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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 02, 2022

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware	001-35547	36-4392754
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

222 Merchandise Mart Chicago, Illinois	60654
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: 800 334-8534

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value $0.01 per share	MDRX	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 2.01 Completion of Acquisition or Disposition of Assets.

On May 2, 2022, Allscripts Healthcare Solutions, Inc., a Delaware corporation (the "Company"), Allscripts Healthcare, LLC, a North Carolina limited liability company ("Allscripts Healthcare"), Allscripts Software, LLC, a Delaware limited liability company ("Allscripts Software"), PF2 EIS LLC, a Delaware limited liability company ("PF2"), Allscripts IHC, LLC, a Delaware limited liability company ("Allscripts IHC"), and Allscripts Healthcare US, LP, a Delaware limited partnership (together with Allscripts Healthcare, Allscripts Software, PF2 and Allscripts IHC, the "Sellers"), completed the previously-announced divestiture of the net assets of the Sellers' Hospital and Large Physician Practices business segment (the "Business") to Altera Digital Health Inc. (formerly known as Harris Dawn Holdings Inc.), a Delaware corporation ("Buyer"), a wholly-owned subsidiary of Constellation Software Inc., an Ontario corporation, pursuant to a Purchase Agreement, dated March 2, 2022 (the "HLPP Divestiture").

At the closing of the HLPP Divestiture, Buyer acquired substantially all of the assets of the Business for $670 million in cash paid at closing and the opportunity to earn up to an additional $30 million based on the Business' revenue through calendar year 2023. Certain assets of the Sellers relating to the Business were excluded from the transaction and retained by the Sellers. In addition, Buyer assumed certain liabilities related to the Business under the terms of the Purchase Agreement.

The Purchase Agreement was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company on March 4, 2022 and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On May 5, 2022, the Company issued a press release regarding the Company's financial results for the three months ended March 31, 2022. A copy of the press release is attached hereto as Exhibit 99.1.

The information furnished pursuant to this Item shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 3, 2022, the Board of Directors of the Company (the "Board") ratified the prior approval by the Compensation Committee (the "Committee") of the Company's entry into the Second Amendment (the "Amendment") to the Employment Agreement between the Company and Paul M. Black, the Company's Chief Executive Officer, dated December 19, 2012 and amended October 1, 2015 (the "Existing Agreement"). The Amendment provides that, effective as of May 6, 2022 (the "Effective Date"), Mr. Black will no longer serve as Chief Executive Officer and will remain an employee of the Company, serving as Executive Consultant to the Company, through June 30, 2022 (the "Transition Date"). Unless earlier terminated for Cause (as defined in the Existing Agreement), as of the Transition Date, Mr. Black's employment with the Company will terminate without Cause, and he will be entitled to receive the payments and benefits available to him under the Existing Agreement upon a termination of employment without Cause by the Company. Mr. Black will continue serving on the Board until the Company's 2022 annual meeting of stockholders, at which he will not stand for re-election. The foregoing summary of the Amendment is qualified in its entirety by the Amendment, which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

On May 3, 2022, the Board appointed Richard Poulton, age 56, the Company's President and Chief Financial Officer, as Chief Executive Officer of the Company, effective as of the Effective Date, at which time he shall cease serving as President and Chief Financial Officer (and principal accounting officer). Mr. Poulton has served concurrently as both the Company's President and Chief Financial Officer since March 2020. Mr. Poulton served as the Company's President since October 2015. Furthermore, Mr. Poulton served as the Company's Chief Financial Officer from October 2012 to March 2016 and as an Executive Vice President from October 2012 to September 2015. From 2006 to 2012, Mr. Poulton served in various positions at AAR Corp. (AIR), a provider of products and services to commercial aviation and the government and defense industries. His most recent role at AAR Corp. was Chief Financial Officer and Treasurer. Mr. Poulton also spent more than ten years at UAL Corporation in a variety of financial and business development roles, including Senior Vice President of Business Development as well as President and Chief Financial Officer of its client-focused Loyalty Services subsidiary.

On May 3, 2022, the Board also appointed Thomas Langan, age 56, as President, effective as of the Effective Date. Mr. Langan is currently the Senior Vice President and General Manager of the Veradigm business unit within the Company, a role which he has held since 2018. Prior to that, Mr. Langan was the Chief Executive Officer of Practice Fusion, a cloud-based EHR provider acquired by the Company in 2018, since 2015. Previously, Mr. Langan held executive positions at Symphony Health Solutions and MediMedia where he managed their life sciences data, analytics and consulting business, market access and multi-channel marketing solutions.

During his career, Mr. Langan has served as Chief Executive Officer, President, Chief Commercial Officer, SVP of Sales and various business development roles working with payers, life sciences organizations, employers and provider organizations. Mr. Langan has more than 25 years of broad-based functional experience in sales, marketing, strategy and P&L management.

On May 3, 2022, the Board also appointed Leah Jones, age 50, as Chief Financial Officer (and principal accounting officer), effective as of the Effective Date. Ms. Jones is currently Senior Vice President and General Manager of the Company's Ambulatory business unit, a role she has held since January 2020. Prior to that, Ms. Jones led the Company's Sales Operations as Senior Vice President from March 2016 to December 2019, a role in which she collaborated with clients, partners and internal teams to achieve successful relationships and respective performance goals. Ms. Jones has also served as the Company's Vice President Finance and Sales Support from January 2011 to March 2016. Previously, Ms. Jones held various leadership roles at Infor Global Solutions, Georgia-Pacific, MedQuist and Radiant Systems. Ms. Jones is a licensed CPA in the state of Georgia. Ms. Jones has worked in the technology industry for more than 20 years, gaining experience in complex and creative negotiations, sales support systems and workflows, technical accounting and team leadership.

None of Mr. Poulton, Mr. Langan or Ms. Jones has any family relationship with the Company's directors or executive officers or is a party to any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K. There is no arrangement or understanding between any of them and any other person pursuant to which they were selected as officers of the Company.

In connection with his appointment, Mr. Poulton's base salary was increased to $800,000 and his annual bonus opportunity was increased to $1,000,000, in each case retroactively effective as of the closing of the HLPP Divestiture. In addition, the salary for Tejal Vakharia, the Company's Senior Vice President & General Counsel, Marketing & Government Affairs and a named executive officer for fiscal year 2021, was increased to $448,000 and her annual bonus opportunity and annual equity award opportunity were increased to $784,000 and $1,200,000, respectively, in each case retroactively effective as of the closing of the HLPP Divestiture.

Item 9.01 Financial Statements and Exhibits.

(b) *Pro Forma Financial Information*

The unaudited pro forma consolidated financial information of the Company giving effect to the HLPP Divestiture is filed as Exhibit 99.2 hereto and is incorporated herein by reference.

(d) ***Exhibits.***

Exhibit Number	Exhibit Description
10.1	Second Amendment to the Employment Agreement between Allscripts Healthcare Solutions, Inc. and Paul M. Black, effective as of May 6, 2022
99.1	Press release issued by Allscripts Healthcare Solutions, Inc. on May 5, 2022
99.2	Unaudited Pro Forma Consolidated Financial Information of the Company
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

Date:	May 5, 2022	By:	/s/ Eric Jacobson
			Eric Jacobson
			Senior Vice President and Corporate Secretary

SECOND AMENDMENT ("AMENDMENT") TO THE EMPLOYMENT AGREEMENT BETWEEN ALLSCRIPTS HEALTHCARE SOLUTIONS, INC. AND PAUL M. BLACK

WHEREAS, Allscripts Healthcare Solutions, Inc. (the "**Company**") and Paul M. Black ("**Executive**") previously entered into an Employment Agreement dated December 19, 2012, and an Amendment No. 1 to Employment Agreement dated October 1, 2015 (collectively, the "**Agreement**"); and

WHEREAS, the Company and Executive previously entered into the Agreement and now mutually wish to amend certain terms contained therein.

NOW THEREFORE, BE IT RESOLVED, that effective as of May 6, 2022 (the "Amendment **Effective Date**"), the Agreement is amended as follows:

1. The first sentence of Section 1 of the Agreement is amended to read as follows:

> "Company hereby agrees to employ Executive, and Executive hereby accepts employment, (i) as President and Chief Executive Officer of the Company from December 19, 2012 through May 5, 2022 and (ii) as Executive Consultant to the Company commencing on May 6, 2022, in each case pursuant to the terms of this Agreement."

2. Section 2 of the Agreement is amended to read as follows:

> "The term of Executive's employment by Company under this Agreement (the "**Employment Period**") shall commence on the 19th day of December 2012 (the "Effective Date") and shall continue in effect through June 30, 2022 (the date of termination being the "**Termination Date"**), unless earlier terminated for Cause as provided herein. This Agreement shall not renew thereafter. Such non-renewal shall be treated as a termination of Executive's employment without Cause by Company and shall determine the payments and benefits available to Executive (e.g., Executive shall be entitled to the severance benefits set forth in Section 4.5.1 commencing on the Termination Date)."

For the avoidance of doubt, the definition of "Termination Date" above shall supersede the definition of "Termination Date" in Section 4 of the Agreement.

3. During the Employment Period, Executive will continue to receive health insurance and other employee benefits, as applicable.

4. Executive expressly consents to the terms of the Amendment, and acknowledges and agrees that such changes will not entitle Executive to terminate his employment for "Constructive Discharge" as set forth in Section 4.4 of the Agreement.

5. Except as provided herein, the Agreement remains in effect as drafted.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Amendment Effective Date.

EXECUTIVE

/s/ Paul Black
By: Paul M. Black

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

/s/ Tejal Vakharia
By: Tejal Vakharia

Title: SVP, General Counsel, Marketing & Government Affairs

Exhibit 99.1

Allscripts announces first quarter of 2022 results

- ***First quarter GAAP diluted EPS of $0.17; non-GAAP diluted EPS of $0.13***
- ***Closed the sale of Hospital & Large Physician Practices business segment to Constellation Software***
- ***Generated $35 million of cash flow from continuing operations in the quarter***

CHICAGO – May 5, 2022 – Allscripts Healthcare Solutions, Inc. (Nasdaq: MDRX) (Allscripts) announced its financial results for the three months ended March 31, 2022.

First quarter 2022 Veradigm revenue was $136 million compared with $126 million in the first quarter of 2021. On a consolidated Allscripts basis first quarter 2022 revenue was $143 million compared with $134 million in the first quarter of 2021.

On a GAAP basis in the first quarter of 2022, Veradigm income from operations was $18 million compared with $11 million in the first quarter of 2021. Veradigm Non-GAAP income from operations in the first quarter of 2022 was $26 million compared with $19 million in the first quarter of 2021. On a consolidated basis in the first quarter of 2022, GAAP income from operations was $7 million compared with income from operations in the first quarter of 2021 of $8 million. Non-GAAP income from operations in the first quarter of 2022 was $24 million compared with $16 million in the first quarter of 2021.

Veradigm Adjusted EBITDA totaled $35 million in the first quarter of 2022 compared with $28 million in the first quarter of 2021. On a consolidated Allscripts basis Adjusted EBITDA totaled $34 million in the first quarter of 2022 compared with $26 million in the first quarter of 2021.

Consolidated GAAP net income in the first quarter of 2022 totaled $23 million compared with $9 million in the first quarter of 2021. Non-GAAP net income in the first quarter of 2022 was $16 million compared with $11 million in the first quarter of 2021.

Consolidated GAAP diluted earnings per share in the first quarter of 2022 were $0.17 compared with $0.06 in the first quarter of 2021. Non-GAAP diluted earnings per share in the first quarter of 2022 were $0.13 compared with $0.08 in the first quarter of 2021.

On April 29, 2022, Allscripts amended its Credit Agreement to extend maturity for an additional five years and improve pricing. The amendment consists of a $700 million senior secured revolving facility.

Stock repurchases totaled $50 million in the first quarter of 2022.

“Earlier this week we announced completion of the sale of Allscripts Hospital & Large Physician Practices business to Constellation Software. I firmly believe this transaction enables both companies to fuel their respective future growth strategies and continue to provide additional value to clients, employees, and shareholders,” said Paul M. Black, Allscripts Chief Executive Officer. “In the first quarter we delivered solid results, reporting strong year-over-year growth in revenue, gross profit, Adjusted EBITDA, margins and free cash flow.”

2022 Financial Outlook[1]

Allscripts is affirming its prior annual outlook and currently expects to achieve:

- Veradigm revenue growth year-over-year between 6% to 7%
- Veradigm adjusted EBITDA growth year-over-year between 10% to 15%
- Free cash flow from continuing operations between $110 million to $120 million.

Conference Call

Allscripts will conduct a conference call today, Thursday, May 5, 2022, at 4:30 PM Eastern Time to discuss its earnings release and other information. Participants may access the conference call via webcast at http://investor.allscripts.com. Participants also may access the conference call by dialing +1 (877) 269-7756 or +1 (201) 689-7817 (international) and requesting Conference ID # 13728930.

A replay of the call will be available approximately two hours after the conclusion of the call, for a period of four weeks, on the Allscripts Investor Relations website or by calling +1 (877) 660-6853 or +1 (201) 612-7415 - Conference ID # 13728930.

Supplemental and non-GAAP financial information is also available at http://investor.allscripts.com.

Footnote

(1) In providing financial guidance, the company does not reconcile Adjusted EBITDA and free cash flow to the corresponding GAAP financial measures. Allscripts does not provide guidance for the various reconciling items since certain items that impact GAAP net operating income and operating cash flow such as acquisition-related amortization, and transaction and other costs, any of which may be significant, are outside of its control and/or cannot be reasonably predicted. Please see the “Explanation of Non-GAAP Financial Measures” at the end of this press release for detailed information on calculating non-GAAP measures. For a reconciliation of other non-GAAP financial measures, see the non-GAAP financial reconciliation tables in this release (Tables 4, 5, 6, 8 and 10).

NOTE: All percentage changes described within this press release are calculated from full dollar amounts as illustrated in the accompanying financial statements posted on the Investor Relations website. Rounding differences may occur when individually calculating percentages or totals from rounded amounts included within the press release body compared to full dollar amounts in the tables.

About Allscripts

Allscripts (Nasdaq: MDRX) is a leader in healthcare information technology solutions that advance clinical, financial and operational results. Our innovative solutions connect people, places and data across an Open, Connected Community of Health™. Connectivity empowers caregivers to make better decisions and deliver better care for healthier populations. To learn more, visit **www.allscripts.com**, **Twitter**, **YouTube** and **It Takes A Community: The Allscripts Blog**.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our 2022 outlook, the disposition of Hospitals and Large Physician Practices Business, our profitability initiatives, our strategic priorities and our client outcomes. These forward-looking statements are based on the current beliefs and expectations of Allscripts management, only speak as of the date that they are made and are subject to significant risks and uncertainties. Such statements can be identified by the use of words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," "look forward," "pipeline" and similar terms. Actual results could differ significantly from those set forth in the forward-looking statements, and reported results should not be considered an indication of future performance or events.

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

Table 1
Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Balance Sheets
(In millions)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$82.8	$132.5
Restricted cash	1.3	1.3
Accounts receivable, net	170.5	171.6
Contract assets	55.1	63.5
Prepaid expenses and other current assets	56.2	60.5
Assets held for sale	1,174.7	1,125.1
Total current assets	$1,540.6	$1,554.5
Fixed assets, net	9.3	9.8
Software development costs, net	78.3	74.7
Intangible assets, net	158.3	149.7
Goodwill	520.2	506.6
Deferred taxes, net	6.1	0.0
Contract assets - long-term	19.2	28.2
Right-of-use assets - operating leases	16.8	18.3
Other assets	81.4	83.4
Total assets	$2,430.2	$2,425.2
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$15.5	$5.3
Accrued expenses	61.8	54.5
Accrued compensation and benefits	18.0	31.1
Deferred revenue	106.5	120.7
Current operating lease liabilities	6.0	6.1
Liabilities related to assets held for sale	439.0	380.3
Total current liabilities	646.8	598.0
Long-term debt	377.1	350.1
Deferred revenue	3.6	1.8
Deferred taxes, net	0.0	16.6
Long-term operating lease liabilities	15.2	16.8
Other liabilities	34.4	33.8
Total liabilities	$1,077.1	$1,017.1
Total stockholders' equity	$1,353.1	$1,408.1
Total liabilities and stockholders' equity	$2,430.2	$2,425.2

Table 2
Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Operations
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Revenue:		
Provider	$118.7	$111.2
Payer & Life Sciences	24.0	22.5
Total Revenue	142.7	133.7
Cost of revenue:		
Provider	57.0	58.7
Payer & Life Sciences	12.2	12.1
Total cost of revenue	69.2	70.8
Gross profit	73.5	62.9
Selling, general and administrative expenses	41.3	32.2
Research and development	23.4	20.6
Amortization of intangible and acquisition-related assets	2.2	2.4
Income (loss) from operations	6.6	7.7
Interest expense, net (a)	(2.1)	(3.1)
Other	(0.4)	0.8
Income (loss) before income taxes	4.1	5.4
Income tax (provision) benefit	14.4	(1.1)
Income (loss) from continuing operations, net of tax	18.5	4.3
Income (loss) from discontinued operations	(5.0)	5.9
Gain (loss) on sale of discontinued operations	0.0	0.6
Income tax (provision) from discontinued operations	9.4	(1.7)
Income (loss) from discontinued operations, net of tax	4.4	4.8
Net Income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$22.9	$9.1
Diluted earnings per Common Share:		
Income (loss) from continuing operations, net of tax	$18.5	$4.3
Plus: Interest expense, net of tax, associated with 0.875% Convertible Senior Notes	$0.5	$0.0
Income (loss) from continuing operations, net of tax after the effect of assumed conversions	19.0	4.3
Income (loss) from discontinued operations, net of tax	4.4	4.8
Adjusted Net Income (loss) earnings per Common Share	$23.4	$9.1
Income (loss) from continuing operations per share - basic	$0.16	$0.03
Income (loss) from discontinued operations per share - basic	$0.04	$0.03
Income (loss) per share - basic	$0.20	$0.06
Adjusted Income (loss) from continuing operations per share - diluted	$0.14	$0.03
Income (loss) from discontinued operations per share - diluted	$0.03	$0.03
Adjusted Income (loss) per share - diluted	$0.17	$0.06
Weighted average common shares outstanding:		
Basic	115.9	140.2
Diluted	138.7	149.1

	Three Months Ended March 31,	
	2022	**2021**
(a) Interest expense, net is comprised of the following for the periods presented:		
Interest expense	(1.5)	(1.3)
Interest income	0.1	0.1
Non-cash charges to interest expense	(0.6)	(1.9)
Interest expense, net	($2.1)	($3.1)

Table 3
Allscripts Healthcare Solutions, Inc.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Cash flows from operating activities:		
Net income (loss)	$22.9	$9.1
Less: Income(loss) from discontinued operations	4.4	4.8
Income (loss) from continuing operations	$18.5	$4.3
Non-cash adjustments to net income (loss):		
Depreciation and amortization	14.1	16.2
Non-cash lease expense, net	(3.2)	(1.8)
Stock-based compensation expense	6.3	2.8
Deferred Taxes	(17.0)	4.7
Other (income) loss, net	0.6	0.7
Total non-cash adjustments to net income (loss)	0.8	22.6
Cash impact of changes in operating assets and liabilities:		
Assets	31.6	24.2
Liabilities	(16.4)	(36.0)
Total cash impact of changes on operating assets and liabilities	15.2	(11.8)
Net cash provided by (used in) operating activities - Continuing operations	34.5	15.1
Net cash provided by (used in) operating activities - Discontinued operations	34.8	(10.6)
Net cash provided by (used in) operating activities	69.3	4.5
Cash flows from investing activities:		
Capital expenditures	(0.4)	(0.2)
Capitalized software	(9.6)	(8.1)
Cash paid for business acquisitions, net of cash acquired	(24.1)	0.0
Sale of businesses and other investments, net of cash divested and distributions received	1.1	1.7
Purchases of equity securities, other investments and related intangible assets, net	0.0	(0.2)
Cash provided by (used in) investing activities - Continuing Operations	(33.0)	(6.8)
Cash provided by (used in) investing activities - Discontinued Operations	(11.2)	(12.2)
Net cash provided by (used in) investing activities	(44.2)	(19.0)
Cash flows from financing activities:		
Taxes paid related to net share settlement of equity awards	(13.3)	(4.7)
Credit facility payments	(25.0)	0.0
Credit facility borrowings, net of issuance costs	25.0	0.0
Repurchase of common stock	(49.7)	0.0
Intercompany to/from parent/subsidiaries	11.7	28.3
Payment of acquisition and other financing obligations	0.0	(1.5)
Net cash provided by (used in) financing activities - continuing operations	(51.3)	22.1
Net cash provided by (used in) financing activities - discontinued operations	(11.7)	(29.6)
Net cash provided by (used in) financing activities	(63.0)	(7.5)
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Net increase (decrease) in cash and cash equivalents	(37.9)	(22.0)
Cash, cash equivalents and restricted cash, beginning of period	190.5	537.5
Cash, cash equivalents and restricted cash, end of period	$152.6	$515.5
Less: Cash and cash equivalents and restricted cash included in current assets held for sale	($68.5)	($60.4)
Cash, cash equivalents and restricted cash, end of period, excluding assets held for sale	$84.1	$455.1

Table 4

Allscripts Healthcare Solutions, Inc.

Condensed Non-GAAP Financial Information

(In millions, except per share amounts and percentages)

(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Gross profit, as reported	$73.5	$62.9
Acquisition-related amortization	1.6	1.8
Stock-based compensation expense	0.3	0.3
Total non-GAAP gross profit	$75.4	$65.0
Income (loss) from operations, as reported	$6.6	$7.7
Acquisition-related amortization	3.8	4.2
Stock-based compensation expense	6.9	4.0
Transaction and other	6.6	0.0
Total non-GAAP income from operations	$23.9	$15.9
Adjusted Net Income (loss) earnings per Common Share	$23.4	$9.1
Loss (income) from discontinued operations	5.0	(5.9)
(Gain) on sale of business, net from discontinued operations	0.0	(0.6)
Income tax provision from discontinued operations	(9.4)	1.7
Income (loss) from continuing operations, net of tax after the effect of assumed conversions	$19.0	$4.3
Less: Interest expense, net of tax, associated with 0.875% Convertible Senior Notes	(0.5)	0.0
Income (loss) from continuing operations, net of tax	$18.5	$4.3
Acquisition-related amortization	3.8	4.2
Stock-based compensation expense	6.9	4.0
Transaction and other	6.6	0.0
Non-cash charges to interest expense and other	0.0	1.3
Tax rate alignment	(19.6)	(2.6)
Non-GAAP net income attributable to Allscripts Healthcare Solutions, Inc.	$16.2	$11.2
Non-GAAP effective tax rate	24%	24%
Weighted shares outstanding - basic	115.9	140.2
Weighted shares outstanding - diluted	138.7	149.1
Less the net effect of convertible notes and note hedges	(13.6)	(2.6)
Non-GAAP Weighted shares outstanding - diluted	125.1	146.5
GAAP Adjusted Income (loss) from continuing operations per share - diluted	$0.17	$0.06
Non-GAAP Income (loss) per share - diluted	$0.13	$0.08

Table 5

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information - Adjusted EBITDA

(In millions, except percentages)

(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Income (loss) from operations, as reported	$6.6	$7.7
Plus:		
Depreciation and amortization	13.6	14.4
Stock-based compensation expense	6.9	4.0
Transaction and other	6.6	0.0
Adjusted EBITDA	**$33.7**	**$26.1**
Adjusted EBITDA margin (a)	*23.6%*	*19.5%*

(a) Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Table 6

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information - Free Cash Flow

(In millions)

(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net cash provided by (used in) operating activities - continuing operations	$34.5	$15.1
Cash flows from investing activities:		
Capital expenditures	(0.4)	(0.2)
Capitalized software	(9.6)	(8.1)
Free cash flow	$24.5	$6.8

Table 7

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information from Continuing Operations - Segment Details

(In millions)

(unaudited)

	2021					
	Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**
Total Veradigm, Non-GAAP						
Revenue	126.4	133.4	137.2	155.2	552.2	136.3
Gross profit	60.7	65.7	67.7	86.7	280.8	71.1
Gross margin	48.0%	49.3%	49.3%	55.9%	50.9%	52.2%
Income from operations	19.0	25.2	24.2	42.4	110.8	25.5
Adjusted EBITDA	28.4	35.3	34.5	51.9	150.1	35.2
Adjusted EBITDA margin	22.5%	26.5%	25.1%	33.4%	27.2%	25.8%
Unallocated, Non-GAAP						
Revenue	7.3	7.8	7.5	6.0	28.6	6.4
Gross Profit	4.3	4.8	3.9	3.3	16.3	4.3
Income from operations	(3.1)	(0.8)	1.4	6.3	3.8	(1.6)
Adjusted EBITDA	(2.2)	0.0	1.7	6.3	5.8	(1.5)
Total Allscripts Consolidated, Non-GAAP						
Revenue	133.7	141.2	144.7	161.2	580.8	142.7
Gross profit	65.0	70.5	71.6	90.0	297.1	75.4
Gross margin	48.6%	49.9%	49.5%	55.8%	51.2%	52.8%
Income from operations	15.9	24.4	25.6	48.7	114.6	23.9
Adjusted EBITDA	26.2	35.3	36.2	58.2	155.9	33.7
Adjusted EBITDA margin	19.6%	25.0%	25.0%	36.1%	26.8%	23.6%

Table 8

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information Reconciliation - Segment Details

(In millions)

(unaudited)

	2021					
	Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**
Total Veradigm						
Revenue, as reported	**$126.4**	**$133.4**	**$137.2**	**$155.2**	**$552.2**	**$136.3**
Gross profit, GAAP	**$58.6**	**$63.6**	**$65.7**	**$84.6**	**$272.5**	**$69.2**
Acquisition-related amortization	1.8	1.8	1.7	1.8	7.1	1.6
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3
Non-GAAP Gross profit	**$60.7**	**$65.7**	**$67.7**	**$86.7**	**$280.8**	**$71.1**
Income (loss) from operations, GAAP	**$11.4**	**$17.9**	**$16.9**	**$35.2**	**$81.4**	**$18.1**
Acquisition-related amortization	4.2	4.2	4.1	3.9	16.4	3.8
Stock-based compensation expense	3.4	3.1	3.2	3.3	13.0	3.6
Non-GAAP Income (loss) from operations	**$19.0**	**$25.2**	**$24.2**	**$42.4**	**$110.8**	**$25.5**
Asset Impairment Charges	0.0	0.2	0.6	0.0	0.8	0.0
Depreciation and amortization	9.4	9.9	9.7	9.5	38.5	9.7
Adjusted EBITDA	**$28.4**	**$35.3**	**$34.5**	**$51.9**	**$150.1**	**$35.2**
Unallocated						
Revenue, as reported	**$7.3**	**$7.8**	**$7.5**	**$6.0**	**$28.6**	**$6.4**
Gross Profit, as reported	**$4.3**	**$4.8**	**$3.9**	**$3.3**	**$16.3**	**$4.3**
Income (loss) from operations, GAAP	**($3.7)**	**($1.1)**	**$1.5**	**$6.4**	**$2.9**	**($11.5)**
Stock-based compensation expense	0.6	0.3	(0.1)	(0.1)	0.9	3.3
Transaction and other	0.0	0.0	0.0	0.0	0.0	6.6
Non-GAAP Income (loss) from operations	**($3.1)**	**($0.8)**	**$1.4**	**$6.3**	**$3.8**	**($1.6)**
Depreciation and amortization	0.9	0.8	0.3	0.0	2.0	0.1
Adjusted EBITDA	**($2.2)**	**$0.0**	**$1.7**	**$6.3**	**$5.8**	**($1.5)**

Table 9

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information from Continuing Operations - Revenue and Gross Profit Details

(In millions)

(unaudited)

	2021					
	Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**
Veradigm Provider, Non-GAAP						
Revenue	103.9	108.1	110.8	126.3	449.0	112.3
Gross profit	49.8	52.4	54.2	70.6	227.0	58.8
Gross margin	47.9%	48.5%	48.9%	55.9%	50.6%	52.4%
Veradigm Payer & Life Sciences, Non-GAAP						
Revenue	22.5	25.3	26.5	28.9	103.2	24.0
Gross Profit	10.9	13.3	13.5	16.1	53.8	12.3
Gross Margin	48.4%	52.6%	50.9%	55.7%	52.1%	51.3%
Total Veradigm, Non-GAAP						
Revenue	126.4	133.4	137.3	155.2	552.2	136.3
Gross profit	60.7	65.7	67.7	86.7	280.8	71.1
Gross margin	48.0%	49.3%	49.3%	55.9%	50.9%	52.2%
Allscripts Consolidated Provider, Non-GAAP						
Revenue	111.2	115.9	118.3	132.3	477.6	118.7
Gross profit	54.1	57.2	58.1	73.9	243.3	63.1
Gross margin	48.7%	49.4%	49.1%	55.9%	50.9%	53.2%
Allscripts Consolidated Payer & Life Sciences, Non-GAAP						
Revenue	22.5	25.3	26.5	28.9	103.2	24.0
Gross Profit	10.9	13.3	13.5	16.1	53.8	12.3
Gross Margin	48.4%	52.6%	50.9%	55.7%	52.1%	51.3%
Total Allscripts Consolidated, Non-GAAP						
Revenue	133.7	141.2	144.8	161.2	580.8	142.7
Gross profit	65.0	70.5	71.6	90.0	297.1	75.4
Gross margin	48.6%	49.9%	49.4%	55.8%	51.2%	52.8%

Table 10

Allscripts Healthcare Solutions, Inc.

Non-GAAP Financial Information Reconciliation - Revenue and Gross Profit Details

(In millions)

(unaudited)

	2021					
	Q1	**Q2**	**Q3**	**Q4**	**Total**	**Q1**
Veradigm Provider						
Gross profit, as reported	**$48.2**	**$50.8**	**$52.6**	**$69.0**	**$220.6**	**$57.4**
Acquisition-related amortization	1.3	1.3	1.3	1.3	5.2	1.1
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3
Non-GAAP Gross profit	**$49.8**	**$52.4**	**$54.2**	**$70.6**	**$227.0**	**$58.8**
Veradigm Payer & Life Sciences						
Gross profit, as reported	**$10.4**	**$12.8**	**$13.1**	**$15.6**	**$51.9**	**$11.8**
Acquisition-related amortization	0.5	0.5	0.4	0.5	1.9	0.5
Stock-based compensation expense	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP Gross profit	**$10.9**	**$13.3**	**$13.5**	**$16.1**	**$53.8**	**$12.3**
Total Veradigm						
Gross profit, as reported	**$58.6**	**$63.6**	**$65.7**	**$84.6**	**$272.5**	**$69.2**
Acquisition-related amortization	1.8	1.8	1.7	1.8	7.1	1.6
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3
Non-GAAP Gross profit	**$60.7**	**$65.7**	**$67.7**	**$86.7**	**$280.8**	**$71.1**
Allscripts Consolidated Provider						
Gross profit, as reported	**$52.5**	**$55.6**	**$56.5**	**$72.3**	**$236.9**	**$61.7**
Acquisition-related amortization	1.3	1.3	1.3	1.3	5.2	1.1
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3
Non-GAAP Gross profit	**$54.1**	**$57.2**	**$58.1**	**$73.9**	**$243.3**	**$63.1**
Allscripts Consolidated Payer & Life Sciences						
Gross profit, as reported	**$10.4**	**$12.8**	**$13.1**	**$15.6**	**$51.9**	**$11.8**
Acquisition-related amortization	0.5	0.5	0.4	0.5	1.9	0.5
Stock-based compensation expense	0.0	0.0	0.0	0.0	0.0	0.0
Non-GAAP Gross profit	**$10.9**	**$13.3**	**$13.5**	**$16.1**	**$53.8**	**$12.3**
Total Allscripts Consolidated						
Gross profit, as reported	**$62.9**	**$68.4**	**$69.6**	**$87.9**	**$288.8**	**$73.5**
Acquisition-related amortization	1.8	1.8	1.7	1.8	7.1	1.6
Stock-based compensation expense	0.3	0.3	0.3	0.3	1.2	0.3
Non-GAAP Gross profit	**$65.0**	**$70.5**	**$71.6**	**$90.0**	**$297.1**	**$75.4**

Explanation of Non-GAAP Financial Measures

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

- Non-GAAP gross profit consists of GAAP gross profit, as reported, and excludes acquisition-related amortization and; stock-based compensation expense. Non-GAAP gross margin consists of non-GAAP gross profit as a percentage of revenue in the applicable period. Reconciliations to GAAP gross profit are found in Tables 4, 8 and 10 within this press release.

- Non-GAAP income from operations consists of GAAP income (loss) from operations, as reported, and excludes acquisition-related amortization; stock-based compensation expense; and transaction and other costs. Reconciliations to GAAP income (loss) from operations are found in Tables 4 and 8 within this press release.

- Adjusted EBITDA is a non-GAAP measure and consists of GAAP income/(loss) from operations, as reported, and adjusts for: depreciation and amortization; stock-based compensation expense; and transaction and other costs. Reconciliations to GAAP income/(loss) from operations are found in Tables 5 and 8 within this press release.

- Adjusted EBITDA margin is a non-GAAP measure that is calculated by dividing Adjusted EBITDA by revenue. See the reconciliations in Tables 5 and 8 within this press release with respect to Adjusted EBITDA.

- Non-GAAP effective income tax rate is based on non-GAAP pre-tax earnings and consists of the statutory federal income tax rate, Allscripts effective state income tax rate and adjustments for permanent differences.

- Non-GAAP net income attributable to Allscripts Healthcare Solutions, Inc. consists of GAAP net income/(loss) from continuing operations, as reported, and adds back acquisition-related amortization; stock-based compensation expense; transaction and other costs; and non-cash charges to interest expense and other. Non-GAAP net income also includes a GAAP to non-GAAP tax rate alignment adjustment. Reconciliations to GAAP net income/(loss) attributable to Allscripts Healthcare Solutions, Inc. are found in Table 4 within this press release.

- Non-GAAP diluted weighted shares outstanding consists of diluted weighted shares outstanding, as reported, less the dilutive impact of 0.875% convertible notes due to the intent to settle the principal in cash and shares to be delivered at settlement by the convertible note hedge.

- Non-GAAP diluted earnings per share consist of non-GAAP net income, as defined above, divided by non-GAAP diluted weighted shares outstanding, as defined above, during the applicable period.

- Free cash flow consists of GAAP cash flows from continuing operations in the applicable period, net of capital expenditures and capitalized software costs. Reconciliations to GAAP cash flows from continuing operations are found in Table 6 within this press release.

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

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

Transaction and Other Costs. Transaction and other costs relate to certain legal proceedings and investigations, consulting, severance, incentive compensation and other charges incurred in connection with activities that are considered not reflective of our core business. Other costs also include non-cash impairment charges based on management's assessment of the likelihood of near-term recovery of the investments' value.

Allscripts excludes transaction and other costs, in whole or in part, from non-GAAP gross profit, non-GAAP operating income, non-GAAP net income and Adjusted EBITDA because it believes (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of Allscripts business operations and (ii) such expenses can vary significantly between periods.

Non-Cash Charges to Interest Expense and Other. Non-cash charges to interest expense include the amortization of the fair value of the conversion option embedded in the 0.875% Convertible Notes issued by Allscripts during the fourth quarter of 2019. Other includes certain other income and expense and impairments on long-term investments.

Tax Rate Alignment. Tax rate alignment aligns the applicable period's effective tax rate to the expected annual non-GAAP effective tax rate.

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

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

Allscripts Healthcare Solutions, Inc.
Summary of Unaudited Pro Forma Financial Information
(Dollars in thousands, except per share amounts)

Overview

On May 2, 2022, Allscripts Healthcare Solutions, Inc., a Delaware corporation (the "Company"), Allscripts Healthcare, LLC, a North Carolina limited liability company ("Allscripts Healthcare"), Allscripts Software, LLC, a Delaware limited liability company ("Allscripts Software"), PF2 EIS LLC, a Delaware limited liability company ("PF2"), Allscripts IHC, LLC, a Delaware limited liability company ("Allscripts IHC"), and Allscripts Healthcare US, LP, a Delaware limited partnership (together with Allscripts Healthcare, Allscripts Software, PF2 and Allscripts IHC, the "Sellers"), completed the previously-announced divestiture of the net assets of the Sellers' Hospital and Large Physician Practices business segment (the "Hospitals and Large Physician Practices Business") to Altera Digital Health Inc. (formerly known as Harris Dawn Holdings Inc.), a Delaware corporation ("Buyer"), a wholly-owned subsidiary of Constellation Software Inc., an Ontario corporation, pursuant to a Purchase Agreement, dated March 2, 2022 (the "Divestiture").

At the closing of the Divestiture, Buyer acquired substantially all of the assets of the Hospitals and Large Physician Practices Business, including the Sellers' Sunrise and TouchWorks solutions for $670 million in cash paid at closing and the opportunity to earn up to an additional $30 million based on the Hospitals and Large Physician Practices Business' revenue through calendar year 2023. Certain assets of the Sellers relating to the Hospitals and Large Physician Practices Business were excluded from the transaction and retained by the Sellers. In addition, Buyer assumed certain liabilities related to the Hospitals and Large Physician Practices Business under the terms of the Purchase Agreement.

Basis of Presentation

The unaudited pro forma consolidated balance sheet as of December 31, 2021 provides the financial position of the Company giving effect to the disposition of the Hospitals and Large Physician Practices Business. The unaudited pro forma consolidated statements of operations for the years ended December 31, 2021, 2020 and 2019 have been prepared to show the operating results of the Company giving effect to the disposition of the Hospitals and Large Physician Practices Business as if the transaction had occurred on January 1, 2019.

The unaudited financial information for the Company was derived from, and should be read in conjunction with, the Company's audited consolidated financial statements for the years ended December 31, 2021, 2020 and 2019 included in its Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2022.

The pro forma adjustments are described in the notes to the unaudited pro forma financial information. The unaudited pro forma financial information included herein is for informational purposes only and is not necessarily indicative of what the Company's financial performance and financial position would have been without the consolidation of the Hospitals and Large Physician Practices Business for the periods presented. Actual results may differ significantly from those reflected here in the unaudited pro forma consolidated financial statements for various reasons, including but not limited to, the differences between the assumptions used to prepare the unaudited pro forma condensed consolidated financial statements and actual results had the transaction actually occurred on January 1, 2019.

Financial Tables Follow

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2021

(In thousands, except per share amounts)	Allscripts Historical (A)	Sale of Hospitals and Large Physician Practices Business		Pro Forma
ASSETS				
Current assets:				
Cash and cash equivalents	$ 188,351	$ 475,450	(B)	$ 663,801
Restricted cash	2,169	(861)		1,308
Accounts receivable, net of allowance of $29,943 as of December 31, 2021	327,069	(155,447)	(F)	171,622
Contract assets, net of allowance of $1,068 as of December 31, 2021	124,811	(61,382)	(G)	63,429
Prepaid expenses and other current assets	118,942	(48,937)	(H)	70,005
Total current assets	761,342	208,823		970,165
Fixed assets, net	47,902	(38,083)		9,819
Software development costs, net	172,104	(97,416)		74,688
Intangible assets, net	235,930	(86,240)		149,690
Goodwill	974,478	(467,871)		506,607
Deferred taxes, net	6,607	(6,607)		0
Contract assets - long-term, net of allowance of $2,273 as of December 31, 2021	56,797	(28,623)	(G)	28,174
Right-of-use assets - operating leases	68,909	(50,585)		18,324
Other assets	101,160	(120)	(H)	101,040
Total assets	$ 2,425,229	$ (566,722)		$ 1,858,507

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET (CONTINUED)
AS OF DECEMBER 31, 2021

(In thousands, except per share amounts)	Allscripts Historical (A)	Sale of Hospitals and Large Physician Practices Business		Pro Forma
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 16,836	$ 52,445	(C)	$ 69,281
Accrued expenses	92,525	(38,007)		54,518
Accrued compensation and benefits	92,222	(61,167)		31,055
Deferred revenue	325,900	(205,152)		120,748
Current operating lease liabilities	19,599	(13,466)		6,133
Total current liabilities	547,082	(265,347)		281,735
Long-term debt	350,062	(175,000)	(D)	175,062
Deferred revenue	4,407	(2,568)		1,839
Deferred taxes, net	16,625	0		16,625
Long-term operating lease liabilities	64,822	(48,068)		16,754
Other liabilities	34,093	(270)		33,823
Total liabilities	1,017,091	(491,253)		525,838
Commitments and contingencies				
Stockholders' equity:				
Preferred stock: $0.01 par value, 1,000 shares authorized, no shares issued and outstanding as of December 31, 2021	0	0		0
Common stock: $0.01 par value, 349,000 shares authorized as of December 31, 2021; 276,705 and 116,114 shares issued and outstanding as of December 31, 2021, respectively	2,766	0		2,766
Treasury stock: at cost, 160,591 shares as of December 31, 2021	(1,321,805)	0		(1,321,805)
Additional paid-in capital	1,962,386	0		1,962,386
Accumulated deficit	767,556	(75,469)	(E)	692,087
Accumulated other comprehensive loss	(2,765)	0		(2,765)
Total stockholders' equity	1,408,138	(75,469)		1,332,669
Total liabilities and stockholders' equity	$ 2,425,229	$ (566,722)		$ 1,858,507

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

(In thousands, except per share amounts)	Allscripts Historical (A)	Hospitals and Large Physician Practices Business Historical		Pro Forma
Revenue:				
Software delivery, support and maintenance	$ 916,186	$ (440,955)		$ 475,231
Client services	586,851	(481,281)		105,570
Total revenue	1,503,037	(922,236)		580,801
Cost of revenue:				
Software delivery, support and maintenance	278,551	(124,574)		153,977
Client services	486,221	(387,890)		98,331
Amortization of software development and acquisition-related assets	118,700	(79,052)		39,648
Total cost of revenue	883,472	(591,516)		291,956
Gross profit	619,565	(330,720)		288,845
Selling, general and administrative expenses	313,814	(203,467)		110,347
Research and development	193,671	(109,198)		84,473
Asset impairment charges	11,772	(11,239)		533
Amortization of intangible and acquisition-related assets	23,109	(13,827)		9,282
Income (loss) from operations	77,199	7,011		84,210
Interest expense	(13,166)	1,316	(I)	(11,850)
Other income (loss), net	87,666	(871)		86,795
Gain on sale of businesses, net	8,370	0		8,370
Equity in net income of unconsolidated investments	1,757	0		1,757
Income (loss) from continuing operations before income taxes	161,826	7,456		169,282
Income tax (provision) benefit	(27,851)	(843)		(28,694)
Income (loss) from continuing operations, net of tax	$ 133,975	$ 6,613		$ 140,588

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

(In thousands, except per share amounts)	Allscripts Historical (A)	Hospitals and Large Physician Practices Business Historical	Pro Forma
Revenue:			
Software delivery, support and maintenance	$ 923,737	$ (466,908)	$ 456,829
Client services	578,963	(478,025)	100,938
Total revenue	1,502,700	(944,933)	557,767
Cost of revenue:			
Software delivery, support and maintenance	287,954	(140,177)	147,777
Client services	530,652	(429,136)	101,516
Amortization of software development and acquisition-related assets	118,399	(81,772)	36,627
Total cost of revenue	937,005	(651,085)	285,920
Gross profit	565,695	(293,848)	271,847
Selling, general and administrative expenses	389,941	(241,668)	148,273
Research and development	206,061	(127,661)	78,400
Asset impairment charges	74,969	(64,794)	10,175
Amortization of intangible and acquisition-related assets	25,604	(13,758)	11,846
Loss (income) from operations	(130,880)	154,033	23,153
Interest expense	(34,104)	0	(34,104)
Other income (loss), net	54	(1,201)	(1,147)
Impairment of long-term investments	(1,575)	0	(1,575)
Equity in net income of unconsolidated investments	17,194	155	17,349
(Loss) income from continuing operations before income taxes	(149,311)	152,987	3,676
Income tax benefit (provision)	16,692	(33,961)	(17,269)
(Loss) Income from continuing operations, net of tax	$ (132,619)	$ 119,026	$ (13,593)

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

(In thousands, except per share amounts)	Allscripts Historical (A)	Hospitals and Large Physician Practices Business Historical	Pro Forma
Revenue:			
Software delivery, support and maintenance	$ 1,010,993	$ (539,146)	$ 471,847
Client services	621,618	(508,535)	113,083
Total revenue	1,632,611	(1,047,681)	584,930
Cost of revenue:			
Software delivery, support and maintenance	319,140	(169,152)	149,988
Client services	595,310	(513,335)	81,975
Amortization of software development and acquisition-related assets	107,874	(47,645)	60,229
Total cost of revenue	1,022,324	(730,132)	292,192
Gross profit	610,287	(317,549)	292,738
Selling, general and administrative expenses	400,808	(236,067)	164,741
Research and development	245,443	(180,027)	65,416
Asset impairment charges	10,837	(8,062)	2,775
Goodwill impairment charge	25,700	(25,700)	0
Amortization of intangible and acquisition-related assets	27,188	(524)	26,664
(Loss) income from operations	(99,689)	132,831	33,142
Interest expense	(43,172)	0	(43,172)
Other loss, net	(138,904)	(990)	(139,894)
Impairment of long-term investments	(651)	(1,045)	(1,696)
Equity in net income of unconsolidated investments	665	119	784
(Loss) income from continuing operations before income taxes	(281,751)	130,915	(150,836)
Income tax benefit (provision)	43,340	(20,138)	23,202
(Loss) income from continuing operations, net of tax	$ (238,411)	$ 110,777	$ (127,634)

The Company's Unaudited Pro Forma Consolidated Balance Sheets as of December 31, 2021 and the Unaudited Pro Forma Consolidated Statement of Operations for the Years Ended December 31, 2021, 2020 and 2019 include the following:

(A) As reported in the Annual Report on Form 10-K filed by the Company with the SEC on February 25, 2022.
(B) Represents proceeds received, net of $20 million transaction expenses and debt repayment.
(C) Represents taxes payable on the gain calculated based on specific taxable basis of US and international assets included in the sale.
(D) Represents the reduction of debt for repayment upon deal close as necessitated by covenant restrictions on the sale.
(E) Represents the after tax loss on the transaction, net of transaction fees and expenses.
(F) The Hospitals and Large Physician Practices Business balance for allowance for doubtful accounts was $16,584 as of December 31, 2021.
(G) The Hospitals and Large Physician Practices Business balance for allowance was $492 for short-term and $739 for long-term as of December 31, 2021.
(H) Includes the current and long-term receivable amounts for the contingent consideration expected for the first and second year earnouts.
(I) Represents the interest expense removed, assuming the complete paydown of $175 million credit facility draw in the relevant periods.