1, 2023, and as a result, we are limited to borrowing no more than 35%, or $61.3 million, of the amount of the aggregate commitments under the Revolving Credit Facility as of each fiscal quarter end until we comply with the applicable ratio.

*Senior Secured Notes*

The Senior Secured Notes were issued pursuant to an Indenture, dated as of April 13, 2021 (as amended, supplemented or modified from time to time, the "Indenture"), among the Company, the guarantors named therein and The Bank of New York Mellon, as trustee and notes collateral agent. The Indenture contains customary terms, events of default and covenants for an issuer of non-investment grade debt securities. These covenants include limitations on indebtedness, liens, mergers, acquisitions, asset sales, investments, distributions, prepayments of subordinated debt and transactions with affiliates, in each case subject to baskets, thresholds and other exceptions. As of April 1, 2023, we were in compliance with the covenants under the Indenture that were in effect on such date.

The Senior Secured Notes accrue interest at a rate per annum equal to 4.500% and will mature on April 15, 2029. Interest on the Senior Secured Notes is payable semi-annually on April 15 and October 15 of each year, beginning on October 15, 2021. On or after April 15, 2024, we may on any one or more occasions redeem some or all of the Senior Secured Notes at a purchase price equal to 102.250% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date, such optional redemption price decreasing to 101.125% on or after April 15, 2025 and to 100.000% on or after April 15, 2026. Prior to April 15, 2024, we may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Senior Secured Notes with an amount not to exceed the net proceeds of certain equity offerings at 104.500% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date. Prior to April 15, 2024, we may redeem some or all of the Senior Secured Notes at a make-whole price plus accrued and unpaid interest, if any, to, but not including, the redemption date. In addition, during any twelve-month period ending prior to April 15, 2024, we may redeem up to 10% of the aggregate principal amount of the Senior Secured Notes at a purchase price equal to 103.000% of the principal amount of the Senior Secured Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. If a change of control occurs, we must offer to purchase for cash the Senior Secured Notes at a purchase price equal to 101% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date. Following the sale of certain assets and subject to certain conditions, we must offer to purchase for cash the Senior Secured Notes at a purchase price equal to 100% of the principal amount of the Senior Secured Notes, plus accrued and unpaid interest, if any, to, but not including, the purchase date.

The Senior Secured Notes are guaranteed on a senior secured basis by our subsidiaries that guarantee the Credit Facilities. The Senior Secured Notes and the note guarantees are secured by a first-priority lien on all the collateral that secures the Credit Facilities, subject to a shared lien of equal priority with the Company's and each guarantor's obligations under the Credit Facilities and subject to certain thresholds, exceptions and permitted liens.

*Outstanding Debt*

At April 1, 2023, we had $1,445.0 million outstanding under the Credit Facilities and the Senior Secured Notes, consisting of borrowings under the Term Loan Facility of $945.0 million, $0.0 drawn down on the Revolving Credit Facility and $500.0 million in aggregate principal amount of Senior Secured Notes issued and outstanding.

At April 1, 2023 and December 31, 2022, our debt consisted of both fixed and variable-rate instruments. Interest rate swaps were entered into to hedge a portion of the cash flow exposure associated with our variable-rate borrowings. Further information regarding our interest rate swaps can be found in Part I, Item 1 of this Quarterly Report on Form 10-Q under Note 11 "Derivative Instruments and Hedging" in the Notes to the Consolidated Financial Statements. The weighted average interest rate (which includes amortization of deferred financing costs and debt discount) on our outstanding debt, exclusive of the impact of the swaps then in effect, was approximately 7.20% and 5.45% per annum at April 1, 2023 and December 31, 2022, respectively, based on interest rates on these dates. The weighted average interest rate (which includes amortization of deferred financing costs and debt discount) on our outstanding debt, including the impact of the swaps then in effect, was approximately 6.30% and 5.50% per annum at April 1, 2023 and December 31, 2022, respectively, based on interest rates on these dates.

The following schedule sets forth our year-by-year debt obligations at April 1, 2023:

**Total Debt Obligation**
**(Including Current Portion)**
**At April 1, 2023**
**(in millions)**

| | | |
|---|---|---|
| Remainder of fiscal 2023 | $ | — |
| Fiscal 2024 | | — |
| Fiscal 2025 | | — |
| Fiscal 2026 | | — |
| Fiscal 2027 | | 10.0 |
| Fiscal 2028 | | 935.0 |
| Thereafter | | 500.0 |
| Total | $ | 1,445.0 |

Note: Totals may not sum due to rounding.

**Accumulated Other Comprehensive Loss**

Our accumulated other comprehensive loss includes changes in the fair value of derivative instruments and the effects of foreign currency translations. At April 1, 2023 and April 2, 2022, the cumulative balance of changes in the fair value of derivative instruments, net of taxes, was a gain of $8.4 million and a gain of $0.2 million, respectively. At April 1, 2023 and April 2, 2022, the cumulative balance of the effects of foreign currency translations, net of taxes, was a loss of $16.1 million and a loss of $7.9 million, respectively.

**Dividends and Stock Transactions**

We do not currently pay a dividend and we have no current plans to pay dividends in the foreseeable future. Any future determination to declare and pay dividends will be made at the sole discretion of our Board of Directors, after taking into account our financial condition and results of operations, capital requirements, contractual, legal, tax and regulatory restrictions, the provisions of Virginia law affecting the payment of distributions to shareholders and such other factors our Board of Directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants in our existing indebtedness, including the Credit Agreement governing the Credit Facilities and the Indenture governing the Senior Secured Notes, and may be limited by the agreements governing other indebtedness we or our subsidiaries incur in the future.

On October 9, 2003, our Board of Directors authorized, and we announced, a program to repurchase up to $250.0 million of our outstanding common stock. On each of June 13, 2005, May 25, 2006 and October 21, 2010, our Board of Directors authorized, and we announced, the addition of $250.0 million to this program. The repurchase program allows for shares to be purchased from time to time in the open market or through privately negotiated transactions. No shares will be purchased from Artal Holdings Sp. z o.o., Succursale de Luxembourg and its parents and subsidiaries under this program. The repurchase program currently has no expiration date. During the three months ended April 1, 2023 and April 2, 2022, we repurchased no shares of our common stock under this program.

**EBITDAS, Adjusted EBITDAS and Net Debt**

We define EBITDAS, a non-GAAP financial measure, as earnings before interest, taxes, depreciation, amortization and stock-based compensation and Adjusted EBITDAS, a non-GAAP financial measure, as earnings before interest, taxes, depreciation, amortization, stock-based compensation, franchise rights acquired and goodwill impairments, and restructuring charges (including the net impact where applicable).

The table below sets forth the reconciliations for EBITDAS and Adjusted EBITDAS, each a non-GAAP financial measure, to net loss, the most comparable GAAP financial measure, for the three months ended April 1, 2023 and April 2, 2022, and EBITDAS and Adjusted EBITDAS to net loss for the trailing twelve months ended April 1, 2023:

**(in millions)**

| | Three Months Ended | | |
|---|---|---|---|
| | April 1, 2023 | April 2, 2022 | Trailing Twelve Months |
| Net loss | $ (118.7) | $ (8.2) | $ (361.8) |
| Interest | 22.8 | 18.7 | 85.3 |
| Taxes | 67.6 | (1.8) | (45.0) |
| Depreciation and amortization | 10.3 | 10.8 | 41.9 |
| Stock-based compensation | 2.7 | 4.7 | 10.9 |
| EBITDAS | $ (15.3) | $ 24.1 | $ (268.7) |
| Franchise rights acquired and goodwill impairments | — | — | 396.7 |
| 2023 plan restructuring charges | 22.6 | — | 36.2 |
| 2022 plan restructuring charges | 0.0 | — | 27.2 |
| 2021 plan restructuring charges | (0.0) | 0.3 | (0.6) |
| 2020 plan restructuring charges | (0.0) | (0.1) | (0.6) |
| Adjusted EBITDAS [1] | $ 7.3 | $ 24.2 | $ 190.2 |

Note: Totals may not sum due to rounding.

(1) The "Adjusted EBITDAS" measure is a non-GAAP financial measure that (i) adjusts the consolidated statements of operations for the three months ended April 1, 2023 to exclude the net impact of the $22.6 million of 2023 plan restructuring charges, the $40 thousand of 2022 plan restructuring charges, the reversal of $7 thousand of 2021 plan restructuring charges and the reversal of $5 thousand of 2020 plan restructuring charges; (ii) adjusts the consolidated statements of operations for the three months ended April 2, 2022 to exclude the net impact of $0.3 million of 2021 plan restructuring charges and the reversal of $0.1 million of 2020 plan restructuring charges; and (iii) adjusts EBITDAS for the trailing twelve months ended April 1, 2023 to exclude the impact of the $396.7 million of franchise rights acquired and goodwill impairments and the net impact of the $36.2 million of 2023 plan restructuring charges, $27.2 million of 2022 plan restructuring charges, the reversal of $0.6 million of 2021 plan restructuring charges and the reversal of $0.6 million of 2020 plan restructuring charges. See "Non-GAAP Financial Measures" above for an explanation of our use of non-GAAP financial measures.

Reducing leverage is a capital structure priority for the Company. As of April 1, 2023, our total debt less unamortized deferred financing costs and unamortized debt discount/net loss ratio was (3.9)x. As of April 1, 2023, our net debt/Adjusted EBITDAS ratio was 6.7x.

The table below sets forth the reconciliation for net debt, a non-GAAP financial measure, to total debt, the most comparable GAAP financial measure, for the three months ended:

**(in millions)**

| | April 1, 2023 |
|---|---|
| Total debt | $ 1,445.0 |
| Less: Unamortized deferred financing costs | 10.2 |
| Less: Unamortized debt discount | 11.5 |
| Less: Cash on hand | 140.8 |
| Net debt | $ 1,282.5 |

Note: Totals may not sum due to rounding.

We present EBITDAS, Adjusted EBITDAS and net debt/Adjusted EBITDAS because we consider them to be useful supplemental measures of our performance. In addition, we believe EBITDAS, Adjusted EBITDAS and net debt/Adjusted EBITDAS are useful to investors, analysts and rating agencies in measuring the ability of a company to meet its debt service obligations. See "—Non-GAAP Financial Measures" herein for an explanation of our use of these non-GAAP financial measures.

**OFF-BALANCE SHEET ARRANGEMENTS**

As part of our ongoing business, we do not participate in arrangements that generate relationships with unconsolidated entities or financial partnerships established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes, such as entities often referred to as structured finance or special purpose entities.

**SEASONALITY**

Our principal business is seasonal due to the importance of the winter season to our overall member recruitment environment. Historically, we experience our highest level of recruitment during the first quarter of the year, which is supported with the highest concentration of advertising spending. Therefore, our number of End of Period Subscribers in the first quarter of the year is typically higher than the number in other quarters of the year, historically reflecting a decline over the course of the year.

**AVAILABLE INFORMATION**

Corporate information and our press releases, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments thereto, are available free of charge on our corporate website at corporate.ww.com as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. Moreover, we also make available at that site the Section 16 reports filed electronically by our officers, directors and 10 percent shareholders.

We use our corporate website at corporate.ww.com and certain social media channels such as our corporate Facebook page (www.facebook.com/WW), Instagram account (Instagram.com/WW) and Twitter account (@ww_us) as channels of distribution of Company information. The information we post through these channels may be deemed material. Accordingly, investors should monitor these channels, in addition to following our press releases, SEC filings and public conference calls and webcasts. The contents of our website and social media channels shall not be deemed to be incorporated herein by reference.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of April 1, 2023, the market risk disclosures appearing in "Item 7A. Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K for fiscal 2022 have not materially changed from December 31, 2022.

At the end of the first quarter of fiscal 2023, borrowings under the Credit Facilities bore interest at LIBOR plus an applicable margin of 3.50%. For the Term Loan Facility, the minimum interest rate for LIBOR applicable to such facility pursuant to the terms of the Credit Agreement was set at 0.50%, referred to herein as the LIBOR Floor. In addition, as of April 1, 2023, our interest rate swaps in effect had an aggregate notional amount of $500.0 million. Accordingly, as of April 1, 2023, based on the amount of variable rate debt outstanding and the then-current LIBOR rate, after giving consideration to the impact of the interest rate swaps and the LIBOR Floor, a hypothetical 90 basis point increase in interest rates would have increased annual interest expense by approximately $4.0 million and a hypothetical 90 basis point decrease in interest rates would have decreased annual interest expense by approximately $4.0 million. This increase and decrease would have been driven primarily by the interest rate applicable to our Term Loan Facility.

## ITEM 4. CONTROLS AND PROCEDURES

*Disclosure Controls and Procedures*

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of April 1, 2023, the end of the first quarter of fiscal 2023. Based upon that evaluation and subject to the foregoing, our principal executive officer and our principal financial officer concluded that, as of the end of the first quarter of fiscal 2023, the design and operation of our disclosure controls and procedures were effective at the reasonable assurance level.

*Changes in Internal Control Over Financial Reporting*

There was no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The information called for by this item is incorporated herein by reference to Note 10 "Legal" of the Notes to the Consolidated Financial Statements.

### ITEM 1A. RISK FACTORS

There have been no material changes in the risk factors from those detailed in our Annual Report on Form 10-K for fiscal 2022 other than as set forth below.

**Risks Related to Our Acquisition of Weekend Health, Inc. (d/b/a Sequence)**

**The Acquisition may not achieve its intended results.**

On April 10, 2023, we completed our previously announced acquisition of Weekend Health, Inc., doing business as Sequence (the "Acquisition"), with the expectation that the Acquisition would result in various benefits, including, among other things, revenue synergies with our existing business and operating efficiencies. Achieving the anticipated benefits of the Acquisition is subject to a number of uncertainties, including whether our business and the Sequence business are integrated in an efficient and effective manner. Failure to achieve these anticipated benefits could result in increased costs, decreases in the amount of expected revenues generated by the combined company and diversion of management's attention and energy away from ongoing business concerns, any of which could have a material adverse effect on our business, financial results and prospects.

Additional risks relating to integration of Sequence into our business, include, among others, the following:

- our inability to successfully integrate Sequence in a manner that permits us to achieve the full revenue and other benefits anticipated to result from the Acquisition;
- our ability to compete effectively in the telehealth industry;
- disruption to our and Sequence's business and operations and relationships with service providers, customers, employees and other partners;
- negative effects on our core business from the changes and potential disruption that may follow the Acquisition;
- diversion of significant resources from our core business;
- our inability to retain the service of key management and other personnel of Sequence;
- increased regulatory oversight of our business;
- potential limitations placed on our business by regulatory authorities;
- our inability to successfully integrate Sequence into our internal control over financial reporting, which could compromise the integrity of our financial reporting; and
- greater than anticipated costs related to the integration of Sequence's business and operations into ours.

These potential difficulties, some of which are outside of our control, could adversely affect our ability to achieve the anticipated benefits of the Acquisition. In addition, the market price of our common stock may decline if our assumptions regarding the anticipated benefits of the Acquisition are not accurate or we do not achieve the anticipated benefits of the Acquisition as rapidly or to the extent anticipated by financial or industry analysts or at all.

**The Acquisition may not be accretive, and may be dilutive, to our earnings per share, which may negatively affect the market price of shares of our common stock.**

We expect the Acquisition will initially be dilutive to our earnings per share, largely driven by the costs associated with the Acquisition itself. In the long term, the Acquisition may be less accretive than expected, or may be dilutive, to our earnings per share. Estimates of our earnings per share in the future are based on assumptions that may materially change. In addition, future events and conditions could decrease or delay the accretion that is currently projected or could result in dilution, including adverse changes in market conditions, additional transaction and integration-related costs and other factors such as the failure to realize some or all of the anticipated benefits of the Acquisition. Any dilution of, decrease in or delay of any accretion to, our earnings per share could cause the price of shares of our common stock to decline or grow at a reduced rate.

**We have limited experience in the telehealth industry, which may hinder our ability to achieve the anticipated benefits of the Acquisition.**

Due to the fact that the healthcare industry is highly regulated, we are required to adhere to new laws and regulations, including those related to telehealth, pharmacy, the corporate practice of medicine, health and consumer privacy, false claims, and the prescribing, distributing, and marketing of pharmaceutical products. We have limited experience operating a telehealth business and expect to rely in large part on the existing management of Sequence to continue to manage the Sequence business. The management teams will work together to comply with applicable laws and regulations and stay abreast of the frequent legislative and regulatory changes specific to telehealth.

In addition, the telehealth industry has incumbent and established competitors with substantial market share and new competitors will likely enter the market in the future. These companies may have greater financial, marketing and other resources than we have and may have existing cost and operational advantages that we lack. Our limited experience in this industry could negatively affect our ability to appeal to potential customers in the market, including our existing customers, develop expertise and new technologies, attract talent, manage risks, and compete with larger and more experienced competitors.

If we fail to retain the existing management of Sequence, or we fail to successfully compete in the telehealth industry, our ability to realize the anticipated benefits of the Acquisition may be adversely affected.

**Notwithstanding the due diligence investigation that we performed in connection with our entry into the Merger Agreement, Sequence may have liabilities, losses, or other exposures for which we do not have adequate insurance coverage, indemnification, or other protection.**

While we performed due diligence on Sequence prior to our entry into the Merger Agreement, we are dependent on the accuracy and completeness of statements and disclosures made or actions taken by Sequence and its representatives during due diligence and during our evaluation of the results of such due diligence. We did not control Sequence and may be unaware of certain activities of Sequence before the completion of the Acquisition, including intellectual property and other litigation claims or disputes, information security vulnerabilities, violations of laws, policies, rules and regulations, commercial disputes, tax liabilities and other known and unknown liabilities.

Following the consummation of the Acquisition, the liabilities of Sequence, including contingent liabilities, were consolidated with the Company's. If Sequence's liabilities are greater than expected, or if Sequence has obligations of which we are not aware, our business could be materially and adversely affected. We do not have indemnification rights from the prior owners of Sequence and instead rely on a limited amount of representation and warranty insurance. Such insurance is subject to exclusions, policy limits and certain other customary terms and conditions. Sequence may also have other unknown liabilities. If we are responsible for liabilities not covered by insurance, we could suffer severe consequences that could have a material adverse effect on our financial condition and results of operations.

**Our reputation could be impaired due to actions taken by our franchisees, licensees, suppliers and other partners.**

We believe that our brands, including their widespread recognition and strong reputation and goodwill in the market, are one of our most valuable assets and they provide us with a competitive advantage. Our franchisees operate their businesses under our brands. We license our trademarks to third parties for the manufacture and sale in retail stores by such parties of a variety of goods, including food products, and also co-brand or endorse third-party branded consumer services and products. We also sell through a variety of channels, including online through our e-commerce platforms, at our studios, and through our trusted partners, food and non-food products manufactured by third-party suppliers. In addition, we integrate our services and products with those of other third parties, including through bundled and joint offerings, and integrate data from trusted third-party partners into our offerings. Our third-party partnerships also extend to event sponsorships and co-promotions. Our franchisees, licensees, suppliers and other partners are independent third parties with their own financial objectives, third-party relationships and brand associations. Actions taken by them, including violations of generally accepted ethical business practices or breaches of law, regulations or contractual obligations, such as not following our program or not maintaining our quality and safety standards, could harm our reputation. Also, our products and services, or the third-party products or services with which we integrate our own services and products, may be subject to product recalls, brand confusion, litigation, regulatory action or other deficiencies, as the case may be, which could harm our brands. Any negative publicity associated with these actions or these third parties would adversely affect our reputation and may result in decreased recruitment, Digital product subscriptions, workshop attendance and product sales and, as a result, lower revenues and profits.

As a result of the consummation of the Acquisition, we are now associated with and may in the future become associated with professional corporations, professional associations or equivalent entities, which are legal entities organized under state laws that employ or contract with healthcare professionals in one or more states to provide telehealth services (collectively, "PCs"). We and the PCs may suffer losses or reputational harm from medical malpractice liability, professional liability or other claims against the healthcare professionals employed by, or contracting with, us or the PCs (the "Affiliated Professionals"). We and/or the PCs may be unable to obtain or maintain adequate insurance against these claims. Healthcare professionals providing telehealth services have become subject to a number of lawsuits alleging malpractice and some of these lawsuits may involve large claims and significant defense costs. It is possible that these claims could also be asserted against us and potential litigation may include us as an additional defendant. Any suits against us, the PCs or the Affiliated Professionals, if successful, could result in substantial damage awards to the claimants that may exceed the limits of any applicable insurance coverage. Although we do not control the practice of telehealth by the PCs and the Affiliated Professionals, it could be asserted that we should be held liable for malpractice of a healthcare professional employed by a PC.

In addition, we and the PCs could incur reputational harm or negative publicity in relation to a material malpractice or care-related event involving an Affiliated Professional. Malpractice lawsuits and claims can also lead to increased scrutiny by state regulators. In addition, some plaintiffs have asserted allegations of corporate practice of medicine in connection with malpractice lawsuits. There can be no assurance, however, that a future claim or claims will not be successful. Malpractice insurance, moreover, can be expensive and varies from state to state and there can be no assurance that malpractice insurance will be available to us or the PCs or the Affiliated Professionals at an acceptable cost.

Successful malpractice claims asserted against us or the PCs or the Affiliated Professionals could have a material adverse effect on our business, financial condition and results of operations. Additionally, our inability to obtain adequate insurance may also have a material adverse effect on our business and financial results.

Additionally, a number of laws and regulations govern the business of advertising, promotion, dispensing, and marketing services and products, including generic and branded pharmaceuticals. These regulatory regimes are overseen by governmental bodies, principally the U.S. Food and Drug Administration (the "FDA"), the U.S. Department of Health and Human Services (the "HHS"), the U.S. Federal Trade Commission (the "FTC"), and several state and local government agencies in the United States. Failure to comply with the laws and regulations of these governmental agencies may result in legal or other enforcement actions, including orders to cease non-compliant activities. We depend on pharmacies, laboratories and other contractors to provide certain products and services for members. These third parties may be subject to inspections and audits by federal, state or local health authorities, health insurers, and pharmacy benefit managers. If these third parties do not maintain appropriate licenses or comply with legal and regulatory requirements or are subject to enforcement actions, our business may be adversely affected.

Any inquiry into the safety, efficacy or regulatory status of the products prescribed by the Affiliated Professionals and any related interruption in the marketing and sale of these products could damage our reputation and image in the marketplace. For example, the use of such products may cause adverse events or other undesirable side effects, which could cause regulatory authorities to issue warnings about the products or could lead to recalls, withdrawals of approvals for such products or other regulatory or other enforcement actions. The FDA has also issued warning letters to companies alleging improper claims regarding their pharmaceutical products. If the FDA or any other regulatory authorities determine that we have made inappropriate drug claims, we could receive a warning or untitled letter, be required to modify our claims or take other actions to satisfy the FDA or any other regulatory authorities. There can be no assurance that we will not be subject to state, federal or foreign government actions or class action lawsuits, which could harm our business, financial condition and results of operations.

**We, the PCs and the Affiliated Professionals are subject to extensive and complex healthcare laws and regulations. If we, the PCs or the Affiliated Professionals fail to comply with existing or new laws or regulations that apply to us, we or they could suffer civil or criminal penalties or be subject to other enforcement actions.**

The healthcare industry and services provided via telehealth are highly regulated. Following the consummation of the Acquisition, various aspects of our operations are subject to federal, state or local laws, rules and regulations, any of which may change from time to time. Regulatory oversight includes, but is not limited to, considerations of corporate practice of medicine, licensure and scope of practice limitations for physicians and other healthcare professionals, establishment of a physician-patient relationship, prohibitions on fraud, waste and abuse, including laws prohibiting the submission of false claims, anti-kickback and all-payor fraud laws, restrictions on referrals and self-referrals, advertising and promotional restrictions, privacy protections, including patient information, and complex prior authorization and other requirements. Federal and state laws permit private parties to bring "qui tam" or whistleblower lawsuits on behalf of the federal government against companies for violations of fraud and abuse laws.

Although we and the PCs strive to comply with all applicable laws and regulations, our operations and the operations of the PCs may not be in compliance with certain laws or regulations as they may be interpreted by governmental, judicial, law enforcement or regulatory authorities or their agents. Failure to comply with laws and regulations may subject us, the PCs or the Affiliated Professionals to civil or criminal penalties, licensing or other sanctions, that limit our ability to operate our business or their ability to provide telehealth services. See "Risk Factors—Risks Related to Our Acquisition of Weekend Health, Inc. (d/b/a Sequence)—We may be subject to extensive fraud, waste, and abuse laws that may give rise to federal and state audits and investigations, including actions for false and other improper claims."

Changes to laws and regulations pose additional risks. The failure to comply with such changes to laws and regulations may subject us, the PCs and/or the Affiliated Professionals to civil or criminal penalties or other sanctions that will limit our ability to operate our business or the ability of the PCs and the Affiliated Professionals to provide telehealth services. Changes to laws or regulations might have the effect of imposing additional costs or rendering invalid or illegal, in whole or in part, certain aspects of the expected agreements between us, the PCs and healthcare professionals. Any or all of the issues above could adversely affect our ability to attract new members or retain existing members, or subject us to governmental or third-party lawsuits, investigations, regulatory fines or other actions or liability, resulting in a material adverse effect to our business, financial condition, cash flows and results of operation.

**The healthcare laws and regulations to which we are subject are constantly evolving and may change significantly in the future.**

The laws and regulations applicable to our business, to telehealth services, and to the healthcare industry generally are constantly evolving. While we believe that Sequence has structured its agreements and operations in material compliance with applicable healthcare laws and regulations, there can be no assurance that we will be able to successfully address changes in the current regulatory environment. Some of the healthcare laws and regulations that are applicable to us are subject to limited or evolving interpretations, and a review of our business or operations by a governmental, judicial, law enforcement or regulatory authority might result in a determination that could have a material adverse effect on us. Furthermore, the healthcare laws and regulations applicable to us may be amended or interpreted in a manner that could have a material adverse effect on our business.

Recent and frequent legislative and regulatory changes specific to telehealth may present us with additional requirements and compliance costs, with potential operational impacts in certain jurisdictions. Our business could be adversely affected by challenges to our business model or by state actions restricting the ability of the PCs and the Affiliated Professionals to provide products and services via telehealth in certain states.

Healthcare professionals who provide professional services to a patient via telehealth must, in most instances, hold a valid license to practice or provide treatment in the state in which the patient is located. Certain states require healthcare professionals providing telehealth services to be physically located in the same state as the patient. State law applicable to telehealth, particularly licensure requirements, has been relaxed in many jurisdictions as a result of the COVID-19 pandemic. It is unclear which, if any, of these changes will remain in place permanently. If regulations change to restrict healthcare professionals from delivering care through telehealth modalities or such healthcare professionals fail to comply with telehealth laws, the PCs and the Affiliated Professionals could be subject to civil or criminal penalties, and our financial condition and results of operations may be adversely affected.

Federal and state laws and regulations specific to telehealth vary and may set forth informed consent, modality, medical records, licensing, follow-up care, and other requirements. The ability of the PCs and the Affiliated Professionals to conduct business via telehealth is dependent, in part, upon that particular state's treatment of remote healthcare and that state medical or other board's regulation of the practice of medicine and telehealth services, each of which is subject to changing political, regulatory, and other influences. Where new laws and regulations apply to telehealth services, we may incur costs to monitor, evaluate, and modify operational processes for compliance. All such activities may increase our costs and could, in certain circumstances, impact the ability of the PCs and the Affiliated Professionals to make telehealth available in a particular state. Additionally, patients may be reluctant to accept services delivered via telehealth or may not find it preferable to traditional treatment. It is possible that the laws, rules, and regulations governing the practice of telehealth in one or more states may change or be interpreted in a manner unfavorable to our business. If adverse laws or regulations are adopted, if patients prove unwilling to adopt the telehealth services offered by the PCs and the Affiliated Professionals as rapidly or in the numbers that we anticipate, or if any claims challenging the provision of services via telehealth are successful, and we were unable to adapt our business model accordingly, our operations in such states would be disrupted, which could have a material adverse effect on our business, financial condition, cash flows and results of operations.

We may also be subject to changes in laws, regulations, and enforcement trends governing the marketing of pharmaceutical products. Such products are subject to regulation by the FDA, FTC, and other governmental agencies, and over time, the regulatory landscape for pharmaceutical products approved for weight management may become more complex with increasingly strict requirements. To the extent federal or other requirements regarding safety, prescribing, and claims change in the future, such changes could result in increased costs, recalls, increased cancelations of member subscriptions, decreased interest from potential members or other adverse impacts or additional risks.

**We may be subject to extensive fraud, waste, and abuse laws that may give rise to federal and state audits and investigations, including actions for false and other improper claims.**

The U.S. healthcare industry is heavily regulated and closely scrutinized by federal, state and local governments. Comprehensive statutes and regulations govern our contractual relationships and arrangements with healthcare professionals and vendors, our marketing activities, and other aspects of our operations and the operations of the PCs and vendors. Such laws include, without limitation, federal and state anti-kickback, fraud and abuse, and false claims laws, and may authorize the imposition of criminal, civil and administrative penalties for submitting false or fraudulent claims for reimbursement to federal and state healthcare programs.

The federal anti-kickback statute (the "Anti-Kickback Statute") makes it a criminal offense to knowingly and willingly offer, pay, solicit or receive any remuneration to induce or reward referrals of items or services reimbursable by federal healthcare programs. The Anti-Kickback Statute defines "remuneration" to include the transfer of anything of value, in cash or in kind and directly or indirectly. The statute has been interpreted to cover any arrangement where at least one purpose of the arrangement is to obtain remuneration for the referral of services or to induce the purchase, lease, order, recommendation or arrangement of items or services reimbursable under a federal healthcare program. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Many states have similar anti-kickback and consumer protection laws, and in some cases these laws have expanded to apply to commercial insurers. If any governmental, judicial, law enforcement or regulatory authority determines that we are not in compliance with any such laws, any such authority could bring an action against us and/or our supported offices for violations of such laws, which could have a material adverse effect on our business.

The Federal Civil False Claims Act (the "FCA") prohibits the knowing submission of any false or fraudulent claim for payment to the federal government or to its agents or contractors or any recipient if the federal government provides any payment for the claim. The FCA also prohibits knowingly presenting, or causing to be presented, false claims to government health care programs, including Medicare, Medicaid, TRICARE, and the Federal Employees Health Benefits Program. It also prohibits the use of any false record or statement material to a claim made in order to have a false or fraudulent claim paid in whole or in part by the federal government. It further prohibits the knowing concealment or improper avoidance of an obligation to pay money or property to the federal government. The FCA requires no proof of specific intent to defraud to create liability. In addition, a violation of the Anti-Kickback Statute can result in liability under the FCA. Actions under the FCA may be brought by the Attorney General, the United States Department of Justice (the "DOJ"), the United States Attorney Offices, or as a qui tam action by a private individual in the name of the government. These private parties, often referred to as relators, are entitled to share in any amounts recovered by the government through trial or settlement. These "qui tam" cases are sealed by the court at the time of filing. The only parties privy to the information contained in the complaint are the relator, the federal government and the presiding court. It is possible that "qui tam" lawsuits will be filed against us and that we will be unaware of such filings. Violations of the FCA can result in significant monetary penalties. The federal government continues to use the FCA, and the accompanying threat of significant liability, in its investigations and prosecutions of telehealth companies and healthcare professionals that provide telehealth services. The government has obtained multi-million and multi-billion dollar settlements under the FCA in addition to individual criminal convictions under applicable criminal statutes. Given the significant size of actual and potential settlements, it is expected that the federal government will continue to devote substantial resources to investigating telehealth companies and healthcare professionals that provide telehealth services for compliance with the FCA and other applicable fraud and abuse laws. Collateral consequences of a violation of the FCA include administrative penalties and the imposition of settlement, monitoring, integrity or other agreements. Many states have similar FCA laws to which we may be subject. A determination that we have violated these laws could have a material adverse effect on our business.

The Health Insurance Portability and Accountability Act ("HIPAA") also created new federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

In addition, federal healthcare laws prohibit the offer or transfer to a federal healthcare program beneficiary, of any remuneration, including free services, and waivers of beneficiary cost sharing that the offeror knows or should know is likely to influence the beneficiary's selection of a particular provider, practitioner or supplier of federal healthcare program items or services unless there has been a good faith determination of the beneficiary's financial need. Violations may result in the imposition of civil monetary penalties. Moreover, the routine waivers of copayments and deductibles offered to patients covered by commercial payors may also implicate applicable state laws related to, among other things, unlawful schemes to defraud, insurance fraud, excessive fees for services, tortious interference with patient contracts and statutory or common law fraud. If arrangements are found to be inconsistent with applicable federal and state fraud, waste and abuse, state advertising, insurance or other applicable laws, we may be required to restructure or discontinue certain programs, or be subject to other significant penalties, enforcement actions or investigations, which could have a material adverse effect on our business.

To enforce compliance with the federal laws such as the FCA, the Office of the Inspector General of the HHS (the "OIG") and the DOJ recently have increased their scrutiny of interactions between healthcare companies and healthcare professionals, which has resulted in investigations, prosecutions, convictions and settlements in the healthcare industry. Dealing with investigations can be time and resource consuming and can divert management's attention from the business. Any such future investigation or settlement could increase our costs or otherwise have an adverse effect on our business.

Additionally, federal and state government agencies, as well as commercial payors, have increased their auditing and administrative, civil and criminal enforcement efforts as part of an effort to identify and to stem healthcare fraud and abuse. These audits and investigations relate to a wide variety of topics, including but not limited to the following: ordering and referral practices, technical compliance with coverage and payment rules, the offering of prohibited remuneration, patient privacy and data security rules and financial reporting. In addition, the OIG and the DOJ have, from time to time, undertaken national enforcement initiatives that focus on specific practices or other suspected areas of abuse. For example, the OIG announced a special fraud alert informing healthcare professionals that they should exercise caution when entering into arrangements with certain telemedicine companies. Federal and state governments also are authorized to impose criminal, civil and administrative penalties on any person or entity that files a false claim for payment for items or services reimbursed under a federal or state healthcare program. While the criminal statutes are generally reserved for instances of fraudulent intent, the federal government is applying its enforcement powers in an ever-expanding range of circumstances. If we or any of the PCs are found to be in violation of federal or state laws or regulations, we and they could be forced to discontinue the violative practice and may be subject to actions, fines and criminal penalties, which could have a material adverse effect on our business.

Similar to federal and state governmental agencies, commercial payors have increased their auditing and recovery efforts. Claims filed with private insurers can lead to criminal and civil penalties, including, but not limited to, penalties relating to violations of federal mail and wire fraud statutes, as well as penalties under the healthcare fraud provisions of HIPAA.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

Nothing to report under this item.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Nothing to report under this item.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

Nothing to report under this item.

**ITEM 6. EXHIBITS**

| Exhibit Number | Description |
|---|---|
| *Exhibit 2.1 | Agreement and Plan of Merger, dated as of March 4, 2023, by and among WW International, Inc., Well Holdings, Inc., Weekend Health, Inc. ("Weekend Health") and Fortis Advisors LLC, solely in its capacity as the Equityholders' Representative (as defined therein) for Weekend Health. |
| *Exhibit 31.1 | Rule 13a-14(a) Certification by Sima Sistani, Chief Executive Officer. |
| *Exhibit 31.2 | Rule 13a-14(a) Certification by Heather Stark, Chief 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. |
| *Exhibit 101 | |
| *EX-101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| *EX-101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| *EX-101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| *EX-101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| *EX-101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| *EX-101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| *Exhibit 104 | The cover page from WW International, Inc.'s Quarterly Report on Form 10-Q for the quarter ended April 1, 2023, formatted in Inline XBRL (included within the Exhibit 101 attachments). |

* Filed herewith.

**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.

WW INTERNATIONAL, INC.

Date: May 4, 2023

By: /s/ Sima Sistani
Sima Sistani
Chief Executive Officer and Director
(Principal Executive Officer)

Date: May 4, 2023

By: /s/ Heather Stark
Heather Stark
Chief Financial Officer
(Principal Financial Officer)

**EXHIBIT 2.1**

**STRICTLY CONFIDENTIAL** **Execution Version**

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

WW INTERNATIONAL, INC.

WELL HOLDINGS, INC.

WEEKEND HEALTH, INC.

AND

THE EQUITYHOLDERS' REPRESENTATIVE NAMED HEREIN

Dated as of March 4, 2023

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| Exhibit C | – | Form of Company Optionholder Participation Agreement |
| Exhibit D | – | Amendment to Company Charter |

Company Disclosure Schedule
Parent Disclosure Schedule

**AGREEMENT AND PLAN OF MERGER**

This AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of March 4, 2023, by and among (i) WW International, Inc., a Virginia corporation ("Parent"), (ii) Well Holdings, Inc., a Delaware corporation and a direct wholly owned subsidiary of Parent ("Merger Sub"), (iii) Weekend Health, Inc., a Delaware corporation (the "Company") and (iv) Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as agent and attorney-in-fact for the Company Equityholders (as hereinafter defined) (the "Equityholders' Representative", and collectively with Parent, Merger Sub and the Company, the "parties").

**WITNESSETH:**

WHEREAS, Parent, Merger Sub and the Company desire to effect a merger of Merger Sub with and into the Company (the "Merger"), upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and material inducement to Parent's and Merger Sub's execution of this Agreement, certain specified Company Stockholders have executed and delivered to Parent a support agreement in a form previously agreed by Parent (the "Support Agreements"), pursuant to which, among other things, such Company Stockholders are agreeing to vote all shares of Company Capital Stock held by them (or execute one or more written consents with respect to such shares of Company Capital Stock) in favor of the adoption of this Agreement and the transactions contemplated hereby, including the Merger;

WHEREAS, concurrently with the execution and delivery of this Agreement, and as a condition and material inducement to Parent's and Merger Sub's execution of this Agreement, the Key Employees (as hereinafter defined) have executed and delivered to Parent employment documentation in a form previously agreed by both Parent and the Key Employees that shall become effective contingent upon the Effective Time (each an "Employment Agreement" and collectively, the "Employment Agreements");

WHEREAS, the board of directors of the Company (i) has determined that it is in the best interests of the Company and its stockholders, and has declared it advisable, to enter into this Agreement, (ii) has approved the execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, and (iii) has resolved to recommend adoption of this Agreement and approval of the transactions contemplated hereby, including the Merger, by its stockholders;

WHEREAS, (i) the board of directors or equivalent governing body of Parent and the board of directors of Merger Sub have approved the execution, delivery and performance by Parent and Merger Sub, respectively, of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, and (ii) the board of directors of Merger Sub (x) has determined that it is in the best interests of Merger Sub and its sole stockholder, and has declared it advisable, to enter into this Agreement, and (y) has resolved to recommend adoption of this Agreement and approval of the transactions contemplated hereby, including the Merger, by its sole stockholder;

WHEREAS, Parent, as the sole stockholder of Merger Sub, shall adopt this Agreement and approve the transactions contemplated hereby, including the Merger, immediately following the execution and delivery of this Agreement by the parties; and

WHEREAS, no later than twenty-four (24) hours following the execution and delivery of this Agreement by the parties hereto (A) this Agreement shall be adopted, and the transactions contemplated

hereby shall be approved, by the written consent of the Company Stockholders holding (i) a majority of the total issued and outstanding shares of Company Capital Stock (voting together as a single class on an As-Converted Basis), (ii) a majority of the total issued and outstanding shares of Company Common Stock (voting as a separate class), and (iii) a majority of the issued and outstanding shares of Company Preferred Stock (voting together as a single class on an As-Converted Basis), and in each case of the foregoing clauses (i) through (iii), entitled to vote on the adoption of this Agreement and approval of the transactions contemplated hereby, all in accordance with Section 228 and Section 251 of the DGCL, the Company Charter, the Voting Agreement and the Company Bylaws (the "Requisite Stockholder Approval") and (B) evidence of the Requisite Stockholder Approval shall be delivered to Parent.

NOW THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements herein contained and intending to be legally bound hereby, the parties hereto hereby agree as follows:

## ARTICLE I
## CERTAIN DEFINITIONS

1.1 Definitions.

(a) For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"280G Stockholder Approval" has the meaning specified in Section 6.13.

"Accredited Investor" has the meaning specified in Section 3.8(b).

"Acquisition Proposal" has the meaning specified in Section 6.8.

"Action" means any legal, judicial, administrative or arbitral actions, cause of action, claims (including any cross-claim or counterclaim), suits, charge, demand, litigation, order, mediation, complaint, hearing, dispute resolution, process, audit, inquiry, criminal prosecution, investigations, audits or proceedings (public or private) by or before a Governmental Authority (including any civil, commercial, criminal, administrative, investigative, informal or appellate).

"Additional Company Option Merger Consideration" has the meaning specified in Section 3.1(b).

"Additional Merger Consideration" has the meaning specified in Section 3.4(f)(i).

"Advisory Group" has the meaning specified in Section 3.7(a)(ii).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

"Affiliate Agreements" has the meaning specified in Section 4.25.

"Affiliated Party" has the meaning specified in Section 4.25.

"Aggregate Exercise Price" means the aggregate exercise price of all Vested Company Options that are outstanding immediately prior to the Effective Time and after any acceleration affected by the board of directors of the Company effective as of the Closing.

"Aggregate Option Release Amount" has the meaning specified in Section 6.16.

"Aggregate Parent Common Stock Consideration" means a number of shares of Parent Common Stock equal to (i) the lesser of (x) $35,000,000 and (y) the Estimated Closing Merger Consideration, divided by (ii) the Parent Common Stock Value.

"Agreement" has the meaning specified in the Preamble.

"Allocation Schedule" means a written schedule in a form previously agreed between Parent and the Company setting forth (x) each Company Equityholder's Per Share Portion, (y) a detailed allocation (including with respect to the allocation of cash consideration and Parent Common Stock consideration), on a holder-by-holder basis, of the portion of the Estimated Closing Merger Consideration, the Additional Merger Consideration (if any), the First Anniversary Merger Consideration or the Second Anniversary Merger Consideration, as the case may be, that is payable to (i) each Company Stockholder in respect of the shares of Company Capital Stock (other than Specified Shares) held by such Company Stockholder immediately prior to the Effective Time and (ii) each Company Optionholder in respect of the Company Options held by such Company Optionholder immediately prior to the Effective Time, and (z) the names and email addresses of each Company Equityholder.

"Anti-Corruption Laws" has the meaning specified in Section 4.10(b).

"As-Converted Basis" means, at the applicable time, a basis assuming that all outstanding shares of Company Preferred Stock have been converted into shares of Company Common Stock pursuant to the terms of the Company Charter in effect at such time.

"Balance Sheet Date" has the meaning specified in Section 4.7(c).

"Bankruptcy and Equity Exception" has the meaning specified in Section 4.2(a).

"Benefit Plan" means each "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) and each other stock purchase, stock option, restricted stock, stock-based, phantom equity, severance, retention, retirement, supplemental retirement, pension, savings, profit sharing, termination, employment, individual consulting, change of control, bonus, incentive, deferred compensation, profit-sharing, employee loan, fringe benefit, medical, dental, life, vision, vacation, sick pay and other benefit or compensatory plan, arrangement, agreement, program, policy, practice or undertaking, whether formal or informal, funded or unfunded, insured or uninsured, registered or unregistered, (i) sponsored, maintained or contributed to (or required to be contributed to) by any WH Entity, (ii) in which Employees participate, or (iii) under which any WH Entity has, could reasonably be expected to have, or will have, any Liability and pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any Employees or other individuals providing, or who have provided, services to any WH Entity.

"Business" means the business, activities, and operations conducted by the Company and/or the Managed PCs, including a comprehensive weight management program which (i) may use anti-obesity medications combined with a technology-powered care platform, (ii) incorporates the provision of health care insurance coordination services and/or nutrition plans and (iii) provides access to clinicians, dietitians, fitness coaches and care coordinators.

"Business Day" means any day of the year on which national banking institutions in New York City and San Francisco, California are open to the public for conducting business and are not required or authorized to be closed under applicable Law.

"CARES Act" has the meaning specified in the definition of COVID-19 Relief Laws.

"Cash on Hand" means, without duplication, with respect to the Company, all cash and cash equivalents held by the WH Entities as of the Measurement Time determined in accordance with GAAP; provided, that Cash on Hand shall be calculated net of (i) uncleared checks, wire transfers in transit, deposits in transit and drafts issued by any WH Entity as of the Measurement Time and (ii) Excluded Cash.

"Cash Portion" means a fraction (i) the numerator of which is the Per Share Company Capital Stock Cash Consideration and (ii) the denominator of which is the Per Share Estimated Closing Merger Consideration.

"Cash Target" means $26,000,000.

"Charter Amendment" has the meaning specified in Section 6.17.

"Certificate" means each certificate which, immediately prior to the Effective Time, represented shares of Company Capital Stock.

"Certificate of Merger" has the meaning specified in Section 2.3.

"Closing" has the meaning specified in Section 2.2.

"Closing Date" has the meaning specified in Section 2.2.

"Closing Indebtedness" means the Indebtedness of the WH Entities immediately prior to the Closing.

"Closing Statement" has the meaning specified in Section 3.4(b).

"Code" means the Internal Revenue Code of 1986, as amended.

"Communications" has the meaning specified in Section 10.14(b).

"Company" has the meaning specified in the Preamble.

"Company Bylaws" means the bylaws of the Company, as amended from time to time.

"Company Capital Stock" means the Company Common Stock and the Company Preferred Stock.

"Company Capital Stock Closing Cash Consideration" means the aggregate amount of the Estimated Closing Merger Consideration that is payable in cash at the Closing pursuant to Section 3.1(a).

"Company Charter" means the Amended and Restated Certificate of Incorporation of the Company, as amended from time to time.

"Company Common Stock" means the common stock, par value $0.00001 per share, of the Company, including, for the avoidance of doubt, Company Restricted Stock.

"Company Confidential Information" means all trade secrets and all other information, knowledge, ideas or data relating to the WH Entities, proprietary or confidential, including, but not limited to, any customer, vendor or partnership lists, customer data or information, prospective customer names, business strategies, models and techniques, management and marketing plans, financial statements, financial information and projections, know-how, pricing policies, pricing information and pricing methodologies, operational methods, methods of doing business, compensation, technical processes, formulae and algorithms, research and development, designs and design projects, inventions, hardware, software programs, files, software, code, reports, documents, manuals, forms, business plans and projects or prospective projects pertaining to the WH Entities and including any information of others that any WH Entity has agreed to keep confidential.

"Company Disclosure Schedule" has the meaning specified in the Preamble of Article IV.

"Company Documents" has the meaning specified in Section 4.2(a).

"Company Equityholders" means the Company Stockholders and the Company Optionholders.

"Company Fundamental Representations" means the representations and warranties set forth in any of Sections 4.1(a), 4.2, 4.5(a) through 4.5(d) and 4.26.

"Company Material Adverse Effect" means any effect, event, change, development, occurrence or circumstance (collectively, "Effects") that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on (i) the assets, business, results of operations or condition (financial or otherwise) of the WH Entities, taken as a whole; provided, however, that no Effects arising or resulting from any of the following, either alone or in combination, shall constitute or be taken into account in determining whether there has been a Company Material Adverse Effect pursuant to this clause (i): (A) general economic conditions, including changes in the credit, debt, financial, currency or capital markets (including changes in interest or exchange rates), in each case, in the United States; (B) earthquakes, floods, hurricanes, tornadoes, volcanic eruptions, natural disasters or other acts of nature; (C) global, national or regional political conditions, including hostilities, acts of war, sabotage or terrorism or military actions or any escalation, worsening or diminution of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (D) any change after the date hereof in Laws or GAAP or other applicable accounting rules, in each case, applicable to the WH Entities; (E) any epidemics, pandemics, disease outbreaks, or other public health emergencies (as declared by the World Health Organization or the Health and Human Services Secretary of the United States), (F) the execution, announcement or performance of this Agreement or the pendency or consummation of the transactions contemplated hereby (provided, that this clause (F) shall be disregarded for purposes of (x) the representations and warranties set forth in Sections 4.3, 4.4, 4.10(d), 4.12(g), 4.14(f) and 4.26 and the condition set forth in Section 7.2(a) solely as it relates to such representations and warranties and (y) the covenants and agreements set forth in Section 6.1(a) and the condition set forth in Section 7.2(b) solely as it relates to such covenants and agreements); and (G) any failure by the WH Entities to meet any projections, forecasts or estimates in and of itself (provided, however, that any Effects that caused or contributed to such failure to meet any projections, forecasts or estimates shall not be excluded under this clause (G)); provided, further, that in the case of clauses (A), (B), (C), (D) and (E) any such Effect may be taken into account in determining whether there has been a Company Material Adverse Effect solely to the extent such Effect affects the WH Entities in a disproportionate manner relative to other participants in the industries in which the WH Entities operate and/or (ii) the ability of the Company to perform its obligations under this Agreement in a timely manner or to consummate the transactions contemplated by this Agreement.

"Company Option Closing Cash Consideration" means the amount of the Company Option Closing Consideration that is payable in cash at the Closing pursuant to Section 3.1(b).

"Company Option Closing Consideration" has the meaning specified in Section 3.1(b).

"Company Option Merger Consideration" has the meaning specified in Section 3.1(b).

"Company Optionholder" means those Persons holding outstanding Company Options immediately prior to the Effective Time.

"Company Optionholder Participation Agreement" has the meaning specified in Section 3.1(b).

"Company Options" means all options to acquire Company Common Stock granted under the Company Stock Option Plan.

"Company Preferred Stock" means the Company Series A Preferred Stock, the Company Series A Preferred Stock, the Company Series A-1 Preferred Stock and the Company Series A-2 Preferred Stock.

"Company Restricted Stock" means shares of restricted Company Common Stock granted under the Company Stock Option Plan.

"Company Series A Preferred Stock" means the Series A Preferred Stock, par value $0.00001 per share, of the Company.

"Company Series A-1 Preferred Stock" means the Series A-1 Preferred Stock, par value $0.00001 per share, of the Company.

"Company Series A-2 Preferred Stock" means the Series A-2 Preferred Stock, par value $0.00001 per share, of the Company.

"Company Stock Option Plan" means the Company's 2020 Stock Option and Grant Plan, adopted on June 26, 2020, as amended, restated, modified or supplemented.

"Company Stockholder" means each holder of Company Capital Stock.

"Competition and FDI Laws" means the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other federal, state, provincial, territorial, foreign, or other applicable statutes, rules, regulations, Orders, administrative and judicial doctrines, and Laws that that are designed or intended to prohibit, restrict or regulate actions or transactions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition or that aim at reviewing and controlling foreign investment.

"Confidentiality Agreement" has the meaning specified in Section 6.7(c).

"Contract" means any contract, agreement, instrument, option, lease, license, sales and purchase order, warranty, note, bond, mortgage, indenture, obligation, commitment, binding application, arrangement or understanding, whether written or oral, express or implied, in each case as amended and supplemented from time to time.

"Contracting Parties" has the meaning specified in Section 10.10.

"COVID-19" means the pandemic of coronavirus disease 2019 (COVID-19) caused by the coronavirus called SARS-CoV-2 or any related virus or strain.

"COVID-19 Relief Laws" means any Laws, programs, executive orders, executive memos or similar schemes which are designed to address the impact of COVID-19 (whether coming into force before or after the date hereof), including the Coronavirus Aid, Relief, and Economic Security Act of 2020 (Pub. L. No. 116-136) (the "CARES Act"), the Families First Coronavirus Response Act (Pub. L. No. 116-127), the Paycheck Protection Program and Health Care Enhancement Act (Pub. L. No. 116-139), the Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260), the American Rescue Plan Act of 2021 (Pub. L. No. 117-2), Section 13(3) of the Federal Reserve Act, the Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster, dated August 8, 2020, IRS Notice 2020-65 and the Health and Economic Recovery Omnibus Emergency Solutions Act and the Health, Economic Assistance, Liability Protection, and Schools Act.

"D&O Indemnitees" has the meaning specified in Section 6.6(a).

"DGCL" has the meaning specified in Section 2.1.

"Dispute Notice" has the meaning specified in Section 3.4(b).

"Disputed Items" has the meaning specified in Section 3.4(b).

"Dissenting Shares" has the meaning specified in Section 3.1(c).

"Divisible Share" has the meaning specified in Section 3.7(c)(i).

"Effective Time" has the meaning specified in Section 2.3.

"Effects" has the meaning specified in the definition of Company Material Adverse Effect.

"EHR" has the meaning specified in Section 4.21(i).

"Employee" means any current or former employee, manager, director, officer, individual consultant or individual independent contractor of the Company or Managed PC, including any employee on disability leave, parental leave or other absence.

"Employee Company Optionholder" has the meaning specified in Section 3.2(b).

"Employee Company Restricted Stockholder" means each holder of Company Restricted Stock that is (or was) an employee of the Company.

"Employment Agreements" has the meaning specified in the Recitals of this Agreement.

"Environmental Law" means any and all Laws (including common law) or other legally enforceable requirement regulating, relating to or imposing liability or standards of conduct concerning protection of the environment (including flora, fauna and their habitat), natural resources or human health, including employee health and safety.

"Equityholders' Representative" has the meaning specified in the Preamble.

"Equityholders' Representative Engagement Agreement" has the meaning specified in Section 3.7(a)(ii).

"Equityholders' Representative Expenses" has the meaning specified in Section 3.7(c)(i).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any entity (whether or not incorporated) which would be treated as a single employer with the Company under Sections 414(b), (c), (m) or (o) of the Code and the regulations thereunder.

"Estimated Closing Merger Consideration" means (i) the Estimated Merger Consideration, minus (ii) $32,000,000, minus (iii) the Expense Fund Amount; provided, that if the Estimated Merger Consideration is less than or equal to $32,000,000, the Estimated Closing Merger Consideration shall equal the (A) Estimated Merger Consideration, minus (B) the Expense Fund Amount.

"Estimated Closing Statement" has the meaning specified in Section 3.2(a).

"Estimated Merger Consideration" means, without duplication, (i) $132,000,000, minus (ii) the amount (if any) by which the Cash Target is in excess of Cash on Hand, plus (iii) the Aggregate Exercise Price, minus (iv) Closing Indebtedness, minus (v) Transaction Costs, plus (vi) the amount (if any) by which the Estimated Net Working Capital is in excess of the Net Working Capital Target, minus (vii) the amount (if any) by which the Net Working Capital Target is in excess of the Estimated Net Working Capital, in each of the case of the foregoing clauses (i) through (vii), as set forth in the Estimated Closing Statement.

"Estimated Merger Consideration Elements" means, collectively, the following: (i) Cash on Hand, (ii) Closing Indebtedness, (iii) Transaction Costs, (iv) the Aggregate Exercise Price, and (v) the Estimated Net Working Capital.

"Estimated Net Working Capital" shall mean the Company's good faith estimate of Net Working Capital as of the Measurement Time, based on the books and records of the Business.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Cash" means (i) restricted cash or cash or cash equivalents held or retained by the WH Entities for the benefit, or pursuant to the requirement, of any other Person (other than for or on behalf of any WH Entity as agent, or for the benefit of any other WH Entity) (including cash or cash equivalents held as collateral in respect of Liabilities to any other Person), (ii) cash or cash equivalents held or deposited as security or rent deposits, escrows, other similar deposits with third parties (including deposits with landlords) or any certificates of deposit, (iii) with respect to cash or cash equivalents located outside of the United States that could not be repatriated to the United States without the payment of any Tax or other costs, cash or cash equivalents in in the amount of such Tax or other costs, (iv) cash funded by, or on behalf of, Parent or any of its Affiliates and (v) cash or cash equivalents used by, or on behalf of, the WH Entities to (A) payoff, redeem, repay or otherwise retire for value any Indebtedness or (B) pay any Transaction Costs, in each case of clauses (A) and (B) after the Measurement Time.

"Exercise Number" means for any Vested Company Option that is outstanding and exercisable immediately prior to the Effective Time, the number of shares of Company Common Stock subject to such Vested Company Option.

"Expense Fund" has the meaning specified in Section 3.7(d).

"Expense Fund Amount" has the meaning specified in Section 3.7(d).

"FCPA" has the meaning specified in Section 4.10(a).

"Federal Health Care Program" shall mean any plan or program that provides health benefits, whether directly, through insurance or otherwise, which is funded directly, in whole or in part, by the federal government or a state health care program, including the Federal Employees Health Benefits Program, veterans programs, and "federal health care program" as defined in 42 U.S.C. Section 1320a-7b(f), including Medicare, state Medicaid programs, state Children's Health Insurance Program programs, TRICARE and similar or successor programs with or for the benefit of any Governmental Authority.

"Final Closing Statement" has the meaning specified in Section 3.4(e).

"Final Merger Consideration" means, without duplication, (i) $132,000,000, minus (ii) the amount (if any) by which the Cash Target is in excess of Cash on Hand, plus (iii) the Aggregate Exercise Price, minus (iv) Closing Indebtedness, minus (v) Transaction Costs, plus (vi) the amount (if any) by which Net Working Capital is in excess of the Net Working Capital Target, minus (vii) the amount (if any) by which the Net Working Capital Target is in excess of the Net Working Capital, in each of the case of the foregoing clauses (i) through (vii), as set forth in the Final Closing Statement.

"Final Merger Consideration Elements" means, collectively, the following: (i) Cash on Hand, (ii) Closing Indebtedness, (iii) Transaction Costs, (iv) the Aggregate Exercise Price, and (v) Net Working Capital.

"Firm" has the meaning specified in Section 10.14(a).

"Financial Statements" has the meaning specified in Section 4.7(a).

"First Anniversary Merger Consideration" means $16,000,000 or such lower amount following the exercise of Parent's right of set-off pursuant to Section 3.4(f)(ii); provided, that if the Estimated Merger Consideration is less than or equal to $32,000,000, the First Anniversary Merger Consideration shall be $0.

"Fraud" means actual and intentional fraud (i.e. with scienter).

"Fully Diluted Share Number" means (without duplication): (i) the aggregate number of shares of Company Capital Stock issued and outstanding immediately prior to the Effective Time, but excluding all Specified Shares, plus (ii) the maximum aggregate number of shares of Company Common Stock issuable upon full exercise of all Vested Company Options issued and outstanding immediately prior to the Effective Time including the Option Grant Acceleration disclosed in Section 4.14(f) of the Company Disclosure Schedule effective as of the Closing.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Antitrust Entity" means any Governmental Authority with regulatory jurisdiction over enforcement of any applicable Competition and FDI Law.

"Governmental Authority" means any supranational, foreign or domestic, federal, state, county, municipal, local or other government, governmental entity, or quasi-governmental entity (including any subdivision, branch, department, official, or entity and any court or tribunal thereof) and any

supranational, foreign or domestic entity or body exercising executive, legislative, judicial, regulatory, administrative functions of or pertaining to government, including any court or arbitral tribunal.

"Hazardous Substances" means any and all pollutants, contaminants or wastes and any and all other materials or substances that are regulated, or that could result in the imposition of liability, under any applicable Environmental Laws, including petroleum, asbestos, toxic mold, per- and polyfluoroalkyl substances, 1,4-dioxanne and polychlorinated biphenyls.

"Healthcare Laws" means all Laws pertaining to healthcare regulatory matters applicable to the business, products or operations of the Company and the Managed PCs including: (i) Laws relating to healthcare fraud and abuse, false claims, self-referral and kickbacks and financial relationships between referral sources and referral recipients, including the Stark Law (42 U.S.C. § 1395nn); the Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)); the False Claims Act (31 U.S.C. § 3729 et seq.); the Program Fraud Civil Remedies Act (31 U.S.C. §§ 3801-3812); the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)); the Civil Monetary Penalties Law (42 U.S.C. §§ 1320a-7a); the Exclusion Laws (42 U.S.C. § 1320a-7); the Federal Criminal False Claims Act (18 U.S.C. § 287), the False Statements Relating to Health Care Matters Law (18 U.S.C. § 1035), Federal Health Care Fraud Law (18 U.S.C. § 1347); the Beneficiary Inducement Statute (42 U.S.C. § 1320a-7a(a)(5)); the Eliminating Kickbacks in Recovery Act of 2018 (18 U.S.C. § 220 et seq.); (ii) Laws relating to Federal Health Care Programs; (iii) state insurance Laws governing, regulating or pertaining to the payment for healthcare related items or services; (iv) Laws relating to billing or claims for reimbursement submitted to any third-party payor; (v) the Federal Food, Drug, and Cosmetic Act, as amended, the Public Health Service Act, as amended, the federal Controlled Substances Act, as amended, U.S. Food and Drug Administration Laws, Drug Enforcement Administration ("DEA") Laws, and comparable state Laws; (vi) Laws concerning the ordering, storage, security, dispensing or prescribing of controlled substances; (vii) Laws pertaining to medical, pharmacy or clinical documentation and medical, pharmacy or clinical record retention; (viii) Laws pertaining to any state or federal licensure, permit or authorization for individuals, facilities, or entities, including DEA registration requirements, controlled substance registration requirements, pharmacy licenses, and the Clinical Laboratory Improvement Act (42 U.S.C. § 263a, et seq.), public health data collection or reporting, and quality, safety and mandated reporting of incidents, occurrences, diseases and events; (ix) Laws relating to utilization review, claims adjudication, prior authorization, care management, copayment or coinsurance collection, copayment assistance, other patient assistance programs or services, patient charges, billing and coding for health care services, healthcare coverage reimbursement, advertising and promotion and marketing for healthcare products and services, timely repayment of overpayments, recordkeeping and documentation and referrals related to healthcare products and services; (x) Laws concerning the corporate practice of medicine, the employment or engagement of healthcare professionals by non-professionals, and fee splitting or sharing of revenues, and the licensure of healthcare professionals; (xi) the Federal Trade Commission Act and Federal Trade Commission Laws; (xii) the 21st Century Cures Act and implementing regulations, including regulations issued by the Office of the National Coordinator for Health Information Technology and the Centers for Medicare & Medicaid Services regarding interoperability, information blocking and patient access (collectively, the "Cures Act"); (xiii) Laws relating to state healthcare professional practice acts, including state medical practice acts and pharmacy practice acts; (xiv) Laws regarding supervision of healthcare professionals; (xv) Laws regarding electronic health records systems and health information technology; (xvi) Laws relating to digital health, healthcare professional licensure or the provision of care via telehealth, telemedicine, or online pharmacy modalities; and (xvii) in each case of the foregoing clauses (i) through (xvi), all implementing regulations promulgated thereunder and under all comparable state or local Laws; and (xviii) HIPAA.

"Healthcare Professional" has the meaning specified in Section 4.21(c).

"Healthcare Professional License" has the meaning specified in Section 4.21(c).

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended, the Health Information Technology for Economic and Clinical Health Act of 2009, as amended, the applicable provisions of the 21st Century Cures Act, Public Law 116-321, and the regulations that implement such Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Indebtedness" means, without duplication, (i) the principal amount of and accrued interest, premiums, prepayment premiums, penalties, overage charges, indemnities, breakage costs, make-whole payments or obligations or other similar costs, fees or expenses (if any), that would be required to be paid by the borrower pursuant to a customary payoff letter (or otherwise as required by the terms of the underlying instrument), in each case, in respect of (A) any indebtedness of the WH Entities for money borrowed and (B) any indebtedness of the WH Entities evidenced by a note, bond, debenture or other similar instrument or debt security, (ii) all obligations of the WH Entities as lessee that are or should properly be capitalized in accordance with GAAP (excluding leases or subleases for real property) (iii) all obligations in respect of letters of credit, bankers' acceptances and similar facilities issued for the account of the WH Entities and all obligations under any performance bonds (but solely to the extent drawn and not paid), (iv) the net obligations of the WH Entities in respect of swaps, collars, caps, hedges, derivatives or similar arrangements, (v) all obligations created or arising under any conditional sale, title retention or similar agreements or arrangements with respect to property, securities or assets acquired by the WH Entities, including any deferred purchase price of property, security or other assets (including the maximum amount payable under any "earn out"), (vi) all indebtedness secured by a Lien to secure all or part of the purchase price of the property subject to such mortgage or Lien, (vii) (A) all dividends and/or distributions occurring after the Measurement Time and (B) all unpaid dividends and/or distributions or other amounts payable in respect of previously declared and/or paid dividends by the WH Entities, if any, (viii) all Liabilities of the WH Entities for (A) any unfunded or underfunded pension liability, (B) unfunded or underfunded deferred compensation plan obligations, (C) accrued severance obligations and any other payments associated with a reduction in force or benefits owed to any Person arising at or prior to the Closing with respect to the termination of any Employees (excluding any such severance obligation or other payment created as a result of an action of Parent), (D) earned but unused paid time off, sick pay and vacation, (E) earned or accrued bonuses, commissions and other cash incentive compensation, (F) retention payments and benefits (excluding, Vested Company Options), (G) all obligations with respect to post-retirement health or welfare benefits, in each case, to the extent not a Transaction Cost and (H) the employer portion of all payroll, employment and similar Taxes payable by the WH Entities in connection with any amounts described in the foregoing sub clauses of this clause (viii), as applicable (determined without regard to any ability of the WH Entities to defer such Taxes under COVID-19 Relief Laws) and any amounts to offset any excise Taxes imposed under Law and any related Taxes attributable to any obligation described in the foregoing sub-clauses of this clause (viii) (provided, however, that any such obligation described in the foregoing sub-clauses of this clause (viii) shall exclude any compensatory arrangements entered into by or at the direction of Parent or its Affiliates ("Parent Arrangements")), (ix) any payroll or employment Taxes deferred pursuant to COVID-19 Relief Laws which remain unpaid as of the Closing Date, (x) all Liabilities of the WH Entities in connection with the settlement of any Action, (xi) all unpaid income Taxes (whether or not due and payable) of the WH Entities attributable to a Pre-Closing Tax Period (determined, in the case of a Straddle Period, in accordance with Section 6.12(c), provided that such amounts shall (A) not be less than zero ($0) and (B) be calculated taking into account, without duplication, any Transaction Tax Deductions and income Tax assets of the WH Entities for a Pre-Closing Tax Period, in each case that are available and actually reduce such income Taxes in the same jurisdiction as such Transaction Tax Deductions or assets as a matter of applicable Tax Laws, and (xii) all obligations of the type referred to in the foregoing clauses (i) through (xi) above of other Persons for the payment of which any of the WH Entities are responsible or liable, as obligor, guarantor, surety or otherwise, including any guarantee of such obligations.

"Independent Accountant" means BDO USA, LLP or if such firm is unwilling or unable to serve as the Independent Accountant, such other firm of independent accountants of national standing to which the Parent and the Equityholders' Representative mutually agree in writing.

"Information Privacy Laws" means any Laws pertaining to privacy, security, protection, or transfer of Personal Data, including all privacy, security, and data breach disclosure Laws, implementing laws, ordinances, permits, regulations, rules, codes, Orders, constitutions, treaties, common law, judgments, rulings, decrees, other requirements or rules of law, in each case, of any Governmental Authority, and all equivalent, comparable, or applicable state privacy, security and data breach notification Laws with respect to the WH Entities.

"Infringe" has the meaning specified in Section 4.12(a).

"Insurance Policies" has the meaning specified in Section 4.19.

"Intellectual Property" means all intellectual property rights existing anywhere in the world, including all (i) patents, patent applications, utility models, continuations, divisionals, continuations-in-part, reissues, reexaminations or foreign counterparts, (ii) trademarks, service marks, trade dress, logos, corporate names, trade names, Internet domain names, social media and mobile identifiers and other source indicators, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals therefor, (iii) copyrights and registrations and applications therefor, copyrighted works and works of authorship (including rights in Software, websites and related items) and moral rights, and (iv) trade secrets, know-how, formulae, inventions, processes, methods, techniques, designs, drawings, specifications and other proprietary confidential information.

"Interim Period" has the meaning specified in Section 6.1(a).

"Key Employees" means Remi Cossart and Calvin Young.

"Knowledge" means, (i) with respect to the Company, the actual knowledge of the Key Employees and Jon Volkmann and, solely with respect to matters relating to day-to-day clinical operations of the Managed PCs, but excluding back office services provided by the Company, Dr. Til Jolly, (ii) with respect to Parent, the actual knowledge of Sima Sistani, Heather Stark and Kevin O'Brien, in each case of the foregoing clauses (i) and (ii), after reasonable inquiry.

"Labor Agreement" has the meaning specified in Section 4.11(a)(xii).

"Law" means any national, transnational, provincial, state or local or foreign law (including common law), statute, ordinance, code, treaty, rule, regulation, decree, directive, written position statement and Order of any Governmental Authority.

"Leased Real Property" means all right, title and interest of the WH Entities in and to all leases, subleases, licenses or other rights to use, occupy or access real property pursuant to real property agreements, including, without limitation, easements, rights of way or other similar real property agreements used or held for use by the WH Entities.

"Letter of Transmittal" means a letter of transmittal, which shall include an accredited investor questionnaire, customary representations and warranties, a release of claims consistent with Section 10.11(a), an acknowledgement of the Equityholders' Representative's appointment, and such other provisions, in a customary form to be agreed by Parent, the Company, the Equityholders' Representative and the Paying Agent acting in good faith.

"Liability" means, with respect to any Person, any debt, liability or obligation of such Person (whether direct or indirect, known or unknown, asserted or unasserted, determined, determinable or otherwise, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, due or to become due and whether or not required under GAAP to be reflected on the financial statements of such Person).

"Lien" means any lien (statutory or other), pledge, mortgage, deed of trust, hypothecation, assignment, deposit arrangement, adverse claim or interest, encumbrance, other charge or security interest, easement, servitude, pre-emptive right, right of first refusal, transfer restriction, adverse ownership claim or other similar encumbrance or any preference, priority or other agreement or preferential arrangement of any kind or nature whatsoever.

"Losses" means any and all deficiencies, judgments, settlements, assessments, Liabilities, losses, Taxes, damages, interest, fines, penalties, costs, and expenses (including reasonable legal, accounting and other costs and expenses of professionals) incurred in connection with investigating, defending, settling or otherwise satisfying any and all Actions, assessments, judgments or appeals, and in seeking indemnification therefor.

"Managed PC" means the professional corporations, professional limited liability companies, associations, and entities for which the Company provides management or administrative services listed on Section 4.6(b) of the Company Disclosure Schedule.

"Material Contracts" has the meaning specified in Section 4.11(a).

"Material Supplier" has the meaning specified in Section 4.24.

"Measurement Time" means 11:59 p.m. Pacific Time on the Business Day immediately preceding the Closing Date.

"Merger" has the meaning specified in the Recitals of this Agreement.

"Merger Sub" has the meaning specified in the Preamble.

"Multiemployer Plans" means "multiemployer plans" within the meaning of Section 3(37) of ERISA.

"Net Working Capital" shall mean (i) the Specified Current Assets, minus (ii) the Specified Current Liabilities, in each case, as of the Measurement Time and as determined in accordance with Exhibit B. For the avoidance of doubt, Net Working Capital shall exclude all income Taxes and any deferred Taxes.

"Net Working Capital Target" shall have the meaning specified in Exhibit B.

"Non-Accredited Investor" has the meaning set forth in Section 3.8(b).

"Non-Employee Company Option Closing Consideration" has the meaning specified in Section 3.2(b).

"Non-Employee Company Optionholder" has the meaning specified in Section 3.2(b).

"Nonparty Affiliates" has the meaning specified in Section 10.10.

"OFAC" has the meaning specified in Section 4.10(c).

"Option Release Agreement" has the meaning specified in Section 6.16.

"Order" means any decision, order, injunction, judgment, decree, ruling, writ, award, assessment or determination (whether temporary, preliminary or permanent) of any Governmental Authority.

"OSS Code" has the meaning specified in Section 4.12(e).

"Outside Date" has the meaning specified in Section 8.1(b).

"Owned Real Property" means all right, title and interest of the WH Entities in and to all land, together with all buildings, structures, improvements, and fixtures now or subsequently located thereon, and all appurtenances thereto, owned or held for use by the WH Entities.

"Parent" has the meaning specified in the Preamble.

"Parent Common Stock" means common stock, no par value per share, of Parent.

"Parent Common Stock Consideration" means the amount of the Estimated Closing Merger Consideration and the Company Option Closing Consideration that is payable in shares of Parent Common Stock pursuant to Sections 3.1(a) and 3.1(b).

"Parent Common Stock Portion" means (i) one (1), minus (ii) the Cash Portion.

"Parent Common Stock Value" means $4.34.

"Parent Disclosure Schedule" has the meaning specified in the preamble of Article V.

"Parent Material Adverse Effect" shall mean a material adverse effect on the ability of Parent and/or its Subsidiaries, as applicable, to perform their respective obligations under this Agreement in a timely manner or to consummate the transactions contemplated by this Agreement.

"Parent Party Documents" has the meaning specified in Section 5.2.

"Parent Preferred Stock" has the meaning specified in Section 5.8(a).

"Parent Reports" means each form, statement, registration statement, prospectus, report, schedule, proxy statement and other document (including exhibits and schedules thereto and other information incorporated therein) filed with or furnished to the SEC on a voluntary basis or otherwise since January 1, 2020 by Parent pursuant to the Securities Act or the Exchange Act, including any amendments thereto.

"Parent Restricted Stock Units" has the meaning specified in Section 5.8(a).

"Parent Stock Plan" has the meaning specified in Section 5.8(a).

"parties" has the meaning specified in the Preamble.

"Paying Agent" means Wilmington Trust, N.A. or such other paying agent as shall be reasonably acceptable to Parent and the Equityholders' Representative.

"Paying Agent Agreement" means the paying agent agreement to be entered into at Closing by Parent, the Equityholders' Representative and the Paying Agent in a customary form to be agreed by Parent, the Equityholders' Representative and the Paying Agent acting in good faith.

"Paying Agent Fund" has the meaning specified in Section 3.2(b).

"Pension Plan" has the meaning specified in Section 4.14(e).

"Per Share Company Capital Stock Cash Consideration" has the meaning specified in Section 3.1(a)(iii).

"Per Share Company Capital Stock Merger Consideration" has the meaning specified in Section 3.1(a)(iii).

"Per Share Company Capital Stock / Parent Common Stock Consideration" has the meaning specified in Section 3.1(a)(iii).

"Per Share Estimated Closing Merger Consideration" means (i) the Estimated Closing Merger Consideration, divided by (ii) the Fully Diluted Share Number.

"Per Share Portion" means (i) one (1) divided by (ii) the Fully Diluted Share Number.

"Permits" means any licenses, franchises, permits, licenses, consents, certificates, grants, approvals, variances, acceptances, concessions, clearances, and authorizations from Governmental Authorities or pursuant to any Law.

"Permitted Liens" means (i) statutory liens for current Taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith; provided, that the Company or any of the Managed PCs, as applicable, has established adequate reserves therefor on the applicable Financial Statements in accordance with GAAP, (ii) mechanics', materialmen's, carriers', workers', repairers', construction contractors', landlords' and similar Liens arising or incurred in the ordinary course of business that are not yet past due for more than thirty (30) days or the amount or validity of which is being contested in good faith; provided, that the Company or any of the Managed PCs, as applicable, has established adequate reserves therefor in accordance with GAAP, (iii) Liens arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation, (iv) any Liens reflected in the Financial Statements and (v) any other Liens arising in the ordinary course of business and not incurred in connection with the borrowing of money and that, individually or in the aggregate, would not reasonably be expected to materially impair the value or the continued use and operation of the assets to which they relate.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

"Personal Data" means any data or information (i) relating to an identified or identifiable natural person, household or device or (ii) that is defined as "personal data", "personal information", "personally identifiable information", protected health information", "health information", "medical records", "medical information", "sensitive health information" or "PII" or any similar term by Law.

"Personal Data Processor" means any Person other than an employee of the WH Entities that Processes or has access to any Personal Data Processed by or on behalf of the WH Entities.

"Potential 280G Benefits" has the meaning specified in Section 6.13.

"Pre-Closing Tax Period" means any taxable year or period that ends on or before the Closing Date and, with respect to any Straddle Period, the portion of such period ending on and including the Closing Date.

"Privacy Policy" means a policy communicated by or on behalf of any of the WH Entities to an individual submitting Personal Data to the such WH Entity or any Personal Data Processor.

"Pro Rata Portion" has the meaning specified in Section 3.7(c)(i).

"Process" means to collect, modify, share, use, disclose, retain, transfer, destroy, delete, access, acquire, create, receive, maintain, transmit, store, or otherwise process Personal Data.

"Promised Options" means, collectively, each option to purchase a share of Company Capital Stock or other security of the Company that is contemplated by or committed to pursuant to the terms of each offer letter to or other current Contract set forth on Section 4.5(b) of the Company Disclosure Schedule, which option has not been granted, or other security has not been issued, as of the date of this Agreement.

"R&W Insurance Policy" has the meaning specified in Section 6.15.

"Real Property" means, collectively, the Owned Real Property and the Leased Real Property.

"Real Property Lease" has the meaning specified in Section 4.17.

"Registered Intellectual Property" has the meaning specified in Section 4.12(a).

"Released Claims" has the meaning specified in Section 10.11(a).

"Released Parties" has the meaning specified in Section 10.11(a).

"Representative" means, with respect to any Person, any director, officer, employee, principal, partner, manager, member, financial advisor, financing source, attorney, accountant, consultant, agent, advisor or other authorized representative of such Person.

"Requisite Stockholder Approval" has the meaning specified in the Recitals of this Agreement.

"Resolution Period" has the meaning specified in Section 3.4(c).

"Resolved Matters" has the meaning specified in Section 3.4(c).

"Review Period" has the meaning specified in Section 3.4(b).

"SEC" means the United States Securities and Exchange Commission.

"Second Anniversary Merger Consideration" means $16,000,000 or such lower amount following the exercise of Parent's right of set-off pursuant to Section 3.4(f)(ii); provided, that if the Estimated Merger Consideration is less than or equal to $32,000,000, the Second Anniversary Merger Consideration shall be $0.

"Section 10.9 Confidential Information" has the meaning specified in Section 10.9.

"Section 262" has the meaning specified in Section 3.1(c).

"Securities" has the meaning specified in Section 4.5(c).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller Group" has the meaning specified in Section 10.14(a).

"Software" means any and all (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (ii) databases and compilations, whether machine readable or otherwise, (iii) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (iv) all documentation, including user manuals and other training documentation, related to any of the foregoing.

"Specified Current Assets" shall have the meaning specified in Exhibit B.

"Specified Current Liabilities" shall have the meaning specified in Exhibit B.

"Specified Shares" means (A) shares of Company Capital Stock to be canceled in accordance with Section 3.1(a)(ii), and (B) the Dissenting Shares.

"Straddle Period" means any taxable year or period beginning on or before and ending after the Closing Date.

"Subsidiary" of any Person (for purposes of this definition, the "Controlling Company") means any other Person (i) of which a majority of the outstanding voting securities or other voting equity interests, or a majority of any other interests having the power to direct or cause the direction of the management and policies of such other Person, are owned, directly or indirectly, by the Controlling Company and/or (ii) with respect to which the Controlling Company or its Subsidiaries is a general partner or managing member. For the avoidance of doubt, none of the Managed PCs shall be deemed to be a Subsidiary of the Company.

"Support Agreements" has the meaning specified in the Recitals of this Agreement.

"Surviving Corporation" has the meaning specified in Section 2.1.

"Systems" means hardware, Software, databases, systems, websites, networks and other information technology items and infrastructure, data centers, and all data and content transmitted, collected or Processed thereby.

"Tail Policy" has the meaning specified in Section 6.6(d).

"Tax Return" means any return, declaration, report, election, claim for refund, estimate, information return or statement or other similar document relating to Taxes filed or required to be filed with any Governmental Authority, including any schedule or attachment thereto, and including any amendment thereof.

"Taxes" means any and all federal, provincial, state, local or foreign taxes, or charges in the nature of (or similar to) a tax, or other like assessments or charges imposed by a Governmental Authority, including any income, gross receipts, capital, sales, use, ad valorem, value added, alternative or add-on minimum, transfer, registration, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security (or similar, including FICA), unemployment, excise, premium, severance, stamp, occupation, real property, personal property, environmental, windfall profits, customs, duties, disability, premium, capital stock, escheat, unclaimed property, registration, value added, alternative or add-on minimum, and estimated or other taxes of any kind, and all interest, penalties, fines, and additions to tax imposed by any Governmental Authority in connection with any of the foregoing, whether or not disputed.

"Transaction Bonuses" means amounts payable by the Company to those persons and in the amounts specified in Section 4.8(b) of the Company Disclosure Schedule, pursuant to a transaction bonus agreement entered into between the Company and each recipient of a Transaction Bonus, in form and substance reasonably agreed between the parties hereto.

"Transaction Costs" means, without duplication, all unpaid fees, costs and/or expenses incurred or otherwise payable or reimbursable by or on behalf of the WH Entities in connection with the process by which the Company solicited, discussed and negotiated strategic alternatives, the negotiation, execution and delivery of this Agreement and each of the other agreements, documents, instruments or certificates contemplated by this Agreement or to be executed by the Company in connection with the consummation of the transactions contemplated hereby or thereby, and the entry into and consummation of the transactions contemplated hereby and thereby, in each case, solely to the extent not paid prior to the Closing, including (i) all costs, fees and expenses payable by or on behalf of the WH Entities to any investment banks, brokers, finders and/or financial advisors, (ii) all costs, fees and expenses payable by or on behalf of the WH Entities to Goodwin Procter LLP and/or any other attorneys or legal advisors, (iii) all costs, fees and expenses payable by or on behalf of the WH Entities with respect to the "Project Saturday" electronic data room hosted by "Box", (iv) all costs, fees and expenses payable by or on behalf of the WH Entities to accountants, consultants and/or other advisors, (v) all costs, fees, expenses and any other payments, if any, payable or reimbursable by or on behalf of the WH Entities pursuant to any management agreement, monitoring agreement, transaction and advisory services agreement or other similar contract, (vi) all severance payments or similar obligations or benefits payable by the WH Entities to any Employee, that are payable or that become payable upon or in connection with the consummation of the transactions contemplated by this Agreement (but excluding any such severance payments or similar obligations or benefits payable as a result of the termination of any such Employee as a result of any actions actually taken by Parent, provided, such severance payments or similar obligations or benefits payable would not otherwise have been payable solely as a result of the consummation of the transactions contemplated by this Agreement), together with the employer's portion of all payroll, employment and similar Taxes payable by the WH Entities in connection with such amounts (determined without regard to any ability of the WH Entities to defer such Taxes under COVID-19 Relief Laws) and any amounts to offset any excise Taxes imposed under Law and any related Taxes attributable to any obligations described in the foregoing sub-clauses of this clause (vi), (vii) all change in control, transaction, termination, tax-gross up, retention, incentive, equity appreciation, phantom stock or similar obligations, amounts, bonuses or benefits payable by the WH Entities to any Employee, including all deferred compensation amounts, whether or not previously vested, that are payable or that become payable upon or in connection with the consummation of the transactions contemplated by this Agreement (other than any such retention or similar payments put in place at the written direction of Parent or expressly contemplated by this Agreement), together with the employer's portion of all payroll, employment and similar Taxes in connection with such amounts (determined without regard to any ability of the WH Entities to defer such Taxes under COVID-19 Relief Laws) and any amounts to offset any excise Taxes imposed under Law and any related Taxes attributable to any obligations described in the foregoing sub-clauses of this clause (vii), (viii) the employer's portion

of payroll, employment and similar Taxes due in connection with any payments of Estimated Merger Consideration (but not, for the avoidance of doubt, in connection with the payment of any applicable Additional Company Option Merger Consideration or Additional Merger Consideration) to Employee Company Optionholders in respect of Vested Company Options and Employee Company Restricted Stockholders in respect of Company Restricted Stock, (ix) the fees and expenses payable by the WH Entities contemplated by Section 10.2, (x) 50% of all amounts paid or payable, including the premiums and any insurance broker commissions and fees, in connection with the R&W Insurance Policy, (xi) any fees and expenses owing to the Equityholders' Representative, (xii) Transaction Bonuses, (xiii) the Aggregate Option Release Amount (and the employer's portion of payroll, employment and similar Taxes due in connection with such amount), (xiv) the Tail Policy and (xv) 50% of the Transfer Taxes payable by the WH Entities under Section 6.12(a), but excluding for purposes of this definition all Indebtedness.

"Transaction Documents" means this Agreement, the Company Disclosures Schedules, the Parent Disclosure Schedules, the Paying Agent Agreement, each Support Agreement, the Option Release Agreements and each other certificate and agreement required to be delivered pursuant to Section 7.2 and Section 7.3 or executed or delivered in connection with this Agreement and/or the transactions contemplated by this Agreement.

"Transactions" means the transactions, including the Merger, contemplated by this Agreement and any other Transaction Documents.

"Transaction Tax Deductions" means any deductions for U.S. federal or applicable state income Tax purposes attributable to (a) the repayment of any Indebtedness on the Closing Date, as contemplated by this Agreement, (b) payments of Transaction Costs as contemplated by this Agreement and (c) without duplication, any other payments made in connection with the consummation of the transactions contemplated by this Agreement that would be Transaction Costs except they were paid prior the Measurement Time to the extent such payments are economically borne by the Company Equityholders, in each case, to the extent deductible in a Pre-Closing Tax Period at a "more likely than not" or higher level of confidence.

"Transfer" means, whether voluntary or involuntary or by merger, consolidation, division operation of law or otherwise, any direct or indirect (A) hedging, swap, forward-sale or other transaction which is designed to or which reasonably could be expected to lead to or result in, directly or indirectly and regardless of settlement method, a grant, transfer, sale, assignment or other disposition of a security or any rights or interests in or to a security (including any voting or economic interest in or to a security), even if the security would be disposed of by someone other than the security holder, (B) transfer, assignment, encumbrance, hypothecation, pledge or other direct or indirect disposition of a security or right or interest therein, (C) transaction involving any purchase, sale, short sale or grant of any right (including without limitation any put or call option) with respect to any security and/or (D) any combination of any of the foregoing.

"Transfer Taxes" has the meaning specified in Section 6.12(a).

"Unresolved Matters" has the meaning specified in Section 3.4(c).

"Unvested Company Restricted Stock" has the meaning specified in Section 3.4(c).

"Vested Company Options" means all outstanding Company Options that, as of immediately prior to the Effective Time, are vested and exercisable (or will, by the terms of such Company Options, vest and become exercisable as a result of the consummation of the Transactions, including as a

result of the Option Grant Acceleration as disclosed in Section 4.14(f) of the Company Disclosure Schedule).

"Voting Agreement" means the Voting Agreement, dated December 21, 2022 by and among the Company, certain holders of Company Preferred Stock listed on Schedule A thereto, certain holders of Company Common Stock listed on Schedule B thereto and certain other parties thereto, as the same may be modified, amended, supplemented and/or restated from time to time in accordance with its terms.

"Waived Benefits" has the meaning specified in Section 6.13.

"WARN Act" means the United States Worker Adjustment and Retraining Notification Act and any similar state or local Law.

"WH Entity" means, individually, the Company and any Managed PC, and "WH Entities" means, collectively, the Company and all Managed PCs.

"WH Entities Permits" has the meaning specified in Section 4.10(d).

(b) Other Definitional and Interpretive Matters. Unless otherwise expressly provided herein, for purposes of this Agreement, the following rules of interpretation shall apply. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day. The use of "Affiliates" and "Subsidiaries" shall be deemed to be followed by the words "as such entities exist as of the relevant date of determination". Any reference in this Agreement to Dollars or $ shall mean U.S. dollars unless otherwise indicated. The Annex and Exhibits to this Agreement and the Company Disclosure Schedule and Parent Disclosure Schedule are hereby incorporated and made a part hereof and are an integral part of this Agreement. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it. The word "or" is not exclusive, unless the context otherwise requires. The terms "ordinary course" or "ordinary course of business" shall mean "ordinary course of business consistent with past practice". All references herein as to any time of day shall be references to Eastern Time unless otherwise expressly specified. Whenever the phrase "made available" or "delivered" by the Company to Parent and/or Merger Sub is used in reference to a document, it shall mean the document available for viewing in the "Project Saturday" electronic data room hosted by "Box.com", as that site existed as of 5:00 p.m. Eastern Time on the second ($2^{nd}$) Business Day immediately preceding the date of this Agreement. An item arising with respect to a specific representation or warranty shall be deemed to be "reflected on" or "set forth in" a balance sheet or financial statements, to the extent any such phrase appears in such representation or warranty, if (A) there is a reserve, accrual or other similar item on such balance sheet or financial statements that specifically identifies the applicable amount related to, and the subject matter of, such representation, or (B) such item and the amount thereof is otherwise specifically identified on the balance sheet or financial statements.

(c) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

## ARTICLE II
## THE MERGER

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement and in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), Merger Sub shall be merged with and into the Company at the Effective Time. Following the Effective Time, the separate corporate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation") and shall succeed to and assume all the rights and obligations of Merger Sub in accordance with the DGCL.

2.2 Closing. Subject to the satisfaction of the conditions set forth in Article VII (or, to the extent permitted by applicable Law, the written waiver thereof by the party entitled to waive any such condition), the closing of the Merger (the "Closing") will take place at 8:00 a.m. (Eastern Time) by exchange of electronic deliverables on the third (3rd) Business Day after satisfaction or waiver of each condition to the Closing set forth in Article VII (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions) unless another time, date and/or place is agreed to in writing by Parent and the Company; provided, that notwithstanding the satisfaction of the conditions to the obligations of the parties under Article VII (or, to the extent permitted by applicable Law, the written waiver thereof by the party entitled to waive any such condition), unless otherwise agreed in writing by Parent, the parties shall not be required to effect the Closing prior to April 10, 2023. The date on which the Closing actually occurs is referred to in this Agreement as the "Closing Date."

2.3 Effective Time. Subject to the provisions of this Agreement, as soon as practicable at the Closing, the parties (other than the Equityholders' Representative) shall cause the Merger to be consummated by filing with the Secretary of State of the State of Delaware a certificate of merger with respect to the Merger (the "Certificate of Merger") executed in accordance with the relevant provisions of the DGCL, and, as soon as practicable at the Closing, shall make all other filings or recordings required under the DGCL with respect to the Merger. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware, or at such other time as Parent and the Company shall agree and shall specify in the Certificate of Merger (the time the Merger becomes effective being the "Effective Time").

2.4 Effects of the Merger. At the Effective Time, the effects of the Merger shall be as provided in this Agreement, the DGCL and the Certificate of Merger.

2.5 Certificate of Incorporation and Bylaws. Effective upon the Effective Time, the Company Charter shall be amended and restated to read in its entirety in a form to be agreed by the parties (other than the Equityholders' Representative) acting in good faith and as so amended and restated shall be the certificate of incorporation of the Surviving Corporation until amended in accordance with its terms and applicable Law. Effective upon the Effective Time, subject to Section 6.6, the bylaws of Merger Sub, as in effect as of the date hereof, shall be the bylaws of the Surviving Corporation until amended in accordance with applicable Law.

2.6 Directors and Officers. The directors of Merger Sub immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation and shall hold office in accordance with the

certificate of incorporation and bylaws of the Surviving Corporation until their successors are duly elected or appointed and qualified or until their earlier death, resignation or removal. The officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation and shall hold office in accordance with the certificate of incorporation and bylaws of the Surviving Corporation until their successors are duly elected or appointed and qualified or until their earlier death, resignation or removal.

## ARTICLE III
## EFFECT OF THE MERGER ON THE CAPITAL STOCK OF THE CONSTITUENT CORPORATIONS

3.1 Effects of the Merger on Capital Stock and Company Options.

(a) Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of any holder of shares of Company Capital Stock or shares of capital stock of Merger Sub:

(i) Capital Stock of Merger Sub. Each share of capital stock, par value $0.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall automatically be converted into and become one (1) validly issued, fully paid and nonassessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

(ii) Cancellation of Certain Company Capital Stock. Each share of Company Capital Stock that as of immediately prior to the Effective Time is owned by (A) the Company or any of the Managed PCs or (B) any of Parent, Merger Sub or their respective Affiliates shall, in each such case, automatically be canceled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(iii) Conversion of Company Capital Stock. Subject to Section 3.8, each share of Company Capital Stock (other than Specified Shares) issued and outstanding immediately prior to the Effective Time shall be converted into and shall thereafter represent the right of the holder thereof to receive, upon the terms and subject to the conditions set forth herein, the following (collectively, the "Per Share Company Capital Stock Merger Consideration"): (1) the Per Share Estimated Closing Merger Consideration as follows: (A) a number of shares of Parent Common Stock equal to (x) the Per Share Portion multiplied by (y) the Aggregate Parent Common Stock Consideration (the "Per Share Company Capital Stock / Parent Common Stock Consideration") and (B) an amount in cash equal to (i) the Per Share Estimated Closing Merger Consideration minus (ii) (x) the Per Share Company Capital Stock / Parent Common Stock Consideration multiplied by (y) the Parent Common Stock Value (the "Per Share Company Capital Stock Cash Consideration"), in each case of the foregoing clauses (A) and (B) payable as provided in Section 3.2, (2) an amount in cash equal to the Per Share Portion of the Additional Merger Consideration (if any) payable as provided in Section 3.4(f)(iii), (3) an amount in cash equal to the Per Share Portion of the First Anniversary Merger Consideration payable as provided in Section 3.5(a), (4) an amount in cash equal to the Per Share Portion of the Second Anniversary Merger Consideration payable as provided in Section 3.5(b), and (5) an amount in cash equal to the Per Share Portion of any amounts payable to the Company Equityholders pursuant to Section 3.7(d), in each case of the foregoing clauses (1) through (5), without interest. At the Effective Time, all shares of Company Capital Stock issued and outstanding immediately prior to the Effective Time shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of Company Capital Stock shall cease to have any rights with respect to such shares of Company Capital Stock except the right to receive the Company Capital Stock Merger Consideration (except with respect to the Specified Shares), in each case, without interest upon the terms and subject to the conditions set forth herein.

(b) Treatment of Company Options and Company Restricted Stock.

(i) Each outstanding Company Option that is not a Vested Company Option shall automatically be forfeited and canceled without consideration, effective as of the Effective Time.

(ii) Subject to Section 3.8, each outstanding Vested Company Option shall be canceled and terminated as of the Effective Time and converted into and shall thereafter represent the right of the Company Optionholder thereof to receive, upon the terms and subject to the conditions set forth herein the following (collectively, the "Company Option Merger Consideration"): (1) an amount equal to the product of (A) the excess (if any) of (i) the Per Share Estimated Closing Merger Consideration over (ii) the applicable exercise price per share of Company Common Stock issuable under such Vested Company Option, multiplied by (B) the Exercise Number for such Vested Company Option (the "Company Option Closing Consideration") payable as follows: (x) an amount in cash equal to the product of the Cash Portion, multiplied by the Company Option Closing Consideration and (y) a number of shares of Parent Common Stock equal to (a) the product of the Parent Common Stock Portion, multiplied by the Company Option Closing Consideration, divided by (b) the Parent Common Stock Value, (2) an amount in cash equal to the product of the Exercise Number for such Vested Company Option multiplied by the applicable Per Share Portion of the Additional Merger Consideration (if any) payable as provided in Section 3.4(f)(iii), (3) an amount in cash equal to the product of the Exercise Number for such Vested Company Option, multiplied by the applicable Per Share Portion of the First Anniversary Merger Consideration payable as provided in Section 3.5(a), (4) an amount in cash equal to the product of the Exercise Number for such Vested Company Option, multiplied by the applicable Per Share Portion of the Second Anniversary Merger Consideration payable as provided in Section 3.5(b), and (5) an amount in cash equal to the product of the Exercise Number for such Vested Company Option multiplied by the applicable Per Share Portion of any amounts payable to the Company Equityholders pursuant to Section 3.7(d), in each case of the foregoing clauses (1) through (5), without interest (clauses (2) through (5) collectively, the "Additional Company Option Merger Consideration"). Subject to compliance by each Company Optionholder with Section 3.2(c), all payments of (x) Company Option Closing Consideration shall be made pursuant to Section 3.2(b) and (y) Additional Company Option Merger Consideration (if any) shall be made pursuant to Section 3.4(f), Section 3.5 and Section 3.7(d), as applicable. Notwithstanding anything to the contrary herein, no Company Option Merger Consideration shall be paid following the fifth ($5^{th}$) anniversary of the Closing Date and any Company Option Merger Consideration that otherwise would become payable following such anniversary pursuant to this Agreement instead shall be forfeited by the applicable former Company Optionholders without consideration therefor and shall be paid instead to the Company Stockholders based on the applicable Per Share Portion, after excluding the Vested Company Options from such calculation.

(iii) Each share of Company Restricted Stock that is outstanding and vested as of immediately prior to the Effective time (after giving effect to any vesting that would occur as of the Effective Time as a result of the consummation of the transactions contemplated hereby) shall be treated as shares of Company Capital Stock for purposes of Section 3.1(a)(iii) hereof. Each share of Company Restricted Stock that is outstanding and unvested as of immediately prior to the Effective Time (after giving effect to any vesting that would occur as of the Effective Time as a result of the consummation of the transactions contemplated hereby) (the "Unvested Company Restricted Stock") shall automatically be forfeited and canceled without consideration, effective as of the Effective Time.

(iv) Prior to the Effective Time, the Company's board of directors or any authorized committee thereof shall adopt such resolutions as may reasonably be appropriate or required in its discretion to effectuate the actions contemplated by this Section 3.1(b).

(c) Appraisal Rights. Shares of Company Capital Stock issued and outstanding immediately prior to the Effective Time that are held by any holder who is entitled to demand (and has not

validly waived the right to demand) and who properly demands appraisal of such shares pursuant to, and who complies in all respects with, the provisions of Section 262 of the DGCL ("Section 262") shall not be converted into the right to receive the Per Share Company Capital Stock Merger Consideration as provided in Section 3.1(a), but instead such holder shall be entitled to payment of the fair value of such shares (the "Dissenting Shares") in accordance with the provisions of Section 262. At the Effective Time, all Dissenting Shares shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of Dissenting Shares shall cease to have any rights with respect thereto, except the right to receive the fair value of such Dissenting Shares in accordance with the provisions of Section 262. Notwithstanding the foregoing, if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 262 or a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by Section 262, then the right of such holder to be paid the fair value of such holder's Dissenting Shares under Section 262 shall cease and each such Dissenting Share shall be deemed to have been converted at the Effective Time into, and shall have become, the right to receive, without interest, the Per Share Company Capital Stock Merger Consideration as provided in Section 3.1(a) upon the terms and subject to the conditions set forth herein. The Company shall deliver prompt notice to Parent of any demands for appraisal of any shares of Company Capital Stock, and Parent shall have the right to direct and participate in all negotiations and proceedings with respect to such demands. Prior to the Effective Time, the Company shall not, without the prior written consent of Parent, make any payment with respect to, or settle or offer to settle, any such demands, or agree to do any of the foregoing.

3.2 Estimated Merger Consideration.

(a) Determination of Estimated Merger Consideration. No earlier than five (5) and no later than three (3) Business Days before the Closing Date, the Company shall deliver to Parent a written statement ("Estimated Closing Statement") certified by the Company's president setting forth (i) the Company's good faith calculation and estimate of the aggregate amount of the Estimated Merger Consideration and each of the Estimated Merger Consideration Elements and (ii) an Allocation Schedule based on such calculations and estimates, in the case of each of clauses (i) and (ii), with reasonable supporting detail; provided, however, that (w) at least two (2) Business Days prior to the delivery of the Estimated Closing Statement to Parent, the Company shall provide a draft of the Estimated Closing Statement and such supporting detail to Parent for its review, (x) in connection with such review, the Company shall, and shall cause the Managed PCs to, permit Parent and its Representatives reasonable access to the finance personnel, accountants and properties of the WH Entities, and provide reasonable access (with the right to make copies), during business hours upon reasonable advance notice, to all of the books, records, contracts and other documents (including auditor's work papers) of the WH Entities that are reasonably relevant to the calculations set forth in the Estimated Closing Statement, (y) the Company shall provide Parent and its Representatives with the opportunity in good faith to provide comments to such draft and calculation and (z) the Company shall give due and reasonable consideration in good faith to any comments made by Parent or its Representatives (and shall correct the Estimated Closing Statement for any inaccuracies shown by Parent or its Representatives) and shall otherwise cooperate in good faith to answer any questions and resolve any issues raised by Parent and its Representatives in connection with their review of the Estimated Closing Statement. The Estimated Closing Statement shall be prepared in good faith by the Company in a manner consistent with the terms of (including the definitions contained in) this Agreement, including Exhibit B attached to this Agreement with respect to Estimated Net Working Capital.

(b) Payment of Estimated Merger Consideration.

(i) Paying Agent; Paying Agent Fund. At the Effective Time, Parent shall deposit, or shall cause to be deposited, with the Paying Agent, in trust (A) for the benefit of the Company Stockholders (other than Employee Company Restricted Stockholders with respect to Company Restricted

Stock for which they have not timely filed a Section 83(b) election with the Internal Revenue Service) and Non-Employee Company Optionholders, cash in U.S. dollars payable to such Persons pursuant to this Section 3.2(b) in an amount equal to the sum of (1) the aggregate Company Capital Stock Closing Cash Consideration payable to such Company Stockholders, plus (2) the aggregate Company Option Closing Cash Consideration payable with respect to Non-Employee Company Optionholders and (B) for the benefit of the Company Stockholders and Company Optionholders, evidence of book-entry shares representing the Aggregate Parent Common Stock Consideration, and (C) the aggregate amount of cash payable to the Company Stockholders and Company Optionholders in lieu of fractional shares pursuant to Section 3.2(i). Any such shares of Parent Common Stock and cash deposited with the Paying Agent, together with any interest or other earnings thereon shall hereinafter be referred to as the "Paying Agent Fund." The Paying Agent Fund shall be subject to the terms of this Agreement and the Paying Agent Agreement. Notwithstanding anything in this Agreement, in no event shall Parent be obligated to issue (i) more than 8,064,516 shares of Parent Common Stock in the aggregate pursuant to this Agreement or (ii) a number of shares of Parent Common Stock that would require the vote or approval of any stockholder of Parent.

(ii) Company Capital Stock Closing Consideration; Non-Employee Company Option Closing Consideration.

(A) Subject to compliance with Section 3.2(c) by each Company Stockholder that holds Company Capital Stock (other than the Specified Shares and Company Restricted Stock held by any Employee Company Restricted Stockholders who have not timely filed a Section 83(b) election with the Internal Revenue Service with respect to such Company Restricted Stock) immediately prior to the Effective Time, at the Closing, Parent shall cause to be paid from the proceeds in the Paying Agent Fund, to each such Company Stockholder (1) (x) an amount equal to the aggregate Company Capital Stock Closing Cash Consideration of such Company Stockholder in respect of such shares of Company Capital Stock (which amount shall be set forth in the Allocation Schedule) and (y) any cash in lieu of fractional shares which such Company Stockholder has the right to receive in respect of such shares of Company Capital Stock pursuant to Section 3.2(i), in each case, by wire transfer of immediately available funds to the account of such Company Stockholder identified in the Letter of Transmittal for such Company Stockholder and (2) evidence of book-entry shares representing the number of whole shares of the aggregate Parent Common Stock Consideration of such Company Stockholder in respect of such shares of Company Capital Stock.

(B) Subject to compliance with Section 3.2(c) by each Non-Employee Company Optionholder, at the Closing, Parent shall cause to be paid from the proceeds in the Paying Agent Fund, to each such Non-Employee Company Optionholder (1) (x) an amount equal to the aggregate Company Option Closing Cash Consideration of such Non-Employee Company Optionholder (which amount shall be set forth in the Allocation Schedule) and (y) any cash in lieu of fractional shares which such Non-Employee Company Optionholders have the right to receive pursuant to Section 3.2(i), in each case, by wire transfer of immediately available funds to the account of such Non-Employee Company Optionholder identified in the Company

Optionholder Participation Agreement for such Non-Employee Company Optionholder and (2) evidence of book-entry shares representing the number of whole shares of the aggregate Parent Common Stock Consideration of such Non-Employee Company Optionholder.

(iii) Company Capital Stock Closing Consideration for Employee Company Restricted Stockholders. At the Closing, Parent shall (1) pay, or cause to be paid, to the Surviving Corporation, an amount equal to (x) the aggregate Company Capital Stock Closing Cash Consideration payable with respect to Employee Company Restricted Stockholders who have not timely filed a Section 83(b) election with the Internal Revenue Service with respect to such Company Restricted Stock and (y) any cash in lieu of fractional shares which such Employee Company Restricted Stockholder has the right to receive in respect of such shares of Company Capital Stock pursuant to Section 3.2(i), in each case, by wire transfer of immediately available funds to an account designated by the Surviving Corporation and (2) provide to each such Employee Company Restricted Stockholder evidence of book-entry shares representing the number of whole shares of the aggregate Parent Common Stock Consideration of such Employee Company Restricted Stockholder. Subject to compliance with Section 3.2(c) by each Employee Company Restricted Stockholder to which this Section 3.2(b)(iii) relates, all payments of Company Capital Stock Closing Cash Consideration shall be made (without interest) by the Surviving Corporation to the Employee Company Restricted Stockholder no later than the next regularly scheduled payroll date that is no earlier than three (3) Business Days after the Closing Date.

(iv) Company Option Closing Consideration. At the Closing, Parent shall (1) pay, or cause to be paid, to the Surviving Corporation, an amount equal to (x) the aggregate Company Option Closing Cash Consideration payable with respect to Company Optionholders who are (or were) employees of the Company (each, an "Employee Company Optionholder"; any Company Optionholder who is not an Employee Company Optionholder, a "Non-Employee Company Optionholder") and (y) any cash in lieu of fractional shares which such Employee Company Restricted Stockholder has the right to receive in respect of such shares of Company Capital Stock pursuant to Section 3.2(i), in each case, by wire transfer of immediately available funds to an account designated by the Surviving Corporation and (2) provide to each such Employee Company Optionholder evidence of book-entry shares representing the number of whole shares of the aggregate Parent Common Stock Consideration of such Employee Company Optionholders. Subject to compliance with Section 3.2(c) by each Employee Company Optionholder, all payments of Company Option Closing Cash Consideration shall be made (without interest) by the Surviving Corporation to the Employee Company Optionholders no later than the next regularly scheduled payroll date that is no earlier than three (3) Business Days after the Closing Date.

(c) Exchange Procedures. At least three (3) Business Days prior to the Closing, the Company shall mail or otherwise deliver, or cause the Paying Agent (solely for purposes of the Company Stockholders) to mail or otherwise deliver, to (i) each Company Stockholder a Letter of Transmittal, which shall specify that delivery shall be effected, and risk or loss and title to shares of Company Capital Stock (other than Specified Shares) shall pass, only upon proper confirmation of cancellation of the Certificates representing such shares of Company Capital Stock (other than Specified Shares), by the Paying Agent, in exchange for the amounts specified in Sections 3.2(b)(ii), 3.4(f)(iii), 3.5 and 3.7(d) and/or (ii) each Company Optionholder a Company Optionholder Participation Agreement, substantially in the form of Exhibit C attached hereto (the "Company Optionholder Participation Agreement"), which, in each such case, for the avoidance of doubt, shall include the obligation of each Company Stockholder and Company Optionholder to agree to Section 3.7 of this Agreement, together with any notice required pursuant to Section 262 (solely for purposes of such Company Stockholders) (and the Company shall, promptly following delivery of a duly executed and completed Company Optionholder Participation Agreement by a Non-Employee Company Optionholder to the Company, provide such Non-Employee Company

Optionholder's account information contained in such Company Optionholder Participation Agreement (together with all other information reasonably required by the Paying Agent) to the Paying Agent). Subject to the satisfaction of the conditions in Article VII, in the event (x) a Company Stockholder does not deliver to the Paying Agent a duly executed and completed Letter of Transmittal at or prior to the Closing, or (y) a Company Optionholder does not deliver to the Company a duly executed and completed Company Optionholder Participation Agreement, such failure shall not alter, limit or delay the Closing; provided, that such Company Stockholder and Company Optionholder, as the case may be, shall not be entitled to receive the cash payments contemplated herein unless and until such Person delivers a duly executed and completed Letter of Transmittal and/or Company Optionholder Participation Agreement, as applicable, to the Paying Agent (in the case of a Letter of Transmittal) or the Company (in the case of a Company Optionholder Participation Agreement). Upon delivery of such duly executed Letter of Transmittal, each such Company Stockholder or Employee Company Restricted Stockholder, as applicable, to the Paying Agent, such Company Stockholder or Employee Company Restricted Stockholder, as applicable, shall be entitled to receive, subject to the terms and conditions hereof, the Company Capital Stock Merger Consideration in respect of its, his or her shares of Company Capital Stock shall forthwith be canceled. Until cancelled as contemplated by this Section 3.2(b)(i), each Certificate shall be deemed at any time after the Effective Time to represent only the right to receive upon such cancellation the Company Capital Stock Merger Consideration. Upon the delivery to the Company of a duly executed Company Optionholder Participation Agreement, each such Company Optionholder shall be entitled to receive, subject to the terms and conditions hereof, the Company Option Merger Consideration in respect of his or her Company Options. Notwithstanding anything herein to the contrary, payment by the Paying Agent to a Company Stockholder (other than an Employee Company Restricted Stockholder who has not timely filed a Section 83(b) election with the Internal Revenue Service with respect to its Company Restricted Stock) shall be made by wire transfer at Closing to the extent such Company Stockholder complies with the delivery requirements in this Section 3.2(c) at least three (3) Business Days prior to the Closing Date and, to the extent a Company Stockholder (other than an Employee Company Restricted Stockholder who has not timely filed a Section 83(b) election with the Internal Revenue Service with respect to its Company Restricted Stock) only complies with the delivery requirements in this Section 3.2(c) after such period, payment by the Paying Agent to such Company Stockholder shall be made by wire transfer within three (3) Business Days of the date of compliance with such delivery requirements.

(d) No Further Ownership Rights in Company Capital Stock. All cash paid upon the surrender of shares of Company Capital Stock in accordance with the terms of this Agreement shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares of Company Capital Stock. From and after the Effective Time, the transfer books of the Company shall be closed and there shall be no further registration of transfers on the transfer books of the Surviving Corporation of the shares of Company Capital Stock that were outstanding immediately prior to the Effective Time.

(e) No Liability. None of Parent, Merger Sub, the Company, the Equityholders' Representative, the Paying Agent or any other Person shall be liable to any Person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(f) Unpaid Merger Consideration. Any portion of the Paying Agent Fund which remains undistributed to the Company Stockholders or Non-Employee Company Optionholders, twelve (12) months after the Effective Time shall be delivered to Parent. Thereafter, any Company Equityholder, to the extent such Person has not theretofore complied with Section 3.2(b)(i) shall look only to Parent for, and Parent shall remain liable for the portion of the Company Capital Stock Merger Consideration and/or the Company Option Merger Consideration to which such Company Stockholders and/or Company Optionholders are entitled pursuant to this Agreement. Any such portion of the Company Capital Stock Merger Consideration and/or the Company Option Merger Consideration remaining unclaimed by the Company Stockholders and/or Company Optionholders six (6) years after the Effective Time (or such earlier date immediately

prior to such time as such amounts would otherwise escheat to or become property of any Governmental Authority) shall, to the extent permitted by Law, become the property of the Surviving Corporation free and clear of any claims or interest of any Person previously entitled thereto.

(g) Dividends. No dividends or other distributions declared with respect to shares of Parent Common Stock the record date for which is at or after the Effective Time shall be paid to any Company Stockholder who has not delivered a properly completed, duly executed Letter of Transmittal or to any Company Optionholder who has not delivered a properly completed, duly executed Company Optionholder Participation Agreement. After the delivery of such materials, the Company Stockholder or Company Optionholder, as applicable, shall be entitled to receive any such dividends or other distributions, without any interest thereon, which theretofore had become payable with respect to the shares of Parent Common Stock which the Company Capital Stock or Company Options, as applicable, have been converted into the right to receive.

(h) Changes in Parent Common Stock. If at any time between the date of this Agreement and the Effective Time, the outstanding shares of Parent Common Stock shall have been increased, decreased, changed into or exchanged for a different number or kind of shares or securities as a result of a subdivision, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, combination or other similar change in capitalization, the definitions of Parent Common Stock Value and Aggregate Parent Common Stock Consideration shall be equitably adjusted to reflect such change.

(i) Fractional Shares. Notwithstanding anything to the contrary contained herein, no evidence of book-entry shares representing fractional shares of Parent Common Stock shall be issued in exchange for shares of Company Capital Stock or in exchange for Company Options, no dividend or distribution shall be payable on or with respect to any such fractional shares, and such fractional shares shall not entitle the owner thereof to vote or to any other rights of a shareholder of Parent. In lieu of the issuance of any such fractional share, Parent shall pay to each former holder of Company Capital Stock or Company Options who otherwise would be entitled to receive such fractional share an amount in cash (rounded up to the nearest cent) determined by multiplying (i) the Parent Common Stock Value by (ii) the fraction of a share (rounded to the nearest thousandth when expressed in decimal form) of shares of Parent Common Stock which such holder would otherwise be entitled to receive pursuant to this Article III.

3.3 Transaction Costs. Simultaneously with the Closing, Parent shall pay, or cause to be paid, the non-compensatory Transaction Costs (including for the avoidance of doubt the Transaction Bonuses) by wire transfer of immediately available funds as directed by each payee thereof as set forth in the Estimated Closing Statement, except for those Transaction Costs that the Company indicates in the Estimated Closing Statement that the Company shall pay directly simultaneously with the Closing.

3.4 Post-Closing Determination of Additional Merger Consideration.

(a) From and after the Closing Date until the determination of the Final Closing Statement pursuant to this Section 3.4, Parent and the Company shall, and shall cause the Managed PCs to, permit the Equityholders' Representative and its Representatives reasonable access to the finance personnel, accountants and properties of the WH Entities, and provide reasonable access (with the right to make copies), during business hours upon reasonable advance notice, to all of the books, records, contracts and other documents (including auditor's work papers) of the WH Entities that are reasonably relevant to the calculations set forth in the Closing Statement or a Dispute Notice; provided, that all access pursuant to this Section 3.4(a) shall be subject to restrictions under applicable Law and access to the accountants and auditor's work papers shall require the Equityholders' Representative to execute and deliver a customary accountant access letter. The Equityholders' Representative and its Representatives shall use their commercially reasonable efforts to minimize any disruption to the business in connection with such access.

(b) Following the Closing, the Parent shall prepare a calculation of (i) the Final Merger Consideration, the Final Merger Consideration Elements and the Additional Merger Consideration (if any) and (ii) an Allocation Schedule based on such calculation, in the case of each of clauses (i) and (ii), with reasonable supporting detail. The calculations described under the foregoing clauses, together with such Allocation Schedule, are collectively referred to herein as the "Closing Statement." Parent shall deliver the Closing Statement, together with reasonable supporting detail as to each of the calculations (including with respect to the Final Merger Consideration Elements) set forth in the Closing Statement, to the Equityholders' Representative no later than ninety (90) days following the Closing Date. The parties agree that the Closing Statement, and the component items and calculations therein, including the Final Merger Consideration Elements, shall be prepared in a manner consistent with the terms of (including the definitions contained in) this Agreement, including Exhibit B attached to this Agreement with respect to Net Working Capital. The Closing Statement shall be conclusive, final and binding on all parties unless the Equityholders' Representative gives Parent written notice (a "Dispute Notice") of any disputes or objections thereto (collectively, the "Disputed Items") with reasonable supporting detail as to such Disputed Items, within thirty (30) days after receipt of the Closing Statement (such period, the "Review Period").

(c) Parent and the Equityholders' Representative shall, for a period of thirty (30) days (or such longer period as Parent and the Equityholders' Representative may agree in writing) following delivery of a Dispute Notice to Parent (the "Resolution Period"), attempt in good faith to resolve their differences (all such discussions and communications related thereto shall (unless otherwise agreed by Parent and the Equityholders' Representative in writing) be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule), and any such resolution by them as to any Disputed Items shall be conclusive, final and binding on all parties. Any Disputed Items agreed to by the Parent and the Equityholders' Representative in writing, together with any items or calculations set forth in the Closing Statement not disputed or objected to by the Equityholders' Representative in the Dispute Notice, are collectively referred to herein as the "Resolved Matters." Any Resolved Matters shall be conclusive, final and binding on all parties, except to the extent such component could be affected by other components of the calculations set forth in the Closing Statement that are the subject of a Dispute Notice. If at the end of the Resolution Period, Parent and the Equityholders' Representative have been unable to resolve any differences that they may have with respect to the matters specified in the Dispute Notice, either of Parent, on the one hand, or the Equityholders' Representative, on the other hand, may, upon written notice to the other, refer all matters that remain in dispute with respect to the Dispute Notice (the "Unresolved Matters") for resolution to the Independent Accountant. The Independent Accountant shall act as an independent expert and shall have exclusive jurisdiction over, and resort to the Independent Accountant shall be the only recourse and remedy of the parties hereto against one another with respect to, any disputes arising out of or relating to the Closing Statement, the Disputed Items or the other matters contemplated by this Section 3.4. If one or more Unresolved Matters are submitted to the Independent Accountant for resolution, Parent and the Equityholders' Representative shall enter into a customary engagement letter with, and to the extent necessary each party to this Agreement will waive and cause its Affiliates to waive any conflicts with, the Independent Accountant at the time such dispute is submitted to the Independent Accountant and shall cooperate with the Independent Accountant in connection with its determination pursuant to this Section 3.4. Within ten (10) days after the Independent Accountant has been retained, each of Parent, on the one hand, and the Equityholders' Representative, on the other hand, shall furnish, at its own expense (in the case of the Equityholders' Representative, on behalf of the Company Equityholders), to the Independent Accountant and substantially simultaneously to the other a written statement of its position with respect to each Unresolved Matter. Within five (5) Business Days after the expiration of such ten (10) day period, each of Parent, on the one hand, and the Equityholders' Representative, on the other hand, may deliver to the Independent Accountant its response to the other's position on each Unresolved Matter; provided, that it delivers a copy thereof substantially simultaneously to the other. With each submission, each of Parent, on the one hand, and the Equityholders' Representative, on the other hand, may also furnish to the Independent Accountant such other information and documents as it deems relevant or such information

and documents as may be requested by the Independent Accountant; provided, that it delivers a copy thereof substantially simultaneously to the other. The Independent Accountant may, at its discretion, conduct one or more conferences (whether in person or by teleconference) concerning the disagreement and each of Parent and the Equityholders' Representative shall have the right to present additional documents, materials and other information and to have present its Representatives at such conferences.

(d) The Independent Accountant shall be directed by the Parent and the Equityholders' Representative to promptly, and in any event within thirty (30) days after its appointment pursuant to Section 3.4(c), render its decision on the Unresolved Matters (and not on any other matter or calculation set forth in the Closing Statement). Parent and the Equityholders' Representative shall direct the Independent Accountant to make its determination as to each Unresolved Matter in a written statement delivered to each of Parent and the Equityholders' Representative, which shall include the Independent Accountant's (i) determination as to the calculation of each of the Unresolved Matters and (ii) the corresponding corrective calculations set forth in the Closing Statement that are derived from its determination as to the calculations of the Unresolved Matters, all of which shall be conclusive, final and binding on all parties absent Fraud or manifest error; provided, that (x) the maximum liability of each Company Equityholder with respect to Fraud committed by the Company which does not involve any Fraud committed by such Company Equityholder shall be the portion of the Final Merger Consideration actually received by such Company Equityholder and (y) no Company Equityholder shall be liable for the Fraud of any other Company Equityholder. In resolving any Unresolved Matter, the Independent Accountant may not assign a value to such item greater than the greatest value for such item claimed by Parent in the Closing Statement or by the Equityholders' Representative in the Dispute Notice or less than the lowest value for such item claimed by Parent in the Closing Statement or by the Equityholders' Representative in the Dispute Notice. The Independent Accountant shall also determine the proportion of its fees and expenses to be paid by each of Parent, on the one hand, and the Equityholders' Representative, on behalf of the Company Equityholders, on the other hand, based on the degree (as determined by the Independent Accountant) to which the Independent Accountant has accepted the positions of Parent and the Equityholders' Representative. By way of example, if the Independent Accountant has determined to accept 80% of the position of Parent and 20% of the position of the Equityholders' Representative, then 20% of the Equityholders' Representative's fees and expenses shall be payable by Parent and 80% of the Equityholder Representative's fees and expenses shall be payable by the Equityholders' Representative. For the avoidance of doubt, the Independent Accountant's fees and expenses payable by Parent (if any) shall be paid to the Independent Accountant directly by Parent, and the Independent Accountant's fees and expenses payable by the Equityholders' Representative, on behalf of the Company Equityholders, (if any) shall be paid to the Independent Accountant directly by the Equityholders' Representative from the Expense Fund.

(e) For purposes of this Agreement, the "Final Closing Statement" shall be (i) in the event that no Dispute Notice is delivered by the Equityholders' Representative to Parent prior to the expiration of the Review Period or if the Equityholders' Representative otherwise earlier notifies Parent in writing that that the Equityholders' Representative has no disputes or objections to the Closing Statement, the Closing Statement delivered by Parent to the Equityholders' Representative pursuant to Section 3.4(b), (ii) in the event that a Dispute Notice is delivered by the Equityholders' Representative to Parent prior to the expiration of the Review Period, the Closing Statement delivered by Parent to the Equityholders' Representative pursuant to Section 3.4(b), as adjusted pursuant to the agreement of Parent and the Equityholders' Representative in writing, or (iii) in the event that a Dispute Notice is delivered by the Equityholders' Representative to Parent prior to the expiration of the Review Period and Parent and the Equityholders' Representative are unable to agree on all matters set forth in such Dispute Notice, the Closing Statement delivered by Parent to the Equityholders' Representative pursuant to Section 3.4(b), as adjusted by the Independent Accountant to be consistent with (A) the Resolved Matters and (B) the Independent Accountant's determination as to the calculation of the Unresolved Matters in accordance with Sections 3.4(c) and 3.4(d).

(f) Payment of the Additional Merger Consideration.

(i) If the Final Merger Consideration exceeds the Estimated Merger Consideration (the amount of such excess, the "Additional Merger Consideration"), then within five (5) Business Days after the final determination of the Final Closing Statement, Parent shall deposit, or cause to be deposited, in immediately available funds, an amount in cash in the aggregate equal to the Additional Merger Consideration, to the Paying Agent (on behalf of the Company Stockholders (other than Employee Company Restricted Stockholders) and Non-Employee Company Optionholders) and the Surviving Corporation (on behalf of the Employee Company Optionholders and Employee Company Restricted Stockholders that are entitled to payment pursuant to Section 3.1(b)), in each case, as set forth in Section 3.4(f)(iii).

(ii) If the Estimated Merger Consideration exceeds the Final Merger Consideration, then Parent shall be entitled to set-off the full amount by which the Estimated Merger Consideration exceeds the Final Merger Consideration against any amounts payable by Parent pursuant to Section 3.5.

(iii) All amounts to be paid by Parent pursuant to Section 3.4(f)(i) to the Paying Agent (on behalf of the Company Stockholders (other than Employee Company Restricted Stockholders who have not timely filed a Section 83(b) election with the Internal Revenue Service with respect to their Company Restricted Stock) and Non-Employee Company Optionholders) and the Surviving Corporation (on behalf of the Employee Company Optionholders and Employee Company Restricted Stockholders who have not timely filed a Section 83(b) election with the Internal Revenue Service with respect to their Company Restricted Stock that are entitled to payment pursuant to Section 3.1(b)), shall be made as follows:

(A) to the Paying Agent (on behalf of the holders of Company Capital Stock (other than Specified Shares and Company Restricted Stock held by Employee Company Restricted Stockholders who have not timely filed a Section 83(b) election with the Internal Revenue Service with respect to such Company Restricted Stock) immediately prior to the Effective Time), an amount with respect to each such holder of Company Capital Stock equal to the product of (x) the Per Share Portion, multiplied by (y) the Additional Merger Consideration, multiplied by (z) the aggregate number of such shares of Company Capital Stock held by such holder of Company Capital Stock immediately prior to the Effective Time; and

(B) to the Paying Agent (on behalf of the Non-Employee Company Optionholders that hold any Vested Company Options immediately prior to the Effective Time that are entitled to payment pursuant to Section 3.1(b)), an amount equal to the product of (x) the Per Share Portion, multiplied by (y) the Additional Merger Consideration, multiplied by (z) the aggregate Exercise Number with respect to the Vested Company Options held by such Non-Employee Company Optionholders outstanding immediately prior to the Effective Time;

(C) to the Surviving Corporation (on behalf of the Employee Company Optionholders that are entitled to payment pursuant to Section 3.1(b)) an amount equal to the product of (x) the Per Share Portion, multiplied by (y) the Additional Merger Consideration, multiplied by (z) the aggregate Exercise Number with respect to the Vested Company Options held by Employee Company Optionholders

outstanding immediately prior to the Effective Time that are entitled to payment pursuant to Section 3.1(b); and

(D) to the Surviving Corporation (on behalf of the Employee Company Restricted Stockholders who have not timely filed a Section 83(b) election with the Internal Revenue Service with respect to their Company Restricted Stock that are entitled to payment pursuant to Section 3.1(b)) an amount equal to the product of (x) the Per Share Portion, multiplied by (y) the Additional Merger Consideration, multiplied by (z) the aggregate number of shares of Company Restricted Stock held by such Employee Company Restricted Stockholder immediately prior to the Effective Time.

(E) Parent shall, promptly (and, in any event within, five (5) Business Days) following satisfaction of its obligations under Section 3.4(f)(i), cause to be paid from the proceeds in the Paying Agent Fund, to each such Company Stockholder the amounts deposited in the Paying Agent Fund on behalf of each such Company Stockholder pursuant to Sections 3.4(f)(iii)(A) – (B).

(g) All payments pursuant to this Section 3.4 shall be treated as an adjustment to the Final Merger Consideration for all federal, state and local income Tax purposes, unless otherwise required by applicable Law.

3.5 Deferred Purchase Price.

(a) First Anniversary Merger Consideration.

(i) No later than ten (10) Business Days prior to the first (1st) anniversary of the Closing Date, the Equityholders' Representative shall deliver to Parent an updated Allocation Schedule with respect to the First Anniversary Merger Consideration and the Second Anniversary Merger Consideration together with reasonable supporting detail.

(ii) On the first (1st) anniversary of the Closing Date, Parent shall pay, or shall cause to be paid, in cash by wire transfer of immediately available funds, First Anniversary Merger Consideration in accordance with the provisions of Section 3.4(f)(iii), which shall apply *mutatis mutandis*.

(b) Second Anniversary Merger Consideration. On the second (2nd) anniversary of the Closing Date, Parent shall pay, or shall cause to be paid, in cash by wire transfer of immediately available funds, the Second Anniversary Merger Consideration in accordance with the provisions of Section 3.4(f)(iii), which shall apply *mutatis mutandis*.

(c) All payments pursuant to this Section 3.5 shall be treated as an adjustment to the Final Merger Consideration for all federal, state and local income Tax purposes, unless otherwise required by applicable Law.

3.6 Withholding Taxes. Notwithstanding anything to the contrary contained in this Agreement, the Company, Parent and any other applicable withholding agent shall be entitled to deduct and withhold from any payment payable pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code, or under any provision of applicable Tax Law. The withheld amounts shall be paid over to the appropriate taxing authority and, to the extent such withheld amounts are so paid over, shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

3.7 Equityholders' Representative Matters.

(a) Appointment; Power of Attorney.

(i) At the Effective Time and without further act of the Company or any Company Equityholder, the Equityholders' Representative shall be appointed as exclusive agent and true and lawful attorney in fact for each Company Equityholder under this Agreement, the Paying Agent Agreement and under the Equityholders' Representative Engagement Agreement, for and on behalf of the Company Equityholders, including to give and receive notices and communications and to take or refrain from taking any and all action on behalf of the Company Equityholders pursuant to this Agreement, the Paying Agent Agreement and the Equityholders' Representative Engagement Agreement which the Equityholders' Representative deems necessary or appropriate in its sole discretion, including in connection with the determination of the Final Merger Consideration and incurring and paying expenses on behalf of the Company Equityholders. Notwithstanding the foregoing, the Equityholders' Representative shall have no obligation to act on behalf of the Company Equityholders, except as expressly provided herein, in the Paying Agent Agreement and in the Equityholders' Representative Engagement Agreement, and for purposes of clarity, there are no obligations of the Equityholders' Representative in any ancillary agreement, schedule, exhibit or the Company Disclosure Schedule. The Person acting as Equityholders' Representative may resign at any time and may be changed from time to time by approval of the holders of a majority of the outstanding shares of Company Capital Stock, voting together as a single class on an As-Converted Basis immediately prior to the Effective Time upon not less than fifteen (15) calendar days' prior written notice to Parent and the current Equityholders' Representative. Any vacancy in the position of Equityholders' Representative may be filled by approval of the holders of a majority of the outstanding shares of Company Capital Stock, voting together as a single class on an As-Converted Basis immediately prior to the Effective Time. The powers, immunities and rights to indemnification granted to the Equityholders' Representative Group hereunder: (i) are coupled with an interest and shall be irrevocable and survive the death, incompetence, bankruptcy or liquidation of any Company Equityholder and shall be binding on any successor thereto, and (ii) shall survive the delivery of an assignment by any Company Equityholder of the whole or any fraction of his, her or its interest in the First Anniversary Merger Consideration or the Second Anniversary Merger Consideration. The immunities and rights to indemnification shall survive the resignation or removal of the Equityholders' Representative or any member of the Advisory Group and the Closing and/or any termination of this Agreement, the Equityholders' Representative Engagement Agreement or the Paying Agent Agreement. Notices or communications to or from the Equityholders' Representative shall constitute notice to or from each of the Company Equityholders, as applicable.

(ii) Certain Company Equityholders have entered into an engagement agreement (the "Equityholders' Representative Engagement Agreement") with the Equityholders' Representative to provide direction to the Equityholders' Representative in connection with its services under this Agreement, the Paying Agent Agreement and the Equityholders' Representative Engagement Agreement (such Company Equityholders, including their individual representatives, collectively hereinafter referred to as the "Advisory Group"). Neither the Equityholders' Representative nor its members, managers, directors, officers, contractors, agents and employees nor any member of the Advisory Group (collectively, the "Equityholders' Representative Group") shall be liable for any act done or omitted hereunder, under the Paying Agent Agreement or under the Equityholders' Representative Engagement Agreement as or by the Equityholders' Representative except for its own Fraud, willful misconduct or willful breach of the obligations hereunder.

(b) Actions of the Equityholders' Representative. A decision, act, consent or instruction of the Equityholders' Representative (acting in its capacity as the Equityholders' Representative) under this Agreement, the Paying Agent Agreement or the Equityholders' Representative Engagement Agreement

shall constitute a decision of all the Company Equityholders and shall be final, conclusive and binding upon each such Company Equityholder and such Company Equityholder's successors as if expressly confirmed and ratified in writing by such Company Equityholder, and all defenses which may be available to any Company Equityholder to contest, negate or disaffirm the action of the Equityholders' Representative taken in good faith under this Agreement, the Paying Agent Agreement or the Equityholders' Representative Engagement Agreement are waived, and Parent may rely upon any such decision, act, consent or instruction of the Equityholders' Representative as being the decision, act, consent or instruction of each such Company Equityholder. Each of Parent, Merger Sub and the Surviving Corporation are hereby relieved from any liability to any Person for any acts done by any of Parent, Merger Sub or the Surviving Corporation in accordance with such decision, act, consent or instruction of the Equityholders' Representative.

(c) Limitation on Liability; Indemnification.

(i) The Equityholders' Representative shall incur no liability to any of the Company Equityholders with respect to any action taken, omitted to be taken, or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other documents believed by it to be genuinely and duly authorized, nor for any other action or inaction except its own Fraud, willful misconduct or willful breach. The Equityholders' Representative may, in all questions arising under this Agreement, the other Transaction Documents or any other agreement, document, instrument or certificate referred to herein or therein or executed in connection herewith or therewith, rely on the advice of counsel, accountants and other advisors, and the Equityholders' Representative shall not be liable to any of the Company Equityholders for anything done, omitted or suffered in good faith by the Equityholders' Representative based on such advice. The Equityholders' Representative is authorized by each of the Company Equityholders to incur expenses on behalf of the Company Equityholders in acting hereunder. If the Equityholders' Representative shall incur any losses, claims, damages, liabilities, fees, costs, expenses (including fees, disbursements and costs of counsel and other skilled professionals and in connection with seeking recovery from insurers), judgments, fines, amounts paid in settlement (collectively, the "Equityholders' Representative Expenses"), each of the Company Equityholders will, on the written request of the Equityholders' Representative, reimburse the Equityholders' Representative for its Pro Rata Portion of such Equityholders' Representative Expense. Such Equityholders' Representative Expenses may be recovered first, from the Expense Fund, second, from any distribution of the First Anniversary Merger Consideration or the Second Anniversary Merger Consideration otherwise distributable to the Company Equityholders at the time of distribution, and third, directly from the Company Equityholders. The term "Pro Rata Portion" means, with respect to a given Company Equityholder and a given amount (such given amount, the "Divisible Share"), (i) a fraction, the numerator of which is the amount of consideration actually distributed to such Person pursuant to Section 3.1 at the relevant time of determination and the denominator of which is the Final Merger Consideration, multiplied by (ii) the Divisible Share.

(ii) Each Company Equityholder agrees to indemnify, defend and hold harmless the Equityholders' Representative Group from and against its respective Pro Rata Portion of any and all Equityholders' Representative Expenses which may at any time be imposed on, or incurred by, or asserted against the Equityholders' Representative Group in any way relating to or arising out of or in connection with the acceptance or administration of the Equityholders' Representative's duties hereunder, under the Paying Agent Agreement, under the Equityholders' Representative Engagement Agreement or under any other Transaction Document or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or thereof; provided, however, that no Company Equityholder shall be liable for any of the foregoing to the extent they directly arise from the Equityholders' Representative's fraud, willful misconduct or willful breach. The Company Equityholders acknowledge that the Equityholders' Representative shall not be required to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or pursuant to this Agreement, the Paying Agent Agreement, the

Equityholders' Representative Engagement Agreement or the transactions contemplated hereby or thereby. Furthermore, the Equityholders' Representative shall not be required to take any action unless the Equityholders' Representative has been provided with funds, security or indemnities which, in its determination, are sufficient to protect the Equityholders' Representative against the costs, expenses and liabilities which may be incurred by the Equityholders' Representative in performing such actions.

(d) Upon the Closing, Parent shall wire to an account designated by the Equityholders' Representative $150,000 (the "Expense Fund" and such amount, the "Expense Fund Amount"). The Expense Fund shall be held by the Equityholders' Representative in a segregated client account and shall be used (i) for the purposes of paying directly or reimbursing the Equityholders' Representative for any Equityholders' Representative Expenses incurred pursuant to this Agreement, the Paying Agent Agreement or the Representative Engagement Agreement, or (ii) as otherwise determined by the Advisory Group. The Equityholders' Representative is not providing any investment supervision, recommendations or advice and shall have no responsibility or liability for any loss of principal of the Expense Fund other than as a result of its gross negligence or willful misconduct. The Equityholders' Representative is not acting as a withholding agent or in any similar capacity in connection with the Expense Fund and has no tax reporting or income distribution obligations. The Company Equityholders will not receive any interest on the Expense Fund and assign to the Equityholders' Representative any such interest. Subject to Advisory Group approval, the Equityholders' Representative may contribute funds to the Expense Fund from any consideration otherwise distributable to the Company Equityholders. As soon as reasonably determined by the Equityholders' Representative that the Expense Fund is no longer required to be withheld, the Equityholders' Representative shall distribute the remaining Expense Fund, if any, to the Paying Agent and/or the Surviving Corporation, as applicable, for further distribution to the Company Equityholders in accordance with the provisions of Section 3.4(f)(iii), which shall apply *mutatis mutandis*.

(e) The Equityholders' Representative shall be entitled to: (i) rely upon the Allocation Schedule, (ii) rely upon any signature believed by it to be genuine, and (iii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable Company Equityholder or other party.

3.8 Private Placement; Non-Accredited Investors.

(a) The parties understand and agree that the shares of Parent Common Stock to be issued and transferred as contemplated in this Agreement as part of the consideration for the Merger to Company Stockholders and Company Optionholders have not been registered under the securities Laws of the United States, including the Securities Act, or any other jurisdiction and will be issued and transferred pursuant to a "private placement" exempt from registration under the Securities Act by virtue of Regulation D promulgated thereunder. The shares of Parent Common Stock comprising such consideration will be characterized as "restricted securities" under the Securities Act and may only be transferred pursuant to a registration statement or an applicable exemption under the Securities Act. Any book entries recording the record ownership of shares of Parent Common Stock (it being understood and agreed by the parties that the shares of Parent Common Stock are uncertificated) shall bear such annotations as Parent may reasonably deem necessary and desirable in connection therewith. Notwithstanding the foregoing, the shares of Parent Common Stock received as part of the consideration for the Merger may only be transferred pursuant to Rule 144 of the Securities Act.

(b) Notwithstanding anything to the contrary in this Agreement, the shares of Parent Common Stock comprising such consideration for the Merger shall only be issued to Accredited Investors. In order for Parent to verify that a Company Stockholder or Company Optionholder is an Accredited Investor, each such Company Stockholder or Company Optionholder to whom shares of Parent Common Stock are to be issued in the Merger shall have either (i) made to Parent in writing such customary representations and warranties as may be reasonably required by Parent or (ii) duly executed and completed

a Letter of Transmittal or Company Optionholder Participation Agreement in accordance with terms herein, and confirmed in such document that such Person is an Accredited Investor. Notwithstanding anything to the contrary in this Agreement, no shares of Parent Common Stock shall be issued in the Merger to a Non-Accredited Investor and, in lieu thereof, a Non-Accredited Investor shall be entitled to receive, at the Effective Time, an amount in cash determined by multiplying the number of shares of Parent Common Stock that would have been issued by the Parent Common Stock Value. For the purposes of this Agreement, "Non-Accredited Investor" means a Person who is not an Accredited Investor as determined in good faith by Parent, and "Accredited Investor" means a Person that is an "accredited investor" as such term is defined in Rule 501 promulgated under the Securities Act, or would otherwise be excluded under Rule 501(e)(1) under the Securities Act from any calculation of the number of purchasers of shares of Parent Common Stock in the Merger, as determined in good faith by Parent, in each case after taking into consideration such information as deemed relevant by Parent.

(c) At any time following the six (6) month anniversary of the Closing Date, upon written notice by any Company Stockholder or Company Optionholder that receives Parent Common Stock as consideration for the Merger, Parent shall use commercially reasonable efforts to (i) if required by the Parent's transfer agent, reasonably promptly cause its legal counsel to deliver to Parent's transfer agent an appropriate opinion letter, at such transferor's sole cost and expense, to the effect that such Parent Common Stock held by the Company Stockholder or Company Optionholder may be resold pursuant to Rule 144 of the Securities Act and (ii) instruct Parent's transfer agent to remove any restrictive legend applicable to such Parent Common Stock proposed to be transferred; provided, that each of clauses (i) and (ii) above are subject to compliance with any applicable requirements of Rule 144 of the Securities Act; provided, further, that Parent's obligation to comply with this Section 3.8(c) shall be conditioned upon such transferor timely providing customary representations and warranties and other documentation as are reasonably necessary and customarily required in connection with the removal of restrictive legends related to compliance with the federal securities laws and which are reasonably acceptable to the Parent, its counsel and/or its transfer agent in connection therewith.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedule delivered by the Company to Parent concurrently with the execution of this Agreement (the "Company Disclosure Schedule"), the Company hereby represents and warrants to Parent and Merger Sub that:

4.1 Organization, Standing and Power.

(a) The Company is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate all of its assets, rights and properties and to carry on its business as it is now being conducted.

(b) The Company is duly licensed or qualified to do business and is in good standing under the Laws of each jurisdiction in which the nature of the business conducted by it or the character or location of the assets, rights and properties owned, leased or operated by it makes such licensing or qualification required by Law, except where the failure to be so licensed, qualified or in good standing would not reasonably be expected to be, individually or in the aggregate, material to the WH Entities, taken as a whole.

(c) The Company has made available to Parent complete and correct copies of the minutes of the meetings of the board of directors (or similar governing body) and stockholders (or other equityholders) and all executed written consents of the board of directors (or similar governing body) and

stockholders (or other equityholders) of the WH Entities, certificate of incorporation, bylaws and other organizational or constituent documents of the WH Entities, each as amended, modified, supplemented or restated to the date of this Agreement, and the WH Entities are not in violation of any of the provisions contained in such organizational, constituent or other documents in any material respect.

4.2 Authorization.

(a) The Company has all necessary corporate power and authority to execute and deliver this Agreement and each of the other agreements, documents, instruments or certificates contemplated by this Agreement or to be executed by the Company in connection with the consummation of the transactions contemplated hereby (collectively, the "Company Documents") and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and the Company Documents, and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all requisite corporate action of the Company. This Agreement has been, and each of the Company Documents will be, at or prior to the Closing, duly and validly executed and delivered by the Company and, assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, this Agreement constitutes, and the Company Documents when so executed and delivered will constitute, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar Laws of general application affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity, whether considered in a proceeding at Law or in equity (the "Bankruptcy and Equity Exception").

(b) Except for the Requisite Stockholder Approval, no vote, approval or consent of the holders of any class or series of capital stock or equity securities of the WH Entities is necessary to adopt, approve or permit the entry into this Agreement, any Company Document or the Transactions, or approve the consummation of the transactions contemplated hereby and thereby.

(c) None of the WH Entities beneficially own any shares of Parent Common Stock or any options, warrants or other rights to acquire shares of Parent Common Stock.

4.3 Noncontravention. Except as set forth in Section 4.3 of the Company Disclosure Schedule, and assuming the filing of the amendment to the Company Charter pursuant to Section 6.17, neither the execution and delivery of this Agreement and the Company Documents by the Company nor the consummation by the Company of the transactions contemplated hereby and thereby, nor compliance by the Company with any of the terms or provisions hereof and thereof, will (i) conflict with or violate any provision of the Company Charter, the Company Bylaws or other organizational or governing documents of the WH Entities or (ii) (A) assuming that the authorizations, consents and approvals referred to in Section 4.4 are obtained and the filings referred to in Section 4.4 are made, violate any Law, Privacy Policy or Order applicable to the WH Entities or any of their assets, rights or properties, (B) with or without notice, lapse of time or both, breach, violate, conflict with or constitute a default or event of default under any of the terms, conditions or provisions of any Contract or require any notice or consent under any Contract, or accelerate or give rise to a right of termination, modification, cancellation or acceleration of any of the WH Entities' obligations under any such Contract or to the loss of any benefit or increase any obligations under a Contract, (C) with or without notice, lapse of time or both, breach, violate, conflict with or constitute a default under any Permit by which the WH Entities or their respective assets, rights or properties are bound, or (D) result in the creation of any Lien (other than any Permitted Lien) on any assets, rights or properties of the WH Entities, except, in the case of clause (ii), for such violations, defaults, accelerations, rights, modifications, losses and Liens as would not reasonably be expected to be, individually or in the aggregate, material to the WH Entities, taken as a whole.

4.4 Governmental Approvals. Except for the filing and effectiveness of the Charter Amendment and the Certificate of Merger, no Permits, consents, authorizations, waiting period expirations or terminations, or approvals of, or filings, declarations or registrations with, any Governmental Authority are necessary for the execution, delivery and performance of this Agreement and the Company Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, other than such other consents, authorizations, waiting period expirations or terminations, approvals, filings, declarations or registrations that, if not obtained, made or given, would not reasonably be expected to be, individually or in the aggregate, material to the WH Entities, taken as a whole.

4.5 Capitalization.

(a) The authorized capital stock of the Company consists of 16,400,000 shares of Company Common Stock, 2,961,837 shares of Company Series A Preferred Stock, 2,699,918 shares of Company Series A-1 Preferred Stock and 233,986 shares of Company Series A-2 Preferred Stock. As of the date hereof, the only Securities issued and outstanding or reserved for issuance are the following: (i) 8,613,793 shares of Company Common Stock (including 0 shares of Company Restricted Stock), (ii) 2,961,837 shares of Company Series A Preferred Stock, (iii) 2,699,918 shares of Company Series A-1 Preferred Stock, (iv) 233,986 shares of Company Series A-2 Preferred Stock, (v) 192,559 shares of Company Common Stock may be acquired upon exercise of outstanding Company Options, (vi) 852,452 shares of Company Common Stock are reserved under the Company Stock Option Plan but not subject to any outstanding Company Options and (vii) 5,895,741 shares of Company Common Stock reserved for issuance upon conversion of the outstanding shares of Company Preferred Stock. All issued and outstanding shares of Company Capital Stock have been, and on the Closing Date will be, duly authorized and validly issued, fully paid, nonassessable, issued in compliance with all applicable Laws concerning the issuance of securities and the certificate of incorporation, bylaws and other governing documents of the Company and free of preemptive or other similar rights. No shares of Company Capital Stock are owned by the WH Entities.

(b) Section 4.5(b) of the Company Disclosure Schedule sets forth, as of the date hereof, a true and complete list of all holders of outstanding (i) shares of Company Common Stock, including the number of shares of Company Common Stock held by such holders, and with respect to any Company Restricted Stock, (x) the date on which such shares of Company Restricted Stock were granted, (y) the date(s) on which such Company Restricted Stock is scheduled to vest, and (z) the portion of any such Company Restricted Stock that is eligible for accelerated vesting in connection with a change in control of the Company, (ii) shares of Company Series A Preferred Stock (and the number of shares of Company Common Stock into which such Company Series A Preferred Stock may be converted), (iii) shares of Company Series A-1 Preferred Stock (and the number of shares of Company Common Stock into which such Company Series A-1 Preferred Stock may be converted), (iv) shares of Company Series A-2 Preferred Stock (and the number of shares of Company Common Stock into which such Company Series A-2 Preferred Stock may be converted) and (v) Company Options, and, in the case of each Company Option, (A) the price per share at which such Company Option may be exercised, (B) the number of shares of Company Common Stock subject to each such Company Option, (C) the date on which each Company Option was granted, (D) the date(s) on which each Company Option is scheduled to vest, (E) the portion of any such Company Option that is eligible for accelerated vesting and exercisability in connection with a change in control of the Company and (F) the date on which each Company Option expires (in the cases of clauses (D) and (E), without regard to the Transactions).

(c) Except as set forth in Section 4.5(b) of the Company Disclosure Schedule, as of the date hereof, there are (i) no outstanding shares of capital stock of, or other equity or voting interest in, the Company, (ii) no outstanding securities of the Company convertible into or exchangeable for shares of capital stock of, or other equity or voting interest in, the Company, (iii) no outstanding options, warrants,

rights or other commitments or agreements to acquire from the Company, or that obligate the Company to issue or register, or that restrict the transfer or voting of, any capital stock of, or other equity or voting interest in, or any securities convertible into or exchangeable for shares of capital stock of, or other equity or voting interest in, the Company, (iv) no obligations of the Company to grant, extend or enter into any Promised Options, subscription, warrant, right, convertible or exchangeable security or other similar agreement or commitment relating to any capital stock of, or other equity or voting interest (including any voting debt) in, the Company (the items in clauses (i), (ii), (iii) and (iv), together with the capital stock of the Company, being referred to collectively as "Securities"), (v) no calls, subscriptions, pre-emptive rights, Contracts, agreements, arrangements, understandings or other commitments of any kind for the purchase or issuance of Securities, (vi) no "phantom stock" or similar obligations of the Company, (vii) no Contracts requiring the Company to acquire any equity interest of any other Person, and (viii) no other obligations by the Company to make any payments based on the price or value of any Securities or dividends paid thereon or revenues, earnings or financial performance or any other attribute of the Company.

(d) Immediately following the consummation of the Transactions, Parent will be the sole owner, directly or indirectly, of any and all issued and outstanding shares of capital stock or other equity securities of the Company, and all other securities exercisable or exchangeable for, or convertible into, any such shares of capital stock or other equity securities of the Company, including, without limitation, all shares of Company Common Stock, notwithstanding that any such shares of Company Common Stock are currently subject to a Company Option, it being agreed that all such Company Options will be cancelled in connection with the Transactions.

4.6 Subsidiaries and Managed PCs.

(a) The Company does not currently own or control, directly or indirectly, any ownership interest in any other Person or Subsidiary.

(b) The Managed PCs are set forth on Section 4.6(b) of the Company Disclosure Schedule. The Managed PCs have been duly incorporated, formed or organized, are validly existing and in good standing under the Laws of their respective jurisdiction of incorporation, formation or organization and have all the requisite power and authority to own, lease and operate all of their respective properties, rights and assets and to conduct their respective businesses as they are now being conducted. The Company has previously made available to Parent true, correct and complete copies of the organizational documents of the Managed PCs. The Managed PCs are not in material violation of any provision of their organizational documents. Each Managed PC is duly licensed or qualified and in good standing as a foreign corporation (or other entity, if applicable) in each jurisdiction in which its ownership, operation or lease of property or the nature of the business conducted by it or the character or location of its activities, assets, rights, and properties owned, leased or operated by it is such as to require it to be so licensed or qualified or in good standing, as applicable. A list of each Managed PCs number of shares of its authorized capital stock or equity securities, the number and class of shares or securities thereof duly issued and outstanding, the names of its stockholders or equityholders and the number of shares of stock or securities, or the amount of equity, owned by each such stockholder or equityholder is set forth in Section 4.6(b) of the Company Disclosure Schedule.

4.7 Financial Statements; Undisclosed Liabilities.

(a) Section 4.7(a) of the Company Disclosure Schedule sets forth (A) the unaudited balance sheets and statements of income and cash flows as at and for the fiscal years ended 2022 and 2021 of the Company and (B) the unaudited balance sheets and statements of income and cash flows as at and for the one (1) month ended January 31, 2023 of the Company (the financial statements referred to in clauses (A) and (B), collectively, the "Financial Statements").

(b) Except as set forth on Section 4.7(b) of the Company Disclosure Schedule, the Financial Statements have been prepared from the books and records of the WH Entities and in accordance with GAAP consistently applied for the relevant periods involved and fairly present, in all material respects, the consolidated financial position, the results of operations and cash flows of the WH Entities, at the dates and for the periods to which each respective statement relates (subject to changes resulting from normally recurring year-end audit adjustments, which are not, individually or in the aggregate, material, and to the absence of certain footnotes).

(c) The WH Entities do not have any Liabilities of a type required to be reflected or reserved for on a balance sheet prepared in accordance with GAAP, except (i) liabilities reflected or reserved against on the balance sheet of the WH Entities as of January 31, 2023 (the "Balance Sheet Date") included in the Financial Statements, (ii) liabilities incurred after the Balance Sheet Date in the ordinary course of business (none of which results from or arises out of any breach of or default under any Contract, breach of warranty, tort, infringement or violation of Law), (iii) liabilities incurred by the WH Entities in connection with the execution of this Agreement) and which are not material and adverse to the WH Entities and (iv) any executory obligations (that are not for breach of Contract or breach of warranty) arising under any Contracts to which the WH Entities are a party.

(d) No WH Entity is a party to, nor has any commitment to become a party to any material off-balance sheet partnership or any similar Contract or arrangement (including any contract or arrangement relating to any transaction or relationship between or among any WH Entity, on the one hand, and any unconsolidated affiliate on the other hand), including any "off-balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K promulgated by the SEC).

(e) Each WH Entity's (i) transactions are executed in accordance with management's general or specific authorizations, and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP. To the Knowledge of the Company, there has not been any Fraud that involves any director, officer, principal, manager or other employee of the WH Entities.

(f) All accounts receivable reflected in the Financial Statements (i) represent bona fide claims against debtors for sales, services performed or other charges arising in the ordinary course of business and (ii) are not subject to dispute other than ordinary course billing disputes, subject to any reserves for bad debts reflected in Section 4.7(f) of the Company Disclosure Schedule.

(g) The WH Entities do not have any unpaid Indebtedness and/or Transaction Costs that are not included in or reflected in the calculation of Estimated Merger Consideration as of the Closing.

4.8 Absence of Certain Changes.

(a) Since the Balance Sheet Date, except for the transactions contemplated hereby, the business of the WH Entities has been conducted in all material respects, in the ordinary course of business.

(b) Since the Balance Sheet Date, no action has been taken with respect to the WH Entities which, if taken after the date of this Agreement and prior to the Closing, would constitute a violation of Section 6.1(b).

(c) Since the Balance Sheet Date, no Effect or Effects has occurred that, individually or in the aggregate, has or have had, or would reasonably be expected to have, a Company Material Adverse Effect.

4.9 Legal Proceedings; Orders.

(a) There is no pending or, to the Knowledge of the Company, threatened Action by or against the WH Entities or affecting the assets, rights or properties thereof, or any current or former director, officer or employee of the WH Entities in his or her capacity as such, whether or not by or before any Governmental Authority, in each case, that (i) relate to the transactions contemplated hereby, (ii) that would reasonably be likely to result in a Liability to the Company in excess of $50,000 (without giving effect to any potential Tax benefit or insurance recovery relating thereto), (iii) that seeks non-monetary or equitable relief or (iv) that would reasonably be expected, individually or in the aggregate, to be material to the WH Entities, taken as a whole. There are no material outstanding unsatisfied judgments of any kind against the WH Entities.

(b) The WH Entities or any of their respective assets, rights or properties are not subject to any outstanding Order and, to the Knowledge of the Company, there are no claims, allegations or complaints against the products and services of the WH Entities under any theory, including strict liability, product liability, negligence, failure to warn, warranty or indemnity, other than claims for customer support in the ordinary course of business.

4.10 Compliance With Laws; Permits.

(a) The WH Entities are, and have, at all times since January 1, 2021, been, in compliance with all applicable Laws in all material respects. The WH Entities have not received, nor, to the Knowledge of the Company, is there any basis for, any notice, order, complaint, warning letter or other communication from any Governmental Authority or any other Person that the WH Entities have any Liability under any applicable Law or that it is not or has at any time since January 1, 2021 not been in compliance with any applicable Law. To the Knowledge of the Company, no investigation or review by any Governmental Authority regarding a violation of any applicable Law with respect to the WH Entities has occurred since January 1, 2021 or is pending or threatened.

(b) Since January 1, 2021, none of the WH Entities or any of their respective officers, directors, members of senior management or employees, or, to the Knowledge of the Company, any agent, representative, sales intermediary, or other third party, in each case, acting on behalf of the WH Entities, has, directly or indirectly, (i) taken any action which caused it to be in violation of any Law or Order of any applicable anti-corruption Law or any Law involving Fraud, false claims, conflicts of interest, or illegal briber or gratuities, including the Procurement Integrity Act (41 U.S.C. Chapter 21), the False Claims Acts (18 U.S.C. 287 and 31 U.S.C. 3729-3733) Bribery, Graft and Conflict of Interest Laws (18 U.S.C. 201 et. Seq.), including the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd 1 et seq.), as amended (the "FCPA"), the Corruption of Foreign Public Officials Act (Canada), the U.K. Bribery Act 2010, or any other applicable anti-corruption Law of a similar nature ("Anti-Corruption Laws") or (ii) made, offered, promised or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in FCPA), foreign political party or official thereof or candidate for foreign political office for the purpose of (A) influencing any official act or decision of such official, party or candidate, (B) inducing such official, party or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Authority, or (C) securing any improper advantage, in the case of (A), (B) and (C) above in order to assist the Company or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any person. None of the WH Entities or any of their respective officers, directors, or employees, or, to the Knowledge of the Company, any agent, representative, sales intermediary, or other third party, in each case, acting on behalf of the WH Entities, has, directly or indirectly, made or authorized any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any Law, rule or regulation. The WH Entities maintain, and have caused each of their Affiliates to maintain, processes and employee training

that are reasonable to ensure material compliance with all Anti-Corruption Laws. None of the WH Entities or any of their respective officers, directors, or employees, or, to the Knowledge of the Company, any agent, representative, sales intermediary, or other third party, in each case, acting on behalf of the WH Entities, is the subject of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to any Anti-Corruption Law, including any disclosures to any Governmental Authority with respect to any alleged irregularity, misstatement or omission arising under or relating to any contract with any Governmental Authority or any bid with any Governmental Authority.

(c) None of the WH Entities or any of its respective officers, directors, members of senior management or employees, or, to the Knowledge of the Company, any agent, representative, sales intermediary, or other third party, in each case, acting on behalf of the WH Entities, is currently subject to, and the WH Entities maintains a system of internal controls sufficient to provide reasonable assurance, on a regularly scheduled basis, that none of such Persons is subject to, any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(d) The WH Entities are in possession of all Permits necessary for the WH Entities to lawfully own, lease and operate their assets and properties and to lawfully carry on their business as it is now being conducted and is proposed to be conducted (the "WH Entities Permits"), a complete and correct list of which is set forth in Section 4.10(d) of the Company Disclosure Schedule. The WH Entities are and have at all times since January 1, 2021 been in compliance with all such WH Entities Permits. No suspension, cancellation, modification, revocation or nonrenewal of any WH Entities Permit has occurred, or, to the Knowledge of the Company, is pending or threatened. The WH Entities will continue to have the use and benefit of all WH Entities Permits immediately following consummation of the transactions contemplated by this Agreement and the Company Documents.

(e) The WH Entities have not since January 1, 2021 conducted any formal and material internal investigation concerning any alleged violation of any applicable Law or WH Entities Permit by the WH Entities or any of their officers, directors, employees, members of senior management, or agents, representatives, sales intermediaries, or other third parties (regardless of the outcome of such investigation) for which (1) the penalty, fee or other costs for such violation could exceed $25,000 and/or the loss of any WH Entities Permit and/or could result in a criminal conviction of the WH Entities or any of their officers, directors, employees, members of senior management, or agents, representatives, sales intermediaries, or other third parties or (2) it has engaged the services of outside legal counsel or an accounting firm.

(f) The WH Entities make commercially reasonable efforts to vet and monitor all vendors and subcontractors and their respective personnel that are utilized in connection with the Business.

(g) Section 4.10(g) of the Company Disclosure Schedule contains a list of all internal audits and external audits conducted by any Person since January 1, 2021 regarding the WH Entities. All areas of non-compliance or deficiency have been cured, in all material respects.

4.11 Material Contracts.

(a) Section 4.11(a) of the Company Disclosure Schedule sets forth a complete and correct list (enumerated by applicable headings) of all of the following Contracts to which the WH Entities are a party or by which the WH Entities, or any of their respective assets, rights or properties, is otherwise bound as of the date of this Agreement (other than Benefit Plans) (the "Material Contracts"):

(i) (A) Contracts with Material Suppliers and (B) Contracts with annual revenue or spend in excess of $100,000;

(ii) Contracts that (A) involve any capital commitment or capital expenditure of $50,000 (or the equivalent in other currencies) or more, in the aggregate, or (B) require performance by the WH Entities more than one year from the date hereof that, in each of the case of clauses (A) and (B), are not terminable by the WH Entities without premium or penalty on notice of sixty (60) calendar days' or less;

(iii) joint venture, collaboration, strategic alliance, partnership, stockholder, limited liability or other similar Contract or otherwise involving an investment or any sharing of profits, losses, costs or liabilities by the WH Entities with any other Person;

(iv) Contracts providing for the acquisition or disposition by the WH Entities of any business, Real Property, division or product line, or the capital stock of any other Person;

(v) Contracts providing for (A) the incurrence, guarantee or assumption of outstanding Indebtedness or (B) debt payable to the WH Entities or Affiliates;

(vi) Contracts (A) limiting or prohibiting the ability of the WH Entities to incur Indebtedness or create Liens on assets, rights or properties owned by the WH Entities, (B) creating any Lien (other than Permitted Liens) upon any assets, rights or properties of the WH Entities (other than purchase money security interests in connection with the acquisition of equipment in the ordinary course of business) or (C) limiting or prohibiting the ability of the WH Entities to make distributions or pay dividends;

(vii) Real Property Leases, together with any amendments thereto;

(viii) Contracts related to Intellectual Property (other than non-disclosure agreements entered into in the ordinary course of business, non-exclusive in-bound license agreements for generally commercially available software or software as a service offerings with one-time or annual fees that do not exceed $100,000 and non-exclusive out-bound license agreements granted to customers in the ordinary course of business), but including all (A) source code escrow agreements, and (B) "open source" or similar software licenses to the extent required to be disclosed pursuant to Section 4.12(f);

(ix) HIPAA business associate agreements with each Person that is a "covered entity" or "business associate" (as such terms are defined in 45 C.F.R. § 160.103);

(x) Contracts containing provisions that (A) prohibit the WH Entities from competing in any respect in any line of business, service or product or in any geographic area, (B) grant exclusivity to any Person in respect of any geographic location, any customer, or any product or service, (C) grant any right of first refusal, right of first offer or similar right to acquire exclusive rights or ownership with respect to any service, product or Intellectual Property, (D) require the purchase of all or a given portion of the WH Entities' requirements for products or services from any Person, or any other similar provision and/or (E) grant preferred pricing, price reduction, "most favored nation" or similar rights to any Person;

(xi) Contracts with any labor union, works council, trade union or association, or other labor relations entity representing any Employee or any collective bargaining Contract (each of the foregoing, a "Labor Agreement");

(xii) Contracts providing for a settlement of any pending or threatened Action against the WH Entities, whether or not by or before any Governmental Authority, other than (A) releases immaterial in nature or amount entered into with former employees or current or former independent

contractors of the WH Entities in the ordinary course of business or (B) settlement agreements entered into more than one (1) year prior to the date of this Agreement under which the WH Entities has any continuing Liabilities, rights or obligations (excluding customary releases); provided, that, the foregoing exceptions in clauses (A) and (B) do not apply to Contracts related to Intellectual Property;

(xiii) any Contracts with any Governmental Authority;

(xiv) any voting agreement, voting trust, stockholder agreement or registration rights agreement; and

(xv) any Affiliate Agreements; and

(xvi) any other Contract or arrangement that has been entered into outside of the ordinary course of business.

(b) Each Material Contract is valid and binding on the WH Entities to the extent a WH Entity is a party thereto, as applicable, and to the Knowledge of the Company, each other party thereto, and is in full force and effect and enforceable in accordance with its terms. The WH Entities and, to the Knowledge of the Company, each of the other parties thereto, are not in material breach of, default or violation under, any of such Contracts and no event has occurred that with notice or lapse of time, or both, would constitute such a breach, default or violation in any material respect. The WH Entities have not received written notice of the existence of any event or condition which constitutes, or, after notice or lapse of time or both, will constitute, a material breach or default on the part of the WH Entities under any such Material Contract, including written suspensions, stop work orders, cure notices, show cause notices, or letters of concerns. A true, correct and complete copy of each Material Contract has been made available by the Company to Parent.

4.12 Intellectual Property.

(a) Section 4.12(a) of the Company Disclosure Schedule sets forth an accurate and complete list of all Intellectual Property registrations and applications owned by the WH Entities ("Registered Intellectual Property"). All Registered Intellectual Property is subsisting, all pending applications for Registered Intellectual Property have been validly applied for, and all registrations for Registered Intellectual Property are unexpired, valid and enforceable. The WH Entities exclusively own all of the Registered Intellectual Property and all other material Intellectual Property owned or purported to be owned by them, free and clear of all Liens (except for Permitted Liens).

(b) The conduct of the Business does not infringe, violate or misappropriate ("Infringe"), and since January 1, 2021 has not Infringed, the Intellectual Property of any Person in any material respect, and since January 1, 2021 no Person has alleged the same in writing (including cease and desist letters or invitations to take a patent license). To the Knowledge of the Company, no third Person is Infringing any Intellectual Property owned or purported to be owned by the WH Entities.

(c) The WH Entities take all commercially reasonable actions to protect and maintain their trade secrets and material confidential information and their exclusive ownership of their proprietary Intellectual Property. All current and former employees and independent contractors who have created, invented or developed any Intellectual Property on behalf of the WH Entities have assigned to the Company or the Managed PCs, as applicable, in writing all of their rights in the same, and, to the Company's Knowledge, no Person is contesting the provisions of or is in breach or default of any such agreement.

(d) The WH Entities are in compliance in all material respects with all applicable Laws, binding industry standards and all internal and posted policies and procedures with respect to the integrity, operation, redundancy, disaster recovery and security of the Systems used by the WH Entities in the conduct of the Business. There has been no material outage, corruption, or unauthorized access to the Systems used by the WH Entities in the conduct of the Business. .

(e) All of the Systems owned or controlled by the WH Entities (including those made available to customers) operate substantially in accordance with their respective specifications.

(f) Section 4.12(f) of the Company Disclosure Schedule sets forth an accurate and complete list of all Software subject to an "open source," "copyleft" or similar license ("OSS Code") that is incorporated in, embedded, linked or distributed with the WH Entities' products and services, including in such listing the component used, the manner in which it used, and the license and version number under which such OSS Code is used. The WH Entities have taken commercially reasonable steps to monitor their use of OSS Code, and no proprietary Software of the WH Entities incorporates, is derived from, is based upon or otherwise interacts with any software subject to an "open source" or similar license in any manner that would require the licensing, offer or provision of source code to others if the applicable software is licensed, made available, distributed or conveyed to others. The WH Entities are in compliance with all notice and attribution requirements set forth in each license for OSS Code.

(g) No Person, other than the WH Entities or their respective employees, contractors and service providers who have a need to know and are bound by confidentiality obligations, has accessed or possessed (or has any current or contingent right to access or possess) any proprietary source code owned by the WH Entities. Neither this Agreement nor the transactions contemplated herein will entitle any Person to demand access to any such source code.

4.13 Privacy and Data Security Matters.

(a) The WH Entities have taken reasonable measures to protect and maintain the privacy and security of Personal Data Processed by or on behalf of the WH Entities, including physical, administrative and technical safeguards. Without limiting the foregoing, the WH Entities have (A) acquired any consents required by applicable Information Privacy Laws from data subjects for the Processing of Personal Data by the WH Entities and its Personal Data Processors, and (B) all rights and licenses to Process Personal Data in the manner Processed by the WH Entities or any Personal Data Processor on behalf of the WH Entities.

(b) The WH Entities are in compliance in all material respects with all Information Privacy Laws, their contractual commitments with respect to the Processing of Personal Data, all applicable Privacy Policies, and the consents and authorizations pursuant to which the Personal Data was Processed by or on behalf of the WH Entities.

(c) There has been no unauthorized access to, or use or disclosure of, Personal Data Processed by or on behalf of the WH Entities for which notification to any affected individual, any third party, any Governmental Authority, or the media has been required by any Information Privacy Laws or contractual commitments, and the WH Entities are not planning to provide any such notification or in the process of conducting an investigation regarding whether any such notification is required.

(d) The WH Entities have in place reasonable information security procedures, which are communicated to employees. True and correct copies of all current internal and customer or user-facing Privacy Policies of the WH Entities have been provided to Parent. The WH Entities have posted a Privacy Policy governing the use of Personal Data collected using any website provided by the WH Entities.

4.14 Employee Benefits Matters.

(a) Section 4.14(a) of the Company Disclosure Schedule lists each material Benefit Plan. The Company has made available to Parent correct and complete copies of (A) each Benefit Plan and amendment thereto or written summaries to the extent a Benefit Plan is not in writing, (B) the most recent summary plan descriptions and material modifications thereto, (C) the most recent annual report (Form 5500), (D) the most recent Internal Revenue Service determination letter or opinion letter for any Benefit Plan that is intended to be qualified under Section 401(a) of the Code, (E) all non-routine filings with any Governmental Authority with respect to each Benefit Plan, and (F) all current trust agreements, insurance contract or policy, group annuity contract, and any other funding arrangement and the most recent actuarial valuation report. No Benefit Plan covers, or has ever covered, Employees outside of the United States. The Company has no formal plan and has made no promise or commitment, whether legally binding or not, to create any additional Benefit Plan or to improve or materially change the benefits provided under any Benefit Plan.

(b) Each Benefit Plan is, and has been, established, registered, amended, funded, administered and invested in material compliance with the terms of such Benefit Plan (including the terms of any documents in respect of such Benefit Plan) and all applicable Laws, including ERISA and the Code. There is no investigation by a Governmental Authority or Action (other than routine claims for payment of benefits) pending or, to the Knowledge of the Company, threatened involving any Benefit Plan or the assets thereof, and to the Knowledge of the Company no facts exist which could reasonably be expected to give rise to any such investigation or Action (other than routine claims for payment of benefits). Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is the subject of a favorable opinion letter from the Internal Revenue Service on the form of such Benefit Plan and, to the Knowledge of the Company, there are no facts or circumstances that would be reasonably likely to adversely affect the qualified status of any such Benefit Plan.

(c) None of the WH Entities has any Liability in respect of, or obligation to provide, post-employment or post-retirement health, medical, or life insurance benefits, whether under a Benefit Plan or otherwise, to any Employee (or to the beneficiaries or dependents of such Employees) other than as required by Law.

(d) None of the Company or any ERISA Affiliate sponsors, maintains, contributes to, or has any Liability with respect to (or has within the past six years sponsored, maintained, contributed to, or had any Liability with respect) to any (i) single employer pension plan that is subject to Section 302 or Title IV of ERISA or Section 412 of the Code or (ii) any Multiemployer Plan (each such plan as described in the foregoing clauses (i) and (ii), a "Pension Plan").

(e) To the Knowledge of the Company, no transaction or event has occurred with respect to any Benefit Plan that would subject any WH Entity to any unsatisfied, Tax or penalty (civil or otherwise) imposed by ERISA, the Code or other applicable Law.

(f) Except as set forth on Section 4.14(f) of the Company Disclosure Schedule, with the exception of the Transaction Bonuses, neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement will, alone or in connection with any other event (whether contingent or otherwise), reasonably be expected to: (i) accelerate the time of payment, funding or vesting of any compensation or benefits due to any Employee, (ii) increase the amount of compensation or benefits due to any Employee or result in the funding of any compensation or benefits, or forgiveness of any loan, (iii) limit or restrict the right to amend, terminate or transfer the assets of any Benefit Plan on or following the Closing Date, or (iv) result in any payment or benefit, individually or in combination with any other payment or benefit, constituting an "excess parachute payment," as defined in Section 280G(b)(1) of the Code.

(g) Each Benefit Plan that is a "non-qualified deferred compensation plan" within the meaning of Code Section 409A has in all material respects been in operational and documentary compliance with Code Section 409A. No Benefit Plan provides for the gross-up, indemnification or reimbursement of any Taxes imposed by Section 409A or Section 4999 of the Code.

(h) All Company Options have been granted in compliance with the terms of all applicable Law, including all applicable securities Laws, and the Company Stock Option Plan and have a per share exercise price that is not less than the fair market value of a share of Company Common Stock on the date on which such Company Option was granted.

4.15 Employees.

(b) Section 4.15(a) of the Company Disclosure Schedule contains a true and complete list of each current Employee of the Company including his or her name, job title and tenure. The Company has provided or made available to Parent accurate and complete information about each such Employees' current annual base salary or fees, annual target bonus opportunity and any other perquisites or compensation, to the extent applicable, paid or payable.

(c) The Company has not experienced any labor strikes, slowdowns, work stoppages, lockouts, labor grievances, claims of unfair labor practices, or other labor-related or collective bargaining disputes. To the Knowledge of the Company, no organizational effort is being made or threatened by or on behalf of any labor union or similar organization with respect to Employees. The Company is not a party to or otherwise bound by any Labor Agreement, nor is any such agreement presently being negotiated. No Action, arbitration, complaint, charge, or inquiry by or on behalf of any Employee, prospective employee, former employee, labor organization or other representative of the Employees, or otherwise arising from or relating to the Company's labor or employment practices, is pending or, to the Knowledge of the Company, threatened.

(d) Except as set forth on Section 4.15(d) of the Company Disclosure Schedule, the Company is and has been for the past three (3) years in material compliance with all applicable Laws, agreements, contracts, policies, plans, and programs relating to employment, employment practices, compensation, benefits, hours, terms and conditions of employment, and the termination of employment, including but not limited to any obligations pursuant to the WARN Act or with respect to the classification of employees as exempt or non-exempt from overtime pay requirements, the provision of meal and rest breaks, pay for all working time, employee background checks, immigration, worker health and safety, employee leaves of absence, equal employment opportunities (including the prevention of discrimination, harassment, and retaliation), and the proper classification of individuals as nonemployee contractors or consultants. For the past three (3) years, no Employee of the Company has been alleged to have engaged in employment discrimination, harassment, or other wrongful employment practice.

(e) The Company is not a party to, or otherwise bound by, any consent decree with, or citation by, any Governmental Authority relating to employees or employment practices.

(f) The Company has not engaged in any action which would trigger the notice requirements of the WARN Act or implemented any early retirement or exit incentive program, nor has the Company planned or announced any such action or program for the future.

4.16 Tax Matters.

(a) Each WH Entity has timely filed, or has caused to be timely filed on its behalf (taking into account any extension of time within which to file), all income and other material Tax Returns required by Law to be filed by or with respect to it, and all such filed Tax Returns were true, correct and complete in all material respects.

(b) All Taxes owed by or in respect of each WH Entity has been timely paid in full (whether or not shown on any Tax Returns). All Taxes of the WH Entities, if not yet due or owing, have been adequately accrued and reserved on the Financial Statements in accordance with GAAP.

(c) No deficiency with respect to Taxes has been proposed, asserted or assessed in writing against the WH Entities which has not been fully paid or adequately reserved for in the Financial Statements in accordance with GAAP.

(d) No audit, Action or other administrative or court proceedings are ongoing, pending with, or, to the Company's Knowledge, threatened in writing by, any Governmental Authority with respect to Taxes of the WH Entities and no written notice thereof has been received.

(e) No WH Entity (i) is or has been a member of an affiliated group filing a consolidated, joint, unitary or combined Tax Return, or (ii) has any liability for Taxes of any Person arising from the application of Treasury Regulation Section 1.1502-6 or any analogous provision of state, local or foreign Law, or as transferee or successor, or otherwise as a matter of Law.

(f) The WH Entities are not party to, are not bound by and have no obligation under any Tax sharing, Tax allocation, or Tax indemnity agreement or similar Contract or arrangement (other than any customary commercial Contracts entered into in the ordinary course of business that do not primarily relate to Taxes).

(g) No WH Entity has deferred any payroll or employment Taxes or claimed any other benefit or relief pursuant to the COVID-19 Relief Laws.

(h) Since January 1, 2021, no WH Entity has been either a "distributing corporation" or a "controlled corporation" in which the parties to such distribution treated or intended to treat the distribution as one to which Section 355 of the Code is applicable.

(i) All Taxes required by Law to be withheld, collected or deposited by or with respect to the WH Entities in connection with amounts paid or owing to any employee, former employee, independent contractor, creditor, equityholder or other Person have been timely withheld, collected or deposited as the case may be, and to the extent required by Law, have been fully paid to the relevant Governmental Authority.

(j) The WH Entities have not participated in and have no liability or obligation with respect to a "listed transaction" under Section 6011 of the Code and the Treasury Regulations promulgated thereunder.

(k) There are no Tax Liens upon any of the assets, rights or properties of any WH Entity, other than Taxes not yet due and payable.

(l) No WH Entity has made or agreed to any currently effective waivers or extensions of any statute of limitations in respect of Taxes (or assessment or deficiency thereof), nor has any outstanding request been made for any such extension or waiver.

(m) No WH Entity has requested or been granted an extension of the time for filing any Tax Return to a date later than the Closing Date other than automatic extensions of time to file income Tax Returns obtained in the ordinary course of business and in accordance with past practice.

(n) The WH Entities have collected all sales and use Taxes required to be collected, and have remitted, or will remit on a timely basis, such amounts to the appropriate Governmental Authorities, or have been furnished properly completed exemption certificates and have maintained all such records and supporting documents in compliance with the manner required by all applicable sales and use Tax statutes and regulations.

(o) The WH Entities will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any period (or any portion thereof) ending after the Closing Date as a result of any installment sale or open transaction arising in a taxable period (or portion thereof) ending on or before the Closing Date, any change in or incorrect method of accounting method occurring or closing agreement executed prior to the Closing, any prepaid amount or deferred revenue received or accrued outside the ordinary course of business prior to the Closing, or any intercompany transactions or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign Law).

(p) No written claim has been made, and there is no investigation, Action or other proceeding pending, threatened or expected to be commenced, by any Governmental Authority in a jurisdiction where a WH Entity does not file a specific type of Tax Returns that such WH Entity is or may be subject to such type of taxation by that jurisdiction that would be covered by such type of Tax Returns.

(q) Each WH Entity is, and has been since its formation, properly treated as a C corporation for U.S. federal (and applicable state and local) tax purposes. No WH Entity has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business, or is tax resident, in any country other than the United States.

(r) Each WH Entity is in compliance in all material respects with all applicable transfer pricing laws and regulations, including the execution and maintenance of contemporaneous documentation substantiating the transfer pricing practices and methodology and conducting intercompany transactions at arm's length.

4.17 Real Property. No WH Entity owns, or has ever owned, any Owned Real Property. Section 4.16 of the Company Disclosure Schedule sets forth (whether as lessee or lessor) a complete and accurate list of all leases, subleases, licenses and other similar real property agreements granting a right to use, occupy or access the Leased Real Property (each a "Real Property Lease") pursuant to which any WH Entity is party. The WH Entities have a good and valid leasehold interest in each parcel of Leased Real Property free and clear of all Liens, other than Permitted Liens. The Company has made available to Parent true, complete and accurate copies of each Real Property Lease, together with any amendments thereto. Except as disclosed in Section 4.16 of the Company Disclosure Schedule, to the Knowledge of the Company, (i) there are no written or oral subleases, concessions or other contracts granting to any Person other than the WH Entities the right to use or occupy any Leased Real Property and (ii) there are no outstanding options or rights of first refusal to purchase all or a portion of such Leased Real Property.

4.18 Personal Property. The WH Entities own, and have good and valid title to, or, in the case of leased properties and tangible assets, valid leasehold interests in, all of their respective tangible properties and assets that are used or held for use in their respective businesses, including all of the assets reflected on the Financial Statements or acquired in the ordinary course of business since the Balance Sheet Date (except for those assets sold or otherwise disposed of for fair value since the Balance Sheet Date in the ordinary course of business), in each case free and clear of any Liens. The tangible properties and assets owned or leased by the WH Entities constitute all of the tangible properties and assets necessary for the WH Entities to carry on their respective businesses as currently conducted. All tangible assets owned or leased by the WH Entities have been at all times maintained in all material respects in accordance with generally accepted

industry practice, are in all material respects in good operating condition and repair, ordinary wear and tear excepted, and are adequate for the uses to which they are being put. For the avoidance of doubt, this Section 4.18 does not apply to Intellectual Property.

4.19 Insurance. Section 4.19 of the Company Disclosure Schedule sets forth a correct and complete list of (i) all insurance policies held by or on behalf of the WH Entities (collectively, the "Insurance Policies"), including the type of such Insurance Policy and the amount of the premium and coverage of such Insurance Policy and (ii) a summary of the claims or losses experienced and material claims pending under each Insurance Policy. All Insurance Policies are (x) in full force and effect and all premiums due and payable on such Insurance Policies have been timely paid, and no WH Entity is in breach or default with respect to any Insurance Policy and no WH Entity has taken any action or failed to take any action which, with notice or the lapse of time or both, would constitute such a breach or default, or permit termination or modification, of any of the Insurance Policies and (y) valid and enforceable in accordance with their terms. There are no outstanding claims under the Insurance Policies which are reasonably likely to exhaust the applicable limitation of liability. No WH Entity has (i) received written notice of actual or threatened material modification or termination of any Insurance Policy, other than increases in connection with the WH Entity's annual renewal process, or (ii) received written notice of cancellation or non-renewal of any Insurance Policy. The WH Entities are insured in amounts no less than as required by applicable Law or as required by Contract.

4.20 Environmental Matters. Except for those matters that would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (a) to the Knowledge of the Company, the WH Entities are in compliance with all, have not violated any, and are not violating any, applicable Environmental Laws, including obtaining, maintaining and complying with all Permits required under Environmental Laws for the operation of their respective businesses, (b) there is no Action relating to or arising under any Environmental Laws that is pending or, to the Knowledge of the Company, threatened against the WH Entities or any real property or facility owned, operated or leased by the WH Entities, (c) no WH Entity has received any notice of or entered into any Liability or Order or settlement involving uncompleted, outstanding or unresolved requirements relating to or arising under Environmental Laws, (d) to the Knowledge of the Company, Hazardous Substances are not present at or about any of the real properties or facilities currently or formerly owned, operated or leased by the WH Entities, or any other location, in amount or condition that would reasonably be expected to result in Liability to the WH Entities relating to or arising under any Environmental Laws, and (e) no WH Entity has assumed or retained, by contract, or operation of law, any obligation under any Environmental Law or concerning any Hazardous Substances.

4.21 Healthcare Matters.

(a) The Company, and each of the WH Entities, are, and have been, operating in compliance with all Healthcare Laws in all material respects. Except as set forth in Section 4.21(a) of the Company Disclosure Schedule, neither the Company nor any of the Managed PCs has received any written notice or, to the Knowledge of the Company, other communication from any Governmental Authority of any material violation or alleged material violation of any applicable Healthcare Law. Neither the Company nor any of the Managed PCs has been subject to any material adverse inspection, finding, penalty assessment or other Action, or search warrant, subpoena, investigation or non-routine audit by any Governmental Authority, including any audit related to COVID-19 relief funds. There are no pending or, to the Knowledge of the Company, threatened Actions alleging that the Company or any of the WH Entities is in material violation of any Healthcare Law.

(b) Neither the Company nor any of the Managed PCs is, or has been, with respect to any Governmental Authority, a party to any corporate integrity agreement, judgment, order, deferred

prosecution agreement, monitoring agreement, consent decree or settlement agreement that (i) requires the payment of money by the Company or any of the Managed PCs to any Governmental Authority, (ii) requires any recoupment of money from Company or any of the Managed PCs by any Governmental Authority or (iii) prohibits or limits any activity currently conducted by the Company or any of the Managed PCs under any Healthcare Law. To the Knowledge of the Company, none of the WH Entities, is a defendant or named party in any qui tam or False Claims Act litigation.

(c) Each physician, nurse practitioner, physician's assistant, pharmacist, dietician or other healthcare professional currently employed by or providing services on behalf of the Company or any of the Managed PCs that requires a license, registration, certification or credential to provide any such services (each, a "Healthcare Professional") (i) is duly licensed, registered, certified or credentialed, as applicable, pursuant to applicable Healthcare Laws (collectively, "Healthcare Professional License"), (ii) in the course and scope of their duties or services, is performing only those services which are permitted by such Healthcare Professional License, and (iii) to the Knowledge of the Company or any of the Managed PCs, such Healthcare Professional License is not subject to suspension, cancellation, withdrawal, revocation or modification or restriction in any manner that would prevent such person from providing services to the Company or any of the Managed PCs or any patient, customer or client of the Company or any of the Managed PCs. The Company and each of the Managed PCs verifies and maintains ongoing records of all licensure and certification requirements of the Healthcare Professionals. Except as set forth in Section 4.21(c), neither the Company nor the Managed PCs, nor any of their respective directors and officers, nor to the Knowledge of the Company or any of the Managed PCs, any of their Healthcare Professionals: (i) has been or is currently excluded, debarred or suspended from participating in any payment program, including any Federal Health Care Program; (ii) is currently subject to, or to the Knowledge of the Company or any of the Managed PCs, has been threatened with an investigation or proceeding that could reasonably be expected to result in such exclusion, debarment or suspension; (iii) has been assessed, or to the Knowledge of the Company or any of the Managed PCs, threatened with assessment of civil monetary penalties; (iv) has been convicted of any criminal offense relating to the delivery of any item or service reimbursable under a federal or state healthcare program, including any Federal Health Care Program; (v) has been convicted, under any Healthcare Laws of a criminal offense in connection with the delivery of healthcare services; (vi) has been a party to any Action instituted by any licensure or specialty board, third-party payor, patient, customer or Governmental Authority alleging a violation of any Healthcare Law or applicable Healthcare Professional License by such Healthcare Professional; (vi) has had a final judgment or settlement without judgment entered against it or him or her in connection with a malpractice or similar Action; (vii) has been notified of any inquiry, investigation or similar proceeding instituted by any Governmental Authority for alleged violation of any Healthcare Law by such Healthcare Professional; or (viii) has been disciplined or sanctioned by any Governmental Authority for an alleged violation of any Healthcare Law.

(d) Neither the Company nor any of the Managed PCs has received written notice that any are subject to any restriction, limitation, revocation or termination of its provider status under any payor's or any other third-party payor program.

(e) There has been no material pending or, to the Knowledge of the Company, threatened: (i) audit, review, recoupment, refund, set-off, challenge, suit or other penalty action or proceeding by a Governmental Authority or payor against the Company or any of the Managed PCs pursuant to any Federal Health Care Program or any non-Federal Health Care Program administered by any private insurer, health maintenance organization, preferred provider organization, prepaid plan, health service plan, accountable care organization or other third-party payor; or (ii) material voluntary disclosure or repayment to any Governmental Authority or payor. No Governmental Authority or payor has imposed a material fine, penalty or other sanction on the Company or any of the Managed PCs.

(f) Neither the Company nor any of the Managed PCs has submitted, or caused to be submitted, any claim for payment to any Federal Health Care Program or payor in violation of any Healthcare Law or received any payment not permitted by, or in excess of the amount provided by, applicable Healthcare Laws which has not been repaid in full or is being duly contested in the ordinary course of business. Neither the Company nor any of the Managed PCs has received any written or, to the Knowledge of the Company, other notice from any Governmental Authority for any such violation or any allegation of a material billing or coding mistake, material overpayment, false claim or fraud relating to any product or service. The Company and each of the Managed PCs has timely paid or made provision to pay any identified overpayment received from any Governmental Authority or payor. Neither the Company nor any of the Managed PCs (i) has been notified that it is the subject of any non-routine payor investigation, or (ii) has been served with or received any search warrant, subpoena or civil investigative demand from any Governmental Authority.

(g) Neither the Company nor any of the Managed PCs, nor any of their respective directors, officers or Healthcare Professionals or employees or any of their independent contractors, or, to the Knowledge of the Company, agents, has offered or paid any remuneration (including any kickback, bribe, rebate, payoff, influence payment or inducement) directly or indirectly, overtly or covertly, in cash or in kind, to any person to induce such person (i) to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service in violation of any Healthcare Law; or (ii) to purchase, lease, order, arrange for or recommend purchasing, leasing or ordering any good, facility, service or item in violation of any Healthcare Law or to obtain or maintain favorable treatment in securing business in violation of any applicable Healthcare Law.

(h) The WH Entities take all commercially reasonable actions to assure that the WH Entities are in compliance with all applicable Healthcare Laws. There are no internal investigations or inquiries being currently conducted by the Company or any of the Managed PCs corporate compliance program that would have a Company Material Adverse Effect.

(i) The Company and the Managed PCs have created and maintain electronic health records systems (the "EHRs"). The EHRs are operated in compliance in all material respects with all applicable Healthcare Laws. The Company and each of the Managed PCs has not received written notice from any Governmental Authority of any material violation or material deficiency involving such EHR.

The Company and each of the Managed PCs are, and have been, operating in material compliance with all applicable Healthcare Laws related to advertising, marketing, promotion, consumer endorsements, testimonials, and false, deceptive, misleading, unsubstantiated or unsupported advertising claims.

4.22 83(b) Election. To the Knowledge of the Company, all Employee Company Restricted Stockholders have timely filed a Section 83(b) election with the Internal Revenue Service with respect to any Company Restricted Stock owned by them.

4.23 Bank Accounts; Powers of Attorney. Section 4.23(a) of the Company Disclosure Schedule sets forth a complete and correct list showing in respect of each legal entity (a) all banks or other financial institutions with which each WH Entity has an account or maintain a safe deposit box, showing the account numbers and names of the persons authorized as signatories with respect thereto and (b) the names of all Persons holding powers of attorney from the WH Entities complete and correct copies of which have been made available to Parent. The Company has furnished to Parent true and complete copies of any agreements setting forth the terms of any lines of credit available to the WH Entities.

4.24 Customers and Suppliers. Section 4.24 of the Company Disclosure Schedule sets forth the top ten (10) suppliers and/or vendors, based on aggregate total purchases by each of the Company and each Managed PC for each of the two most recent fiscal years and for the current fiscal year (such suppliers and vendors, the "Material Suppliers"). No Material Supplier (w) has given the Company, the applicable Managed PC or any of their respective officers, directors, employees, agents or representatives notice that it intends to stop or materially alter its business relationship with the Company or such applicable Managed PC, (x) has during the past 12 months decreased materially, or threatened to decrease or limit materially, the amount of business it transacts with the Company or the applicable Managed PC or (z) made any formal or informal complaint to the Company or the applicable Managed PC.

4.25 Interested Party Transactions. No officer or director of the Company or any Managed PC or any Person owning directly or indirectly any shares of Company Capital Stock, Company Options or, to the Knowledge of the Company, any Affiliate or family member of any such Person (an "Affiliated Party") is a party to any Contract with or binding upon the Company or any Managed PC or has any material interest in any asset, right or property owned by the Company or any Managed PC or has engaged in any transaction (other than (x) those related to employment, compensation or incentive arrangements or (y) those listed on Section 4.25 of the Company Disclosure Schedule (the "Affiliate Agreements")) with the Company or any Managed PC since January 1, 2021.

4.26 Brokers and Other Advisors. No broker, investment banker, financial advisor, intermediary, finder or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, directly or indirectly, in connection with the transactions contemplated hereby based upon arrangements made by the Company, the Managed PC and/or the Equityholders' Representative.

4.27 Financial Assistance. Except as set forth on Section 4.27 of the Company Disclosure Schedule, no WH Entity has applied for or received any loan, loan guarantee, direct loan (as that term is defined in the CARES Act) or other investment, cash, grant, stimulus payment, subsidy payments, or received any financial assistance or relief (howsoever defined) in each case under any program or facility that is established under Law, including, without limitation, the COVID-19 Relief Laws.

## ARTICLE V
## REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Except as set forth (i) in the disclosure schedule delivered by Parent to the Company concurrently with the execution of this Agreement (the "Parent Disclosure Schedule") and (ii) the Parent Reports (provided, that in the case of clause (ii), only, to the extent the relevance is reasonably apparent on its face but excluding any disclosures set forth in any risk factor or forward looking statement section or in any other section to the extent they are cautionary, predictive or forward looking in nature), Parent and Merger Sub, hereby represent and warrant to the Company that:

5.1 Organization, Standing and Power.

(a) Parent is a corporation duly organized, validly existing and in good standing under the Laws of Virginia and has all requisite corporate power and authority to own, lease and operate all of its assets, rights and properties and to carry on its business as it is now being conducted. Merger Sub is a corporation duly organized, validly existing and in good standing under the Laws of Delaware and has all requisite corporate power and authority necessary to own, lease or operate all of its properties and assets and to carry on its business as it is now being conducted.

(b) Each of Parent and Merger Sub is duly licensed or qualified to do business in each jurisdiction in which the nature of the business conducted by it or the character or location of the assets, rights and properties owned, leased or operated by it makes such licensing or qualification required by Law, except where the failure to be so licensed or qualified would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

5.2 Authorization. Each of Parent and Merger Sub has all necessary power and authority to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Parent or Merger Sub in connection with the consummation of the transactions contemplated hereby and thereby (collectively, the "Parent Party Documents"), and to perform its respective obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Following the execution and delivery of the written consent of Parent, in its capacity as the sole stockholder of Merger Sub, adopting this Agreement and approving the transactions contemplated hereby, the execution, delivery and performance by each of Parent and Merger Sub of this Agreement and each Parent Party Document, and the consummation by each of Parent and Merger Sub of the transactions contemplated hereby and thereby, have been duly and validly authorized by all requisite action of each of Parent and Merger Sub. This Agreement has been, and each Parent Party Document will be at or prior to the Closing, duly executed and delivered by each of Parent and Merger Sub and, assuming due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, constitutes a legal, valid and binding obligation of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms, subject to the Bankruptcy and Equity Exception.

5.3 Noncontravention. Neither the execution and delivery of this Agreement or any Parent Party Document by Parent or Merger Sub nor the consummation by Parent or Merger Sub of the transactions contemplated hereby and thereby, nor compliance by Parent and Merger Sub with any of the terms or provisions hereof and thereof, will (i) conflict with or violate any provision of the certificate of incorporation or bylaws (or other comparable governing documents) of Parent or Merger Sub or (ii) (A) assuming that the authorizations, consents and approvals referred to in Section 5.4 are obtained and the filings referred to in Section 5.4 are made, violate any Law or Order applicable to Parent or Merger Sub or any of their assets, rights or properties, (B) with or without notice, lapse of time or both, violate, conflict with or constitute a default or event of default under any of the terms, conditions or provisions of any Contract or Permit to which Parent or Merger Sub is a party, require any notice or consent under any Contract, or accelerate or give rise to a right of termination, purchase, sale, cancellation, modification or acceleration of any of Parent's or Merger Sub's obligations under any such Contract or Permit or to the loss of any benefit or increase any obligations under a Contract or Permit, or (C) result in the creation of any Lien (other than any Permitted Lien) on any assets, rights or properties of the Parent or Merger Sub, except, in the case of clause (ii), for such violations, defaults, accelerations, rights, modifications, losses and Liens as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

5.4 Governmental Approvals. Except for the filing and effectiveness of the Charter Amendment and the Certificate of Merger, no consents, authorizations or approvals of, or filings, declarations or registrations with, any Governmental Authority are necessary for the execution, delivery and performance of this Agreement and any Parent Party Document by each of Parent and Merger Sub and the consummation by each of Parent and Merger Sub of the transactions contemplated hereby and thereby, other than such other consents, authorizations, approvals, filings, declarations or registrations that, if not obtained, made or given, would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

5.5 Available Funds. Assuming satisfaction or waiver (to the extent permitted by Law) of the conditions set forth in Sections 7.1 and 7.2, at the Closing, Parent will have sufficient cash, available lines of credit or other debt financing and/or other sources of immediately available funds to enable Parent to acquire all shares of Company pursuant to the Merger, to make any other payments pursuant to Article II and Article III, to pay any other amounts required to be paid in connection with the consummation of the Transactions and to pay all fees and expenses of Parent and Merger Sub in connection therewith.

5.6 Brokers and Other Advisors. No broker, investment banker, financial advisor, intermediary, finder or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission, or the reimbursement of expenses, directly or indirectly, in connection with the transactions contemplated hereby based upon arrangements made by Parent or Merger Sub for which the Company Equityholders may become liable.

5.7 Reports. Parent has filed all Parent Reports, together with any amendments required to be made with respect thereto, that it was required to file since January 1, 2021 with the SEC. As of their respective dates, or, if amended or superseded by a subsequent filing, as of the date of the last such amendment or superseded filing prior to the date hereof, the Parent Reports complied in all material respects with the requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated under each of them, as applicable, each as in effect on the date that such Parent Report was filed. As of the time of filing with the SEC, none of the Parent Reports so filed contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that the information in such Parent Report has been amended or superseded by a later Parent Report filed prior to the date hereof.

5.8 Capitalization.

(a) The authorized capital stock of Parent consists of 1,000,000,000 shares of Parent Common Stock, of which, as of February 27, 2023, 70,592,469 shares were issued and outstanding, and 250,000,000 shares of preferred stock, no par value (the "Parent Preferred Stock"), of which, as of February 27, 2023, no shares were issued and outstanding. As of February 27, 2023, no shares of Parent Common Stock or Parent Preferred Stock were reserved for issuance, except under the Third Amended and Restated Parent 2014 Stock Incentive Plan (the "Parent Stock Plan"). As of February 27, 2023, (i) 7,361,377 options to acquire shares of Parent Common Stock were outstanding pursuant to the Parent Stock Plan or otherwise and (ii) 2,294,109 restricted stock units of shares of Parent Common Stock ("Parent Restricted Stock Units") (including 2,294,109 time-vesting Parent Restricted Stock Units and no performance-vesting Parent Restricted Stock Units) were outstanding pursuant to the Parent Stock Plan or otherwise. All of the issued and outstanding shares of Parent Common Stock have been, and all shares of Parent Common Stock that may be issued pursuant to the Parent Stock Plan will be, when issued in accordance with the terms thereof, duly authorized and validly issued and are, or will be, fully paid, nonassessable and free of preemptive rights, with no personal liability attaching to the ownership thereof.

(b) Parent has and will keep available for issuance pursuant to the terms of this Agreement a number of shares of Parent Common Stock equal to the Aggregate Parent Common Stock Consideration, as may be adjusted pursuant to Section 3.2(h).

(c) The authorized capital stock of Merger Sub consists of 1,000 shares of capital stock, par value, $0.01 per share and 100 of such shares of Merger Sub have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights, and are owned directly by Parent free and clear of any Liens.

5.9 Legal Proceedings; Orders.

(a) Except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, there is no pending or, to the Knowledge of Parent, threatened Action in writing against Parent or affecting the assets, rights or properties thereof, or any current director, officer or employee of Parent in his or her capacity as such, whether or not by or before any Governmental Authority, in each case, that relate to the Transactions.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, none of Parent or any of its respective assets, rights or properties are subject to any outstanding Order.

5.10 Merger Sub. Parent is the sole stockholder of Merger Sub. Merger Sub was formed solely for the purpose of engaging in the Transactions, has engaged in no other business activities and has conducted its operations only as contemplated by this Agreement.

## ARTICLE VI
## COVENANTS

6.1 Conduct of the Business Pending the Closing.

(a) Except as expressly provided by this Agreement, as set forth on Section 6.1(a) or Section 6.1(b) of the Company Disclosure Schedule, as required by applicable Law or with the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed), during the period from the date of this Agreement until the earlier of the Closing and the termination of this Agreement in accordance with Article VIII (the "Interim Period"), the Company shall, and shall cause each Managed PC to, conduct its business in the ordinary course of business and the Company shall, and shall cause each Managed PC to, use commercially reasonable efforts to: (i) preserve intact its present business organizations, assets, rights, properties and goodwill, (ii) preserve its and their present relationships with their clients, customers, suppliers, vendors, marketing, medical professionals, SaaS partners, and/or other similar entities and other Persons with whom it and they have business relations, (iii) keep available the services of its officers and employees, (iv) maintain capital expenditures spending in all material respects in the ordinary course and consistent with the capital expenditure budget made available to Parent prior to the date hereof and (v) maintain in full force and effect the current Insurance Policies or comparable replacements thereof.

(b) Without limiting the generality of the foregoing, except as expressly provided by this Agreement, as set forth on Section 6.1(a) or Section 6.1(b) of the Company Disclosure Schedule, as required by applicable Law or with the prior written consent of Parent (not to be unreasonably withheld, conditioned or delayed), during the Interim Period, the Company shall not, and shall cause each Managed PC not to (either directly or indirectly, or by merger, consolidation, division, operation of law or otherwise):

(i) (A) amend, restate, modify or supplement the Company Charter, bylaws or other organizational or constituent documents of the Company or any Managed PC or (B) form any Subsidiary or any Managed PC;

(ii) (A) authorize for issuance, issue, sell, dispose of, grant or subject to any Lien any shares of its capital stock or other ownership or equity interests, or any securities or rights convertible into, exchangeable or exercisable for, or evidencing the right to subscribe for any shares of its capital stock or other ownership or equity interests, or any rights, warrants or options to purchase any shares of its capital stock or other ownership or equity interests, (B) issue shares of Company Common Stock upon exercise or

settlement of Company Options unless such exercise is in accordance with the terms of such Company Options in effect on the date hereof;, (C) redeem, purchase or otherwise acquire any of its outstanding shares of capital stock or other ownership or equity interests, or any rights, Company Options to acquire any shares of its capital stock or other ownership or equity interests, except acquisitions in connection with the vesting or forfeiture of equity awards, or acquisitions in connection with the net exercise of Company Options, in each case, outstanding on the date hereof in accordance with the terms of such Company Options in effect on the date hereof, or ((D)) split, combine, subdivide or reclassify any shares of its capital stock or other ownership interests;

(iii) authorize or pay any dividends or make any distribution with respect to its outstanding shares of capital stock or ownership interests (whether in cash, assets, stock or other securities of such WH Entity);

(iv) (A) incur, issue, assume, guarantee or otherwise become liable for any Indebtedness or any debt securities in excess of $50,000 in the aggregate (provided, that in no event shall any such Indebtedness be incurred following the delivery of the Estimated Closing Statement), or (B) (1) payoff, redeem, repay or otherwise retire for value any Indebtedness or (2) pay any Transaction Costs, in each of the case of clauses (1) and (2), after the Measurement Time with respect to Cash on Hand;

(v) make any loan, advance or capital contribution to or investment in any Person (other than advances not in excess of $10,000 to Employees for expenses in the ordinary course of business);

(vi) (A) enter into or consummate any merger, amalgamation or business combination or otherwise make any acquisitions of (including by merger, amalgamation, plan of arrangement, division, consolidation or acquisition of stock or assets or any other business combination) any corporation, partnership, limited liability company, other business organization or any division thereof or equity interests therein or a substantial portion of the assets thereof, or (B) enter into any joint venture, strategic alliance, partnership agreement, stockholders agreement, limited partnership agreement, limited liability company agreement or similar agreement with any Person;

(vii) assign, sell, lease, license, mortgage or otherwise subject to any Lien (other than Permitted Liens), abandon, dedicate to the public, allow the expiration or lapse of, exchange or swap, transfer, convey or otherwise dispose of any of its properties, rights or assets (including Intellectual Property or the capital stock of such WH Entity), except (A) pursuant to Material Contracts in force on the date of this Agreement or (B) dispositions of obsolete or immaterial assets or non-exclusive licenses in the ordinary course of business;

(viii) make any materially adverse changes to (A) any Systems of any WH Entity or (B) any Privacy Policies;

(ix) pay, discharge, settle, waive or compromise any pending or threatened suit, litigation, arbitration, investigation, proceeding, action or claim which (A) requires payment to or by any WH Entity (exclusive of attorney's fees) in excess of $50,000 in any single instance or in excess of $100,000 in the aggregate (provided, that any such payments are fully made prior to delivery of the Estimated Closing Statement), (B) imposes any obligations (other than for the payment of money, which for the avoidance of doubt, shall be subject to clause (A)) or restrictions on the operations of any WH Entity or (C) involves any regulatory agency or other Governmental Authority or alleged criminal wrongdoing;

(x) (A) recognize any labor organization as the collective representative of any of the Employees, or enter into any Labor Agreement, except as required by applicable Law or (B) effect,

announce or permit a reduction in force, employee layoff or similar event which would trigger the notice requirements of the WARN Act;

(xi) (A) increase the compensation of any of its Employees other than as required pursuant to the terms of Benefit Plans in effect on the date of this Agreement and listed on Section 4.14(a) of the Company Disclosure Schedule or as in the ordinary course of business consistent with past practice, (B) grant to any Employee any new or additional entitlement to (1) any bonus, loan, equity or equity-based, phantom equity, retention, change-of-control, deferred compensation, severance or termination pay or (2) any payments or benefits triggered by a change in control or by the Transactions; provided that the Company may grant Transaction Bonuses to certain Employees as set forth on Section 6.1(b)(xi)(B) of the Company Disclosure Schedule, (C) establish, adopt, enter into, materially amend or terminate any Benefit Plan or any plan, agreement, program, policy, trust, fund or other arrangement that would be a Benefit Plan if it were in existence as of the date of this Agreement, (D) incur any liability to any Pension Plan, (E) hire any new Employee or terminate any Employee (other than for cause), in each case, other than in the ordinary course of business as to any Employee with annual base salary less than $110,000, or (F) take any action to accelerate (1) the payment, vesting, lapsing of restrictions, waiving of performance conditions with respect to, or funding or otherwise securing the payment of any benefit or payment provided to Employees or (2) the vesting of any Company Options or Company Restricted Stock, in each case other than as set forth in Section 4.14(f) of the Company Disclosure Schedule;

(xii) (A) amend, modify, terminate or waive any rights under any Material Contract (except as may be necessary or required to satisfy the conditions set forth in Section 6.19), (B) other than in the ordinary course of business, enter into any new Contract that would be a Material Contract if entered into prior to the date hereof, (C) notwithstanding the foregoing clause (B), enter into any Contract (1) that contains a change in control provision in favor of the other party or parties thereto (or would otherwise require a payment to or give rise to any rights to such other party or parties in connection with the transactions contemplated hereby) or (2) of the types set forth in Section 4.11(a)(viii) or Section 4.11(a)(xv);

(xiii) make any changes in financial accounting methods, principles, practices or procedures (or change an annual accounting period), except as may be required under GAAP;

(xiv) make or change any entity classification or other material Tax election, change any Tax accounting method or accounting period, file any amendment to any Tax Return with respect to any Taxes, settle or compromise any Tax liability, audit or other Action, agree to any extension or waiver of the statute of limitations with respect to the assessment or determination of Taxes, file any voluntary Tax disclosures, amnesty or similar filing, enter into any closing agreement with respect to any Tax, take any action to surrender any right to claim a Tax refund, enter into any Tax allocation agreement, Tax sharing agreement, Tax indemnity agreement or other Contract relating to any Tax (other than any customary commercial Contracts entered into in the ordinary course of business that do not primarily relate to Taxes), or request any ruling from a Governmental Authority with respect to Taxes;

(xv) (A) write up, write down, or write off the book value of any of its assets, other than (1) in the ordinary course of business or (2) as may be required by GAAP or (B) accelerate, delay, change or modify any credit collection and payment policies, procedures or practices (including any acceleration in the collection of receivables or delay in the payment of payables);

(xvi) enter into any commitment for or incur any capital expenditures of the WH Entities in excess of $50,000 for any individual commitment and $100,000 for all commitments in the aggregate;

(xvii) enter into any new line of business;

(xviii) adopt a plan or agreement of complete or partial liquidation or dissolution, merger, plan of arrangement, amalgamation, consolidation, division, restructuring, recapitalization or other reorganization of any WH Entity or approve or effect any transaction similar to any of the foregoing; or

(xix) apply for, receive or otherwise avail itself of any COVID-19 Relief Laws;

(xx) agree in writing or otherwise commit to take any of the foregoing actions prohibited by this Section 6.1(b).

(c) Parent and Merger Sub acknowledge and agree that: (i) nothing contained in this Agreement shall give Parent or Merger Sub, directly or indirectly, the right to control or direct the operations of the Company prior to the Effective Time and (ii) prior to the Effective Time, the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and their respective operations. Notwithstanding anything to the contrary in set forth in this Agreement, no consent or Parent shall be required with respect to any matter set forth in Section 6.1 or elsewhere in this Agreement to the extent that the requirement of such consent would violate any applicable Laws.

6.2 Access to Information. During the Interim Period and subject to applicable Laws, Parent shall be entitled, through its directors, officers, employees and other Representatives, to have such access to the management, officers, employees, customers, accountants, properties, businesses and operations of the WH Entities and such examination (including the right to make copies) of the Contracts, work papers, Tax Returns and books and records of the WH Entities as it reasonably requests. Any such access and examination shall be conducted on advance notice, during regular business hours. The Company shall use its reasonable best efforts to cause the officers, employees, attorneys, accountants, consultants, agents and other Representatives of the WH Entities to reasonably cooperate with Parent and its Representatives in connection with such access and examination. Notwithstanding the foregoing, no such access or examination shall be permitted to the extent that it would (i) unreasonably disrupt the operations of the WH Entities or (ii) require the WH Entities to disclose information that the Company, based upon the written advice of outside counsel, reasonably determines would, if disclosed, result in a violation of Law, breach of an existing Contract, or a waiver of the attorney-client privilege; provided, however, that the Company shall use reasonable best efforts to seek alternative means to disclose such information as nearly as possible without violating such Law, breaching such existing Contract or adversely affecting such attorney-client privilege, as applicable (including providing such information in summary format and/or entering into a joint defense or similar arrangement).

6.3 Conditions. Without limiting any other covenant in this Agreement, which obligations in such other covenants in this Agreement shall control to the extent of any conflict with the succeeding provisions of this Section 6.3, each of the parties hereto agrees to use its respective reasonable best efforts to take, or cause to be taken, all action, and to do, or cause to be done as promptly as practicable, all things necessary, proper and advisable under applicable Laws to (i) consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and (ii) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the transactions contemplated by this Agreement. Subject to appropriate confidentiality protections, each of the Company, on the one hand, and Parent and Merger Sub, on the other hand, shall furnish to the other such necessary information and reasonable assistance as such other party may reasonably request in connection with the foregoing.

6.4 Third Party Consents.

(a) Subject to Section 6.5, the Company shall use its reasonable best efforts to obtain as promptly as practicable all consents and approvals referred to in Section 4.4 (or Section 4.4 of the Company Disclosure Schedule) or Section 4.11(b) of the Company Disclosure Schedule; provided, however, that, subject to Section 6.5, (i) the Company shall not be obligated to pay any (A) costs, fees, expenses in connection therewith (other than administrative and/or legal costs and expenses) or (B) consideration to any third party from whom any such consent or approval is requested under any Contract and (ii) the prior written consent of Parent shall be required with respect to any amendment or modification to any Contract for the purpose of obtaining any such consent or approval that is adverse to Parent, Merger Sub, the Company.

(b) Subject to Section 6.5, Parent and Merger Sub shall use their reasonable best efforts to obtain as promptly as practicable all consents and approvals referred to in Section 5.4 (or Section 5.4 of the Parent Disclosure Schedule); provided, however, that, subject to Section 6.5, Parent and Merger Sub shall not be obligated to pay any (i) costs, fees, expenses in connection therewith (other than administrative and/or legal costs and expenses) or (ii) consideration to any third party from whom any such consent or approval is requested under any Contract.

6.5 Regulatory Approvals.

(a) Subject to the terms and provisions of this Section 6.5, each of the Company, on the one hand, and Parent and Merger Sub, on the other hand, shall cooperate with one another in good faith and use its reasonable best efforts to, and cause its respective Affiliates to use their reasonable best efforts to, take actions as promptly as practicable that are reasonably necessary, proper, or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, including (i) preparing all necessary documentation to effect promptly all necessary filings with any Governmental Authority and (ii) obtain all consents, waiting period expirations or terminations, waivers and approvals of any Governmental Authority necessary to consummate the transactions contemplated by this Agreement. Subject to applicable Law, each of the parties shall, to the extent practicable, consult with the other and consider in good faith the views of the other in connection with the information that appears in any filing made with any Governmental Authority and shall furnish to the other parties such necessary information and reasonable assistance as such other parties may reasonably request in connection with the foregoing.

(b) Subject to applicable Laws, the parties shall (i) keep each other apprised of the status of matters relating to any filings, consents, clearances, approval or authorizations of or before any Governmental Authority of the transactions contemplated by this Agreement, (ii) provide to each other all substance correspondence between it (or its advisors) and any Governmental Antitrust Entity or other Governmental Authority relating to the transactions contemplated by this Agreement or any of the matters described in this Section 6.5, (iii) promptly inform each other of any substantive oral communication with, and provide copies of any substantive written communications with, including any filings submitted to, any Governmental Authority regarding any such filings or any such transaction, and (iv) permit the other parties to review, discuss, and consider in good faith the view of each other in advance of any proposed substantive written or oral communication by it to any Governmental Authority; provided, however, that the parties may, as each determines is reasonably necessary, redact materials (x) to remove references concerning the valuation of the Company, (y) as necessary to comply with contractual arrangements and applicable Laws, and (z) as necessary to address reasonable attorney client or other privilege or confidentiality concerns. No party shall independently participate in any substantive meeting or conference call with any Governmental Authority in respect of any such filings, investigation, or other inquiry without giving the other parties prior notice of the meeting or conference call and, to the extent permitted by such Governmental Authority and practicable, the opportunity to attend and/or participate. To the extent permissible under applicable Law,

each of the Company, on the one hand, and Parent and Merger Sub, on the other hand, will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto relating to proceedings under any applicable Competition and FDI Laws. The parties may, as they deem advisable, designate any competitively sensitive materials provided to the other under this Section 6.5(a) or any other Section of this Agreement as "outside counsel only." Such materials and the information contained therein shall be given only to outside counsel of the recipient and will not be disclosed by such outside counsel to directors, officers or employees of the recipient or of its Affiliates without the advance written consent of the party providing such materials.

(c) Each of the Company, on the one hand, and Parent and Merger Sub, on the other hand, shall, and shall cause their Affiliates to, use reasonable best efforts to avoid or eliminate each and every impediment under any applicable Competition and FDI Law so as to enable the consummation of the transactions contemplated hereby, including the Closing, to occur as soon as reasonably possible (and in any event no later than the Outside Date), in each case, to the extent that such actions are conditional and contingent on the Closing occurring in accordance with the terms of this Agreement; provided, that, notwithstanding anything herein to the contrary, nothing in this Agreement or in this Section 6.5 shall require or obligate Parent or Merger Sub (and none of the Company, its Affiliates and/or Equityholders' Representative shall, without prior written consent of Parent) undertake any behavioral, structural, or remedial concession or other action in order to avoid or eliminate an impediment under any applicable Competition and FDI Law.

(d) Prior to Closing, Parent and Merger Sub shall not, and shall cause their Affiliates not to, acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets or equity interests of, or by any other manner, any Person or portion thereof, or otherwise acquire or agree to acquire any assets, if the entering into of a definitive agreement relating to or the consummation of such acquisition, merger or consolidation could be expected to (x) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any authorizations, consents, orders, declarations or approvals of any Governmental Authority necessary to consummate the transactions contemplated hereby or the expiration or termination of any applicable waiting period, (y) materially increase the risk of any Governmental Authority entering an Order prohibiting the consummation of the transactions contemplated hereby, or (z) materially delay the consummation of the transactions contemplated hereby.

6.6 D&O Indemnification Matters.

(a) For the six (6) year period commencing on the Closing Date, Parent shall cause the Surviving Corporation, to indemnify, defend and hold harmless, and provide advancement of expenses to, each of the individuals who is now, or has been at any time prior to the Closing, a director or officer of the Company (collectively, the "D&O Indemnitees") with respect to all acts or omissions by them in their capacities as such or taken at the request of the Company at any time prior to the Effective Time to the same extent such Persons are indemnified or have the right to advancement of expenses as of the date of this Agreement by the Company pursuant to the Company's certificate of incorporation and bylaws or similar organizational documents or indemnification agreements in existence on the date of this Agreement. For the six (6) year period commencing from and after the Effective Time, except as required by applicable Law, Parent shall cause the certificate of incorporation, bylaws or comparable organizational documents of the Surviving Corporation to contain provisions no less favorable to the D&O Indemnitees with respect to limitation of liabilities and indemnification than are set forth in such document as of the date of this Agreement and such rights shall not be amended or otherwise modified in any manner that would adversely affect the rights of any of the D&O Indemnitees, unless such modification is required by Law or approved in writing by each such D&O Indemnitee.

(b) In the event the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of such company or any of its subsidiaries, as the case may be, assume the obligations set forth in this Section 6.6(b).

(c) From and after the Effective Time, the provisions of this Section 6.6(c) are intended to be for the benefit of, and shall be enforceable by, each D&O Indemnitee, his, her or its heirs and his, her or its representatives and are in addition to, and not in substitution for, any other right to indemnification or contribution that any such Person may have by contract or otherwise.

(d) Prior to the Closing Date, the Company shall purchase at its sole cost and expense tail insurance coverage for the Company's directors and officers in a form reasonably acceptable to the Company and Parent, which shall provide such directors and officers with coverage for six (6) years following the Closing Date with respect to claims arising out of acts or omissions occurring at or prior to the Closing Date (the "Tail Policy"). Parent shall, and shall cause the Surviving Corporation to, maintain such policies in full force and effect, and continue to honor the obligations thereunder; provided that Parent nor the Surviving Corporation shall be required to pay any amounts thereunder.

6.7 Publicity; Confidentiality.

(a) Prior to the Closing, none of the Company or the Equityholders' Representative, on the one hand, and Parent and Merger Sub, on the other hand, shall issue any press release or public announcement or comment concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of (x) Parent and (y) either the Company (prior to the Closing) or the Equityholders' Representative (at and after the Closing), respectively, except (i) and only to the extent, upon the written advice of outside counsel, disclosure is required by applicable Law (except as may be addressed elsewhere within this Section 6.7(a)) and only to the extent required by such Law (provided, that in the case of the foregoing clause (i), the party intending to make such release shall use its commercially reasonable efforts consistent with applicable Law to consult with (x) Parent and (y) either the Company (prior to the Closing) or the Equityholders' Representative (at and after the Closing) in advance of such release with respect to the text thereof, only disclose the minimum amount required by Law to be so disclosed, and request "confidential treatment" or similar treatment thereof), (ii) Parent may make any disclosure (w) required to be included in its or its Affiliates' financial statements or tax audits or other filings with Governmental Authorities, (x) required by periodic reporting requirements under the Exchange Act or continuous disclosure obligations under other applicable securities Laws or under the rules of any securities exchange on which the securities of Parent or an Affiliate of Parent, as applicable, are or will be listed, (y) to its Affiliates and/or (z) by way of any communication by Parent or its Affiliates to its employees (provided, in the case of the foregoing clauses (y) and (z), that such recipients are obligated to keep such information confidential), (iii) institutional Company Stockholders may make any disclosure (x) required to be included in its or its Affiliates' financial statements or tax audits or other filings with Governmental Authorities or (y) to its Affiliates or its or their direct or indirect limited partners or current or prospective investors (provided, in the case of the foregoing clauses (x) and (y), that such recipients are obligated to keep such information confidential) and (iv) disclosures made by way of any statements that are substantially similar to previous press releases, public disclosures or public statements made by the parties in compliance with this Section 6.7(a).

(b) Each of the Company and the Equityholders' Representative agree that this Agreement and the other Transaction Documents and the terms and conditions set forth herein and therein shall be kept strictly confidential and shall not be disclosed or otherwise made available to any other Person

and that copies of this Agreement and the other Transaction Documents shall not be publicly filed or otherwise made available to the public, except (i) where such disclosure, availability or filing, upon the written advice of outside counsel, is required by applicable Law (including the periodic reporting requirements under the Exchange Act) and only to the extent required by such Law or under the rules of any securities exchange on which securities of Parent, the Company or any of their respective Affiliates are listed, (ii) in connection with any Action by a party to this Agreement against one or more parties to this Agreement or any Transaction Document, (iii) by Parent or to its Affiliates, (iv) institutional Company Stockholders to its Affiliates or its or their direct or indirect limited partners or current or prospective investors, (v) by way of any communication by Parent or its Affiliates to its employees (provided, that in the case of the foregoing clauses (iii), (iv) and (v), that such recipients are obligated to keep such information confidential), (vi) by the Company to its stockholders in connection with its solicitation of stockholder adoption of this Agreement, (vii) as otherwise agreed in writing by Parent, (viii) by the Equityholders' Representative to the Equityholders' Representative Group in the administration of its duties hereunder, or (ix) in connection with any filings that may be required under any Competition and FDI Law or to respond to any request for information from any Governmental Authority investigating the transactions described herein under the Competition and FDI Laws. In the event that such disclosure, availability or filing is required by applicable Law, the party intending to make such disclosure, availability or filing agrees to use its commercially reasonable efforts consistent with applicable Law to consult with Parent in advance of such disclosure, availability or filing with respect to the text thereof, only disclose, make available or file the minimum amount required by Law to be so disclosed, made available or filed, request "confidential treatment" or similar treatment thereof, and redact such terms of this Agreement or the other Transaction Documents as Parent may reasonably request.

(c) Effective upon the Closing, the terms of that certain Confidentiality Agreement between the Company and Parent, dated as of January 17, 2023 (as amended from time to time, the "Confidentiality Agreement") which place confidentiality obligations on Parent, its Affiliates and/or Representatives will terminate.

6.8 Exclusivity. The Company agrees that during the Interim Period, it shall not, and shall cause its respective officers, directors, employees, investment bankers, attorneys, accountants, agents, advisors, Representatives and other Affiliates (including the Managed PCs) not to, directly or indirectly, (a) solicit, initiate, seek, entertain, knowingly facilitate or encourage, induce or support, or knowingly take any action to, solicit, initiate, seek, entertain, knowingly facilitate or encourage, induce or support the submission or announcement of any Acquisition Proposal, (b) enter into, participate in, maintain or continue any discussions or negotiations regarding, or furnish to any Person (other than Parent, Merger Sub and their respective Affiliates and Representatives) any information with respect to, or take any other action knowingly to facilitate, encourage or formulate any inquiries, expression of interest or the making of any proposal or offer that constitutes, or could be expected to lead to, any Acquisition Proposal or (c) accept, directly or indirectly, any Acquisition Proposal or enter into any agreement (whether oral or in writing) with respect to any Acquisition Proposal. Without limiting the generality of the foregoing, the Company shall cause its respective officers, directors, employees, investment bankers, attorneys, accountants, agents, advisors, other Representatives and other Affiliates to, immediately cease and cause to be terminated any existing activities, including discussions or negotiations with any Person (other than Parent, Merger Sub and their respective Affiliates and Representatives), conducted prior to the date hereof with respect to any Acquisition Proposal and cause each such Person to return or destroy any confidential information regarding the Company provided in connection with such activities, discussions or negotiations. For purposes of this Section 6.8, "Acquisition Proposal" means any offer or proposal for, or indication of interest in, a merger, consolidation, stock transfer, asset transfer, stock exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the WH Entities, any purchase of at least five percent (5%) of the assets of any WH Entity, or any capital stock or ownership or equity interests of any WH Entity, other than the transactions contemplated by this Agreement.

6.9 Resignation of Directors. The Company shall cause to be delivered to Parent prior to the Closing written resignations of each director and officer of the Company (unless Parent otherwise notifies the Company in writing prior to the Closing) in a form reasonably acceptable to Company and Parent acting in good faith, which such resignations shall be effective as of the Closing.

6.10 Closing Agreements. At the Closing, each of Parent and the Equityholders' Representative shall duly execute and deliver to the other, and take all reasonable steps to cause the Paying Agent to duly execute and deliver to Parent and the Equityholders' Representative, the Paying Agent Agreement.

6.11 Termination of Affiliate Agreements and Other Agreements. On or prior to the Closing, the Company shall cause the termination, effective prior to the Closing, of the agreements and arrangements set forth on Section 4.25 of the Company Disclosure Schedule (but specifically excluding any agreements and arrangements identified on Section 6.11 of the Company Disclosure Schedule) in its entirety without any ongoing liability or obligation of the Company from and after the Closing.

6.12 Tax Matters.

(a) Any Transfer, stamp, documentary, sales, use, registration, value-added and other similar Taxes (including all applicable real estate Transfer Taxes and real property Transfer Taxes and including any filing and recording fees, but not, for the avoidance of doubt, any capital gain Taxes) incurred in connection with this Agreement and the transactions contemplated hereby ("Transfer Taxes") will be borne 50% by Parent and 50% by the WH Entities (and the WH Entities' portion of which shall be deemed a Transaction Cost). Any Tax Returns that must be filed in connection with any Transfer Taxes shall be prepared and filed by the party that customarily has primary responsibility for filing such Tax Returns pursuant to the applicable Laws and provide the other party with a complete and correct copy thereof. Parent and the Equityholders' Representative shall cooperate with each other in the provision of any information or preparation of any documentation that may be necessary or useful for obtaining any available mitigation, reduction or exemption from any Transfer Taxes.

(b) Parent, the Company, the Equityholders' Representative and their applicable Affiliates will cooperate fully, as and to the extent reasonably requested by the other party, in connection with any Tax matters relating to the Company (including by the provision of reasonably relevant records or information). The party requesting such cooperation (in the case of the Equityholders' Representative, solely on behalf of the Company Equityholders) will pay the reasonable out-of-pocket expenses of the other party. For the avoidance of doubt, the Equityholders' Representative shall have no obligation to prepare or file any Tax Returns of the Company following the Closing.

(c) For purposes of this Agreement, in the case of any Taxes (other than Transfer Taxes) that are payable for a Straddle Period, the portion of such Taxes that relates to the Pre-Closing Tax Period shall (i) in the case of any Taxes based upon or related to income, receipts, payroll or payments, be deemed equal to the amount which would be payable if the relevant taxable period ended as of the close of business on the Closing Date (provided that exemptions, allowances or deductions that are calculated on an annual basis shall be allocated between the period ending on and including the Closing Date and the period beginning after the Closing Date in proportion to the number of days in each period, and any items arising outside of the ordinary course of business on the Closing Date but after the Closing that are not contemplated by this Agreement, required by Law or consistent with past practice shall be treated as arising at the beginning of the day following the Closing Date) and (ii) in the case of any other Taxes, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the taxable period ending on (and including) the Closing Date and the denominator of which is the number of days in the entire taxable period.

(d) The Company shall cause any Tax sharing, Tax indemnification, or Tax allocation agreement or similar Contract or arrangement (other than any customary commercial Contracts entered into in the ordinary course of business that do not primarily relate to Taxes) to which the Company is a party, or under which the Company has any obligation, to be terminated prior to the Closing and, after the Closing, the Company will not be bound thereby or have any liability in respect thereof.

6.13 280G Stockholder Approval. To the extent the Company (in consultation with Parent) reasonably determines that payments or benefits to any "disqualified individual" (as defined in Section 280G(c) of the Code) could constitute "parachute payments" under Section 280G of the Code, prior to the Closing, the Company shall: (i) use commercially reasonable efforts to seek from each of the Persons who is a "disqualified individual" and has received or may receive any payments, rights or benefits which, in the absence of approval by the Company Stockholders in a manner that complies with Section 280G(b)(5)(B) of the Code and Treasury Regulation Section 1.280G-1 (the "280G Stockholder Approval"), could be deemed to constitute "parachute payments" under Section 280G of the Code (the "Potential 280G Benefits"), a waiver of such Person's rights to some or all of such Potential 280G Benefits (the "Waived Benefits") so that all remaining Potential 280G Benefits applicable to such Person shall not be deemed to be "parachute payments" that would be non-deductible under Section 280G of the Code; (ii) solicit the 280G Stockholder Approval of any Waived Benefits; and (iii) no later than three (3) Business Days prior to seeking any waiver or the 280G Stockholder Approval, deliver to Parent, for Parent's reasonable review and comment, drafts of such 280G Stockholder Approval related-documents and all calculations, waivers, consents, disclosures and other documents prepared in connection with the actions described in this Section 6.13 (and the Company's acceptance of Parent's reasonable comments shall not be unreasonably withheld, conditioned or delayed). Prior to the Closing, the Company shall deliver to Parent evidence that a vote of the Company Stockholders who are entitled to vote was solicited in accordance with the provisions of this Section 6.13 and that either (a) the requisite number of votes was obtained with respect to the Waived Benefits or (b) that the requisite number of votes with respect to the Waived Benefits was not obtained, and, as a consequence, the Waived Benefits shall not be made or provided (and, if the foregoing clause (b) is applicable, the Company shall not pay the Waived Benefits). Notwithstanding anything to the contrary in this Section 6.13 or otherwise in this Agreement, compliance with this Section 6.13 shall be determined without regard to any Parent Arrangements, except to the extent such Parent Arrangements have been made available to the Company no later than ten (10) Business Days prior to Closing.

6.14 Requisite Stockholder Approval. Promptly following the execution and delivery of this Agreement by the parties hereto (and, in any event, no later than twenty-four (24) hours), the Company shall deliver to Parent the Requisite Stockholder Approval. During the Interim Period the Company shall, in accordance with the DGCL, the Company Charter and the Company Bylaws, use its best efforts to seek and obtain written consents from Company Stockholders who had not previously executed the Requisite Stockholder Approval and to deliver copies of such written consents to Parent prior to the Closing. Reasonably promptly after the adoption of this Agreement and the approval of the transactions contemplated hereby by the Company Stockholders (and, in any event, no later than five (5) Business Days prior to the Closing Date), the Company shall deliver, pursuant to Sections 228 and 262(d) of the DGCL, a written notice (in a form that is reasonably acceptable to Parent it being understood that the Company will provide an initial draft of such notice to Parent no later than seven (7) days after the date hereof and shall give due and reasonable consideration in good faith to any comments made by Parent or its Representatives) to all Company Stockholders who have not (individually or by proxy) executed a written consent informing such non-consenting holders, in accordance with the requirements of applicable Law (including Section 228(e) of the DGCL), that this Agreement and the Merger were adopted and approved by the Company Stockholders pursuant to the applicable provisions of the DGCL, and that appraisal rights are available for such non-consenting holders' shares of Company Capital Stock pursuant to Section 262 (which notice shall include a copy of such Section 262).

6.15 R&W Insurance Policy. The parties acknowledges that Parent may seek to obtain an insurance policy that provides coverage for the benefit of Parent or its designee as the named insured for any potential breaches of any of the representations and warranties of the Company set forth in Article IV (the "R&W Insurance Policy") and, upon Parent's request, agrees to reasonably cooperate with and assist Parent in obtaining the R&W Insurance Policy, including by providing additional diligence information as may be requested in connection with the underwriting of the R&W Insurance Policy or as may be required to address and remove any conditional exclusions under the R&W Insurance Policy.

6.16 Option Release Agreements. No later than five (5) Business Days prior to the Closing, the Company shall use commercially reasonable efforts to obtain from each Employee with Promised Options set forth on Section 4.5(b) of the Company Disclosure Schedule a release agreement in form and substance satisfactory to Parent (an "Option Release Agreement"), releasing the Company and Parent from any liability or obligation with respect to such Employee's rights to receive such Employee's Promised Options in exchange for a cash payment (the aggregate amount of all cash payments owed to Employees pursuant to the Option Release Agreements being referred to as the "Aggregate Option Release Amount"). If the Company is unable to obtain an Option Release Agreement from any such Employee within five (5) Business Days prior to the Closing, the Company shall issue such Employee a Company Option for the number of Promised Options prior to the Closing.

6.17 Amendment to the Company Charter. Prior to the Closing, the Company shall amend the Company Charter in the form attached hereto as Exhibit D (the "Charter Amendment") and file the Charter Amendment with the Secretary of State of the State of Delaware in accordance with the DGCL.

6.18 Audited Financials. During the Interim Period, the Company shall reasonably cooperate, and shall cause the Managed PCs and its and their Representatives to reasonably cooperate with Parent and its Representatives in connection with the preparation, at the sole cost and expense of Parent, of the audited balance sheets and statements of income and cash flows as at and for the fiscal years ended 2022 and 2021 of the WH Entities, including providing Parent and its Representatives (i) reasonable access to the books and records of the WH Entities, and (ii) reasonable access to the Representatives of the WH Entities, and (iii) any required certifications.

6.19 Managed PC Funds. Immediately prior to the Closing, the Company shall cause any amounts owed to or by the Company, on the one hand, from or to any of the Managed PCs, on the other hand (other than pursuant to, or in accordance with, this Agreement or any other Transaction Documents or as set forth on Section 6.19 of the Company Disclosure Schedule), to be canceled, settled or otherwise discharged in a manner which is reasonably acceptable to Parent.

6.20 Company 401(k) Plan. At the written election of Parent (which written election shall be delivered to the Company no later than ten (10) days prior to the Closing Date), the Company shall take or cause to be taken all actions necessary to terminate all Benefit Plans qualified under Section 401(k) of the Code (each, a "Company 401(k) Plan") effective as of no later than the Business Day immediately prior to the Closing Date; provided, that, such termination may be made contingent upon the occurrence of the Closing. The Company shall provide to Parent prior to the Closing Date written evidence reasonably acceptable to Parent of the adoption by the applicable authorized governing body of the applicable Company 401(k) Plan of resolutions authorizing the termination of such Company 401(k) Plan (the form and substance of such resolutions shall be subject to Parent's prior review and consent).

ARTICLE VII
CONDITIONS TO CLOSING

7.1. Conditions Precedent to Obligations of the Company, Parent and Merger Sub. The obligations of the Company, Parent and Merger Sub to consummate the Closing and the Merger are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by the party to whose benefit such condition exists (provided, that Parent shall be entitled to waive solely on behalf of Parent and Merger Sub), in whole or in part, and only to the extent permitted by applicable Law):

(a) Laws; Actions. There shall not be (i) in effect any Law or Order of a Governmental Authority having competent jurisdiction over the business of the WH Entities prohibiting, enjoining, restricting or making illegal the consummation of the Transactions and/or (ii) any Action by a Governmental Authority seeking to prohibit, enjoin, or restrict the Transactions.

(b) Approval of the Company Stockholders. The Requisite Stockholder Approval shall have been validly obtained under the DGCL, the Company Charter, the Company Bylaws and the Voting Agreement.

7.2 Conditions Precedent to Obligations of the Parent and Merger Sub. In addition, the obligations of Parent and Merger Sub to consummate the Closing and the Transactions are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Parent, in whole or in part, to the extent permitted by applicable Law):

(a) Representations and Warranties.

(i) (1) The representations and warranties set forth in Article IV of this Agreement (other than (x) the Company Fundamental Representations, (y) the representations and warranties set forth in Section 4.8(c) and (z) those other representations and warranties that address matters as of a specified date) shall be true and correct in all respects as of the date hereof and as of the Closing Date as though then made at and as of the Closing Date (disregarding any exception or qualification of such representations and warranties that are qualified by the terms "material", "in all material respects", "Company Material Adverse Effect", or similar words or phrases) and (2) the representations and warranties set forth in Article IV of this Agreement that address matters as of a specified date (other than the Company Fundamental Representations) shall be true and correct in all respects as of such specified date and shall continue as of the Closing Date to be true and correct in all respects as of such specified date (disregarding any exception or qualification of such representations and warranties that are qualified by the terms "material", "in all material respects", "Company Material Adverse Effect", or similar words or phrases), except where the failure of such representations and warranties referenced in the immediately preceding clauses (1) and (2) to be so true and correct, individually or in the aggregate, has not had or would not reasonably be expected to have a Company Material Adverse Effect;

(ii) The Company Fundamental Representations shall be true and correct in all respects (except for inaccuracies that are *de minimis*) as of the date hereof and as of the Closing Date as though made at and as of the Closing Date (except for the representations and warranties set forth in such Company Fundamental Representations which address matters only as of a specified date, which representations and warranties shall be true and correct in all respects (except for inaccuracies that are *de minimis*) as of such specified date and shall continue as of the Closing Date to be true and correct as of such specified date in all respects (except for inaccuracies that are *de minimis*)); and

(iii) The representations and warranties set forth in Sections 4.8(c) shall be true and correct in all respects as of the Closing Date as though made at and as of the Closing Date.

(b) Covenants. The Company shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) Officer's Certificates. Parent shall have received a certificate signed by an authorized executive officer of the Company, dated as of the Closing Date, to the effect that the conditions specified in Sections 7.2(a), 7.2(b) and 7.2(h) are satisfied.

(d) Key Employee Employment. (i) Each Key Employee shall, as of the Closing Date, (x) remain in the employ of the Company, in good standing and (y) not have notified the Company or Parent that he or she intends to resign as an Employee and (ii) each Employment Agreement shall not have been revoked or otherwise terminated.

(e) Paying Agent Agreement. The Equityholders' Representative and the Paying Agent shall have entered into the Paying Agent Agreement, and the Paying Agent Agreement shall be in full force and effect.

(f) Certificate. Parent shall have received (i) from the Company, a certificate and a notice, dated as of the Closing Date, that comply with Sections 1445 and 897 of the Code and the Treasury Regulations promulgated thereunder certifying that no interest in the Company is a "U.S. real property interest" within the meaning of and in accordance with Sections 897 and 1445 of the Code and the Treasury Regulations promulgated thereunder, in each case reasonably satisfactory to Parent, and (ii) a Form W-9 or Form W-8, as applicable, properly completed and duly executed by each payee of Closing Indebtedness and Transaction Costs.

(g) Resignations. Parent shall have received the written resignations of all directors and officers of the Company as may be required by Section 6.9, in each case, effective as of the Closing.

(h) No Company Material Adverse Effect. Since the date of this Agreement, no Effect or Effects shall have occurred that, individually or in the aggregate, have had, or would reasonably be expected to have, a Company Material Adverse Effect.

(i) R&W Insurance Policy. The R&W Insurance Policy shall have been bound.

(j) Option Release Agreements. The Company shall have obtained Option Release Agreements, in form and substance satisfactory to Parent, from each Employees who have Promised Options, and shall have delivered copies thereof to Parent, and each such agreement shall be in full force and effect.

(k) Amendment to Company Charter. The Company shall have filed the Charter Amendment with the Secretary of State of the State of Delaware in accordance with the DGCL and provided evidence of such filing to Parent.

7.3 Conditions Precedent to Obligations of the Company. In addition, the obligations of the Company to consummate the Closing and the Transactions are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by the Company, in whole or in part, to the extent permitted by applicable Law):

(a) Representations and Warranties.

(i) (1) The representations and warranties set forth in Article V of this Agreement (other than (x) Sections 5.1(a), 5.2, 5.6 and 5.8(a) and (y) those other representations and warranties that address matters as of a specified date) shall be true and correct in all respects as of the date hereof and as of the Closing Date as though then made at and as of the Closing Date (disregarding any exception or qualification of such representations and warranties that are qualified by the terms "material", "in all material respects", "Parent Material Adverse Effect" or similar words or phrases), and (2) the representations and warranties set forth in Article V of this Agreement that address matters as of a specified date (other than Sections 5.1(a), 5.2, 5.6 and 5.8(a)) shall be true and correct in all respects as of such specified date and shall continue as of the Closing Date to be true and correct as of such specified date in all respects (disregarding any exception or qualification of such representations and warranties that are qualified by the terms "material", "in all material respects", "Parent Material Adverse Effect" or similar words or phrases), except where the failure of such representations and warranties referenced in the immediately preceding clauses (1) and (2) to be so true and correct, individually or in the aggregate, has not had and would not reasonably be expected to have a Parent Material Adverse Effect; and

(ii) The representations and warranties set forth in Sections 5.1(a), 5.2, 5.6 and 5.8(a) shall be true and correct in all respects (except for inaccuracies that are *de minimis*) as of the date hereof and as of the Closing Date as though made at and as of the Closing Date (except for representations and warranties set forth in Sections 5.1(a), 5.2, 5.6 and 5.8(a) which address matters only as of a specified date, which representations and warranties shall be true and correct in all respects (except for inaccuracies that are *de minimis*) as of such specified date and shall continue as of the Closing Date to be true and correct as of such specified date in all material respects (except for inaccuracies that are *de minimis*)).

(b) Covenants. Each of Parent and Merger Sub shall have performed and complied in all material respects with all covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) Officer's Certificate. The Company shall have received a certificate signed by an authorized executive officer of Parent, dated as of the Closing Date, to the effect that the conditions specified in Sections 7.3(a) and 7.3(b) are satisfied.

(d) Paying Agent Agreement. Parent and the Paying Agent shall have entered into the Paying Agent Agreement, and the Paying Agent Agreement shall be in full force and effect.

## ARTICLE VIII
## TERMINATION

8.1 Termination of Agreement. Subject to Section 10.1, this Agreement may be terminated at any time prior to the Closing as follows:

(a) by mutual written consent of the Company and Parent;

(b) at the election of the Company or Parent on or after June 6, 2023 (the "Outside Date"), if the Closing shall not have occurred by 5:00 p.m. Eastern Time on such date; provided, that neither the Company nor Parent may terminate this Agreement pursuant to this Section 8.1(b) if it (or in the case of Parent, either of Parent or Merger Sub) is in material breach of any of its obligations hereunder and such material breach causes, or results in, either (A) the failure to satisfy the conditions to the obligations of the terminating party to consummate the Closing set forth in Article VII prior to the Outside Date or (B) the failure of the Closing to have occurred prior to the Outside Date;

(c) by the Company or Parent if there shall be in effect a final, nonappealable Order of a Governmental Authority having competent jurisdiction over the business of the WH Entities prohibiting the consummation of the Transactions; provided, that the right to terminate this Agreement pursuant to this Section 8.1(c) shall not be available to any party seeking to terminate if such party's (or in the case of Parent, either of Parent's or Merger Sub's) failure to fulfill any obligation under this Agreement has been the primary cause of, or primarily resulted in, the failure of the Closing to occur on or prior to the date of such termination;

(d) by Parent if (i) neither of Parent and Merger Sub are in material breach of any of their respective obligations hereunder that renders or would render any of the conditions set forth in Section 7.1, 7.3(a) or 7.3(b) incapable of being satisfied on the Outside Date and (ii) the Company is in material breach of its respective representations, warranties or obligations hereunder that renders or would render any of the conditions set forth in Section 7.1, 7.2(a) or 7.2(b) incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (x) twenty (20) Business Days after the giving of written notice by Parent to the Company and (y) three (3) Business Days prior to the Outside Date;

(e) by the Company if (i) the Company is not in material breach of any of its obligations hereunder that renders or would render any of the conditions set forth in Section 7.1, 7.2(a) or 7.2(b) incapable of being satisfied on the Outside Date and (ii) either of Parent or Merger Sub are in material breach of any of their respective representations, warranties or obligations hereunder that renders or would render any of the conditions set forth in Section 7.1, 7.3(a) or 7.3(b) incapable of being satisfied on the Outside Date, and such breach is either (A) not capable of being cured prior to the Outside Date or (B) if curable, is not cured within the earlier of (x) twenty (20) Business Days after the giving of written notice by the Company to Parent and (y) three (3) Business Days prior to the Outside Date;

(f) by the Company if (i) all of the conditions set forth in Sections 7.1 and 7.2 have been satisfied or waived in writing (other than those conditions that by their terms are to be satisfied at the Closing but which are, at the time of the notice of termination of this Agreement is delivered to Parent, capable of being satisfied if the Closing were to occur at such time), and (ii) the Company has irrevocably confirmed by written notice to Parent that (A) all conditions set forth in Sections 7.1 and 7.3 have been satisfied (other than those conditions that by their terms are to be satisfied at the Closing but which are, at the time of the notice of termination of this Agreement is delivered to Parent, capable of being satisfied if the Closing were to occur at such time) or that the Company has irrevocably waived, to the extent permitted by applicable Law, any unsatisfied conditions in Sections 7.1 and 7.3 and (B) the Company is ready, willing and able to consummate the Merger on the date of delivery of such written notice and at all times thereafter and (iii) Parent and Merger Sub fail to consummate the Closing within three (3) Business Days following the later of (x) the date of delivery of such notice of termination and (y) the date the Closing is required to have occurred pursuant to Section 2.2; or

(g) by Parent, if the condition set forth in Section 7.1(b) shall not have been satisfied within twenty-four (24) hours following the execution and delivery of this Agreement. In the event of termination and abandonment of this Agreement by Parent or the Company, or both, pursuant to this Section 8.1, written notice thereof shall forthwith be given to each of the other parties, and this Agreement shall, subject to Section 8.2, terminate and be null and void, and the Transactions shall be abandoned, without further action by any Person.

8.2 Effect of Termination. In the event that this Agreement is validly terminated in accordance with Section 8.1, then each of the parties hereto and each of their respective Affiliates, equityholders, directors, officers, employees and other Representatives shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without

liability to any of the parties; provided, however, that notwithstanding anything herein to the contrary, (i) no such termination shall relieve any party from Liability for any willful breach of this Agreement or Fraud by that party (provided, that any Liability for any willful breach of this Agreement by Parent and/or Merger Sub shall not in the aggregate exceed an amount equal to the Estimated Merger Consideration) and (ii) the provisions of this Section 8.2, Sections 3.7(a)(ii) and 3.7(c), Section 6.7 (Publicity; Confidentiality) and Article X (Miscellaneous) shall remain in full force and effect and survive any termination of this Agreement in accordance with its terms.

## ARTICLE IX
## SURVIVAL

9.1 No Survival. The parties, intending to modify any applicable statute of limitations, acknowledge and agree that the representations, warranties, covenants and agreements of the parties contained in this Agreement or any other agreement or document executed in connection with this Agreement (including any certificate delivered pursuant to Article VII of this Agreement) shall, in each case, terminate effective as of the Effective Time and shall not survive beyond the Effective Time for any purpose and there shall be no liability, whether such liability has accrued prior to or after the Effective Time, on the part of, nor shall any claim be made by, any party, its Affiliates or any of their respective partners, members, equityholders, officers, directors, agents or Representatives in respect thereof, except for (i) those covenants and agreements that by their terms are to be performed in whole or in part after the Effective Time, which shall survive beyond the Effective Time in accordance with their terms and solely with respect to the period following the Effective Time, (ii) this Article IX, (iii) Article X and (iv) liability for Fraud; provided, that (x) the maximum liability of each Company Equityholder with respect to Fraud committed by the Company which does not involve any Fraud committed by such Company Equityholder shall be the portion of the Final Merger Consideration actually received by such Company Equityholder and (y) no Company Equityholder shall be liable for the Fraud of any other Company Equityholder.

## ARTICLE X
## MISCELLANEOUS

10.1 Remedies. The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such failure to perform or breach. Accordingly, the parties hereto acknowledge and hereby agree that in the event of any breach or threatened breach by the Company and/or the Equityholders' Representative, on the one hand, or Parent or Merger Sub, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, Parent and/or Merger Sub, on the one hand, and the Company, on the other hand, shall be entitled to seek an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other (as applicable) under this Agreement.

10.2 Expenses. Except as otherwise provided in this Agreement, each of the Company, the Managed PCs, Parent and Merger Sub shall bear its own expenses incurred in connection with the negotiation and execution of, or the enforcement of such party's rights under, this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

10.3 Entire Agreement; Amendments and Waivers. This Agreement (including the Annexes and Exhibits hereto, the Company Disclosure Schedule and the Parent Disclosure Schedule) and the Transaction Documents represent the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement may only be amended, supplemented or changed by a written instrument signed by each of Parent, the Company (solely prior to Closing) and the Equityholders' Representative (solely at and after the Closing). Each provision in this Agreement may only be waived by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such provision so waived is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.4 Governing Law. This Agreement, and all claims or causes of action (whether in contract, tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) shall be governed by and construed in accordance with the law of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws. Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of the Delaware Court of Chancery (or, solely if such court declines jurisdiction, in any federal court located in the State of Delaware), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement), or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding shall be heard and determined in such Delaware Court of Chancery (or, solely if such court declines jurisdiction, in any federal court located in the State of Delaware), (b) waives, to the fullest extent it may legally and effectively do so, any objection which 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 the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement) in the Delaware Court of Chancery and the United States District Court for the District of Delaware, (c) 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 and (d) agrees that a final judgment in any such suit, 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 agrees that service of process, summons, notice or document by registered mail addressed to it at the applicable address set forth in Section 10.6 below shall be effective service of process for any suit, action or proceeding brought in any such court.

10.5 Waiver of Jury Trial. THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, EXECUTION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A

COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

10.6 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt by other than automatic means, whether electronic or otherwise), (b) when sent by e-mail (with non-automated written confirmation of receipt) or (c) one (1) Business Day following the day sent by an internationally recognized overnight courier (with written confirmation of receipt), in each case, at the following addresses or e-mail addresses (or to such other address or e-mail address as a party may have specified by notice given to the other party pursuant to this provision); provided that with respect to notices delivered to the Equityholders' Representative, such notices must be delivered solely by email:

(a) If to the Company prior to the Closing, to:

Weekend Health, Inc.
870 York St.
San Francisco, California 94110
E-mail: [ ]
Attention: Remi Cossart, President

with a copy (which shall not constitute actual or constructive notice) to:

Goodwin Procter LLP
601 Marshall St.
Redwood City, California 94063
E-mail: [ ]
Attention: Craig Schmitz; Alessandra Simons; Barzin Pakandam

(b) If to either of Parent or Merger Sub or, after the Closing, the Company, to:

c/o WW International, Inc.
675 Avenue of the Americas
6th Floor
New York, New York
E-mail: [ ]
Attention: Michael F. Colosi, General Counsel

with a copy (which shall not constitute actual or constructive notice) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
E-mail: [ ]
Attention: Kenneth B. Wallach
Anthony F. Vernace
and

Simpson Thacher & Bartlett LLP
2475 Hanover Street
Palo Alto, California 94304
E-mail: [ ]
Attention: Naveed Anwar

(c) If to the Equityholders' Representative, to:

Fortis Advisors LLC
Attention: Notices Department (Project Saturday)
E-Mail: [ ]

Facsimile No.: (858) 408-1843

with a copy (which shall not constitute actual or constructive notice) to:

Goodwin Procter LLP
601 Marshall St.
Redwood City, California 94063
E-mail: [ ]
Attention: Craig Schmitz; Alessandra Simons; Barzin Pakandam

10.7 Severability. If any condition, term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other conditions, terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible. Notwithstanding the foregoing, the parties intend that the provisions of Section 8.2 and Article X, including the remedies (and limitations thereon) be construed as integral provisions of this Agreement and that such provisions, remedies and limitations shall not be severable in any manner that diminishes a party's rights hereunder or increases a party's liability hereunder.

10.8 Binding Effect; Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person not a party to this Agreement, except that (i) Section 6.6(b) shall be for the benefit of, and enforceable by, each of the D&O Indemnitees, (ii) Section 10.10 shall be for the benefit of, and enforceable by, each of the Nonparty Affiliates and (iii) Section 10.11 shall be for the benefit of, and enforceable by, each of the Released Parties.

(b) No assignment of this Agreement or of any rights or obligations hereunder may be made, directly or indirectly (by operation of law or otherwise), by (i) the Company without the prior written consent of Parent, or (ii) any of Parent or Merger Sub, without the prior written consent of either the Company (solely prior to the Closing) or the Equityholders' Representative (solely at and after the Closing), respectively. Any attempted assignment without obtaining such required consent shall be null and void. Notwithstanding the foregoing, Parent and Merger Sub may, without obtaining any Person's prior written

consent, (A) assign this Agreement (in whole but not in part) to one or more Affiliates of Parent (provided, however, that no such assignment shall relieve Parent or Merger Sub of their respective obligations under this Agreement), (B) collaterally assign their rights hereunder to any lender or debt financing source of Parent or any of its Affiliates and/or (C) assign this Agreement (in whole but not in part) to any other Person, solely after the Closing, in connection with an internal restructuring, joint venture, sale or divestiture of all or a portion of the direct or indirect equity interests of assets of Parent, the Company or any of their respective Affiliates (whether by joint venture, liquidation, dissolution, reorganization, recapitalization, consolidation, sale of assets, stock purchase, merger, division, amalgamation, plan of arrangement, business combination or otherwise) or any other action or combination of actions.

10.9 Equityholders' Representative Confidentiality. From and after the Closing, the Equityholders' Representative shall, and shall cause its Affiliates and Representatives to, keep all (i) documents, materials, records and other information regarding Parent, Merger Sub or any of their respective Affiliates (including the WH Entities), (ii) all trade secrets and all other information, knowledge, ideas or data relating to Parent, Merger Sub or any of their respective Affiliates (including the WH Entities), including, but not limited to, any client, customer, vendor or partnership lists, customer data or information, prospective customer names, business strategies, models and techniques, management and marketing plans, financial statements, financial information and projections, know-how, pricing policies, pricing information and pricing methodologies, operational methods, methods of doing business, compensation, technical processes, formulae and algorithms, research and development, designs and design projects, inventions, hardware, software programs, files, software, code, reports, documents, manuals, forms, business plans and projects or prospective projects pertaining to Parent, Merger Sub or any of their respective Affiliates, (iii) Company Confidential Information, (iv) any information accessed by Equityholders' Representative in connection with performing its obligations or exercising its rights under this Agreement and (v) any information of others that any WH Entity has agreed to keep confidential that it has or has obtained prior to or after the Closing (clauses (i) through (iv) collectively, "Section 10.9 Confidential Information") strictly confidential and not disclose such information without the express prior written consent of Parent and not use any Section 10.9 Confidential Information in any manner whatsoever other than to perform its obligations described herein and enforce its rights herein; provided, however, that "Section 10.9 Confidential Information" shall not include any information that (A) is or becomes publicly available (other than as a result of a disclosure by Equityholders' Representative, its Affiliates or its Representatives in violation of this Section 10.9), or (B) is or becomes available to the Equityholders' Representative from a source that, to its knowledge, is not prohibited from disclosing such information to it by a legal, contractual, fiduciary, professional or other obligation; provided, further, that if and only to the extent, upon the advice of its outside counsel, disclosure is required by applicable Law, the Equityholders' Representative may disclose Section 10.9 Confidential Information to the extent so required by applicable Law, so long as the Equityholders' Representative uses commercially reasonable efforts consistent with applicable Law to consult with Parent in advance of such disclosure with respect to the text thereof, only discloses the minimum amount required by Law to be so disclosed, and requests "confidential treatment" or similar treatment thereof, and if such disclosure involves the disclosure of this Agreement or the other Transaction Documents, redacts such terms of this Agreement or the other Transaction Documents as Parent may reasonably request.

10.10 Non-Recourse. Except to the extent otherwise set forth in the other Transaction Documents, all claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to, this Agreement), may be made only against (and such representations and warranties are those solely of) the Persons that are expressly identified as parties in the preamble to this Agreement (the "Contracting Parties"). No Person who is not a Contracting Party, including any current, former or future

director, officer, employee, incorporator, member, partner, manager, stockholder, Company Stockholder, Affiliate, agent, attorney, representative or assignee of, and any financial advisor to any Contracting Party, or any current, former or future director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney, representative or assignee of, and any financial advisor or lender to, any of the foregoing (collectively, the "Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach (other than as set forth in the other Transaction Documents), and, to the maximum extent permitted by Law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates. Without limiting the foregoing, to the maximum extent permitted by Law, except to the extent otherwise set forth in the other Transaction Documents, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with respect to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement, and no recourse will be brought or granted against any of them, by virtue of or based upon any alleged misrepresentation or inaccuracy in or breach or nonperformance of any of the representations, warranties, covenants or agreements of any Party set forth or contained in this Agreement or any exhibit or schedule hereto or any certificate delivered hereunder.

10.11 Released Claims.

(a) Effective as of the Closing, each Company Equityholder (by virtue of the adoption of this Agreement and the approval of the transactions contemplated hereby, including the Merger), on behalf of itself, its successors, assigns, next of kin (if a natural person), agents and Affiliates, hereby fully and unconditionally releases, acquits and forever discharges each WH Entity, and each of its past, present and future successors, predecessors, assigns, next of kin (if a natural person), administrators, executors, employees, agents, partners, members, Subsidiaries, stockholders, parent companies, controlling Persons, other Affiliates (corporate or otherwise), legal representatives and other Representatives, including its past, present and future officers and directors, solely in their capacities as such, and any past, present and future successors, predecessors, assigns, employees, agents, partners, members, Subsidiaries, stockholders, parent companies, controlling Persons, other Affiliates (corporate or otherwise), legal representatives and other Representatives, including past, present and future officers and directors of any of the foregoing (together, the "Released Parties"), from any and all manner of actions, causes of actions, rights to any equitable remedy for subordination, claims, debts, obligations, demands, liabilities, damages, costs, losses, expenses (including reasonable attorneys' and other professional fees and expenses), compensation or other relief or other Losses, whether known or unknown, matured or unmatured, contingent or otherwise, whether in law or equity, arising out of, relating to, accruing from or in connection with, (i) such Company Equityholder's ownership of shares of Company Capital Stock, Company Options and/or other direct or indirect ownership or equity interests in the Company, including any claims under the Company Stock Option Plan or other governing documents of the Company, (ii) any provision of this Agreement or the Transactions (other than with respect to such Released Party's respective rights and obligations under this Agreement and the Transaction Documents), (iii) the failure of any drag-along right exercised, or drag-along notice delivered, pursuant to the Voting Agreement to each Company Stockholder that is a party to the Voting Agreement and/or any challenges as to the validity of such right or notice that each such Company Stockholder has or has had against any Released Party or (iv) any and all charges, complaints, claims, causes of action, promises, agreements, rights to payment (clauses (i) through (iv), collectively, "Released Claims"). The

release in this Section 10.11 is for the benefit of the Released Parties and shall be enforceable by any of them directly against each such Company Equityholder. With respect to such Released Claims, each Company Equityholder hereby expressly waives any and all rights conferred upon him, her or it by any law which provides that a release does not extend to claims which the claimant does not know or suspect to exist in his, her or its favor at the time of executing the release, which if known by him, her or it must have materially affected his, her or its settlement with the Released Party. Notwithstanding the foregoing, this release shall not be applicable to, and shall not affect, (i) any rights of each Company Equityholder arising out of, relating to or in connection with any obligation of Parent or the Company to any Company Equityholder arising pursuant to any provision of this Agreement or the Transaction Documents to which it is a party or for which it is a third-party beneficiary, or (ii) any rights of each Company Equityholder with respect to any other indemnification in favor of, or limitation of liability of, or reimbursement of expenses of, a D&O Indemnitee pursuant to the certificate of incorporation and bylaws of the Company or any written indemnification agreements, including without limitation, Section 6.6(b) of this Agreement.

It is the intention of the parties that this Section 10.11, at the Closing, be effective as a full and final accord and satisfaction, and release of the Released Claims. Accordingly, in furtherance of this intention, to the extent applicable, each Company Equityholder expressly waives any and all rights under Section 1542 of the Civil Code of the State of California (or any similar law, provision or statute of any other jurisdiction or authority) which states in full as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(b) Effective upon the Closing, each of Parent and the Company, on behalf of itself and its past, present or future successors, assigns, employees, agents, equityholders, partners, Affiliates and representatives (including their past, present or future officers and directors) (collectively, the "Releasors") hereby irrevocably and unconditionally releases, waives, acquits and forever discharges each Company Equityholder (and each such Company Equityholder's partners, directors, officers, managers, employees or representatives a "Released Party") of and from any and all actions, suits, claims, causes of action, damages, accounts, liabilities and obligations (including attorneys' fees) held by any Releasor, whether known or unknown, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, absolute or contingent, direct or derivative, to the extent arising out of or relating to such Company Equityholder's ownership of the shares of Company Capital Stock or Company Options or any such Released Party's service as a manager or officer of the Company in each case of the foregoing relating to any matter, occurrence, action or activity on or prior to the Closing, except for (i) any of the foregoing set forth in, pursuant to, or arising out of this Agreement, the other Transaction Documents or the Transactions or any other agreement or document entered into or delivered in connection with the Transactions, (ii) with respect to any matter solely between Parent and its Subsidiaries (including the Company) and any of the continuing Employees or Representatives with respect to matters arising in connection with the employment, management or operation of the business of the WH Entities, (iii) with respect to any matter arising in the ordinary course of business between a Releasor and a Released Party that is unrelated to any of the Transactions or (iv) Fraud; provided, that (x) the maximum liability of each Company Equityholder with respect to Fraud committed by the Company which does not involve any Fraud committed by such Company Equityholder shall be the portion of the Final Merger Consideration actually received by such Company Equityholder and (y) no Company Equityholder shall be liable for the Fraud of any other Company Equityholder.

10.12 Further Assurances. Each party hereto agrees that, from time to time after the Closing Date, it will use commercially reasonable efforts to execute and deliver, or cause its Affiliates to execute and deliver, such further instruments, and take (or cause its Affiliates to take) such other action, as may be reasonably necessary to carry out the purposes and intents of this Agreement.

10.13 Counterparts; Delivery by E-mail.

(a) This Agreement, and any amendment, restatement, supplement or other modification hereto or waiver hereunder (i) may be executed in any number of counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement and (ii) to the extent signed and delivered by means of electronic signature (including by means of e-mail in .pdf format), shall be treated in all manner and respect as an original contract and shall be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

(b) At the request of any party hereto, each other party hereto shall re-execute original forms hereof and deliver them to all other parties. No party hereto or to any such agreement shall raise the use of e-mail to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of e-mail as a defense to the formation of a contract, and each such party forever waives any such defense.

10.14 Waiver of Conflicts; Privileged Information.

(a) Each party acknowledges and agrees, on its own behalf and on behalf of its directors, members, partners, officers, employees, and Affiliates that the Company and the Company Equityholders are clients of Goodwin Procter LLP ("Firm"). After the Closing, it is possible that Firm will represent the Company Equityholders and/or the Equityholders' Representative (individually and collectively, the "Seller Group") solely in connection with the transactions contemplated by this Agreement, including, for the avoidance of doubt, with respect to any claim for indemnification against the Company. Parent, the Surviving Corporation and the Company hereby agree that Firm (or any successor) may represent the Seller Group in the future solely in connection with issues that may arise under this Agreement and any claims that may be made thereunder pursuant to this Agreement, including a dispute that arises after the Closing between Parent (and/or the Company) and the Equityholders' Representative, even though the interests of the Equityholders' Representative may be directly adverse to Parent or the Company, and even though Firm may have represented the Company in a matter substantially related to such dispute or may be handling ongoing matters for the Company. Firm (or any successor) may serve as counsel to all or a portion of the Seller Group or any representative or Affiliate of the Seller Group, solely in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement. Each party consents thereto, and waives any conflict of interest arising therefrom, and each such party shall cause any Affiliate thereof to consent to waive any conflict of interest arising from such representation. Each party acknowledges that such consent and waiver is voluntary, that it has been carefully considered, and that the parties have consulted with counsel or have been advised they should do so in this connection.

(b) Each of Parent and the Company hereby acknowledges, on behalf of itself and its Affiliates, that any attorney-client privilege, attorney work-product protection and expectation of client confidence attaching as a result of the Firm's representation of the Company solely in connection with the transactions contemplated by this Agreement, and all information and documents covered by such privilege or protection shall, after the Effective Time, belong to and be controlled solely by the Equityholders' Representative, on behalf of the Company Equityholders, and may only be waived by the Equityholders' Representative, on behalf of the Company Equityholders. Following the Effective Time, Parent and the

Company agree that they will not request from the Firm, the Equityholders' Representative or the Company Equityholders any of the privileged communications between the Firm, on the one hand, and Company, on the other hand, solely relating to the transactions contemplated by this Agreement (the "Communications"); provided, however, that (i) nothing contained herein shall prevent Parent from requesting any Communications in connection with document production requests or discovery in any proceeding so long as such Communications would not be subject to an attorney-client privilege if they were being requested in a proceeding by an unrelated third party and such Communications are produced or required to be produced in response to such document production requests or discovery and (ii) the event that a dispute arises between Parent or any of its Affiliates and a third party (other than a party to this Agreement or any of such party's Affiliates) at any time subsequent to Closing, Parent or any of its Affiliates shall have the right to assert any attorney-client privilege with respect to any Communications to prevent disclosure of such Communications to such third party (provided, that, Parent, on behalf of itself and its Affiliates shall be entitled to waive such privilege only with the prior written consent of the Equityholders' Representative (such consent not to be unreasonably withheld, conditioned or delayed)). Notwithstanding the foregoing, any communications that occur prior to the Closing between or among the Firm, on the one hand, and the Company and/or Company Equityholder, on the other hand, regarding, relating to, in furtherance of, or that constitute Fraud shall not be deemed Communications.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

**COMPANY:**

WEEKEND HEALTH, INC.

By: /s/ Remi Cossart
Name: Remi Cossart
Title: Chief Executive Officer

**PARENT:**

WW INTERNATIONAL, INC.

By: /s/ Sima Sistani
Name: Sima Sistani
Title: Chief Executive Officer

**MERGER SUB:**

WELL HOLDINGS, INC.

By: /s/ Michael Colosi
Name: Michael Colosi
Title: President

**EQUITYHOLDERS' REPRESENTATIVE:**

FORTIS ADVISORS LLC, solely in its capacity as agent and attorney-in-fact for the Company Equityholders

By: /s/ Ryan Simkin
Name: Ryan Simkin
Title: Managing Director

**Exhibit A**

**Illustrative Example Calculations of Company Capital Stock Merger Consideration**

**Exhibit B**

**Net Working Capital**

**Exhibit C**

**Form of Company Optionholder Participation Agreement**

**Exhibit D**

**Amendment to Company Charter**

**EXHIBIT 31.1**

**CERTIFICATION**

I, Sima Sistani, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WW International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

Signature: /s/ Sima Sistani

Sima Sistani
Chief Executive Officer and Director
(Principal Executive Officer)

**EXHIBIT 31.2**

**CERTIFICATION**

I, Heather Stark, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WW International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2023

Signature: /s/ Heather Stark

Heather Stark
Chief Financial Officer
(Principal Financial Officer)

**EXHIBIT 32.1**

**CERTIFICATION 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 on Form 10-Q of WW International, Inc. (the "Company") for the quarterly period ended April 1, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2023

Signature: /s/ Sima Sistani

Sima Sistani
Chief Executive Officer and Director
(Principal Executive Officer)

Signature: /s/ Heather Stark

Heather Stark
Chief Financial Officer
(Principal Financial Officer)