

**Redacted Copy -  
Available for Public Review**



Consolidated Financial Statements  
For the Years Ended December 31, 2021 and 2020



## Table of Contents

---

|                                                                                                | <u>Page</u> |
|------------------------------------------------------------------------------------------------|-------------|
| Independent Auditor's Report                                                                   | 1           |
| Consolidated Balance Sheets at December 31, 2021 and 2020                                      | 3           |
| Consolidated Statements of Operations for the years ended December 31, 2021 and 2020           | 4           |
| Consolidated Statements of Comprehensive Income for the years ended December 31, 2021 and 2020 | 5           |
| Consolidated Statements of Equity for the years ended December 31, 2021 and 2020               | 6           |
| Consolidated Statements of Cash Flows for the years ended December 31, 2021 and 2020           | 7           |
| Notes to the Consolidated Financial Statements                                                 | 8           |
| Supplemental Schedules                                                                         | 29          |
| Independent Auditor's Report on Supplementary Information                                      | 30          |

## **Independent Auditor's Report**

To the Board of Directors  
[REDACTED]  
[REDACTED]

### ***Opinion***

We have audited the accompanying consolidated financial statements of [REDACTED] (the Company), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive income, equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ BDO USA, LLP



March 30, 2022

**Consolidated Balance Sheets****At December 31, 2021 and 2020 (In thousands, except for share data)**

|                                                                                              | 2021 | 2020 |
|----------------------------------------------------------------------------------------------|------|------|
| <b>Assets</b>                                                                                |      |      |
| Current assets                                                                               |      |      |
| Cash and cash equivalents                                                                    | ■    | ■    |
| Client accounts receivable, net                                                              | ■    | ■    |
| Manufacturer accounts receivable                                                             | ■    | ■    |
| Prepaid expenses and other current assets                                                    | ■    | ■    |
| Total current assets                                                                         | ■    | ■    |
| Restricted cash                                                                              | ■    | ■    |
| Property and equipment, net                                                                  | ■    | ■    |
| Notes receivable                                                                             | ■    | ■    |
| Receivables and other assets                                                                 | ■    | ■    |
| Deferred tax assets, net                                                                     | ■    | ■    |
| Intangible assets, net                                                                       | ■    | ■    |
| Goodwill                                                                                     | ■    | ■    |
| Total assets                                                                                 | ■    | ■    |
| <b>Liabilities and Equity</b>                                                                |      |      |
| Current liabilities                                                                          |      |      |
| Checks issued in advance of deposits                                                         | ■    | ■    |
| Trade accounts payable                                                                       | ■    | ■    |
| Claims payable, net                                                                          | ■    | ■    |
| Client rebates and guarantees payable                                                        | ■    | ■    |
| Income tax payable                                                                           | ■    | ■    |
| Accrued expenses                                                                             | ■    | ■    |
| Other liabilities, current portion                                                           | ■    | ■    |
| Total current liabilities                                                                    | ■    | ■    |
| Other liabilities, non-current portion                                                       | ■    | ■    |
| Total liabilities                                                                            | ■    | ■    |
| Equity                                                                                       |      |      |
| Common stock; ■ par value; 1,000 shares issued and outstanding at December 31, 2021 and 2020 | ■    | ■    |
| Retained earnings                                                                            | ■    | ■    |
| Accumulated other comprehensive loss                                                         | ■    | ■    |
| Total equity                                                                                 | ■    | ■    |
| Total liabilities and equity                                                                 | ■    | ■    |

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

**Consolidated Statements of Operations**  
**For the years ended December 31, 2021, and 2020 (In thousands)**

|                                     | 2021 | 2020 |
|-------------------------------------|------|------|
| Service revenues                    |      |      |
| Service expenses                    |      |      |
| Gross profit                        |      |      |
| Operating expenses                  |      |      |
| Salaries and payroll                |      |      |
| Selling, general and administrative |      |      |
| Depreciation and amortization       |      |      |
| Total operating expenses            |      |      |
| Income from operations              |      |      |
| Other income (expense)              |      |      |
| Interest income                     |      |      |
| Interest income - related parties   |      |      |
| Interest expense                    |      |      |
| Other income, net                   |      |      |
| Total other income                  |      |      |
| Income before income taxes          |      |      |
| Provision for income taxes          |      |      |
| Net income                          |      |      |

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

**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2021 and 2020 (In thousands)**

|                                          | 2021 | 2020 |
|------------------------------------------|------|------|
| Net income                               |      |      |
| Other comprehensive income, net of tax   |      |      |
| Foreign currency translation adjustments |      |      |
| Comprehensive income                     |      |      |

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

# Consolidated Statements of Equity

For the years ended December 31, 2021 and 2020 (In thousands, except for share data)

|                              | Common Stock |        | Retained Earnings<br>(Accumulated Deficit) | Accumulated Other Comprehensive Income (Loss) | Total |
|------------------------------|--------------|--------|--------------------------------------------|-----------------------------------------------|-------|
|                              | Shares       | Amount |                                            |                                               |       |
| Balance at December 31, 2019 | 1,000        |        |                                            |                                               |       |
| Stock-based compensation     | —            |        |                                            |                                               |       |
| Dividend                     | —            |        |                                            |                                               |       |
| Net income                   | —            |        |                                            |                                               |       |
| Other comprehensive income   | —            |        |                                            |                                               |       |
| Balance at December 31, 2020 | 1,000        |        |                                            |                                               |       |
| Non-cash contributions       | —            |        |                                            |                                               |       |
| Dividend                     | —            |        |                                            |                                               |       |
| Net income                   | —            |        |                                            |                                               |       |
| Other comprehensive income   | —            |        |                                            |                                               |       |
| Balance at December 31, 2021 | 1,000        |        |                                            |                                               |       |

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

**Consolidated Statements of Cash Flow**  
**For the years ended December 31, 2021 and 2020 (In thousands)**

|                                                                                   | 2021 | 2020 |
|-----------------------------------------------------------------------------------|------|------|
| <b>Cash flows from operating activities</b>                                       |      |      |
| Net income                                                                        |      |      |
| Adjustments to reconcile net income to net cash provided by operating activities: |      |      |
| Depreciation and amortization                                                     |      |      |
| Accrued interest on notes receivable                                              |      |      |
| Deferred income taxes                                                             |      |      |
| Stock-based compensation                                                          |      |      |
| Loss on disposal of fixed assets                                                  |      |      |
| Loss on disposal of intangible assets                                             |      |      |
| Changes in operating assets and liabilities:                                      |      |      |
| Client accounts receivable, net                                                   |      |      |
| Manufacturer accounts receivable                                                  |      |      |
| Prepaid expenses and other current assets                                         |      |      |
| Receivables and other assets                                                      |      |      |
| Checks issued in advance of deposits                                              |      |      |
| Trade accounts payable                                                            |      |      |
| Claims payable, net                                                               |      |      |
| Client rebates and guarantees payable                                             |      |      |
| Income tax payable                                                                |      |      |
| Accrued expenses                                                                  |      |      |
| Other liabilities                                                                 |      |      |
| Net cash provided by operating activities                                         |      |      |
| <b>Cash flows from investing activities</b>                                       |      |      |
| Increase in property and equipment                                                |      |      |
| Increase in intangible asset                                                      |      |      |
| Principal collections of notes receivable                                         |      |      |
| Net cash used in investing activities                                             |      |      |
| <b>Cash flows from financing activities</b>                                       |      |      |
| Dividends paid                                                                    |      |      |
| Net cash used in financing activities                                             |      |      |
| Effect of foreign currency translation adjustments                                |      |      |
| Net increase in cash, cash equivalents and restricted cash                        |      |      |
| Cash, cash equivalents and restricted cash at beginning of the year               |      |      |
| Cash, cash equivalents and restricted cash at end of the year                     |      |      |
| <b>Supplemental disclosures of cash flow information:</b>                         |      |      |
| Cash paid during the year for:                                                    |      |      |
| Interest                                                                          |      |      |
| Income taxes                                                                      |      |      |
| <b>Supplemental schedule of non-cash investing and financing activities:</b>      |      |      |
| Non-cash contribution                                                             |      |      |
| <b>Supplemental schedule of cash, cash equivalents and restricted cash:</b>       |      |      |
| Cash and cash equivalents                                                         |      |      |
| Restricted cash                                                                   |      |      |
| Total in cash, cash equivalents and restricted cash                               |      |      |

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

## 1. Business Nature of Operations

██████████ provides prescription management services that are designed to reduce the cost of pharmacy healthcare for private and public employers, health plans, labor unions, and government agencies (collectively “Clients”) of all sizes and for individuals served by the Medicare Part D Prescription Drug Program. ██████████ services include prescription claims processing, pharmacy network administration, rebate administration, drug utilization review, clinical services, and pharmacy management reports.

█████ assists organizations in streamlining processes associated with providing affordable prescription drugs to the nation's uninsured indigent population through a government program known as 340B.

██████████ was formed to expand the Company's PBM services across the globe. ██████████ operations are currently focused on business development in ██████████ and ██████████.

On January 1, 2019, the Company completed a reorganization and contributed 100% of its equity interest in [REDACTED]. The intent of the reorganization was to change the reporting entity and to ensure management was focused on the core PBM and cash card segments.

The consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the accounts of the Company and its subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

The transfer of the equity interest in █████ constitutes a transfer of a business and has been accounted for using the “de-pooling” method as if the reorganization had occurred as of the beginning of the earliest period presented under Accounting Standard Codification (“ASC”) 805-50, Transactions Between Entities Under Common Control. In the de-pooling method, the assets, liabilities and related operations of the transferred business have been retrospectively removed from the consolidated financial statements of the Company at the historical carrying value. No gain or loss has been recorded in, nor did the reorganization have any material impact on, the consolidated financial statements.

## Notes to the Consolidated Financial Statements

---

### Liquidity

The Company has historically managed the business to operate with negative net working capital because it generates significant cash flows in excess of the working capital deficits. Additionally, the long-term nature of its contracts with its customers and the time it would take for a customer to leave, allow the Company to reasonably predict future operating cash flow needs.

As of December 31, 2021 and 2020 the Company's retained earnings equaled [REDACTED] and [REDACTED], respectively. During 2021 and 2020, the Company paid cash dividends of [REDACTED] and [REDACTED] 0, respectively, primarily to facilitate the principal and interest payments on [REDACTED] notes payable.

The Company believes cash balances, operating cash flows and/or cash flows from other public or private financing sources, taken together, provide adequate resources to fund ongoing operating and regulatory requirements in the foreseeable future. If sources of liquidity are not available or if the Company cannot generate sufficient cash flow from operations during the next twelve months, the Company may have a need to obtain additional funds through operating improvements, capital markets transactions, asset sales, financing from third parties, or a combination thereof. There can be no assurance that the Company will be able to raise additional capital if the Company's capital resources are exhausted. A lack of liquidity and an inability to raise capital when needed may have a material adverse impact on the Company's ability to continue its operations, expand its business, and/or results of operations.

## 2. Summary of Significant Accounting Policies

### Fair Value of Financial Instruments

The carrying value of financial instruments such as cash and cash equivalents, money market accounts, commercial paper, client accounts receivable, manufacturer accounts receivable, restricted cash, checks issued in advance of deposits, claims and rebates payable, and trade accounts payable are reasonable estimates of their fair value because of the short maturity of these items. The Company believes the current carrying amounts of its certificates of deposit, notes receivable and notes payable approximate fair value because the interest rate on these instruments approximate market interest rates. The Company does not have any material assets or liabilities measured at fair value.

### Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to, those relating to manufacturer and aggregator activities (receivables, payables, revenues and expenses), unbilled client accounts receivable, claims and settlements liability, internally developed software, allowance for doubtful accounts and income taxes. Actual results could differ from those estimates and assumptions.

### Cash and Cash Equivalents

The Company considers cash in banks, money market accounts, and certificates of deposit with original maturities of three months or less at date of acquisition to be cash equivalents. As a result of the Company's normal payment cycle, cash disbursement accounts representing outstanding checks not yet presented for payment are reclassified to checks issued in advance of deposits. As of December 31, 2021 and 2020, there were [REDACTED] and [REDACTED] checks issued in advance of deposits, respectively.

## Notes to the Consolidated Financial Statements

### Restricted Cash

The Company has pledged certain certificates of deposit as collateral in order to obtain irrevocable letters of credit in equal amounts with financial institutions on behalf of state licensing agencies, insurance policies and customer requirements.

The irrevocable letters of credit are generally for a term of one year but automatically extend for one year from the date of the expiration unless the financial institution exercises its right not to extend the expiration date.

Restricted cash consisted of the following at December 31, (in thousands):

|                              | 2021 | 2020 |
|------------------------------|------|------|
| State licensing requirements |      |      |

### Client Accounts Receivable, net

Client accounts receivable includes billed and estimated unbilled receivables from clients. Accounts receivable are recorded at gross value as the Company is individually responsible for both the collection of accounts for clients and payment of the related liability subsequent to collection of the receivable. Unbilled receivables from clients are typically billed based on the contractual billing schedule agreed upon with each client. At the end of any given reporting period, unbilled receivables from clients may represent up to two weeks of activity and will fluctuate at the end of a fiscal month depending on the timing of these billing cycles. Therefore, at the end of each reporting period, any unbilled amounts (revenues, receivables, payables, and expenses) related to the sale of prescription drugs that have been adjudicated with retail pharmacies prior to the period end are estimated based upon the actual amount of the billing cycle occurring prior to the end of the reporting period using the ratio of the total number of days in the billing cycle that are included in the reporting period to the total number of days of that billing cycle. The Company believes that this is a reasonable method of estimating unbilled revenues, receivables, payables, and expenses, and that the effect of any differences between the actual amounts and the estimated amounts on the amount reported in the consolidated financial statements would be insignificant.

Client accounts receivable, net consisted of the following at December 31, (in thousands):

|                                       | 2021 | 2020 |
|---------------------------------------|------|------|
| Client accounts receivable            |      |      |
| Less: allowance for doubtful accounts |      |      |
| Total client accounts receivable, net |      |      |

Client accounts receivable are presented net of the allowance for doubtful accounts. All receivables greater than 90 days are reserved in full based on historical collections experience related to aged client account receivables. Amounts ultimately deemed uncollectible are charged against the related allowances. Any increases or decreases of the allowance increases or decreases the related allowance on the claims payable related to client accounts receivable and the related bad debt expense included in the consolidated statements of operations.

### Manufacturer Accounts Receivable

Manufacturer accounts receivable includes amounts due from pharmaceutical manufacturers and rebate aggregators for earned rebates and other prescription services. The Company has an agreement with

## Notes to the Consolidated Financial Statements

████████████████████ a related party, for rebate aggregation services (see Note 10). The Company, in partnership with ██████ estimates the receivable amount by evaluating historical claim volumes and the latest available pricing to calculate the amount to be collected.

Manufacturer accounts receivable, net consisted of the following at December 31, (in thousands):

|                                  | 2021     | 2020     |
|----------------------------------|----------|----------|
| Manufacturer accounts receivable | ████████ | ████████ |

At December 31, 2021 and 2020, manufacturer accounts receivable included related party balances of ██████ and ██████, respectively.

All third party receivables greater than 120 days are reserved in full based on historical collections experience related to aged rebate receivables. The Company does not reserve for related party receivables as these are considered to be fully collectable. Amounts ultimately deemed uncollectible are charged against the related allowances. Any increases or decreases of the allowance will increase or decrease the related allowance on the client rebates payable related to manufacturer accounts receivable and the related bad debt expense included in the consolidated statements of operations.

### Concentrations of Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash, cash equivalents, and accounts receivable. The Company's accounts receivable are derived from revenues earned from clients and pharmaceutical companies located in the United States of America. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral from its customers. Historically, such losses have been within management's expectations.

The Company maintains cash balances at various financial institutions primarily located in San Diego, California. Accounts at these institutions are generally secured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). At times, cash balances may exceed this limit. The Company has not experienced any losses in such accounts. As of December 31, 2021 and 2020, amounts on deposit in excess of federally insured limits approximated ██████ and ██████, respectively. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

During the years ended December 31, 2021 and 2020, no customer accounted for 10% or greater of the Company's total operating revenues. As of December 31, 2021 and 2020, no customer accounted for 10% or greater of outstanding receivables.

As of December 31, 2021 and 2020, there were no vendors that surpassed the major supplier qualification of 10% to the total vendor payables balance.

### Intangible Assets

Intangible assets acquired individually or as part of a group of other assets are initially recognized and measured at cost. The cost of a group of intangible assets acquired in a transaction, including those acquired in a business combination that meet the specified criteria for recognition apart from goodwill, is allocated to the individual assets acquired based on their fair values.

Intangible assets with finite useful lives are amortized over their estimated useful lives on either a straight-line basis or in proportion to the economic benefits expected to be consumed. Intangible assets with indefinite useful lives are not amortized, but rather, tested for impairment if events or changes in circumstances indicate that the asset might be impaired.

## Notes to the Consolidated Financial Statements

Included in intangibles are amounts paid for purchased software and internally developed software that have been capitalized because they were direct costs incurred in developing or obtaining computer software (“application development stage”), or costs incurred to enhance or add functionality to existing software in the post-implementation/operation stage. Software development costs that are incurred in the preliminary development stage are expensed as incurred. Costs for maintenance, training, overhead, and general and administrative, as well as the cost of software coding that does not add functionality to existing systems are expensed as incurred.

### Goodwill

Goodwill is the residual amount that results when the purchase price of an acquired business exceeds the sum of the amounts allocated to the identifiable assets acquired, less liabilities assumed, based on their fair values. As of December 31, 2021 and 2020, the Company carried a goodwill balance of [REDACTED].

Goodwill is not amortized, but rather, is tested for impairment annually or more frequently, at the reporting unit level, if events or changes in circumstances indicate that the asset might be impaired.

The qualitative test incorporates the consideration of various events or circumstances to determine whether it is more likely than not that the fair value is less than the carrying value. If necessary, the quantitative impairment test is then carried out, in which case the implied fair value of the goodwill is compared with its carrying amount to measure the amount of the impairment loss, if any. The implied fair value of goodwill is determined, in the same manner as the value of goodwill is determined in a business combination, using the fair value as if it was the purchase price. When the carrying amount of goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess and is presented as a separate line item in the consolidated statements of operations. At December 31, 2021 and 2020, the Company determined that goodwill was not impaired.

### Property and Equipment, net

Property and equipment is stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, generally three to five years, or in the case of leasehold improvements, over the lesser of the useful life of the related asset or the lease term. Expenditures for repairs, maintenance, and renewals are charged to expense as incurred. Expenditures that improve an asset or extend its estimated useful life are capitalized.

Assets are depreciated on the following basis and annual rates:

| Asset                  | Basis         | Rate                                   |
|------------------------|---------------|----------------------------------------|
| Computer equipment     | Straight-line | 3                                      |
| Furniture and fixtures | Straight-line | 5                                      |
| Leasehold improvements | Straight-line | Lesser of useful life<br>or lease-term |
| Vehicles               | Straight-line | 5                                      |

The Company evaluates whether events and circumstances have occurred which indicate the remaining estimated useful life of long-lived assets may warrant revision or the remaining balance of an asset may not be recoverable. The measurement of possible impairment is based on the Company’s ability to recover the balance of the assets from expected future operating cash flows on an undiscounted basis.

## Notes to the Consolidated Financial Statements

---

### **Client and Vendor Guarantees, Claims, and Settlements**

From time to time, the Company pays client and vendor guarantees, claims, and settlements when certain performance targets are not met. Based on the Company's historical experience with these payouts and to the extent that the items can be specifically identified, accruals have been estimated and included in accrued expenses. As of December 31, 2021 and 2020, the Company accrued approximately [REDACTED] and [REDACTED], respectively, for known and unknown settlements that may be made through the normal course of business. Additionally, as of December 31, 2021 and 2020, the Company accrued approximately [REDACTED] and [REDACTED], respectively, for guarantees made to certain clients and vendors through the normal course of business.

### **Service Revenues**

The Company recognizes revenue in accordance with ASC 606. Major service revenues include pharmaceutical prescription management services ("PBM services"), inclusive of cash drug discount card services, 340B program services, and mail order pharmacy services.

#### *PBM Services*

PBM services include claims adjudication, drug utilization review, benefit design and formulary consultation services amongst other related services. These services are priced based on a capitated basis, per claim basis, or on drug price differentials between the client and the pharmacy network. On capitated contracts, the Company receives a fixed fee per member per month. The Company separately negotiates drug pricing and payment obligations with clients and with network pharmacies independent of each other. The Company is involved in establishing the prices charged by retail pharmacies, determining which drugs will be included in formulary listings and selecting which retail pharmacies will be included in the network offered to clients' members. Generally, the Company is not obligated to pay the pharmacies until payment is collected from customers. The amounts paid to pharmacies and amounts charged to clients are exclusive of the applicable member co-payment for retail pharmacy transactions. Included in service revenues and service expense are the negotiated prescription price (ingredient cost, net of rebates plus dispensing fee) that has been contracted with clients, including member co-payments to pharmacies, which the Company instructs retail pharmacies to collect from members. The Company has evaluated its revenue contracts for PBM services in accordance with ASC 606-10-55, *Revenue Recognition: Principal Versus Agent Considerations* and determined the Company is a principal when it controls the adjudication, pricing, and dispensing of prescriptions by retail pharmacies within the Company's networks, and as such recognizes these revenues on a gross basis, net of rebates and rebate administration fees and net of any discounts given to clients, as the Company performs, or makes available the applicable services to clients.

The Company records administrative fees as revenues from the administration of certain clients' network pharmacy contracts. The Company is not a party to these contracts. For these clients, the Company earns an administrative fee for collecting payments from the client and remitting the corresponding amounts to the pharmacies in the client's network. In these transactions the Company acts as an agent for the client, as such drug ingredient cost and member co-payment are not included in service revenues or service expenses.

#### *Cash Card Services*

Cash card revenues represent service fees for providing clients' members and non-members access to prescription drugs at a discounted price using a discount card. The discount program is typically designed for uninsured or underinsured patients. In the traditional cash discount card, the Company manages and distributes the card to its clients' members or other consumers. These consumers can use the card at any of

## Notes to the Consolidated Financial Statements

---

the pharmacies within the Company's network. In these transactions, the Company is the principal and recognizes revenue on a gross basis over time inclusive of the transaction fee, ingredient costs and member co-pay.

The pharmacy-branded loyalty program is managed by the Company on behalf of a pharmacy. Under this program the discount card can only be presented at pharmacies within the pharmacy's chain. In these transactions, the Company is the agent and recognizes revenue on a net basis over time and only includes the transaction fee agreed to per the contract. Due to variability in drug costs and volume, the cash card revenues are deemed to be constrained variable consideration until the prescription is dispensed. Prescription drug rebates received from pharmaceutical companies on loyalty programs are recorded as a reduction of service expenses and amounts passed through to clients are recorded as a reduction of service revenues.

### *340B Program Services*

The Company's 340B revenues are derived from administrative services provided to covered entities (primarily the hospital segment) related to the 340B federal program. This solution reduces the cost of prescription drugs for both safety net providers and their patients. The Company provides 340B eligible entities a full-service solution that includes contract pharmacy network implementation, determining eligibility at point of service, virtual inventory management, claims processing at the lower of discount or applicable 340B pricing, auditing and reporting, and split billing. For providing these services the Company earns an administrative fee, recognized on a net basis, as the Company performs, or makes available, the applicable services to clients.

### *Mail Order Pharmacy Services*

The Company's mail order pharmacy revenues are derived from the processing of prescription via the Company's patient portals that facilitate the ordering of medications. The Company's platform directs prescription dispensing to fulfillment partners based primarily on pricing and service. The Company is obligated to remit payment to the fulfillment centers regardless of cash collected from customers. For transactions in which the Company is the pharmacy of record, it records revenues on a gross basis at the contract prices negotiated with clients, inclusive of dispensing fee, ingredient costs, and member co-payment. Revenues from dispensing prescriptions from the Company's mail order pharmacy are recorded when drugs are shipped. At the time of shipment, the earnings process is complete; the obligation of the customer to pay for the drugs is fixed and, due to the nature of the product, the member may not return the drugs or receive a refund.

### **Rebates and Related Administrative Fees**

Gross rebates and administrative fees earned for the administration of the rebate programs, performed in conjunction with claims processing services provided to clients, are recorded as a reduction of service expenses and the portion of the rebate payable to clients is treated as a reduction of service revenues. When the Company earns rebates and administrative fees but does not process the underlying claims or recognize the associated drug spend, the Company records the administrative fees received from manufacturers as a reduction to service expenses, net of the portion payable to customers.

### **Financial and Performance Guarantees**

The Company has contracts which contain terms whereby the Company makes certain financial and performance guarantees, including the minimum level of discounts or rebates a client may receive, generic

## Notes to the Consolidated Financial Statements

utilization rates and various service guarantees. Clients may be entitled to receive payment for performance penalties should the Company fail to meet a financial or service guarantee. The Company compares actual performance to the guarantee for each measure throughout the period and records accruals which offset service revenues when the Company determines that such guarantees will not be met. When the guarantee period ends and the Company has either met or paid the client for shortfalls on a measure, the estimates are adjusted to actual.

|                                |  |
|--------------------------------|--|
| Balance at January 1, 2020     |  |
| Accrued performance guarantees |  |
| Less: Charges incurred         |  |
| Balance at December 31, 2020   |  |
| Accrued performance guarantees |  |
| Less: Charges incurred         |  |
| Balance at December 31, 2021   |  |

### Service Expenses

Service expense includes drug ingredient costs, network pharmacy claims costs, member co-payments, as well as direct costs related to services provided to our customers such as printing, shipping, data for claims processing, fees paid to brokers, and drug spend related to prescription drug plans. Rebates and administrative fees earned for the administration of this program, performed in conjunction with claims processing services provided to clients, are recorded as a reduction of service expenses.

### Income Taxes

The Company accounts for income taxes using the enacted tax rates. Deferred tax assets and liabilities are recognized by applying these enacted tax rates against any temporary differences between book and tax basis on recorded assets and liabilities. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that a portion of the deferred tax asset will not be realized.

The Company is included in the consolidated federal income tax return of [REDACTED] and its subsidiaries. The tax provision is allocated to the Company based on the separate return approach.

The Company follows the provision of ASC 740-10-25, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in companies' financial statements. The standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The evaluation of a tax position in accordance with the standard is a two-step process. The first step is recognition to determine whether it is more likely than not that a tax position will be sustained upon examination. The second step is measurement whereby a tax position that meets the more likely than not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The standard also provides guidance on derecognition of recognized tax benefits, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

### Advertising

The Company follows the policy of charging advertising costs to expense as incurred. For the years ended December 31, 2021 and 2020, advertising expenses were approximately [REDACTED] and [REDACTED], respectively.

### Other Comprehensive Income

Other comprehensive income includes all changes in equity from non-owner sources. All the activity in other comprehensive income is related to foreign currency translation adjustments. The Company accounts for other comprehensive income in accordance with ASC 220, *Comprehensive Income*.

### Reclassifications

Certain reclassifications have been made to the prior period consolidated balance sheet and statement of cash flows to conform with current year presentation.

### New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (“Topic 842”). The amendments in this update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this update are effective for public business entities, not-for-profit entities that have issued, or are conduit bond obligors for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and employee benefit plans that file financial statements with the U.S. Securities and Exchange Commission (“SEC”) for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. For all other entities, the amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is in the process of evaluating this standard, the method and timing of adoption, and any potential material effects to the consolidated financial statements.

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* (“Topic 326”). The amendments in this update require the use of a forward-looking expected loss impairment model for trade and other receivables, held-to-maturity debt securities, loans and other instruments. This amendment also requires that impairments and recoveries for available-for-sale debt securities be recorded through an allowance account and revises certain disclosure requirements. The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal periods. The Company is in the process of evaluating this standard, the method and timing of adoption, and any potential material effects to the consolidated financial statements.

In January 2017, The FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other* (“Topic 350”). The FASB issued this update to allow private companies an alternative accounting treatment for subsequently measuring goodwill. This update is to simplify how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit’s goodwill with the carrying amount of that goodwill. Adoption is required for interim or annual goodwill impairment tests performed on testing dates after December 15, 2022. The Company is in the process of evaluating this standard and the method and timing of adoption, and any potential material effects to the consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software* (Topic 350-40): *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. This standard requires a customer in a cloud computing arrangement that is a service contract to follow the internal-use software guidance in Topic 350-40 to determine which implementation costs to capitalize as assets. The amendments in this update are effective for public business entities for annual periods beginning after December 15, 2019, and interim periods

## Notes to the Consolidated Financial Statements

within those fiscal periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2021. The Company is in the process of evaluating this standard and the method and timing of adoption. Adoption of the standard is not expected to have a material impact on the consolidated financial statements.

In March 2021, the FASB issued ASU No. 2021-03, *Intangibles—Goodwill and Other* (“Topic 350”). The amendments in this Update provide private companies and not-for-profit entities with an accounting alternative to perform the goodwill impairment triggering event evaluation as required in Subtopic 350-20 as of the end of the reporting period, whether the reporting period is an interim or annual period. An entity that elects this alternative is not required to monitor for goodwill impairment triggering events during the reporting period but, instead, should evaluate the facts and circumstances as of the end of each reporting period to determine whether a triggering event exists and, if so, whether it is more likely than not that goodwill is impaired. An entity that does not elect the accounting alternative for amortizing goodwill and that performs its annual impairment test as of a date other than the annual reporting date should perform a triggering event evaluation only as of the end of the reporting period. The amendments in this Update are effective on a prospective basis for fiscal years beginning after December 15, 2019. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance as of March 30, 2021. An entity should not retroactively adopt the amendments in this Update for interim financial statements already issued in the year of adoption. The Company is in the process of evaluating this standard, the method and timing of adoption, and any potential material effects to the consolidated financial statements.

In August 2021, the FASB issued ASU No. 2021-08, *Business Combinations* (“Topic 805”). The FASB is issuing this Update to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer. For public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The amendments in this Update should be applied prospectively to business combinations occurring on or after the effective date of the amendments. Early adoption of the amendments is permitted, including adoption in an interim period. An entity that early adopts in an interim period should apply the amendments (1) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early application and (2) prospectively to all business combinations that occur on or after the date of initial application. The Company is in the process of evaluating this standard, the method and timing of adoption, and any potential material effects to the consolidated financial statements.

### 3. Property and Equipment, net

Property and equipment, net consisted of the following at December 31, (in thousands):

|                                   | 2021       | 2020       |
|-----------------------------------|------------|------------|
| Computer equipment                | ██████████ | ██████████ |
| Furniture and fixtures            | ██████████ | ██████████ |
| Leasehold improvements            | ██████████ | ██████████ |
| Vehicles                          | ██████████ | ██████████ |
| Total property and equipment      | ██████████ | ██████████ |
| Less: accumulated depreciation    | ██████████ | ██████████ |
| Total property and equipment, net | ██████████ | ██████████ |

## Notes to the Consolidated Financial Statements

Depreciation expense consisted of the following for the years ended December 31, (in thousands):

|                      | 2021 | 2020 |
|----------------------|------|------|
| Depreciation expense |      |      |

### 4. Notes Receivable

Notes receivable activity was as follows (in thousands):

|                              | Notes Receivable from |                        |       |
|------------------------------|-----------------------|------------------------|-------|
|                              | Third Parties         | Officers and Employees | Total |
| Interest rate                |                       |                        |       |
| Balance at December 31, 2019 |                       |                        |       |
| Accrued interest             |                       |                        |       |
| Reductions - interest        |                       |                        |       |
| Reductions - principal       |                       |                        |       |
| Balance at December 31, 2020 |                       |                        |       |
| Accrued interest             |                       |                        |       |
| Balance at December 31, 2021 |                       |                        |       |

### 5. Intangible Assets, net

Intangible assets are reviewed for impairment annually or more frequently if impairment indicators arise. There was no impairment of intangible assets during the years ended December 31, 2021 and 2020.

Intangible assets with finite useful lives are amortized over their estimated useful lives on either a straight-line basis or in proportion to the economic benefits expected to be consumed. The components of intangible assets were as follows (in thousands):

|                                       | 2021 | 2020 |
|---------------------------------------|------|------|
| Internally developed software ("IDS") |      |      |
| Customer relationships                |      |      |
| Purchased software                    |      |      |
| Covenants not-to-compete              |      |      |
| Total finite life intangibles         |      |      |
| Less: accumulated amortization        |      |      |
| Total finite life intangibles, net    |      |      |
| Software in development               |      |      |
| Trade name                            |      |      |
| Total indefinite life intangible      |      |      |
| Intangible assets, net                |      |      |

## Notes to the Consolidated Financial Statements

The capitalized IDS and amortization expense was as follows for the years ended December 31, (in thousands):

|                      | 2021 | 2020 |
|----------------------|------|------|
| Capitalized IDS      |      |      |
| Amortization expense |      |      |

Estimated useful lives of other intangible assets are as follows:

| Intangible Asset          | Estimated Useful Lives |
|---------------------------|------------------------|
| IDS                       |                        |
| Customer relationships    |                        |
| Purchased software        |                        |
| Covenants not-to-compete  |                        |
| Software in development * | Indefinite             |
| Trade name *              | Indefinite             |

\* The trade name is not considered amortizable as it has an indefinite useful life. Software in development is not considered amortizable until it is placed into service.

The future aggregate amount of amortization expense of intangible assets is expected to approximate the following (in thousands):

|      |  |
|------|--|
| 2022 |  |
| 2023 |  |
| 2024 |  |
|      |  |

The remaining weighted-average amortization period of intangible assets subject to amortization is years in total at December 31, 2021.

## 6. Accrued Expenses

Accrued expenses consisted of the following as of December 31, (in thousands):

|                                | 2021 | 2020 |
|--------------------------------|------|------|
| Claims and settlements         |      |      |
| Salaries and employee benefits |      |      |
| Client and vendor guarantees   |      |      |
| Other                          |      |      |
| Total accrued expenses         |      |      |

## Notes to the Consolidated Financial Statements

### 7. Income Taxes

Income tax expense consisted of the following for the years ended December 31, (in thousands):

|                          | 2021 | 2020 |
|--------------------------|------|------|
| Current:                 |      |      |
| Federal                  |      |      |
| State                    |      |      |
| Total current            |      |      |
| Deferred:                |      |      |
| Federal                  |      |      |
| State                    |      |      |
| Total deferred           |      |      |
| Total income tax expense |      |      |

The differences between the effective tax rate reflected in the income taxes and the U.S. statutory income tax rate are as follows for the years ended December 31, (in thousands):

|                                                      | 2021 | 2020 |
|------------------------------------------------------|------|------|
| Corporate statutory rate                             |      |      |
| Income tax expense on income before income taxes     |      |      |
| Tax effect of:                                       |      |      |
| State and local income taxes, net of federal benefit |      |      |
| Increase in valuation allowance                      |      |      |
| Return to provision true-up                          |      |      |
| Other                                                |      |      |
| Permanent differences                                |      |      |
| Nondeductible compensation                           |      |      |
| Foreign income taxed at other than U.S. rates        |      |      |
| Unrecognized tax benefit for current year position   |      |      |
| Research and development credits                     |      |      |
| Total income tax expense                             |      |      |

## Notes to the Consolidated Financial Statements

The significant components of deferred tax assets and liabilities are as follows at December 31, (in thousands):

|                                                     | 2021   | 2020   |
|-----------------------------------------------------|--------|--------|
| Deferred income tax assets:                         |        |        |
| Accruals                                            | ██████ | ██████ |
| State taxes                                         | ██████ | ██████ |
| Net operating loss carryovers                       | ██████ | ██████ |
| Deferred compensation                               | ██████ | ██████ |
| Tax and book basis difference on equity investments | ██████ | ██████ |
| Total deferred tax assets                           | ██████ | ██████ |
| Deferred income tax liabilities:                    |        |        |
| Goodwill                                            | ██████ | ██████ |
| Depreciation and amortization                       | ██████ | ██████ |
| Total deferred tax liabilities                      | ██████ | ██████ |
| Valuation allowance                                 | ██████ | ██████ |
| Net deferred tax assets                             | ██████ | ██████ |

Net deferred taxes included in the consolidated balance sheet are classified as follows at December 31, (in thousands):

|                          | 2021   | 2020   |
|--------------------------|--------|--------|
| Deferred tax assets      | ██████ | ██████ |
| Deferred tax liabilities | ██████ | ██████ |
| Net deferred tax assets  | ██████ | ██████ |

Realization of the Company's net deferred tax assets is dependent on generating sufficient taxable income. Although realization is not assured, management believes it is more likely than not that all of the deferred tax assets will be realized, to the extent they are not covered by a valuation allowance. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimate of future taxable income during the carryforward period are reduced.

The net change in the total valuation allowance for the year ended December 31, 2021 was ██████. The valuation allowance of ██████ relates to foreign net operating loss carryovers for which the Company has concluded it is more likely than not that these carryforwards and deferred tax assets will not be realized in the ordinary course of operations. The Company will continue to assess the valuation allowance, and to the extent it is determined that a valuation allowance should be changed, an appropriate adjustment will be recorded.

At December 31, 2021, the Company's open audit periods available for tax authorities consisted of the tax years ended December 31, 2014 and 2018 and subsequent for federal tax and December 31, 2017 and subsequent for most state taxing authorities. The Company is currently under examination by the Internal Revenue Service for the year ended December 31, 2014, and is under examination by the states of California and New York for the years ended December 31, 2013 and 2014, and December 31, 2018, respectively. The Company does not anticipate any material adjustments will result from these examinations.

## Notes to the Consolidated Financial Statements

---

During the years ended December 31, 2021 and 2020, the Company was subject to immaterial amounts of foreign income taxes as the foreign subsidiaries yielded little to no net income.

In accounting for uncertainty in income taxes, the Company recognizes a tax benefit in the financial statements for an uncertain tax position only if management's assessment is that the position is more likely than not (that is, a likelihood greater than 50 percent) to be allowed by the tax jurisdiction based solely on the technical merits of the position. The term "tax position" refers to a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred tax assets and liabilities for annual periods. The Company recognizes interest and penalties related to unrecognized tax benefits within the provision for income taxes line in the accompanying consolidated statements of operations. Accrued interest and penalties are included within the related tax liability in the consolidated balance sheet. The Company has accrued a liability of [REDACTED] as of December 31, 2021 related to its uncertain tax positions and related penalties and interest. Management does not expect any material change to the balance of unrecognized tax benefits within the next 12 months.

### 8. Equity

During the year ended December 31, 2019, [REDACTED] extended an offer ("The 2019 Offer") to repurchase outstanding shares and stock options. The stock option repurchase resulted in stock compensation of [REDACTED] during the year ended December 31, 2020, as a product of The 2019 Offer in excess of the options fair value.

### 9. Employee Benefit Plans

The Company offers full-time employees a retirement savings plan under Section 401(k) of the Internal Revenue Code. Employees may elect to enter a written salary deferral agreement under which a maximum of 25% of their salary, subject to aggregate limits required under the Internal Revenue Code, may be contributed to the plan. The Board of Directors determines contributions made by the Company annually based on plan specifications. For the years ended December 31, 2021 and 2020, the Company expensed [REDACTED] and [REDACTED], respectively, for contributions under the plan.

### 10. Related Party Transactions and Balances

A summary of the Company's related party transactions and balances is contained below at December 31, 2021 and 2020 and for the two years ended December 31, 2021 and 2020 (in thousands). All line item descriptions match the descriptions on the consolidated financial statements in which the balances reside.

## Notes to the Consolidated Financial Statements

|                                           | At December 31, 2021 |             | At December 31, 2020 |             |
|-------------------------------------------|----------------------|-------------|----------------------|-------------|
|                                           | Assets               | Liabilities | Assets               | Liabilities |
| (1)                                       |                      |             |                      |             |
| (2)                                       |                      |             |                      |             |
| Prepaid expenses and other current assets |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| Trade accounts payable                    |                      |             |                      |             |
| (3)                                       |                      |             |                      |             |
| Trade accounts payable                    |                      |             |                      |             |
| CFI subtotal                              |                      |             |                      |             |
| <b>Other Related Parties</b>              |                      |             |                      |             |
| (4)                                       |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| (5)                                       |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| (6)                                       |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| (7)                                       |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| Other liabilities, non-current portion    |                      |             |                      |             |
| (8)                                       |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| Trade accounts payable                    |                      |             |                      |             |
| (9)                                       |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| (10)                                      |                      |             |                      |             |
| Prepaid expenses and other current assets |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| Trade accounts payable                    |                      |             |                      |             |
| Other liabilities, non-current portion    |                      |             |                      |             |
| (11)                                      |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| (12)                                      |                      |             |                      |             |
| Manufacturer accounts receivable, net     |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| Claims payable, net                       |                      |             |                      |             |
| (13)                                      |                      |             |                      |             |
| Manufacturer accounts receivable, net     |                      |             |                      |             |
| Receivables and other assets              |                      |             |                      |             |
| Other related parties subtotal            |                      |             |                      |             |
| Total related parties                     |                      |             |                      |             |

## Notes to the Consolidated Financial Statements

|                                     | Revenue |      | Expenses |      |
|-------------------------------------|---------|------|----------|------|
|                                     | 2021    | 2020 | 2021     | 2020 |
| (1)                                 |         |      |          |      |
| (2)                                 |         |      |          |      |
| Salaries and payroll                |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| (3)                                 |         |      |          |      |
| Service expenses                    |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| CFI subtotal                        |         |      |          |      |
| <b>Other Related Parties</b>        |         |      |          |      |
| (4)                                 |         |      |          |      |
| Service expenses                    |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| (6)                                 |         |      |          |      |
| Service expenses                    |         |      |          |      |
| (7)                                 |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| (10)                                |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| (11)                                |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| (12)                                |         |      |          |      |
| Service expenses                    |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| (13)                                |         |      |          |      |
| Service revenues                    |         |      |          |      |
| Service expenses                    |         |      |          |      |
| Selling, general and administrative |         |      |          |      |
| Other related parties subtotal      |         |      |          |      |
| Total related parties               |         |      |          |      |

- (1) an entity under common control, is the 100% owner of a limited partnership that maintains ownership interests of varying levels in a portfolio of companies that address the healthcare market.

The Company has certain agreements in place with a number of portfolio companies held by. The agreements with the portfolio companies represent business transactions that the Company believes increase the breadth and quality of products and services the Company provides to its customer base.

- (2) a subsidiary of provides contract services related to market data analysis. The Company provides certain benefit administration services to. This related party billing had no impact on the consolidated statements of operations.

## Notes to the Consolidated Financial Statements

---

- (3) [REDACTED] a subsidiary of [REDACTED] provides direct line communications tools and data analytics for the pharmaceutical industry that the Company utilizes. Contracts with [REDACTED] renew annually.
- (4) [REDACTED] is a wholly owned subsidiary of [REDACTED] serves as a broker for the Company's cash card segment.
- (5) [REDACTED] the sole parent of the Company through its wholly owned subsidiary, [REDACTED] pays state and federal taxes on behalf of its subsidiaries. Intercompany transactions between the Company and [REDACTED] primarily relate to tax activity and [REDACTED] stock.
- (6) [REDACTED] The Company recognizes service expenses associated with [REDACTED] a subsidiary of [REDACTED] for administrative services associated with a certain subset of the Company's clients.
- (7) [REDACTED] is a wholly owned subsidiary of [REDACTED] The Company receives certain insurance premium and benefit administration services from [REDACTED]
- (8) [REDACTED] is a wholly owned subsidiary of [REDACTED] The Company shares certain expenses for select entities contained within the [REDACTED] investment portfolio.
- (9) [REDACTED] is a wholly owned subsidiary of [REDACTED] and the sole parent of the Company. [REDACTED] provides financing services to the Company.
- (10) [REDACTED] is a wholly owned subsidiary of [REDACTED] The Company has multiple lease agreements with [REDACTED] for commercial office space. The Company also provides certain human resource and benefit administration services to [REDACTED] This related party billing had no impact on the consolidated statements of operations.
- (11) [REDACTED] The Company provides certain human resource and benefit administration services to [REDACTED] This related party billing had no impact on the consolidated statements of operations.
- Effective January 1, 2016, the Company entered into a one-year agreement with [REDACTED] to provide travel and flight services to the Company. The agreement renewed on January 1, 2021 on a month to month basis.
- (12) [REDACTED] is a wholly owned subsidiary of [REDACTED] dispenses prescription drugs on behalf of the Company's mail order line of business.
- (13) [REDACTED] a subsidiary of [REDACTED] serves as the Company's rebate claims aggregator. The Company entered into an operational service and support agreement ("OSSA") effective January 1, 2018 through December 31, 2021. Effective January 1, 2019, the OSSA was amended, and the Company paid [REDACTED] a fee for aggregation services equal to the greater of 30% of surplus or [REDACTED] per quarter. Effective January 1, 2020 and 2021, the Company will pay [REDACTED] a service fee equal to [REDACTED] and [REDACTED] per quarter, respectively. [REDACTED] will remit to the Company any amounts received from third parties with respect to claims submission less the quarterly fee. [REDACTED] also manages the direct-to-pharmaceutical manufacturer contracts for a fixed fee plus incentive based on annual performance included within selling, general, and administrative expensed.

## Notes to the Consolidated Financial Statements

### 11. Commitments and Contingencies

#### Leases

Future minimum lease payments required under operating leases are as follows (in thousands):

|                                     | Operating |
|-------------------------------------|-----------|
| 2022                                | ████████  |
| 2023                                | ████████  |
| 2024                                | ████████  |
| 2025                                | ████████  |
| 2026                                | ████████  |
| Thereafter                          | ████████  |
| Total future minimum lease payments | ████████  |

Rent expense for the years ended December 31, 2021 and 2020 totaled ██████████ and ██████████, respectively.

#### Vendor Agreement

At December 31, 2021, and 2020, the Company had a vendor payable balance of ██████████ and ██████████, respectively. Liabilities for this vendor balance older than 30 days were subject to interest at an annual rate of 10%. Total unpaid interest at December 31, 2021 and 2020 equaled ██████████ and ██████████, respectively, and interest expense for the years ended December 31, 2021 and 2020 equaled ██████████ and ██████████, respectively.

#### Surety Bonds

As of December 31, 2021 and 2020, the Company had surety bonds outstanding ██████████ and ██████████, respectively.

#### Dividends

████████ the sole stockholder of the Company, has an annual debt service requirement on a total debt of ██████████ due March 15, 2026. The Company has guaranteed this debt and intends to fund all future related debt servicing requirements by means of annual dividends to ██████████ as follows (in thousands):

|                        |          |
|------------------------|----------|
| 2022                   | ████████ |
| 2023                   | ████████ |
| 2024                   | ████████ |
| 2025                   | ████████ |
| 2026                   | ████████ |
| Total future dividends | ████████ |

### **Contingencies**

The Company accrues contingent losses based upon estimates of the aggregate liability of claims. Accruals are estimated using historical experience, advice from outside counsel, and management's strategy with regards to the settlement or defense of such claims and obligations. The Company accrues for legal claims and the liability estimate is primarily related to the cost to defend or settle these claims. In addition, various aspects of the business may subject the Company to litigation and liability for damages arising from errors in the processing of prescription drug claims, failure to meet performance measures within certain contracts relating to services or the ability to obtain certain levels of discounts or rebates on prescription purchases from retail pharmacies and drug manufacturers, claims relating to performance of contractual obligations to providers and others, including failure to properly pay claims, or other actions or omissions. The Company does not accrue for settlements, judgments, monetary fines, or penalties until such amounts are probable and can be reasonably estimated.

The Company's current and past business practices are subject to review by various state insurance and healthcare regulatory authorities and other state and federal regulatory authorities. These reviews focus on numerous facets of the business, including claims payment practices, privacy issues, and utilization management practices. While the Company believes its services and business practices are in compliance with applicable laws, rules, and regulations in all material respects, it cannot predict the outcome of these matters at this time. Some of these reviews have historically resulted in fines imposed on the Company and some have required changes to some of the Company's practices. An unfavorable outcome in one or more of these matters could result in the imposition of judgments, monetary fines or penalties, or injunctive or administrative remedies. The Company can give no assurance that such judgments, fines and remedies, and future cost associated with legal matters, would not have a material adverse effect on the financial condition, consolidated results of operations, or consolidated cash flows of the Company. The Company is a defendant in various claims which are in the normal course of business. Lawsuits outside the normal course of business are not expected to have a negative outcome or expected to be material as of this report and therefore no amounts have been accrued. During the second quarter of 2021 the Company reached a settlement agreement with a former employee resulting in the reversal of [REDACTED] in previously recognized severance expense within salaries and payroll on the condensed consolidated statement of operations.

## **12. Segment Reporting**

The Company has elected to present segment reporting under ASC 280, *Segment Reporting*, which requires companies to report financial and descriptive information about their reportable operating segments. The Company identifies operating segments based on how management internally evaluates separate financial information, business activity, and management responsibility. The Company has identified two reportable segments: PBM and Cash Card.

The Company primarily evaluates its PBM and Cash Card segment performance based on revenues after the effect of certain intersegment eliminations.

## Notes to the Consolidated Financial Statements

The following table is a reconciliation of the Company's business segments to the consolidated financial statements for the years ended December 31, (in thousands):

|                                   | 2021 | 2020 |
|-----------------------------------|------|------|
| <b>Revenues</b>                   |      |      |
| PBM                               | █    | █    |
| Cash Card                         | █    | █    |
| Consolidated totals               | █    | █    |
| <b>Income before income taxes</b> |      |      |
| PBM                               | █    | █    |
| Cash Card                         | █    | █    |
| Consolidated totals               | █    | █    |
| <b>Capital expenditures</b>       |      |      |
| PBM                               | █    | █    |
| Cash Card                         | █    | █    |
| Consolidated totals               | █    | █    |

The following table is a reconciliation of the Company's business segments to the consolidated financial statements at December 31, (in thousands):

|                     | 2021 | 2020 |
|---------------------|------|------|
| <b>Total assets</b> |      |      |
| PBM                 | █    | █    |
| Cash Card           | █    | █    |
| Consolidated totals | █    | █    |
| <b>Goodwill</b>     |      |      |
| PBM                 | █    | █    |
| Cash Card           | █    | █    |
| Consolidated totals | █    | █    |

During the year ended December 31, 2021, no customers accounted for 10% or more of total PBM revenue. During the year ended December 31, 2020, █ customers accounted for 21% or more of total PBM revenue.

During the year ended December 31, 2021, █ customers accounted for █ and █, respectively, of total cash card revenue. During the year ended December 31, 2020, █ customer accounted for █ of total revenue for the cash card segment.

### 13. Subsequent Events

The Company has evaluated subsequent events through March 30, 2022, which is the date the consolidated financial statements were available for issuance, noting all events that require adjustment of, or disclosure in, the consolidated financial statements for the year ended December 31, 2021 are included within the footnotes herein.

## **SUPPLEMENTAL SCHEDULES**

## **Independent Auditor's Report on Supplementary Information**

Board of Directors  
[REDACTED]  
[REDACTED]

Our audits of the consolidated financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

/s/ BDO USA, LLP  
[REDACTED]

March 30, 2022

**Consolidating Balance Sheet**  
**At December 31, 2021 (In thousands)**

|                                            |  |  |  |  |  | Eliminations<br>and<br>Reclassifications |  |
|--------------------------------------------|--|--|--|--|--|------------------------------------------|--|
| <b>Assets</b>                              |  |  |  |  |  |                                          |  |
| Current assets                             |  |  |  |  |  |                                          |  |
| Cash and cash equivalents                  |  |  |  |  |  |                                          |  |
| Client accounts receivable, net            |  |  |  |  |  |                                          |  |
| Manufacturer accounts receivable           |  |  |  |  |  |                                          |  |
| Prepaid expenses and other current assets  |  |  |  |  |  |                                          |  |
| Total current assets                       |  |  |  |  |  |                                          |  |
| Property and equipment, net                |  |  |  |  |  |                                          |  |
| Investment in subsidiaries                 |  |  |  |  |  |                                          |  |
| Notes receivable                           |  |  |  |  |  |                                          |  |
| Receivables and other assets               |  |  |  |  |  |                                          |  |
| Deferred tax assets, net                   |  |  |  |  |  |                                          |  |
| Intangible assets, net                     |  |  |  |  |  |                                          |  |
| Goodwill                                   |  |  |  |  |  |                                          |  |
| Total assets                               |  |  |  |  |  |                                          |  |
| <b>Liabilities and Equity (Deficit)</b>    |  |  |  |  |  |                                          |  |
| Current liabilities                        |  |  |  |  |  |                                          |  |
| Trade accounts payable                     |  |  |  |  |  |                                          |  |
| Claims payable, net                        |  |  |  |  |  |                                          |  |
| Client rebates and guarantees payable, net |  |  |  |  |  |                                          |  |
| Income tax payable                         |  |  |  |  |  |                                          |  |
| Accrued expenses                           |  |  |  |  |  |                                          |  |
| Other liabilities, current portion         |  |  |  |  |  |                                          |  |
| Total current liabilities                  |  |  |  |  |  |                                          |  |
| Other liabilities, non-current portion     |  |  |  |  |  |                                          |  |
| Total liabilities                          |  |  |  |  |  |                                          |  |
| Equity (deficit)                           |  |  |  |  |  |                                          |  |
| Common stock                               |  |  |  |  |  |                                          |  |
| Additional paid in capital                 |  |  |  |  |  |                                          |  |
| Retained earnings (accumulated deficit)    |  |  |  |  |  |                                          |  |
| Accumulated other comprehensive loss       |  |  |  |  |  |                                          |  |
| Total equity (deficit)                     |  |  |  |  |  |                                          |  |
| Total liabilities and equity (deficit)     |  |  |  |  |  |                                          |  |

**Consolidating Statement of Operations**  
**For the year ended December 31, 2021 (In thousands)**

|                                           |  |  |  |  |  |  | Eliminations<br>and<br>Reclassifications |  |
|-------------------------------------------|--|--|--|--|--|--|------------------------------------------|--|
| Service revenues                          |  |  |  |  |  |  |                                          |  |
| Service expenses                          |  |  |  |  |  |  |                                          |  |
| Gross profit                              |  |  |  |  |  |  |                                          |  |
| Operating expenses                        |  |  |  |  |  |  |                                          |  |
| Salaries and payroll                      |  |  |  |  |  |  |                                          |  |
| Selling, general and administrative       |  |  |  |  |  |  |                                          |  |
| Depreciation and amortization             |  |  |  |  |  |  |                                          |  |
| Total operating expenses                  |  |  |  |  |  |  |                                          |  |
| Income (loss) from operations             |  |  |  |  |  |  |                                          |  |
| Other income (expense)                    |  |  |  |  |  |  |                                          |  |
| Interest income                           |  |  |  |  |  |  |                                          |  |
| Interest income - related parties         |  |  |  |  |  |  |                                          |  |
| Interest expense                          |  |  |  |  |  |  |                                          |  |
| Other income (expense), net               |  |  |  |  |  |  |                                          |  |
| Total other income (expense)              |  |  |  |  |  |  |                                          |  |
| Income (loss) before income taxes         |  |  |  |  |  |  |                                          |  |
| Provision for (benefit from) income taxes |  |  |  |  |  |  |                                          |  |
| Net income (loss)                         |  |  |  |  |  |  |                                          |  |

**Consolidating Statement of Comprehensive Income (Loss)**  
**For the year ended December 31, 2021 (In thousands)**

|                                          |  |  |  |  |  |  | Eliminations<br>and<br>Reclassifications |  |
|------------------------------------------|--|--|--|--|--|--|------------------------------------------|--|
| Net income (loss)                        |  |  |  |  |  |  |                                          |  |
| Other comprehensive income, net of tax   |  |  |  |  |  |  |                                          |  |
| Foreign currency translation adjustments |  |  |  |  |  |  |                                          |  |
| Comprehensive income (loss)              |  |  |  |  |  |  |                                          |  |

**Consolidating Statement of Cash Flows**  
**For the year ended December 31, 2021 (In thousands)**

[illegible]

**Consolidating Statement of Cash Flows (Continued)**  
**For the year ended December 31, 2021 (In thousands)**

|                                                                              |  |  |  |  |  | Eliminations<br>and<br>Reclassifications | Consolidated |
|------------------------------------------------------------------------------|--|--|--|--|--|------------------------------------------|--------------|
| <b>Cash flows from financing activities</b>                                  |  |  |  |  |  |                                          |              |
| Dividends paid                                                               |  |  |  |  |  |                                          |              |
| Capital contributions (returns)                                              |  |  |  |  |  |                                          |              |
| Net cash (used in) provided by financing activities                          |  |  |  |  |  |                                          |              |
| Effect of foreign currency translation adjustments                           |  |  |  |  |  |                                          |              |
| Net increase (decrease) in cash, cash equivalents and restricted cash        |  |  |  |  |  |                                          |              |
| Cash, cash equivalents and restricted cash at beginning of the period        |  |  |  |  |  |                                          |              |
| Cash, cash equivalents and restricted cash at end of the period              |  |  |  |  |  |                                          |              |
| <b>Supplemental disclosures of cash flow information:</b>                    |  |  |  |  |  |                                          |              |
| Cash paid during the period for:                                             |  |  |  |  |  |                                          |              |
| Interest                                                                     |  |  |  |  |  |                                          |              |
| Income taxes                                                                 |  |  |  |  |  |                                          |              |
| <b>Supplemental schedule of non-cash investing and financing activities:</b> |  |  |  |  |  |                                          |              |
| Non-cash contribution                                                        |  |  |  |  |  |                                          |              |
| <b>Supplemental schedule of cash, cash equivalents and restricted cash:</b>  |  |  |  |  |  |                                          |              |
| Cash and cash equivalents                                                    |  |  |  |  |  |                                          |              |
| Total in cash, cash equivalent and restricted cash                           |  |  |  |  |  |                                          |              |

**Consolidating Balance Sheet**  
**At December 31, 2020 (In thousands)**

|                                            |  |  |  |  |  | Eliminations<br>and<br>Reclassifications | Consolidated |
|--------------------------------------------|--|--|--|--|--|------------------------------------------|--------------|
| <b>Assets</b>                              |  |  |  |  |  |                                          |              |
| Current assets                             |  |  |  |  |  |                                          |              |
| Cash and cash equivalents                  |  |  |  |  |  |                                          |              |
| Client accounts receivable, net            |  |  |  |  |  |                                          |              |
| Manufacturer accounts receivable, net      |  |  |  |  |  |                                          |              |
| Prepaid expenses and other current assets  |  |  |  |  |  |                                          |              |
| Total current assets                       |  |  |  |  |  |                                          |              |
| Restricted cash                            |  |  |  |  |  |                                          |              |
| Property and equipment, net                |  |  |  |  |  |                                          |              |
| Investment in subsidiaries                 |  |  |  |  |  |                                          |              |
| Notes receivable                           |  |  |  |  |  |                                          |              |
| Receivables and other assets               |  |  |  |  |  |                                          |              |
| Deferred tax assets, net                   |  |  |  |  |  |                                          |              |
| Intangible assets, net                     |  |  |  |  |  |                                          |              |
| Goodwill                                   |  |  |  |  |  |                                          |              |
| Total assets                               |  |  |  |  |  |                                          |              |
| <b>Liabilities and Equity (Deficit)</b>    |  |  |  |  |  |                                          |              |
| Current liabilities                        |  |  |  |  |  |                                          |              |
| Checks issued in advance of deposits       |  |  |  |  |  |                                          |              |
| Trade accounts payable                     |  |  |  |  |  |                                          |              |
| Claims payable, net                        |  |  |  |  |  |                                          |              |
| Client rebates and guarantees payable, net |  |  |  |  |  |                                          |              |
| Income tax payable                         |  |  |  |  |  |                                          |              |
| Accrued expenses                           |  |  |  |  |  |                                          |              |
| Other liabilities, current portion         |  |  |  |  |  |                                          |              |
| Total current liabilities                  |  |  |  |  |  |                                          |              |
| Other liabilities, non-current portion     |  |  |  |  |  |                                          |              |
| Total liabilities                          |  |  |  |  |  |                                          |              |
| Equity (deficit)                           |  |  |  |  |  |                                          |              |
| Common stock                               |  |  |  |  |  |                                          |              |
| Additional paid in capital                 |  |  |  |  |  |                                          |              |
| Retained earnings (accumulated deficit)    |  |  |  |  |  |                                          |              |
| Accumulated other comprehensive loss       |  |  |  |  |  |                                          |              |
| Total equity (deficit)                     |  |  |  |  |  |                                          |              |
| Total liabilities and equity (deficit)     |  |  |  |  |  |                                          |              |

**Consolidating Statement of Operations**  
**For the year ended December 31, 2020 (In thousands)**

|                                     |  |  |  |  |  | Eliminations<br>and<br>Reclassifications | Consolidated |
|-------------------------------------|--|--|--|--|--|------------------------------------------|--------------|
| Service revenues                    |  |  |  |  |  |                                          |              |
| Service expenses                    |  |  |  |  |  |                                          |              |
| Gross profit                        |  |  |  |  |  |                                          |              |
| Operating expenses                  |  |  |  |  |  |                                          |              |
| Salaries and payroll                |  |  |  |  |  |                                          |              |
| Selling, general and administrative |  |  |  |  |  |                                          |              |
| Depreciation and amortization       |  |  |  |  |  |                                          |              |
| Total operating expenses            |  |  |  |  |  |                                          |              |
| Income (loss) from operations       |  |  |  |  |  |                                          |              |
| Other income (expense)              |  |  |  |  |  |                                          |              |
| Interest income                     |  |  |  |  |  |                                          |              |
| Interest income - related parties   |  |  |  |  |  |                                          |              |
| Interest expense                    |  |  |  |  |  |                                          |              |
| Other income (expense), net         |  |  |  |  |  |                                          |              |
| Total other income (expense)        |  |  |  |  |  |                                          |              |
| Income (loss) before income taxes   |  |  |  |  |  |                                          |              |
| Provision for income taxes          |  |  |  |  |  |                                          |              |
| Net income (loss)                   |  |  |  |  |  |                                          |              |

**Consolidating Statement of Comprehensive Income (Loss)**  
**For the year ended December 31, 2020 (In thousands)**

|                                          |  |  |  |  |  | Eliminations<br>and<br>Reclassifications | Consolidated |
|------------------------------------------|--|--|--|--|--|------------------------------------------|--------------|
| Net income (loss)                        |  |  |  |  |  |                                          |              |
| Other comprehensive income, net of tax   |  |  |  |  |  |                                          |              |
| Foreign currency translation adjustments |  |  |  |  |  |                                          |              |
| Comprehensive income (loss)              |  |  |  |  |  |                                          |              |

**Consolidating Statement of Cash Flows**  
**For the year ended December 31, 2020 (In thousands)**

|                                                                                                       |  |  |  |  |  | Eliminations<br>and<br>Reclassifications | Consolidated |
|-------------------------------------------------------------------------------------------------------|--|--|--|--|--|------------------------------------------|--------------|
| <b>Cash flows from operating activities</b>                                                           |  |  |  |  |  |                                          |              |
| Net income (loss)                                                                                     |  |  |  |  |  |                                          |              |
| Adjustments to reconcile net income (loss) to net cash<br>provided by (used in) operating activities: |  |  |  |  |  |                                          |              |
| Depreciation and amortization                                                                         |  |  |  |  |  |                                          |              |
| Accrued interest on notes receivable                                                                  |  |  |  |  |  |                                          |              |
| Deferred income taxes                                                                                 |  |  |  |  |  |                                          |              |
| Stock-based compensation                                                                              |  |  |  |  |  |                                          |              |
| Changes in operating assets and liabilities:                                                          |  |  |  |  |  |                                          |              |
| Client accounts receivable, net                                                                       |  |  |  |  |  |                                          |              |
| Manufacturer accounts receivable, net                                                                 |  |  |  |  |  |                                          |              |
| Prepaid expenses and other current assets                                                             |  |  |  |  |  |                                          |              |
| Receivables and other assets                                                                          |  |  |  |  |  |                                          |              |
| Checks issued in advance of deposits                                                                  |  |  |  |  |  |                                          |              |
| Trade accounts payable                                                                                |  |  |  |  |  |                                          |              |
| Claims payable, net                                                                                   |  |  |  |  |  |                                          |              |
| Client rebates and guarantees payable, net                                                            |  |  |  |  |  |                                          |              |
| Income taxes payable                                                                                  |  |  |  |  |  |                                          |              |
| Accrued expenses                                                                                      |  |  |  |  |  |                                          |              |
| Other liabilities                                                                                     |  |  |  |  |  |                                          |              |
| Net cash provided by (used in) operating<br>activities                                                |  |  |  |  |  |                                          |              |
| <b>Cash flows from investing activities</b>                                                           |  |  |  |  |  |                                          |              |
| Net increase in investment in subsidiaries                                                            |  |  |  |  |  |                                          |              |
| Increase in property and equipment                                                                    |  |  |  |  |  |                                          |              |
| Increase in intangible assets                                                                         |  |  |  |  |  |                                          |              |
| Principal collections of notes receivable                                                             |  |  |  |  |  |                                          |              |
| Net cash used in investing activities                                                                 |  |  |  |  |  |                                          |              |

**Consolidating Statement of Cash Flows (Continued)**  
**For the year ended December 31, 2020 (In thousands)**

|                                                                             |  |  |  |  |  | Eliminations<br>and<br>Reclassifications | Consolidated |
|-----------------------------------------------------------------------------|--|--|--|--|--|------------------------------------------|--------------|
| <b>Cash flows from financing activities</b>                                 |  |  |  |  |  |                                          |              |
| Dividends paid                                                              |  |  |  |  |  |                                          |              |
| Capital contributions (returns)                                             |  |  |  |  |  |                                          |              |
| Net cash (used in) provided by financing activities                         |  |  |  |  |  |                                          |              |
| Effect of foreign currency translation adjustments                          |  |  |  |  |  |                                          |              |
| Net increase (decrease) in cash, cash equivalents and restricted cash       |  |  |  |  |  |                                          |              |
| Cash, cash equivalents and restricted cash at beginning of the period       |  |  |  |  |  |                                          |              |
| Cash, cash equivalents and restricted cash at end of the period             |  |  |  |  |  |                                          |              |
| <b>Supplemental disclosures of cash flow information:</b>                   |  |  |  |  |  |                                          |              |
| Cash paid during the period for:                                            |  |  |  |  |  |                                          |              |
| Interest                                                                    |  |  |  |  |  |                                          |              |
| Income taxes                                                                |  |  |  |  |  |                                          |              |
| <b>Supplemental schedule of cash, cash equivalents and restricted cash:</b> |  |  |  |  |  |                                          |              |
| Cash and cash equivalents                                                   |  |  |  |  |  |                                          |              |
| Restricted cash                                                             |  |  |  |  |  |                                          |              |
| Total in cash, cash equivalent and restricted cash                          |  |  |  |  |  |                                          |              |