



NEXTGEN HEALTHCARE, INC.
NON-GAAP FINANCIAL MEASURES
(In thousands)

RECONCILIATION OF ADJUSTED EBITDA

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2022	2021	2022	2021
Income (loss) from operations - GAAP	\$ 2,813	\$ (290)	\$ 6,658	\$ 12,817
Non-GAAP adjustments:				
Acquisition costs, net	—	(1,409)	—	(1,029)
Amortization of acquired intangible assets	3,099	3,421	12,397	21,109
Impairment of assets	2,329	3,324	3,906	5,539
Restructuring costs	—	—	539	2,562
Shareholder disputes and related costs, net of insurance	531	6,060	29,747	16,274
Share-based compensation	7,867	5,947	26,552	22,710
Other non-run-rate expenses*	107	620	4,486	4,754
Total adjustments to GAAP income (loss) from operations	13,933	17,963	77,627	71,919
Income from operations - Non-GAAP	16,746	17,673	84,285	84,736
Amortization of capitalized software costs	5,424	5,280	23,016	20,108
Depreciation	1,496	1,909	6,902	7,997
Depreciation and Amortization - Non-GAAP	6,920	7,189	29,918	28,105
Adjusted EBITDA - Non-GAAP	<u>\$ 23,666</u>	<u>\$ 24,862</u>	<u>\$ 114,203</u>	<u>\$ 112,841</u>
Total revenues	\$ 151,259	\$ 144,188	\$ 596,350	\$ 556,821
Adjusted EBITDA margin - Non-GAAP	15.6%	17.2%	19.2%	20.3%

* Other non-run-rate expenses for the three months ended March 31, 2022 consist of \$107 excess lease-related expense for vacated facilities.

Other non-run-rate expenses for the three months ended March 31, 2021 consist primarily of \$552 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses and severance expense, related to the restructuring plan and \$68 of professional services costs not related to core operations.

Other non-run-rate expenses for the year ended March 31, 2022 consist primarily of \$1,242 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses, related to the restructuring plan and \$2,707 of executive transition costs, including severance and other costs related to the departure of the CEO, \$498 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic, and \$39 of professional services costs not related to core operations.

Other non-run-rate expenses for the year ended March 31, 2021 consist primarily of \$3,183 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses and severance expense, related to the restructuring plan, \$1,472 of professional services costs not related to core operations, and \$99 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.



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(In thousands)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2021	2020	2021	2020
Income from operations - GAAP	\$ 8,008	\$ 932	\$ 3,845	\$ 13,107
Non-GAAP adjustments:				
Acquisition costs, net	—	118	—	380
Amortization of acquired intangible assets	3,099	5,456	9,298	17,688
Impairment of assets	—	2,215	1,577	2,215
Restructuring costs	—	—	539	2,562
Shareholder disputes and related costs, net of insurance	2,224	5,955	29,216	10,214
Share-based compensation	7,050	5,933	18,685	16,763
Other non-run-rate expenses*	351	1,669	4,379	4,134
Total adjustments to GAAP income from operations	12,724	21,346	63,694	53,956
Income from operations - Non-GAAP	20,732	22,278	67,539	67,063
Amortization of capitalized software costs	5,975	4,975	17,592	14,828
Depreciation	1,625	2,151	5,406	6,088
Depreciation and Amortization - Non-GAAP	7,600	7,126	22,998	20,916
Adjusted EBITDA - Non-GAAP	<u>\$ 28,332</u>	<u>\$ 29,404</u>	<u>\$ 90,537</u>	<u>\$ 87,979</u>
Total revenues	\$ 149,721	\$ 141,752	\$ 445,091	\$ 412,633
Adjusted EBITDA margin - Non-GAAP	18.9%	20.7%	20.3%	21.3%

* Other non-run-rate expenses for the three months ended December 31, 2021 consist primarily of \$312 excess lease-related expense for vacated facilities and other costs and \$39 of professional services costs not related to core operations.

Other non-run-rate expenses for the three months ended December 31, 2020 consist primarily of \$1,204 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses and severance expense, related to the restructuring plan and \$465 of professional services costs not related to core operations.

Other non-run-rate expenses for the nine months ended December 31, 2021 consist primarily of \$1,135 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses, related to the restructuring plan and \$2,707 of executive transition costs, including severance and other costs related to the departure of the CEO, \$498 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic, and \$39 of professional services costs not related to core operations.

Other non-run-rate expenses for the nine months ended December 31, 2020 consist primarily of \$2,631 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses and severance expense, related to the restructuring plan, \$1,404 of professional services costs not related to core operations, and \$99 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.



NEXTGEN HEALTHCARE, INC.
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(In thousands)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
Income (loss) from operations - GAAP	\$ (7,897)	\$ 10,298	\$ (4,163)	\$ 12,175
Non-GAAP adjustments:				
Acquisition costs, net	—	142	—	262
Amortization of acquired intangible assets	3,100	5,984	6,199	12,232
Impairment of assets	1,195	—	1,577	—
Restructuring costs	—	—	539	2,562
Shareholder disputes and related costs, net of insurance	22,134	3,233	26,992	4,259
Share-based compensation	5,223	5,437	11,635	10,830
Other non-run-rate expenses*	1,309	1,154	4,028	2,465
Total adjustments to GAAP income (loss) from operations	32,961	15,950	50,970	32,610
Income from operations - Non-GAAP	25,064	26,248	46,807	44,785
Amortization of capitalized software costs	5,751	5,090	11,617	9,853
Depreciation	1,673	1,941	3,781	3,937
Depreciation and Amortization - Non-GAAP	7,424	7,031	15,398	13,790
Adjusted EBITDA - Non-GAAP	<u>\$ 32,488</u>	<u>\$ 33,279</u>	<u>\$ 62,205</u>	<u>\$ 58,575</u>
Total revenues	\$ 149,286	\$ 140,002	\$ 295,370	\$ 270,881
Adjusted EBITDA margin - Non-GAAP	21.8%	23.8%	21.1%	21.6%

* Other non-run-rate expenses for the three months ended September 30, 2021 consist primarily of \$353 excess lease-related expense for vacated facilities, lease termination costs, and other costs, \$458 of executive transition costs, and \$498 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.

Other non-run-rate expenses for the three months ended September 30, 2020 consist primarily of \$664 excess lease-related expense for vacated facilities and other costs, including retention bonuses, related to the restructuring plan, \$462 of professional services costs not related to core operations, and \$28 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.

Other non-run-rate expenses for the six months ended September 30, 2021 consist primarily of \$823 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses, related to the restructuring plan, \$2,707 of executive transition costs, including severance and other costs related to the departure of the CEO, and \$498 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.

Other non-run-rate expenses for the six months ended September 30, 2020 consist primarily of \$1,427 excess lease-related expense for vacated facilities and other costs, including retention bonuses, related to the restructuring plan, \$939 of professional services costs not related to core operations, and \$99 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.



NEXTGEN HEALTHCARE, INC.
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(In thousands)

	Three Months Ended June 30,	
	2021	2020
Income from operations - GAAP	\$ 3,734	\$ 1,877
Non-GAAP adjustments:		
Acquisition costs, net	—	120
Amortization of acquired intangible assets	3,099	6,248
Impairment of assets	382	—
Restructuring costs	539	2,562
Shareholder disputes and related costs, net of insurance	4,858	1,026
Share-based compensation	6,412	5,393
Other non-run-rate expenses*	2,719	1,311
Total adjustments to GAAP income from operations	<u>18,009</u>	<u>16,660</u>
Income from operations - Non-GAAP	21,743	18,537
Amortization of capitalized software costs	5,866	4,763
Depreciation	2,108	1,996
Depreciation and Amortization - Non-GAAP	7,974	6,759
Adjusted EBITDA - Non-GAAP	<u>\$ 29,717</u>	<u>\$ 25,296</u>
Total revenues	\$ 146,084	\$ 130,879
Adjusted EBITDA margin - Non-GAAP	20.3%	19.3%

* Other non-run-rate expenses for the three months ended June 30, 2021 consist primarily of \$470 excess lease-related expense for vacated facilities, lease termination costs, and other costs, including retention bonuses, related to the restructuring plan and \$2,249 of severance and other costs related to the departure of the Chief Executive Officer.

Other non-run-rate expenses for the three months ended June 30, 2020 consist primarily of \$762 excess lease-related expense for vacated facilities and other costs, including retention bonuses, related to the restructuring plan, \$478 of professional services costs not related to core operations, and \$71 of incremental costs and penalties primarily due to the cancellation of certain events directly associated with the COVID-19 pandemic.