

**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):  
February 16, 2023**

**Definitive Healthcare Corp.**

(Exact name of Registrant as Specified in Its Charter)

**Commission File Number 1-40815**

**Delaware**  
(State  
of Incorporation)

**86-3988281**  
(IRS Employer  
Identification No.)

**492 Old Connecticut Path, Suite 401  
Framingham, Massachusetts 01701**  
(Address of Principal Executive Offices)

**508 720-4224**  
Registrant's telephone number, including area code

**Not Applicable**  
(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	Name of Each Exchange on Which Registered
<b>Class A Common Stock, \$0.001 par value</b>	<b>DH</b>	<b>The NASDAQ Stock Market LLC</b>

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 2.02 Results of Operations and Financial Condition.**

On February 23, 2023, Definitive Healthcare Corp. (the “Company”) issued a press release announcing its financial results for the fourth quarter and fiscal year ended December 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information furnished in this Item 2.02 on this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing.

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

### *Executive Chairman Compensatory Arrangements*

On February 16, 2023, the Board of Directors (the “Board”) of Definitive Healthcare Corp. (the “Company”) approved changes to the compensatory arrangements for Jason Krantz, the Company’s Executive Chairman, pursuant to an amendment (the “Amendment”) to the Executive Chairman Agreement, dated as of May 4, 2022, and Employment Agreement, dated as of February 18, 2015, each between Definitive Healthcare, LLC (together with the Company, the “Company Group”) and Mr. Krantz. The changes to the compensatory arrangements of Mr. Krantz, effective February 25, 2023 through December 31, 2023 (the “Effective Period”), subject to any future changes as may be determined by the Human Capital Management & Compensation Committee of the Board (the “Committee”), are as follows:

- A reduction in Mr. Krantz’s base salary to \$1,000 per week during the Effective Period, subject to his continued employment as Executive Chairman;
- The grant on February 16, 2023 of 18,465 restricted stock units (“RSUs”). The RSUs will vest in full, subject to Mr. Krantz’s continuous employment with the Company Group, on February 16, 2024. The RSUs are subject to the terms and conditions of the Company’s 2021 Equity Incentive Plan and the applicable award agreement governing the RSUs; and
- No eligibility for an annual bonus for fiscal year 2023.

Following the Effective Period, Mr. Krantz’s base salary and eligibility for an annual bonus will be determined by the Board and the Committee in their sole discretion. The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the terms of the Amendment, which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

### *Cash Incentive Plan*

On February 16, 2023, the Board adopted the Definitive Healthcare Corp. Cash Incentive Plan (the “Plan”). The Plan is a cash-based incentive program which is intended to provide awards to certain employees of the Company to motivate them to perform to the best of their abilities, and achieve the Company’s objectives. The Committee is responsible for administering the Plan and, in its sole discretion, will provide eligible participants, including any executive, officer, key employee or other Committee-designated employee of the Company or of an affiliate, the opportunity to earn specific cash bonuses for a given performance period. Performance periods are determined by the Committee and may be divided into one or more shorter periods. As an example, the Committee may desire to measure some performance criteria over a 12 month period and other criteria over a three month period. The Committee, in its sole discretion, will select the eligible participants for any performance period and an employee who is a participant for a given performance period in no way is guaranteed or assured of being selected for participation in any subsequent performance period or periods.

Under the Plan, the Committee will establish a target award, at 100% target level of achievement, for each participant, which may be a percentage of a participant’s annual base salary as of the beginning or end of the performance period or a fixed dollar amount. Furthermore, the Committee will, in its sole discretion, determine the performance goals applicable to any target award from the criteria set forth in the Plan, including, by way of example only, sales or revenue targets, economic value added and customer satisfaction. These performance goals may include threshold levels of performance below which no actual award will be paid, levels of performance at which specified percentages of the target award will be paid and may also include a maximum level of performance above which no additional actual award amount will be paid. The Committee may, in its sole discretion, increase, reduce, or eliminate a participant’s actual award. Each actual award under the Plan will be paid in cash (or its equivalent).

The foregoing summary of the terms of the Plan does not purport to be complete and is qualified in its entirety by reference to the terms of the Plan, which is attached as Exhibit 10.2 hereto and is incorporated herein by reference.

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At the beginning of 2022, the Committee adopted an annual cash incentive plan for 2022 that included base, target and stretch goals for our executive officers based on the Company's achievement of specified annual recurring revenue objectives. While such performance objectives were not met, on February 16, 2023, the Board approved bonus payments to the Company's Chief Executive Officer, Chief Financial Officer, and Executive Chairman equal to the mid-point between the "base" and "target" levels of their previously established target bonus, with respect to the Chief Financial Officer, and at "base" with respect to the Chief Executive Officer and Executive Chairman.

Accordingly, the Company's Chief Executive Officer, Chief Financial Officer, and Executive Chairman were awarded cash awards of \$223,080.00, \$183,421.88, and \$222,900.60, respectively.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are furnished pursuant to Item 2.02 with this report and shall not be deemed to be "filed."

- 10.1 [Amendment to Executive Chairman Agreement and Employment Agreement, dated as of February 16, 2023](#)
  - 10.2 [Definitive Healthcare Corp. Cash Incentive Plan](#)
  - 99.1 [Press Release Dated February 23, 2023 \(furnished herewith pursuant to Item 2.02\)](#)
  - 104 Cover Page Interactive Data File (embedded within the Inline XBRL document).
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**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.

DEFINITIVE HEALTHCARE CORP.

By: /s/ Richard Booth  
Name: Richard Booth  
Title: Chief Financial Officer

Date: February 23, 2023

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February 16, 2023

Jason Krantz

**RE: Amendment to Executive Chairman Agreement and Employment Agreement**

Dear Jason:

You and Definitive Healthcare, LLC, a Massachusetts limited liability company (the “Company”) and its parent company Definitive Healthcare Corp., a Delaware corporation (“Parent”) (together with the Company, the “Company Group”) are parties to that certain Executive Chairman Agreement dated as of May 4, 2022 (the “Executive Chairman Agreement”), which incorporates, in some respects, and supersedes, in other respects, that certain Employment Agreement between you and the Company dated as of February 18, 2015 (the “Employment Agreement”).

This letter amendment (the “Amendment”) sets forth the terms of your modified compensation, as previously agreed to by you and the Company Group, and amends the Executive Chairman Agreement and Employment Agreement, as follows. Capitalized terms included but not defined herein shall have the meanings ascribed to such terms in the Executive Chairman Agreement.

As discussed, and in exchange for the Restricted Stock Unit Award (defined below), you and the Company Group have mutually agreed to reduce your Base Salary to \$1,000 per week as of February 25, 2023 (the “Effective Date”), through December 31, 2023, subject to your continued employment as Executive Chairman. You will continue to receive the Base Salary on the Company’s regular payroll schedule and the Base Salary shall be subject to applicable taxes and deductions. Following December 31, 2023, subject to your continued employment as Executive Chairman, the Base Salary shall be determined by the Parent Board (as defined below) in its sole discretion.

You and the Company Group have further mutually agreed that you will not be eligible for an Annual Bonus for fiscal year 2023. Following the end of the Company Group’s fiscal year 2023, subject to your continued employment as Executive Chairman, your continued eligibility for Annual Bonus payments, if any, shall be determined by the Compensation Committee in its sole discretion.

Subject to the approval by the Board of Directors of Parent (the “Parent Board”), the Parent Board anticipates granting you restricted stock units (“RSUs”) (the “Restricted Stock Unit Award”) under the Plan. The Parent Board anticipates that 18,465 RSUs shall be granted to you in the first quarter of 2023, subject to your continuous employment with the Company Group as of the date of grant. The Restricted Stock Unit Award shall vest as follows: 100% of the RSUs subject to the grant shall vest on the one-year anniversary of the date of the grant, subject to your continuous employment with the Company Group through such date; provided, that notwithstanding anything herein to the contrary, the Restricted Stock Unit Award shall vest (if at all) and be settled by no later than March 15, 2024. The Restricted Stock Unit Award will be subject to the terms and conditions of the applicable grant notice and award agreement you receive in connection with your grant as well as the terms of the Plan. For the avoidance of doubt, this Amendment shall not impact the terms of your other equity awards, other than the Restricted Stock Unit Award referenced above in this paragraph.

As a condition of continued employment, you must sign and comply with the attached Assignment of Inventions, Non-Disclosure, Non-Solicitation and Non-Competition Agreement (the “**NDA**”) which supersedes, prospectively only, Sections 5 and 6 of the Employment Agreement. You acknowledge and agree that the Restricted Stock Unit Award constitutes fair and reasonable and mutually agreed upon consideration for your agreement to the covenant not to compete included in Section 4 of the NDA.

Any payments under this Amendment are intended to qualify for an exemption from application of Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”) or comply with its requirements to the extent necessary to avoid adverse personal tax consequences under Section 409A, and any ambiguities herein shall be interpreted accordingly. The Company makes no representation or warranty and will have no liability to you or any other person if any provisions of this Amendment are determined to constitute deferred compensation subject to Section 409A but do not satisfy an exemption from, or the conditions of, Section 409A.

Except as herein modified or amended, no other term or provision of the Executive Chairman Agreement or Employment Agreement is amended or modified in any respect and to the extent the terms of this Amendment conflict with the terms in the Executive Chairman Agreement or the Employment Agreement, this Amendment shall control. The Executive Chairman Agreement, as modified by this Amendment, and your Employment Agreement (to the extent incorporated into the Executive Chairman Agreement), set forth the entire understanding between the parties with regard to the subject matter hereof and supersede any prior oral discussions or written communications and agreements with respect to your salary or any other Company Group bonuses or bonus plans. This Amendment cannot be modified or amended except in writing signed by you and an authorized officer of the Company Group. This Amendment is not intended to confer any rights to continued employment and your employment will remain at-will and subject to termination by you or the Company Group at any time, with or without cause or notice.

On behalf of the Company Group, let me express my appreciation for your service and dedication to the Company Group.

Sincerely,

/s/ Robert Musslewhite

Name: Robert Musslewhite  
Title: Chief Executive Officer

UNDERSTOOD AND ACCEPTED:

/s/ Jason Krantz

Jason Krantz

Date: February 16, 2023

Enclosure: NDA

## DEFINITIVE HEALTHCARE CORP.

## CASH INCENTIVE PLAN

Effective February 16, 2023

1. Purposes of the Plan. The Plan is intended to increase stockholder value and the success of the Company by motivating Employees to (a) perform to the best of their abilities, and (b) achieve the Company's objectives.

2. Definitions.

(a) "Actual Award" means, as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the Committee's authority under Section 3(f) to modify the award.

(b) "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) controlled by the Company.

(c) "Board" means the Board of Directors of the Company.

(d) "Code" means the United States Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(e) "Committee" means the committee appointed by the Board (pursuant to Section 5) to administer the Plan. Unless and until the Board otherwise determines, the Board's Human Capital Management & Compensation Committee will administer the Plan and be considered the Committee for purposes of the Plan.

(f) "Company" means Definitive Healthcare Corp., a Delaware corporation, or any successor thereto.

(g) "Employee" means, unless otherwise determined by the Committee, any employee of the Company or an Affiliate, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

(h) "Participant" means, as to any Performance Period, an Employee who has been selected by the Committee for participation in the Plan for that Performance Period.

(i) "Performance Period" means the period of time for the measurement of the performance goals that must be met to receive an Actual Award, as determined by the Committee in its sole discretion. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Committee desires to measure some performance goals over 12 months and other goals over 3 months.

(j) "Plan" means this Definitive Healthcare Corp. Cash Incentive Plan (including any appendix attached hereto) and as hereafter amended from time to time.

(k) “Target Award” means the target award, at 100% target level of achievement, payable under the Plan to a Participant for the Performance Period, as determined by the Committee in accordance with Section 3(b).

### 3. Selection of Participants and Determination of Awards.

(a) Selection of Participants. The Committee, in its sole discretion, will select the Employees who will be Participants for any Performance Period. Participation in the Plan is in the sole discretion of the Committee, on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period is in no way guaranteed or assured of being selected for participation in any subsequent Performance Period or Periods.

(b) Determination of Target Awards. The Committee, in its sole discretion, will establish a Target Award for each Participant, which may be a percentage of a Participant’s annual base salary as of the beginning or end of the Performance Period or a fixed dollar amount. The Committee is not obligated to treat all Participants similarly.

(c) Discretion to Determine Performance Criteria. With respect to each Performance Period, the Committee will establish the following for each Participant: (i) one or more performance goals (which may be corporate performance goals and/or individual performance goals), (ii) the relative weights, if any, of such performance goals, and (iii) such other terms and conditions of the Target Award, if any, the Committee determines appropriate in its discretion (and in accordance with the terms of the Plan). Notwithstanding any contrary provision of the Plan, the Committee will, in its sole discretion, determine the performance criteria upon which the performance goals applicable to any Target Award will be based, which may include, without limitation: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; total stockholder return; return on equity or average stockholder’s equity; return on assets, investment, or capital employed; stock price; margin (including gross margin); income (before or after taxes); operating income measures; operating income after taxes; pre-tax profit; operating cash flow; operating margin; sales or revenue targets; increases in revenue or product revenue; annual recurring revenue; net new annual recurring revenue (ARR); expenses and cost reduction goals; improvement in or attainment of working capital levels; attainment of research and development milestones; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; bookings measures; customer satisfaction; stockholders’ equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; billings; net billings; financing; regulatory milestones; stockholder liquidity; corporate governance and compliance; intellectual property; personnel matters; progress of internal research; progress of partnered programs; partner satisfaction; budget management; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; investor relations, analysts and communication; implementation or completion of projects or processes; employee retention; number of users, including unique users; strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with respect to the marketing, distribution and sale of the Company’s products; supply chain achievements; co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance criteria; corporate development and planning goals; and other measures of performance selected by the Board or the Committee. As determined by the Committee, the performance criteria may be based on generally accepted accounting principles (GAAP) or non-GAAP results and any actual results may be adjusted by the Committee for one-time items, unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance criteria have been met. The Committee also has the discretion to make adjustments to performance goals, including (but not limited to) adjustments relating to items such as restructuring and/or other nonrecurring charges, items that are unusual in nature and/or infrequent in occurrence, dilutive effects



of acquisition or joint ventures, or costs incurred in connection with potential acquisitions or divestitures. The goals may be on the basis of any factors the Committee determines relevant, and may be on an individual, divisional, business unit or Company-wide basis. The performance criteria and goals may differ from Participant to Participant and from award to award. Failure to meet the goals will result in a failure to earn the Target Award, except as provided in Section 3(f).

(d) Levels of Performance. The performance goals selected by the Committee with respect to the performance criteria set forth in this Section 3 may include a threshold level of performance below which no Actual Award will be paid, levels of performance at which specified percentages of the Target Award will be paid, and a maximum level of performance above which no additional Actual Award amount will be paid.

(e) Determination of Actual Awards. Each Performance Period, the Committee, in its sole discretion, will determine each Participant's Actual Award based on (i) the extent to which the performance goals established by the Committee and set forth on Annex A (Executive Leadership Plan) and Annex B (Non-Executive Leadership Plan), as applicable, have been achieved (and any relative weighting of such performance goals), (ii) such Participant's Target Award, and (iii) if and the extent to which any and all other conditions for a Participant to receive an Actual Award have been met.

(f) Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Committee may, in its sole discretion and at any time, increase, reduce or eliminate a Participant's Actual Award. The Actual Award may be below, at or above the Target Award, in the Committee's discretion. The Committee may determine the amount of any reduction on the basis of such factors as it deems relevant and will not be required to establish any allocation or weighting with respect to the factors it considers.

#### 4. Payment of Awards.

(a) Unfunded Plan. Each Actual Award will be paid solely from the general assets of the Company. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

(b) Timing of Payment. Except as expressly provided otherwise (i) in any other written plan maintained by the Company, (ii) in a written, binding agreement between a Participant and the Company, or (iii) by the Committee, and unless otherwise expressly required by applicable law, in order to be eligible to receive payment of an Actual Award for any Performance Period, a Participant must meet the following criteria: (A) continue to be an Employee from the date his or her participation in the Plan commences for such Performance Period through the date that Actual Awards for such Performance Period are paid under the Plan; and (B) comply with any rules of the Plan established by the Committee. There is no guarantee for any payment of an Actual Award under the Plan. It is the intent that this Plan be exempt from, or comply with, the requirements of Code Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Code Section 409A, and any ambiguities herein will be interpreted to so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

(c) Payment of Awards. Following, and subject to, the Committee's determination of Actual Awards for a Performance Period, the Company will pay such Actual Awards for such Performance Period, subject to satisfaction of any continued services or additional conditions established by the

Committee to receive the Actual Award. Payment of Actual Awards under the Plan will be made as soon as practicable after such approval or satisfaction of such conditions, as applicable. However, Actual Awards are not earned until no longer subject to recovery pursuant to the Clawback Provisions described in Section 5(f) below, as applicable. As a result, to the extent the Clawback Provisions apply, the Company pays Actual Awards in advance of the Participant's earning of the Actual Award, and such advances are subject to recovery pursuant to the Clawback Provisions.

(d) Form of Payment. All Actual Awards will be paid in the form of cash or, if approved by the Board or the Committee, an equity award under the Company's 2021 Equity Incentive Plan (or any successor thereto), as determined by the Committee in its sole discretion. The terms and conditions of any such equity award will be determined by the Committee in its sole discretion.

5. Plan Administration.

(a) Committee is the Administrator. The Plan will be administered by the Committee. The Committee will consist of not less than two (2) members of the Board. The members of the Committee will be appointed from time to time by, and serve at the pleasure of, the Board.

(b) Committee Authority. It will be the duty of the Committee to administer the Plan in accordance with the Plan's provisions. The Committee will have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (i) determine which Employees will be granted awards, (ii) prescribe the terms and conditions of awards, (iii) interpret the Plan and the awards, (iv) adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are foreign nationals or employed outside of the United States, (v) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, (vi) interpret, amend or revoke any such rules, and (vii) reconcile any inconsistency, correct any defect and/or supply any omission in the Plan or any instrument or agreement relating to, or award granted under, the Plan.

(c) Decisions Binding. All determinations and decisions made by the Committee, the Board, and any delegate of the Committee pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

(d) Delegation by Committee. The Committee, in its sole discretion and on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors, officers or employees of the Company.

(e) Indemnification. Each person who is or will have been a member of the Committee will be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (ii) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

(f) Clawback/Recovery. All Actual Awards under the Plan will be subject to recoupment in accordance with the following provisions, as applicable and subject to applicable law (the “Clawback Provisions”): (i) any clawback policy that the Company (x) is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company’s securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law and (y) otherwise voluntarily adopts from time to time, to the extent applicable and permissible under applicable law; and (ii) such other clawback, recovery or recoupment provisions set forth in an individual written agreement between the Company and the Participant. No recovery of compensation under such a Clawback Provision will be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company.

6. General Provisions.

(a) Tax Withholding. The Company or an Affiliate may withhold all applicable taxes from any Actual Award, including any federal, state, local and foreign taxes. Payments will be made, and applicable taxes will be withheld, based on the location in which a Participant provided services during the Performance Period. If a Participant provided services in multiple locations during the Performance Period, any Actual Award and associated taxes will be apportioned to each such location based on the number of days of service in each such location as compared to the total calendar days in the Performance Period.

(b) No Effect on Employment or Service. Nothing in the Plan will interfere with or limit in any way the right of the Company to terminate any Participant’s employment or service at any time, with or without cause. Except as otherwise required by law, employment with the Company and its Affiliates is on an at-will basis only. The Company expressly reserves the right, which may be exercised at any time and without regard to when during a Performance Period such exercise occurs, to terminate any individual’s employment with or without cause, and to treat him or her without regard to the effect that such treatment might have upon him or her as a Participant.

(c) Participation. No Employee will have the right to be selected to receive an award under this Plan, or, having been so selected, to be selected to receive a future award.

(d) Successors. All obligations of the Company under the Plan, with respect to awards granted hereunder, will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

(e) Nontransferability of Awards. No award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. All rights with respect to an award granted to a Participant will be available during his or her lifetime only to the Participant.

7. Amendment, Termination, and Duration.

(a) Amendment, Suspension, or Termination. The Committee, in its sole discretion, may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan will not, without the consent of the Participant, alter or impair any rights or obligations under any Actual Award theretofore earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan.

(b) Duration of Plan. The Plan will commence on the date specified herein, and subject to Section 7(a) (regarding the Committee's right to amend or terminate the Plan), will remain in effect until terminated.

8. Legal Construction.

(a) Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural.

(b) Severability. In the event any provision of the Plan will be held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

(c) Requirements of Law. The granting of awards under the Plan will be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(d) Governing Law. The Plan will be construed in accordance with and governed by the laws of the State of Delaware, but without regard to its conflict of law provisions.

(e) Bonus Plan. The Plan is intended to be a "bonus program" within the meaning of United States Department of Labor Regulation Section 2510.3-2(c) and will be construed and administered in accordance with such intention.

(f) Captions. Captions are provided herein for convenience only and will not serve as a basis for interpretation or construction of the Plan.

**Definitive Healthcare Reports Financial Results for Fourth Quarter and Full Fiscal Year 2022**

*Fourth quarter revenue grew 31% year-over-year to \$60.6 million*

*Full year 2022 revenue grew 34% to \$222.7 million*

**Framingham, MA (February 23, 2023)** – Definitive Healthcare Corp. ("Definitive Healthcare" or the "Company") (Nasdaq: DH), an industry leader in healthcare commercial intelligence, today announced financial results for the quarter and full year ended December 31, 2022.

**Fourth Quarter 2022 Financial Highlights:**

- **Revenue** was \$60.6 million, an increase of 31% from \$46.3 million in Q4 2021.
- **GAAP Net Income (loss)** was \$6.7 million, or 11% of revenue, compared to \$(14.8) million, or 32% of revenue in Q4 2021.
- **Adjusted Net Income** was \$10.5 million, compared to \$6.6 million in Q4 2021.
- **Adjusted EBITDA** was \$17.0 million, or 28% of revenue, compared to \$13.1 million, or 28% of revenue in Q4 2021.
- **Cash flow from operations** was \$(4.2) million in the quarter or (7)% of revenue.

**Full Year 2022 Financial Highlights:**

- **Revenue** was \$222.7 million for the year, an increase of 34% from \$166.2 million for the full year 2021.
- **GAAP Net loss** was \$(22.3) million, or 10% of revenue, compared to \$(61.3) million, or 37% of revenue for the full year 2021.
- **Adjusted Net Income** was \$35.9 million, compared to \$13.4 million for the full year 2021.
- **Adjusted EBITDA** was \$63.7 million, or 29% of revenue, compared to \$56 million, or 34% of revenue for the full year 2021.
- **Cash flow from operations** was \$35.6 million for the full year 2022, or 16% of revenue.
- **Unlevered free cash flow** was \$54.2 million for the full year 2022, or 24% of revenue.

"Definitive Healthcare once again delivered in 2022 with a 34% year-over-year revenue growth rate and a 29% adjusted EBITDA margin – representing a Rule of 63 Performance." said Robert Musslewhite, CEO of Definitive Healthcare. "This unique combination of high growth and profitability allows us to continue to effectively grow and scale the business, while maintaining a clear focus on maximizing our long-term success and value creation for customers and shareholders."

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## Recent Business and Operating Highlights:

### Customer Wins

In the fourth quarter, Definitive Healthcare had multiple key customer wins, including:

- One of the world's largest and most renowned cancer treatment and research institutions purchased a multi-year enterprise subscription to HospitalView and Atlas All-Payor Claims to inform their strategy for partnering with leading hospitals across the country.
- A large biopharmaceutical company focused on the discovery, development, and commercialization of RNA interference therapeutics purchased a multi-year enterprise subscription to our HospitalView and Atlas All-Payor Claims to design and execute a strategy for selling into Integrated Delivery Networks.
- One of the nation's largest health insurance and service companies significantly expanded its relationship with Definitive Healthcare. This client originally used PhysicianView and PhysicanGroupView products to map physicians to provider organizations. In Q4, the contract expanded to cover their entire organization and added multiple new products. The organization also purchased integration services to connect Definitive Healthcare data into their internal data environments.
- The world's largest private global pharmaceutical company signed a contract for a six-figure expansion of Passport Promotional Analytics into two new therapy areas, and as a result, the combined Definitive Healthcare ARR across all product lines at this company is now more than \$1M.

"The Definitive Healthcare platform and our Atlas Dataset are increasingly seen as must-haves for any business looking to efficiently and effectively sell into the complex, fragmented \$4 trillion U.S. healthcare market," noted Robert Musslewhite.

"These wins represent not only our ability to continue to grow the number of customers we serve, but also our ability to expand these relationships over the long term."

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## Innovation

On February 2, 2023, Definitive Healthcare introduced the Atlas Dataset, which provides a longitudinal, comprehensive, and current picture of the healthcare market.

Combining multiple datasets on more than 15 million healthcare experts and professionals and 300,000 healthcare organizations, the Atlas Dataset has multiple components, including:

- Atlas Reference & Affiliation provides clients with unique visibility into the operations of and connections between healthcare providers and healthcare organizations. This dataset spans more than 30 separate reference categories, including executive contact information, physical business address, organizational hierarchy and more.
- Atlas All-Payor Claims, previously known as the ClaimsMX product, contains billions of de-identified patient-level data points that enables longitudinal analysis of healthcare activity across payors and sites of care. This data includes both hospital and medical claims from commercial, Medicare, Medicaid, federal programs, and other payors.
- Atlas Prescription Claims, formerly known as the ClaimsRx product, contains billions of all-payor life cycle pharmacy and direct prescription claims so users can understand the volume of claims that are paid, rejected and reversed.
- Atlas Experts contains information on more than 13 million key opinion leaders, medical science and scientific researchers and academics, and healthcare providers. The dataset also includes millions of data points from publications, clinical trials, meeting presentations, grants, social media, advisory boards, and news outlets so clients can get an accurate understanding of the scientific activity happening for virtually any therapy area or disease state.

As part of the Atlas Dataset launch, Definitive Healthcare refined the methodology used to master payor and patient data, while implementing additional layers of cleansing and data linkage to deliver more detailed and granular reporting, longitudinal and referral analysis, and increased accuracy for patient cohort creation.

According to an independent third-party survey conducted in November 2022, the Atlas Dataset ranked first or second in each of the top ten use cases for healthcare reference and affiliation data.

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## Business Outlook

Based on information as of February 23, 2023, the Company is issuing the following financial guidance.

### First Quarter 2023:

- **Revenue** is expected to be in the range of \$56.5 – 58.5 million, a median 15% increase year over year.
- **Adjusted Operating Income** is expected to be in the range of \$13.5 – 14.5 million.
- **Adjusted EBITDA** is expected to be in the range of \$15.0 – 16.0 million.
- **Adjusted Net Income** is expected to be in the range of \$6.5 – 7.5 million.
- **Adjusted Net Income Per Diluted Share** is expected to be \$0.03 – 0.05 per share on approximately 154.5 million weighted-average shares outstanding.

### Full Year 2023:

- **Revenue** is expected to be in the range of \$249.0 – 255.0 million, a 14% increase from prior year at the midpoint.
  - **Adjusted Operating Income** is expected to be in the range of \$61.5 – 65.5 million.
  - **Adjusted EBITDA** is expected to be in the range of \$67.0 – 71.0 million.
  - **Adjusted Net Income** is expected to be in the range of \$30.0 – 34.0 million.
  - **Adjusted Net Income Per Diluted Share** is expected to be in the range of \$0.19 – 0.23 on approximately 155.5 million weighted-average shares outstanding.
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## Conference Call Information

Definitive Healthcare will host a conference call today, February 23, 2023, at 5:00 p.m. (Eastern Time) to discuss the Company's financial results and current business outlook. To access the call, dial (877) 407-3982 (domestic) or (201) 493-6780 (international). The conference ID number is 13735042. Shortly after the conclusion of the call, a replay of this conference call will be available through March 9, 2023 at (844) 512-2921 (domestic) or (412) 317-6671 (international). The replay passcode is 13735042. A live audio webcast of the event will be available on the Definitive Healthcare's Investor Relations website at <https://ir.definitivehc.com/>.

## About Definitive Healthcare

At Definitive Healthcare, our passion is to transform data, analytics and expertise into healthcare commercial intelligence. We help clients uncover the right markets, opportunities and people, so they can shape tomorrow's healthcare industry. Our SaaS platform creates new paths to commercial success in the healthcare market, so companies can identify where to go next. Learn more at [definitivehc.com](https://definitivehc.com).

## Forward-Looking Statements

*This press release includes forward-looking statements that reflect our current views with respect to future events and financial performance. Such statements are provided under the "safe harbor" protection of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by words or phrases written in the future tense and/or preceded by words such as "likely," "should," "may," "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects" or similar words or variations thereof, or the negative thereof, references to future periods, or by the inclusion of forecasts or projections, but these terms are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding our outlook, financial guidance, the market, industry and macroeconomic environment, our business, growth strategies, product development efforts and future expenses, customer growth and statements reflecting our expectations about our ability to execute on our strategic plans, achieve future growth and profitability and achieve our financial goals.*

*Forward-looking statements in this press release are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, our actual results may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the following: the war between Russia and Ukraine, global geopolitical tension and worsening macroeconomic conditions; actual or potential changes in international, national, regional and local economic, business and financial conditions, including recessions, inflation, rising interest rates, volatility in the capital markets and related market uncertainty; the impact of worsening macroeconomic conditions on our new and existing customers; our inability to acquire new customers and generate additional revenue from existing customers; our inability to generate sales of subscriptions to our platform or any decline in demand for our platform and the data we offer; the competitiveness of the market in which we operate and our ability to compete effectively; the failure to maintain and improve our platform, or develop new modules or insights for healthcare commercial intelligence; the inability to obtain and maintain accurate, comprehensive or reliable data, which could result in reduced demand for our platform; the risk that our recent growth rates may not be indicative of our future growth; the inability to achieve or sustain profitability in the future compared to historical levels as we increase investments in our business; the loss of our access to our data providers; the failure to respond to advances in healthcare commercial intelligence; an inability to attract new customers and expand subscriptions of current customers; the risk of cyber-attacks and security vulnerabilities; litigation, investigations or other legal, governmental or regulatory actions; and the possibility that our security measures are breached or unauthorized access to data is otherwise obtained.*

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*Additional factors or events that could cause our actual performance to differ from these forward-looking statements may emerge from time to time, and it is not possible for us to predict all of them. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, our actual financial condition, results of operations, future performance and business may vary in material respects from the performance projected in these forward-looking statements.*

*For additional discussion of factors that could impact our operational and financial results, refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other subsequent SEC filings, which are or will be available on the Investor Relations page of our website at [ir.definitivehc.com](https://ir.definitivehc.com) and on the SEC website at [www.sec.gov](http://www.sec.gov).*

*All information in this press release speaks only as of the date on which it is made. We undertake no obligation to publicly update this information, whether as a result of new information, future developments or otherwise, except as may be required by law.*

## **Website**

*Definitive Healthcare intends to use its website as a distribution channel of material company information. Financial and other important information regarding the Company is routinely posted on and accessible through the Company's website at <https://www.definitivehc.com/>. Accordingly, you should monitor the investor relations portion of our website at <https://ir.definitivehc.com/> in addition to following our press releases, SEC filings, and public conference calls and webcasts. In addition, you may automatically receive email alerts and other information about the Company when you enroll your email address by visiting the "Email Alerts" section of our investor relations page at <https://ir.definitivehc.com/>.*

## **Non-GAAP Financial Measures**

*We have presented supplemental non-GAAP financial measures as part of this earnings release. We believe that these supplemental non-GAAP financial measures are useful to investors because they allow for an evaluation of the Company with a focus on the performance of its core operations, including providing meaningful comparisons of financial results to historical periods and to the financial results of peer and competitor companies. A reconciliation of GAAP to Non-GAAP results has been provided in the financial statement tables included at the end of this press release.*

*We refer to Unlevered Free Cash Flow, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Gross Profit, Adjusted Gross Margin, Adjusted Operating Income, Adjusted Net Income and Adjusted Net Income Per Diluted Share as non-GAAP financial measures. These non-GAAP financial measures are not prepared in accordance with generally accepted accounting principles in the U.S., ("GAAP"). These are supplemental financial measures of our performance and should not be considered substitutes for net (loss) income, gross profit or any other measure derived in accordance with GAAP.*

*We define Unlevered Free Cash Flow as net cash provided from operating activities less purchases of property, equipment and other assets, plus cash interest expense and cash payments related to transaction, integration and restructuring related expenses, earnouts and other non-recurring items. Unlevered Free Cash Flow does not represent residual cash flow available for discretionary expenditures since, among other things, we have mandatory debt service requirements.*

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*We define EBITDA as earnings before debt-related costs, including interest expense, net and loss on extinguishment of debt, income taxes and depreciation and amortization. Adjusted EBITDA is defined as EBITDA adjusted to exclude certain items of a significant or unusual nature, including other income and expense, equity-based compensation, transaction, integration and restructuring expenses and other non-recurring expenses. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of revenue. Adjusted EBITDA and Adjusted EBITDA Margin are key metrics used by management and our board of directors to assess the profitability of our operations. We believe that Adjusted EBITDA and Adjusted EBITDA Margin provide useful measures to investors to assess our operating performance because these metrics eliminate non-recurring and unusual items and non-cash expenses, which we do not consider indicative of ongoing operational performance. We believe that these metrics are helpful to investors in measuring the profitability of our operations on a consolidated level.*

*We define Adjusted Gross Profit as revenue less cost of revenue (excluding acquisition-related depreciation and amortization and equity compensation costs) and Adjusted Gross Margin means Adjusted Gross Profit as a percentage of revenue. Adjusted Gross Profit differs from gross profit, in that gross profit includes acquisition-related depreciation and amortization expense and equity compensation costs. Adjusted Gross Profit and Adjusted Gross Margin are key metrics used by management and our board of directors to assess our operations. We exclude acquisition-related depreciation and amortization expenses as they have no direct correlation to the cost of operating our business on an ongoing basis. A small quantity of equity-based compensation is included in cost of revenue in accordance with GAAP but is excluded from our Adjusted Gross Profit calculations due to its non-cash nature.*

*We define Adjusted Operating Income as income from operations plus acquisition related amortization, equity-based compensation, transaction, integration and restructuring expenses and other non-recurring expenses.*

*We define Adjusted Net Income as Adjusted Operating Income less interest expense, net, other expense, net, excluding TRA liability remeasurement expense and recurring income tax expense including the incremental tax effects of adjustments to arrive at Adjusted Operating Income. We define Adjusted Net Income Per Diluted Share as Adjusted Net Income divided by diluted outstanding shares.*

*Our use of these non-GAAP terms may vary from the use of similar terms by other companies in our industry and accordingly may not be comparable to similarly titled measures used by other companies and are not measures of performance calculated in accordance with GAAP. Our presentation of these non-GAAP financial measures are intended as supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. These non-GAAP financial measures should not be considered as alternatives to (loss) income from operations, net (loss) income, gross profit, earnings per share or any other performance measures derived in accordance with GAAP, or as measures of operating cash flows or liquidity.*

*We do not provide a quantitative reconciliation of the forward-looking non-GAAP financial measures included in this press release to the most directly comparable GAAP measures due to the high variability and difficulty to predict certain items excluded from these non-GAAP financial measures; in particular, the effects of stock-based compensation expense, taxes and amounts under the tax receivable agreement, deferred tax assets and deferred tax liabilities, and transaction, integration and restructuring expenses. We expect the variability of these excluded items may have a significant, and potentially unpredictable, impact on our future GAAP financial results.*

*In evaluating our non-GAAP financial measures, you should be aware that in the future we may incur expenses similar to those eliminated in these presentations.*

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**Definitive Healthcare Corp.**  
**Consolidated Balance Sheets**  
(amounts in thousands, except number of shares and par value; unaudited)

	December 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	146,934	387,498
Short-term investments	184,939	—
Accounts receivable, net	58,799	43,336
Prepaid expenses and other current assets	12,686	6,518
Current portion of deferred contract costs	10,387	6,880
<b>Total current assets</b>	<b>413,745</b>	<b>444,232</b>
Property and equipment, net	4,464	5,069
Operating lease right-of-use assets, net	9,681	—
Other assets	4,683	8,431
Deferred contract costs, net of current portion	14,596	11,667
Investment in equity securities	—	32,675
Intangible assets, net	350,722	352,470
Goodwill	1,323,102	1,261,444
<b>Total assets</b>	<b>\$ 2,120,993</b>	<b>\$ 2,115,988</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	3,948	4,651
Accrued expenses and other current liabilities	18,748	22,658
Current portion of deferred revenue	99,692	83,611
Current portion of term loan	8,594	6,875
Current portion of operating lease liabilities	1,521	—
Total current liabilities	132,503	117,795
Long term liabilities:		
Deferred revenue	236	412
Term loan, net of current portion	255,765	263,808
Operating lease liabilities, net of current portion	9,969	—
Tax receivable agreements liability	156,311	153,529
Deferred tax liabilities	75,737	75,888
Other long-term liabilities	3,251	1,294
<b>Total liabilities</b>	<b>633,772</b>	<b>612,726</b>
<b>Commitments and Contingencies</b>		
Equity:		
Class A Common Stock, par value \$0.001, 600,000,000 shares authorized, 105,138,273 and 97,030,095 shares issued and outstanding at December 31, 2022 and 2021, respectively	105	97
Class B Common Stock, par value \$0.00001, 65,000,000 shares authorized, 50,433,101 and 48,923,952 shares issued and outstanding, respectively, at December 31, 2022, and 58,244,627 and 55,488,221 shares issued and outstanding, respectively, at December 31, 2021	—	—
Additional paid-in capital	972,077	890,724
Accumulated other comprehensive income	3,668	62
Accumulated deficit	(23,714)	(17,677)
Noncontrolling interests	535,085	630,056
<b>Total equity</b>	<b>1,487,221</b>	<b>1,503,262</b>
<b>Total liabilities and equity</b>	<b>\$ 2,120,993</b>	<b>\$ 2,115,988</b>

**Definitive Healthcare Corp.**  
**Consolidated Statements of Operations**  
(amounts in thousands, except share amounts and per share data; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 60,599	\$ 46,313	\$ 222,653	\$ 166,154
Cost of revenue:				
Cost of revenue exclusive of amortization <sup>(1)</sup>	7,149	5,526	25,866	19,421
Amortization	2,646	5,372	16,759	21,268
Gross profit	<u>50,804</u>	<u>35,415</u>	<u>180,028</u>	<u>125,465</u>
Operating expenses:				
Sales and marketing <sup>(1)</sup>	23,523	17,384	89,585	56,387
Product development <sup>(1)</sup>	10,129	5,748	34,890	18,565
General and administrative <sup>(1)</sup>	15,217	11,637	48,781	30,528
Depreciation and amortization	10,040	9,865	40,145	38,679
Transaction, integration, and restructuring expenses	1,528	2,955	7,890	6,287
Total operating expenses	<u>60,437</u>	<u>47,589</u>	<u>221,291</u>	<u>150,446</u>
Loss from operations	(9,633)	(12,174)	(41,263)	(24,981)
Other income (expense), net:				
Other income, net	807	—	10,236	143
Interest expense, net	(1,483)	(1,915)	(8,413)	(25,871)
Loss on extinguishment of debt	—	—	—	(9,873)
Total other (expense) income, net	<u>(676)</u>	<u>(1,915)</u>	<u>1,823</u>	<u>(35,601)</u>
Loss before income taxes	(10,309)	(14,089)	(39,440)	(60,582)
Benefit from (provision for) income taxes	17,044	(675)	17,185	(675)
Net income (loss)	6,735	(14,764)	(22,255)	(61,257)
Less: Net loss attributable to Definitive OpCo prior to the Reorganization Transactions	—	—	—	(33,343)
Less: Net loss attributable to noncontrolling interests	(3,691)	(5,065)	(16,218)	(10,237)
Net income (loss) attributable to Definitive Healthcare Corp.	<u>\$ 10,426</u>	<u>\$ (9,699)</u>	<u>\$ (6,037)</u>	<u>\$ (17,677)</u>
Net income (loss) per share of Class A Common Stock:				
Basic	\$ 0.10	\$ (0.10)	\$ (0.06)	\$ (0.19)
Diluted	\$ 0.07	\$ (0.10)	\$ (0.06)	\$ (0.19)
Weighted average Common Stock outstanding:				
Basic	<u>105,082,585</u>	<u>92,551,423</u>	<u>101,114,105</u>	<u>91,916,151</u>
Diluted	<u>154,006,454</u>	<u>92,551,423</u>	<u>101,114,105</u>	<u>91,916,151</u>

<sup>(1)</sup> Amounts include equity-based compensation expense as follows:

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Cost of revenue	\$ 244	\$ 198	\$ 942	\$ 277
Sales and marketing	2,446	1,363	13,508	1,930
Product development	2,504	729	7,805	1,070
General and administrative	6,230	3,329	14,179	6,680
Total equity-based compensation expense	<u>\$ 11,424</u>	<u>\$ 5,619</u>	<u>\$ 36,434</u>	<u>\$ 9,957</u>

**Definitive Healthcare Corp.**  
**Consolidated Statements of Cash Flows**  
(amounts in thousands; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Cash flows (used in) provided by operating activities:</b>				
Net income (loss)	\$ 6,735	\$ (14,764)	\$ (22,255)	\$ (61,257)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:				
Depreciation and amortization	472	558	2,193	1,751
Amortization of intangible assets	12,214	14,679	54,711	58,196
Amortization of deferred contract costs	2,542	1,598	8,816	4,793
Equity-based compensation	11,424	5,619	36,434	9,957
Amortization of debt issuance costs	175	176	702	1,698
Provision for doubtful accounts receivable	556	556	1,325	632
Loss on extinguishment of debt	—	—	—	9,843
Non-cash restructuring charges related to office leases	—	—	1,023	—
Tax receivable agreement remeasurement	(1,078)	—	(9,374)	—
Changes in fair value of contingent consideration	1,250	595	1,250	3,764
Deferred income taxes	(17,087)	682	(17,293)	682
Changes in operating assets and liabilities:				
Accounts receivable	(25,676)	(15,905)	(13,222)	(10,726)
Prepaid expenses and other current assets	(2,681)	(3,168)	(127)	(3,729)
Deferred contract costs	(5,182)	(5,398)	(15,252)	(14,441)
Contingent consideration	—	—	(6,400)	—
Accounts payable, accrued expenses and other liabilities	(3,598)	5,053	358	1,088
Deferred revenue	15,714	13,938	12,690	22,961
Net cash (used in) provided by operating activities	<u>(4,220)</u>	<u>4,219</u>	<u>35,579</u>	<u>25,212</u>
<b>Cash flows used in investing activities:</b>				
Purchases of property, equipment, and other assets	(4,871)	(1,069)	(8,326)	(6,731)
Purchases of short-term investments	(120,695)	—	(337,961)	—
Maturities of short-term investments	57,680	—	153,680	—
Cash paid for acquisitions and investments, net of cash acquired	—	(40,000)	(56,296)	(40,000)
Net cash used in investing activities	<u>(67,886)</u>	<u>(41,069)</u>	<u>(248,903)</u>	<u>(46,731)</u>
<b>Cash flows (used in) provided by financing activities:</b>				
Proceeds from term loan	—	—	—	275,000
Repayments of term loans and delayed draw term loan	(1,719)	(1,718)	(6,875)	(474,460)
Taxes paid related to net share settlement of equity awards	(1,371)	—	(4,116)	—
Payment of contingent consideration	—	—	(1,100)	(1,500)
Payment of debt issuance costs	—	—	—	(3,511)
Proceeds from equity offering, net of underwriting discounts	—	382,140	—	834,952
Repurchase of outstanding equity / Definitive OpCo units	—	(138,960)	—	(231,772)
Payments of equity offering issuance costs	(435)	(5,796)	(1,734)	(11,709)
Member contributions	—	—	—	5,500
Member distributions	(5,932)	(989)	(12,871)	(8,128)
Net cash (used in) provided by financing activities	<u>(9,457)</u>	<u>234,677</u>	<u>(26,696)</u>	<u>384,372</u>
Net (decrease) increase in cash and cash equivalents	<u>(81,563)</u>	<u>197,827</u>	<u>(240,020)</u>	<u>362,853</u>
Effect of exchange rate changes on cash and cash equivalents	(331)	(81)	(544)	(129)
Cash and cash equivalents, beginning of year	228,828	189,752	387,498	24,774
Cash and cash equivalents, end of year	<u>\$ 146,934</u>	<u>\$ 387,498</u>	<u>\$ 146,934</u>	<u>\$ 387,498</u>
<b>Supplemental cash flow disclosures:</b>				
Cash paid during the year for:				
Interest	\$ 3,195	\$ 1,982	\$ 10,443	\$ 29,569
Income taxes	—	—	—	13
Acquisitions:				
Net assets acquired, net of cash acquired	\$ —	\$ —	\$ 97,296	\$ —
Initial cash investment in prior year	—	—	(40,000)	—
Contingent consideration	—	—	(1,000)	—
Net cash paid for acquisitions	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 56,296</u>	<u>\$ —</u>
<b>Supplemental disclosure of non-cash investing activities:</b>				
Capital expenditures included in accounts payable and accrued expenses and other current liabilities	\$ 1,166	\$ 654	\$ 1,166	\$ 654
<b>Supplemental disclosure of non-cash financing activities:</b>				
Unpaid equity offering costs included in accrued expenses	\$ —	\$ 1,299	\$ —	\$ 1,299





**Definitive Healthcare Corp.**  
**Reconciliations of Non-GAAP Financial Measures to Closest GAAP Equivalent**

Reconciliation of GAAP Operating Cash Flow to Unlevered Free Cash Flow  
*(in thousands; unaudited)*

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Cash flow from operations	\$ (4,220)	\$ 4,219	\$ 35,579	\$ 25,212
Purchases of property, equipment and other assets	(4,871)	(1,069)	(8,326)	(6,731)
Interest paid in cash	3,195	1,982	10,443	29,569
Transaction, integration and restructuring expenses paid in cash <sup>(a)</sup>	582	2,360	6,326	2,523
Earnout payment <sup>(b)</sup>	—	—	6,400	—
Other non-recurring items <sup>(c)</sup>	1,043	1,467	3,781	4,780
<b>Unlevered Free Cash Flow</b>	<b>\$ (4,271)</b>	<b>\$ 8,959</b>	<b>\$ 54,203</b>	<b>\$ 55,353</b>

- (a) Transaction and integration expenses paid in cash primarily represent legal, accounting and consulting expenses related to our acquisitions, including a go-to market integration project conducted in the third quarter of 2022. Restructuring expenses paid in cash primarily represent rent and exit costs related to office relocations.
- (b) Earnout payment represents final settlement of contingent consideration included in cash flow from operations.
- (c) Non-recurring items represent expenses that are typically one-time, non-operational in nature, and unrelated to our core operations.

Reconciliation of GAAP Net Income (Loss) to Adjusted Net Income and GAAP Operating  
Loss to Adjusted Operating Income  
*(in thousands, except per share amounts; unaudited)*

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Net income (loss)	\$ 6,735	\$ (14,764)	\$ (22,255)	\$ (61,257)
Add: Income tax (benefit) provision	(17,044)	675	(17,185)	675
Add: Interest expense, net	1,483	1,915	8,413	25,871
Add: Loss from extinguishment from debt	—	—	—	9,873
Add: Other income, net	(807)	—	(10,236)	(143)
<b>Loss from operations</b>	<b>(9,633)</b>	<b>(12,174)</b>	<b>(41,263)</b>	<b>(24,981)</b>
Add: Amortization of intangible assets acquired through business combinations	11,969	14,402	53,667	57,148
Add: Equity-based compensation	11,424	5,619	36,434	9,957
Add: Transaction, integration and restructuring expenses	1,528	2,955	7,890	6,287
Add: Other non-recurring items	1,043	1,467	3,781	4,780
<b>Adjusted Operating Income</b>	<b>16,331</b>	<b>12,269</b>	<b>60,509</b>	<b>53,191</b>
Less: Interest expense, net	(1,483)	(1,915)	(8,413)	(25,871)
Less: Recurring income tax benefit <sup>(a)</sup>	1,197	176	1,730	176
Less: Foreign currency (loss) gain	(271)	—	862	143
Less: Tax impacts of adjustments to net income (loss)	(5,290)	(3,960)	(18,760)	(14,264)
<b>Adjusted Net Income</b>	<b>\$ 10,484</b>	<b>\$ 6,570</b>	<b>\$ 35,928</b>	<b>\$ 13,375</b>
Shares for Adjusted Net Income Per Diluted Share <sup>(b)</sup>	154,006,454	150,934,243	153,601,602	150,326,443
Adjusted Net Income Per Share	\$ 0.07	\$ 0.04	\$ 0.23	\$ 0.09

- (a) Non-recurring income tax (benefit) provision items were primarily driven by the impact of changes in the state effective tax rate during the fourth quarter of 2022.
- (b) Diluted Adjusted Net Income Per Share is computed by giving effect to all potential weighted average Class A common stock and any securities that are convertible into Class A common stock, including Definitive OpCo units and restricted stock units. The dilutive effect of outstanding awards and convertible securities is reflected in diluted earnings per share by application of the treasury stock method assuming proceeds from unrecognized compensation as required by GAAP. Fully diluted shares are 159,134,761 and 157,374,972 as of December 31, 2022 and 2021, respectively.

Reconciliation of Adjusted EBITDA to GAAP Net Income (Loss)  
(in thousands; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Net income (loss)</b>	\$ 6,735	\$ (14,764)	\$ (22,255)	\$ (61,257)
Interest expense, net	1,483	1,915	8,413	25,871
Income tax (benefit) provision	(17,044)	675	(17,185)	675
Loss from extinguishment of debt	—	—	—	9,873
Depreciation & amortization	12,686	15,237	56,904	59,947
<b>EBITDA</b>	3,860	3,063	25,877	35,109
Other income, net <sup>(a)</sup>	(807)	—	(10,236)	(143)
Equity-based compensation <sup>(b)</sup>	11,424	5,619	36,434	9,957
Transaction, integration and restructuring expenses <sup>(c)</sup>	1,528	2,955	7,890	6,287
Other non-recurring items <sup>(d)</sup>	1,043	1,467	3,781	4,780
<b>Adjusted EBITDA</b>	\$ 17,048	\$ 13,104	\$ 63,746	\$ 55,990
Revenue	\$ 60,599	\$ 46,313	\$ 222,653	\$ 166,154
<b>Adjusted EBITDA margin</b>	28%	28%	29%	34%

- (a) Primarily represents foreign exchange and TRA liability remeasurement gains and losses.
- (b) Equity-based compensation represents non-cash compensation expense recognized in association with equity awards made to employees and directors.
- (c) Transaction and integration expenses primarily represent legal, accounting and consulting expenses and fair value adjustments for contingent consideration related to our acquisitions, including a go-to market integration project conducted in the third quarter of 2022. Restructuring expenses relate to impairment and restructuring charges related to office relocations.
- (d) Non-recurring items represent expenses that are typically one-time, non-operational in nature, and unrelated to our core operations.

Reconciliation of Adjusted Gross Profit to GAAP Gross Profit  
(in thousands; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
<b>Reported gross profit</b>	\$ 50,804	\$ 35,415	\$ 180,028	\$ 125,465
Amortization of intangible assets resulting from acquisition-related purchase accounting adjustments <sup>(a)</sup>	2,401	5,095	15,715	20,220
Equity-based compensation	244	198	942	277
<b>Adjusted Gross Profit</b>	\$ 53,449	\$ 40,708	\$ 196,685	\$ 145,962
Revenue	60,599	46,313	222,653	166,154
<b>Adjusted Gross Margin</b>	88%	88%	88%	88%

- (a) Amortization of intangible assets resulting from purchase accounting adjustments represents non-cash amortization of acquired intangibles, primarily resulting from the Advent acquisition.

