

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

**FORM 8-K/A
(Amendment No.1)**

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 14, 2022

GoodRx Holdings, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39549
(Commission File Number)

47-5104396
(IRS Employer
Identification No.)

2701 Olympic Boulevard
Santa Monica, California
(Address of Principal Executive Offices)

90404
(Zip Code)

Registrant's Telephone Number, Including Area Code: (855) 268-2822

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	GDRX	The NASDAQ Stock Market LLC

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Explanatory Note

On April 15, 2022, GoodRx Holdings, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original Report") with the Securities and Exchange Commission to report under Item 2.01 thereof the completion of the acquisition of vitaCare Prescription Services, Inc. ("vitaCare") on April 14, 2022.

This Amendment No. 1 on Form 8-K/A amends the Original Report to include the audited historical financial statements and related auditor consent as well as the unaudited pro forma financial information required by Item 9.01(a) and Item 9.01(b) of Form 8-K, which were not included in the Original Report pursuant to Items 9.01(a)(4) and (b)(2) of Form 8-K. No other amendments to the Original Report are being made by this Amendment No. 1.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of vitaCare as of and for the year ended December 31, 2021 are filed with this Current Report on Form 8-K/A as Exhibit 99.1 and incorporated herein.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed combined balance sheet as of December 31, 2021 and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2021 are filed with this Current Report on Form 8-K/A as Exhibit 99.2 and incorporated herein.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Grant Thornton LLP
99.1	Audited Financial Statements of vitaCare Prescription Services, Inc. as of and for the year ended December 31, 2021.
99.2	Unaudited Pro Forma Condensed Combined Balance Sheet as of December 31, 2021 and the Unaudited Pro Forma Condensed Combined Statement of Operations for the year ended December 31, 2021
104	Cover Page Interactive Date File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GOODRX HOLDINGS, INC.

Date: June 28, 2022

By: /s/ Karsten Voermann
Name: Karsten Voermann
Title: Chief Financial Officer

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated March 25, 2022, with respect to the financial statements of vitaCare Prescription Services, Inc. for the year ended December 31, 2021 included in the Current Report on Form 8-K/A of GoodRx Holdings, Inc. dated June 28, 2022. We consent to the incorporation by reference of said report in the Registration Statements of GoodRx Holdings, Inc. on Forms S-8 (No. 333-263118, No. 333-254184, and No. 333-249069).

/s/ GRANT THORNTON LLP

Miami, Florida

June 28, 2022



vitaCare Prescription Services, Inc.

Financial Statements

As of and for the year ended December 31, 2021

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Report of Independent Certified Public Accountants

Board of Directors and Stockholder
vitaCare Prescription Services, Inc.

Opinion

We have audited the financial statements of vitaCare Prescription Services, Inc. (a Florida corporation) (the “Company”), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in stockholder’s deficit, and cash flows for the year then ended, and the related notes to the financial statements.

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

Substantial doubt about the Company’s ability to continue as a going concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred net losses since inception and expects losses to continue into the foreseeable future. The Company also has negative working capital as of December 31, 2021 and has been funded since inception entirely by its sole stockholder. Management has stated that substantial doubt exists about the Company’s ability to continue as a going concern, management’s evaluation of the events and conditions and management’s plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Basis for opinion

We conducted our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America (US 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 for one year after the date the financial statements are issued.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 US 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 financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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/ GRANT THORNTON LLP

Miami, Florida
March 25, 2022

vitaCare Prescription Services, Inc.
Balance Sheet

As of
December 31, 2021

Assets:	
Current assets:	
Accounts receivable	\$ 156,612
Prepaid license fees	15,867
Total current assets	172,479
Fixed assets, net	156,628
Intangible assets, net	36,366
Total assets	\$ 365,473
Liabilities and stockholder's deficit:	
Current liabilities:	
Accounts payable	\$ 662,486
Accrued compensation costs	1,384,320
Other accrued expenses	52,000
Total current liabilities and total liabilities	2,098,806
Commitments and contingencies (Note 5)	
Stockholder's deficit:	
Common stock, par value \$0.01; 1,000 shares authorized, issued and outstanding as of December 31, 2021 and 2020	10
Additional paid-in-capital	50,187,968
Accumulated deficit	(51,921,311)
Total stockholder's deficit	(1,733,333)
Total liabilities and stockholder's deficit	\$ 365,473

See notes to the financial statements

vitaCare Prescription Services, Inc.
Statement of Operations

Year ended
December 31, 2021

Service revenue, net	\$	875,037
Operating expenses:		
Compensation and benefits		17,256,192
Contract labor		2,672,197
Software		949,516
Rent		575,576
Depreciation		115,473
Other direct expenses		688,668
Corporate expense allocations from Seller		1,256,241
Total operating expenses		23,513,863
Loss from operations		(22,638,826)
Interest expense allocation from Seller		(2,365,756)
Loss before income taxes		(25,004,582)
Provision for income taxes		—
Net loss	\$	(25,004,582)

See notes to the financial statements

vitaCare Prescription Services, Inc.
Statement of Stockholder's (Deficit) Equity

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, January 1, 2021	1,000	\$ 10	\$ 26,934,364	\$ (26,916,729)	\$ 17,645
Share-based compensation costs from stockholder	—	—	1,420,103	—	1,420,103
Net funds provided by stockholder	—	—	21,833,501	—	21,833,501
Net loss	—	—	—	(25,004,582)	(25,004,582)
Balance, December 31, 2021	1,000	\$ 10	\$ 50,187,968	\$ (51,921,311)	\$ (1,733,333)

See notes to the financial statements

vitaCare Prescription Services, Inc.
Statement of Cash Flows

	Year ended December 31, 2021
Cash flows from operating activities:	
Net loss	\$ (25,004,582)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	115,473
Share-based payment compensation costs from stockholder	1,420,103
Changes in operating assets and liabilities:	
Accounts receivable	78,264
Prepaid and other current assets	(15,867)
Accounts payable	648,810
Accrued expenses	932,350
Total adjustments	3,179,133
Net cash used in operating activities	(21,825,449)
Cash flows from investing activities:	
Payment for patents and trademarks	(7,536)
Purchase of fixed assets	(516)
Net cash used in investing activities	(8,052)
Cash flows from financing activities:	
Net funds provided by stockholder	21,833,501
Net cash provided by financing activities	21,833,501
Net change in cash	—
Cash, beginning of period	—
Cash, end of period	\$ —

See notes to the financial statements

vitaCare Prescription Services, Inc.
Notes to Financial Statements

1. Business, basis of presentation, new accounting standards and summary of significant accounting policies

General

vitaCare Prescriptions Services, Inc., (the “Company”, “VPS”, “we”, or “our”), a Florida corporation, is a technology and service platform that disrupts the current supply chain and branded prescription fulfillment process, leveraging control to drive simplicity, transparency, and efficiency. VPS provides a complete suite of pharmaceutical commercialization support services for pharmaceutical companies related to prescription fulfillment, market access and patient support by assisting patients in obtaining easy and convenient access to their prescriptions for products at a pharmacy of their choice, including via home delivery pharmacy options.

VPS is a wholly owned subsidiary of TherapeuticsMD, Inc. (“TherapeuticsMD” or “Seller”), a Nevada corporation, with its principal executive offices at 951 Yamato Road, Suite 220, Boca Raton, Florida 33431. Seller’s shares are listed on the Nasdaq Global Select Market of the Nasdaq Stock Market LLC under the symbol “TXMD.”

COVID-19

VPS continues to be subject to risks and uncertainties in connection with the COVID-19 pandemic. The extent of the future impact of the COVID-19 pandemic on our business continues to be highly uncertain and difficult to predict. The ultimate global recovery from the pandemic will be dependent on, among other things, actions taken by governments and businesses to contain and combat the virus, including any variant strains, the speed and effectiveness of vaccine production and global distribution, as well as how quickly, and to what extent, normal economic and operating conditions can resume on a sustainable basis globally.

Since the early phase of the COVID-19 pandemic, we have been using substantial virtual options to ensure business continuity. The full impact of the COVID-19 pandemic continues to evolve. However, we remain committed to the execution of the Company’s corporate goals, despite the ongoing COVID-19 pandemic. As of the date of issuance of these financial statements, the future extent to which the COVID-19 pandemic may continue to materially impact our financial condition, liquidity, or results of operations remains uncertain. We are continuing to assess the effect of the COVID-19 pandemic on our operations by monitoring the spread of COVID-19 and the various actions implemented to combat the pandemic throughout the world. Even after the COVID-19 pandemic has subsided, VPS may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future.

While management currently believes that our COVID-19 contingency plan has the ability to mitigate many of the negative effects of the COVID-19 pandemic on our business, the severity of the impact of the COVID-19 pandemic on our business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic, the duration of “social distancing” orders, increases in unemployment, which could reduce access to commercial health insurance for the patients of Seller and our third party customers, thus limiting payer coverage for their products, and the impact of the pandemic on the global supply chain, all of which remain uncertain. Our future results of operations and liquidity could be materially adversely affected by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions, uncertain demand, and the impact of any initiatives or programs that we may undertake to address financial and operations challenges that we may face.

Going Concern

VPS has experienced net losses and negative cash flows from operations since inception and expects these conditions to continue at least through the foreseeable future. VPS had negative working capital as of December 31, 2021, and VPS’s operations are funded entirely by Seller, which is also its sole stockholder. In addition, as further discussed in Note 5, VPS is a guarantor to a Financing Agreement which has been entered into by the Seller. The Financing Agreement matures on June 1, 2022, and neither the Seller nor VPS currently have sufficient liquidity to pay the amounts due under the Financing Agreement at maturity. These factors raise substantial doubt about VPS’s ability to operate as a going concern as a stand-alone business.

In March 2022, TherapeuticsMD entered into a definitive agreement with GoodRx, Inc. (“GoodRx”) to sell VPS to GoodRx. See Note 8 for additional details on this transaction. Upon the closing of the anticipated transaction, the funding requirements of VPS will need to be satisfied by GoodRx. Furthermore, there is uncertainty as to if VPS will be able to operate at a profitable level in the future given the competitive environment in which it operates. These factors could have a materially adverse effect on our Company. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts and the classification of liabilities that might be necessary from the outcome of this uncertainty.

A. Basis of presentation

These financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”). The financial statements include allocations for certain corporate expenses incurred by Seller on behalf of the Company. For further information, see Corporate expense allocations below. Management believes the assumptions underlying the financial statements of VPS are reasonable; however, the Company’s financial position as of December 31, 2021, and its results of operations and cash flows for the year ended December 31, 2021 may have been materially different if it was operated as a stand-alone entity. VPS is dependent upon Seller for all of its working capital and financing requirements. Our working capital and financing arrangements with the Seller are not supported by written agreements, have never been cash settled in the past, and are expected to be forgiven, accordingly, the transfers of financial resources between Seller and VPS are reflected as additional paid-in capital on the accompanying balance sheet in lieu of cash and intercompany debt.

B. Estimates and assumptions

The preparation of financial statements in conformity to U.S. GAAP requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. We evaluate our estimated assumptions based on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ, at times in material amounts, from these estimates under different assumptions or conditions

C. Accounts receivable, allowance for doubtful accounts and concentration of significant customers

Accounts receivable are customer obligations due under normal trade terms and are measured at amortized cost. The Company extends credit on an unsecured basis to most of our customers based on an evaluation of a customer’s financial condition, and collateral is not required.

We review accounts receivable for uncollectible and delinquent accounts and credit card chargebacks, and we provide an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information, reasonable supportable forecasts, and existing economic conditions, and we record an allowance that presents the net amount expected to be collected. We write off uncollectible and delinquent receivables against our allowance for doubtful accounts based on individual credit evaluations, the results of collection efforts, and specific circumstances of customers. We record recoveries of accounts previously written off when received as an increase in the allowance for doubtful accounts. To the extent data we use to calculate these estimates does not accurately reflect bad debts, adjustments to these reserves may be required. Our exposure to credit losses may increase if our customers are adversely affected by changes in healthcare laws, coverage, and reimbursement, economic pressures or uncertainty associated with local or global economic recessions, disruption associated with the current COVID-19 pandemic, or other customer-specific factors. Although we have historically not experienced significant credit losses, it is possible that there could be a material adverse impact from potential adjustments of the carrying amount of trade receivables in the future.

As of December 31, 2021, the Company’s accounts receivable concentration of credit risk is made up of two customers who accounted for 55% and 25% of the total accounts receivable. In the aggregate, these two customers accounted for 81% of total accounts receivable as of December 31, 2021.

For 2021, we had four customers who accounted for 12%, 16%, 28% and 32% of total net revenue. In the aggregate, these four customers accounted for 89% of total net revenue for 2021.

D. Fair Value Measurements

Fair value is the price to sell an asset or transfer a liability and therefore represents an exit price in the principal market (or in the absence of a principal market, the most advantageous market). It represents a market-based measurement that contemplates a hypothetical transaction between market participants at the measurement date.

The unique characteristics of an asset or liability and the availability of observable prices affect the number of valuation approaches and/or techniques used in a fair value analysis. We measure fair value using observable and unobservable inputs. We give the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

We apply the following fair value hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Quoted prices in non-active markets or in active markets for similar assets or liabilities, observable inputs other than quoted prices; and inputs that are not directly observable but are corroborated by observable market data.
- Level 3 - Inputs that are unobservable.

The carrying amount of accounts receivable, accounts payable and accrued expenses approximate their fair value because of the short-term maturity of such instruments, which are considered Level 1 under the fair value hierarchy.

E. Fixed assets

Fixed assets are carried at cost less accumulated depreciation and amortization. We charge maintenance costs, which do not significantly extend the useful lives of the respective assets, and repair costs to operating expenses as incurred. We compute depreciation using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Leasehold improvements are depreciated over the shorter of their useful life or the term of the lease. Long-lived assets held and used by us, including fixed assets, are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

F. Intangible assets

We record intangible assets at cost, which includes external costs, consisting primarily of legal costs, incurred in securing our patents and trademarks. Intangible assets subject to amortization, such as patents, will be amortized over the useful life of the patent using the straight-line method, once granted. If the patent is not granted, we write-off any capitalized patent costs at that time. Intangible assets not subject to amortization, such as trademarks, are perpetual and have indefinite lives.

We review intangible assets subject to amortization on a periodic basis to determine whether events and circumstances would indicate impairment or warrant a revision to their remaining useful lives. We assess intangible assets not subject to amortization for potential impairment at least annually during the fourth quarter of each year, or more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the intangible assets below their carrying value.

G. Segment reporting

We manage and operate as one business, and our business operations are managed by a single executive leadership team, which is led by our chief executive officer. We do not operate separate lines of business with respect to any of our services, and we do not prepare discrete financial information with respect to separate services. Additionally, all service revenue is derived within the United States. Accordingly, we view our business as one reportable operating segment with one geographic location.

H. Revenue recognition

We determine the amount of revenue to be recognized through application of the following steps:

- Identification of the contract with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;

- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as we satisfy the performance obligations.

Our revenue is primarily derived from prescription transaction fees generated when pharmacies fill prescriptions for products sold by our customers. We also generate other revenue from manufacturer solutions. All of our revenue is generated through contracts with our third-party customers. A performance obligation is a promise in a contract to transfer a service to a customer. A service is considered to be transferred when the customer receives the service. We generally recognize revenue as the promised services under the terms of a contract are performed in an amount that reflects the consideration we expect to receive in exchange for those services. Typically, we are entitled to a fixed fee per prescription for each of our customers' patients assisted by us. The collectability of consideration on the contract is reasonably assured before revenue is recognized. To the extent that customer payment has been received before all recognition criteria are met, these revenues are initially deferred in other accruals on the balance sheet and the revenue is recognized in the period that all recognition criteria have been met.

Since inception, VPS has not recognized any service revenue related to services provided to our stockholder since there was no existing contract between VPS and our stockholder.

I. Corporate expense allocations

In addition to operating VPS, Seller is a women's healthcare company with a mission of creating and commercializing innovative products to support the lifespan of women from pregnancy prevention through menopause. TherapeuticsMD solutions range from a patient-controlled, long-lasting contraceptive to advanced hormone therapy pharmaceutical products, and Seller has a portfolio of branded and generic prescription prenatal vitamins.

Seller uses separate departments for VPS direct expenses, which include, but are not limited to, compensation and related benefits, contract labor, rent, depreciation. Seller's corporate expenses for shared services related to legal, accounting and finance, and human resources as well as insurance and interest were allocated to VPS. The costs associated with these services and support functions have been allocated to VPS using methodologies established by Seller's management and considered to be a reasonable reflection of the utilization of services needed to operate VPS. Certain synergies would be lost if TherapeuticsMD and VPS were separated.

While VPS's operations are conducted in office suites which are segregated from the other operations of Seller, these offices are leased from third party in the name of Seller. See Note 5 for additional information.

The financial information included herein may not reflect the financial position, the results of operations and cash flows of VPS in the future or had VPS been a separate, stand-alone entity during the periods presented.

J. Share-based payment awards

Seller accounts for share-based payment awards on a fair value basis of the equity instrument issued. Under fair value accounting, the grant-date fair value of the share-based payment award is amortized as compensation expense, on a straight-line basis, over the service period (generally, the vesting period) for both graded and cliff vesting awards. Seller has elected to account for forfeitures as they occur. These financial statements include the share-based payment compensation costs of Seller share-based payment awards granted to VPS employees.

K. Income taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and income tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in income tax rates is recorded as a component of the income tax provision in the period that includes the enactment date.

Regular assessments are made on the likelihood that our deferred tax assets will be recovered from our future taxable income. Our evaluation is based on estimates, assumptions, and includes an analysis of available positive and negative evidence, giving weight based on the evidence's relative objectivity. Sources of positive evidence include estimates of future taxable income, future reversal of existing taxable temporary differences, taxable income in carryback years, and available tax planning

strategies. Sources of negative evidence include current and cumulative losses in recent years, losses expected in early future years, any history of operating losses or tax credit carryforwards expiring unused, and unsettled circumstances that, if unfavorably resolved, would adversely affect future profit levels.

The remaining carrying value of our deferred tax assets, after recording the valuation allowance on our deferred tax assets, is based on our present belief that it is more likely than not that we will be able to generate sufficient future taxable income to utilize such deferred tax assets. The amount of the remaining deferred tax assets considered recoverable could be adjusted if our estimates of future taxable income during the carryforward period change favorably or unfavorably. To the extent we believe that it is more likely than not that some or all of the remaining deferred tax assets will not be realized, we must establish a valuation allowance against those deferred tax assets, resulting in additional income tax expense in the period such determination is made. To the extent a valuation allowance currently exists, we will continue to monitor all positive and negative evidence until we believe it is more likely than not that it is no longer necessary, resulting in an income tax benefit in the period such determination is made.

Our policy is to recognize both interest and penalties related to uncertain tax positions as part of the income tax provision. Significant judgment is required in evaluating our tax positions, and in determining our provisions for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We establish reserves when, despite our belief that the income tax return positions are fully supportable, certain positions are likely to be challenged and we may ultimately not prevail in defending those positions.

2. Fixed assets

The Company's fixed assets, net consisted of the following:

	As of December 31, 2021	
Furniture and fixtures	\$	156,445
Computer and office equipment		269,963
Leasehold improvements		30,900
Fixed assets		457,308
Less: accumulated depreciation and amortization		300,680
Fixed assets, net	\$	156,628

We recorded depreciation expense of \$115,473 for 2021.

3. Intangible assets

The following provides information about the Company's intangible assets:

	As of December 31, 2021		
	Gross		
	Carrying Amount	Accumulated Amortization	Net
Intangible assets subject to amortization:			
Patents applied and pending approval	\$ 23,831	\$ —	\$ 23,831
Intangible assets not subject to amortization:			
Trademarks/trade name rights applied and pending approval	12,535	—	12,535
Intangible assets, net	\$ 36,366	\$ —	\$ 36,366

4. Related party transactions

Corporate expense allocations

VPS is a wholly owned subsidiary of Seller; therefore corporate expenses for shared services related to legal, accounting and finance, and human resources as well as insurance and interest were allocated to VPS as discussed in Note 1 under corporate expense allocations.

Cash Management and Treasury

As a wholly-owned subsidiary of Seller, VPS participates in Seller's centralized cash management and treasury programs. Accordingly, Seller makes all cash disbursements on behalf of VPS and receives all cash from VPS's customers. These working capital and financing arrangements with Seller are not supported by written agreements, have never been cash settled in the past, and are expected to be forgiven. Accordingly, the transfers of financial resources between Seller and VPS are reflected as additional paid-in capital on the accompanying balance sheet in lieu of cash and intercompany debt.

Prescription Services

VPS provides prescription fulfillment services to the Seller. As discussed in Note 1, VPS does not recognize revenue related to these services.

5. Commitments and contingencies

Operating leases

VPS's corporate offices in Boca Raton are operating leases leased from a third party in the name of Seller. Upon the closing of the anticipated transaction (see Note 8), subject to the operating leases' landlord approval, Seller will sublet the offices that VPS occupies to VPS. These leases expire in July 2030, and rental lease expense was \$575,576 for 2021. As of December 31, 2021, remaining lease payments, excluding common area maintenance (CAM) costs, were as follows:

	Year ending December 31,	
2022	\$	315,712
2023		323,601
2024		331,707
2025		340,010
2026		348,493
Thereafter		1,321,842
Total	\$	2,981,364

Employment agreements

Seller has entered into employment agreements with certain of our executives that provide for compensation and certain other benefits. Under certain circumstances, including a change in control, some of these agreements provide for severance or other payments, if those circumstances occur during the term of the employment agreement. Upon the closing of the anticipated transaction (see Note 8), these employment agreements will be terminated by Seller.

Debt

VPS is a guarantor to a Financing Agreement by and among Seller as the borrower, Sixth Street Specialty Lending, Inc., as administrative agent (the "Administrative Agent"), various lenders from time-to-time party thereto, and certain of Seller subsidiaries party thereto from time to time as guarantors. As of December 31, 2021, Seller's outstanding debt was \$200,000,000. Borrowings under the Facility accrue interest at either (i) 3-month LIBOR plus 7.75%, subject to a LIBOR floor of 2.70% or (ii) the prime rate plus 6.75%, subject to a prime rate floor of 5.2% as selected by us. As of December 31, 2021, Seller interest rate was 10.45%. Interest on amounts borrowed under the Financing Agreement is due and payable quarterly in arrears. In addition, Seller is required to pay an annual administrative fee, and other fees and expense. The Financing Agreement contains customary restrictions and covenants applicable to Seller that are customary for financings of this type. The Seller was not in compliance with the covenant for the Seller to achieve certain minimum quarterly net product revenue requirements for the quarterly period ended December 31, 2021. In March 2022, the Seller, the Company, and other Seller subsidiaries that are also guarantors entered into Amendment No. 9 to the Financing Agreement pursuant to which, among other things, (i) the lenders waived various Seller breaches of the Financing Agreement, including breaches of the minimum cash covenant during the first quarter of 2022 and the minimum net revenue covenants for the fourth quarter of 2021; (ii) the Seller, the Company, the other subsidiary guarantors, and the lenders agreed to reduced minimum cash covenant and to the removal of the minimum net revenue covenant for the first quarter of 2022; (iii) the lenders waived the existing prepayment penalty under the Financing Agreement and the Seller, the Company, and the other subsidiary guarantors agreed to a paid in kind amendment fee of \$30,000,000, which fee was added to the principal amount of the loans under the Financing Agreement, \$16,000,000 of which fee is waivable in certain conditions; and (iv) the maturity date of the Financing Agreement was amended to June 1, 2022.

The Financing Agreement also includes other representations, warranties, indemnities, restrictions on the payment of dividends, and events of default that are customary for financings of this type, including an event of default relating to a change of control of Seller. Upon or after an event of default, the Administrative Agent and the lenders may declare all or a portion of the Seller’s obligations under the Financing Agreement to be immediately due and payable and exercise other rights and remedies provided for under the Financing Agreement. The obligations of the Seller and its subsidiaries guarantors, including the Company, under the Financing Agreement are secured, subject to customary permitted liens and other agreed upon exceptions, by a first priority perfected security interest in all existing and after acquired assets of the Seller and its subsidiaries. The obligations under the Financing Agreement will be guaranteed by each of the Seller’s future direct and indirect subsidiaries, subject to certain exceptions. No amounts have been recorded in the accompanying December 31, 2021 balance sheet of the Company relative to the Company’s guarantee of the Seller’s performance under the terms of the Financing Agreement.

Legal Proceedings

From time to time, the Company is involved in litigations and proceedings in the ordinary course of business. The Company is currently not involved in any litigations and proceedings that it believes would have a material effect on its financial condition, results of operations, or cash flows.

6. Share-based payment awards and employee benefit plan

Share-based payment awards

From time to time, Seller grants share-based payment awards in the form of Seller’s shares to VPS employees in order to attract key personnel to provide services to VPS and Seller, as well as to provide a means by which those key persons can acquire and maintain stock ownership in Seller, resulting in a strengthening of their commitment to our welfare and the welfare of Seller and subsidiaries, and promoting the mutuality of interests between participants and Seller’s stockholders. Based on share-based payment awards granted to VPS employees, VPS recognized share-based payment compensation costs of \$1,420,103 for 2021.

Employee benefit plan

Seller maintains a voluntary defined contribution 401(k) plan covering all eligible employees as defined in the plan documents. The plan provides for discretionary matching contribution, which is equal to up to four percent of each eligible contributing participant’s elective deferral not to exceed two thousand per year. Employees who elect to participate in the plan are generally fully vested in any existing matching contribution after five years of service with the TherapeuticsMD and Subsidiaries. Contributions by Seller for the Company under the plan amounted to \$119,761 for 2021.

7. Income taxes

As is a wholly owned subsidiary of TherapeuticsMD, the Company’s U.S. taxable income is included in the consolidated U.S. federal income tax return of TherapeuticsMD and Subsidiaries as well as in returns filed by Seller consolidated group with certain state and local taxing jurisdictions. The income tax liability has been computed and presented herein under the “separate return method,” as if the Company were a separate tax paying entity, as modified by the benefits-for-loss approach. As such, the operating losses and other tax attributes are characterized as utilized when those attributes have been utilized by other members of Seller consolidated group. The benefits-for-loss approach does not have an impact on income tax expense. Additionally, a calculation has not been performed with respect to the benefit received for the use of tax attributes by the remainder of the members within Seller consolidated group since the above mentioned method is used herein.

The Company’s loss before income taxes is as follows:

	Year ended
	December 31, 2021
United States	\$ (25,004,582)

There was no current or deferred provision for income taxes for 2021.

A reconciliation between taxes computed at the federal statutory rate and the effective tax rate is as follows:

	Year ended December 31, 2021
Federal statutory tax rate	21.0%
State tax rate, net of federal tax benefit	4.5%
Adjustment in valuation allowances	(25.5%)
Provision (benefit) for income taxes	0.0%

The components of the net deferred income tax asset as of December 31, 2021 are as follows:

	As of December 31, 2021	
Deferred income tax assets:		
Net operating losses	\$	13,239,934
Valuation allowance		(13,239,934)
Deferred income tax assets	\$	—

As of December 31, 2021, the Seller had a federal net operating loss (“NOL”) carryforward of \$885,071,027, which is available to offset future taxable income. Of the total NOL, \$338,775,332 can be carried forward for 20 years and will begin to expire in 2031. The remaining \$546,295,695 can be carried forward indefinitely. In the event of future income, the NOL deduction arising from NOL generated in taxable years beginning in 2021 will be limited to 80% of the excess taxable income. Seller believes that it is more likely than not that Seller consolidated group will not generate sufficient future taxable income to realize the tax benefits related to the deferred tax assets on Seller’s balance sheet and as such, a valuation allowance has been established against the deferred tax assets as of December 31, 2021.

If the proposed transaction discussed in Note 8 is consummated, it is expected that all of the federal and state net operating loss carryforwards and all the federal tax credit carryforwards discussed in the preceding paragraph would remain for the benefit of TherapeuticsMD and Subsidiaries.

Since the Company’s Seller consolidated group’s first year of operations in 2011, Seller consolidated group generated net operating losses, and Seller’s consolidated group’s U.S. federal and state tax returns remain open to examination.

As of December 31, 2021, Seller consolidated group had no tax positions relating to open tax returns that were considered to be uncertain.

As of December 31, 2021, Seller consolidated group had no unrecognized tax benefits.

8. Sale of the Company

On March 6, 2022, Seller entered into a stock purchase agreement (the “Purchase Agreement”) with GoodRx, which provides for the sale of all of the issued and outstanding capital stock of VPS to GoodRx (the “Divestiture”). Under the terms of the Purchase Agreement, upon the closing of the Divestiture (the “Closing”), Seller will receive a cash payment of \$150,000,000, subject to adjustment as provided in the Purchase Agreement and customary holdbacks. In addition, Seller may receive up to an additional of \$7,000,000 in earn-out consideration (the “Earnout”), contingent upon VPS’s financial performance through 2023 as determined in accordance with the terms of the Purchase Agreement. The Earnout will be earned in two equal tranches of \$3,500,000 each, based on VPS’s revenue for 2022 and 2023.

The Purchase Agreement contains customary representations and warranties, covenants and indemnities of the parties thereto. In addition, the Purchase Agreement provides that at the Closing: (i) Seller will enter into a long-term services agreement with VPS to continue utilization of the VPS platform with respect to Seller’s products; (ii) Seller and VPS will enter into a transition services agreement for Seller to provide certain transition services to VPS for up to 12 months following the Closing; and (iii) certain employees of Seller and/or VPS will enter into employment agreements with GoodRx.

The Divestiture is expected to close in the second quarter of 2022, subject to the satisfaction or waiver of certain customary conditions, including the receipt of certain regulatory approvals.

9. Subsequent Events

The Company evaluated its December 31, 2021 financial statements for subsequent events through March 25, 2022, the date the financial statements were available to be issued. No subsequent events requiring accrual or disclosure were noted, other than as disclosed herein.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On April 14, 2022 (the “Closing Date”), GoodRx Holdings, Inc. and its subsidiaries (collectively, “GoodRx”) acquired all of the outstanding shares of capital stock of vitaCare Prescription Services, Inc. (“vitaCare”) from TherapeuticsMD, Inc. (the “Seller”), the sole stockholder of vitaCare for an initial cash payment of \$150.0 million, subject to customary adjustments, and additional payment or adjustment for contingent consideration payable of up to \$7.0 million in cash and contingent consideration receivable based upon vitaCare’s achievement of certain specified revenue as described in the notes to these unaudited pro forma condensed combined financial statements (the “Acquisition”). GoodRx also established a management incentive plan under which certain continuing vitaCare employees would be eligible to receive up to \$10.0 million of additional cash compensation upon achievement of certain performance milestones through 2023. vitaCare is a prescription technology and service platform that simplifies the prescription fulfillment process for consumers taking brand medications by helping them gain access to therapies and stay on those therapies for as long as medically appropriate.

The following unaudited pro forma condensed combined balance sheet and condensed combined statement of operations give effect to the Acquisition and were prepared in accordance with the requirements of Article 11 of Regulation S-X as amended.

The unaudited pro forma condensed combined balance sheet combines the historical audited consolidated balance sheet of GoodRx as of December 31, 2021 and the historical audited balance sheet of vitaCare as of December 31, 2021, giving effect to the Acquisition as if it had been consummated on December 31, 2021. The unaudited pro forma condensed combined statement of operations combines the historical audited consolidated statement of operations of GoodRx for the year ended December 31, 2021 and the historical audited statement of operations of vitaCare for the year ended December 31, 2021, giving effect to the Acquisition as if it had been consummated on January 1, 2021. The pro forma adjustments for the Acquisition consist of those necessary to account for the Acquisition. In addition, certain reclassification adjustments were made to align the presentation of vitaCare’s financial statements with those of GoodRx.

The unaudited pro forma condensed combined balance sheet and the unaudited pro forma condensed combined statement of operations are collectively referred to as the “pro forma financial statements.”

The pro forma financial statements should be read in conjunction with:

- The accompanying notes to the pro forma financial statements;
- The historical audited consolidated financial statements of GoodRx as of and for the year ended December 31, 2021, included in GoodRx’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2022; and
- The historical audited financial statements of vitaCare as of and for the year ended December 31, 2021, which are included as Exhibit 99.1 to this Current Report on Form 8-K/A.

The pro forma financial statements are provided for illustrative purposes only and do not purport to represent the actual financial position and results of operations that would have been achieved had the Acquisition occurred on the dates indicated, and do not reflect adjustments for any anticipated synergies, operating efficiencies, tax savings or potential cost savings. Further, the pro forma financial statements do not purport to project the future operating results or financial position of GoodRx following the consummation of the Acquisition. The unaudited pro forma adjustments represent GoodRx’s estimates based on information available as of the date of the pro forma financial statements and are subject to change as additional information becomes available and analyses are performed. There can be no assurance that additional information and analyses will not result in material changes.

GoodRx Holdings, Inc.
Pro Forma Condensed Combined Balance Sheet
December 31, 2021
(Unaudited)

<i>(in thousands)</i>	GoodRx	vitaCare - after Reclassification Adjustments (see Note 2)	Transaction Accounting Adjustments	Note	Pro Forma Condensed Combined
Assets					
Current assets					
Cash and cash equivalents	\$ 941,109	\$ —	\$ (151,896)	4A	\$ 789,213
Accounts receivable, net	118,080	157	—		118,237
Prepaid expenses and other current assets	29,638	16	2,892	4B	32,546
Total current assets	1,088,827	173	(149,004)		939,996
Property and equipment, net	21,612	157	—		21,769
Goodwill	329,696	—	74,116	4C	403,812
Intangible assets, net	88,791	36	51,964	4D	140,791
Capitalized software, net	44,987	—	—		44,987
Operating lease right-of-use assets	27,705	—	2,311	4E	30,016
Other assets	6,007	—	24,322	4B	30,329
Total assets	<u>\$ 1,607,625</u>	<u>\$ 366</u>	<u>\$ 3,709</u>		<u>\$ 1,611,700</u>
Liabilities and stockholders' equity (deficit)					
Current liabilities					
Accounts payable	\$ 17,501	\$ 663	\$ —		\$ 18,164
Accrued expenses and other current liabilities	50,732	1,436	—		52,168
Current portion of debt	7,029	—	—		7,029
Operating lease liabilities, current	5,851	—	305	4E	6,156
Total current liabilities	81,113	2,099	305		83,517
Debt, net	655,858	—	—		655,858
Operating lease liabilities, net of current portion	33,592	—	2,006	4E	35,598
Deferred tax liabilities, net	244	—	—		244
Other liabilities	5,138	—	1,684	4F	6,822
Total liabilities	775,945	2,099	3,995		782,039
Stockholders' equity (deficit)					
Preferred stock	—	—	—		—
Common stock	40	—	—		40
Additional paid-in capital	2,247,347	50,188	(50,188)	4G	2,247,347
Accumulated deficit	(1,415,707)	(51,921)	49,902	4H	(1,417,726)
Total stockholders' equity (deficit)	831,680	(1,733)	(286)		829,661
Total liabilities and stockholders' equity (deficit)	<u>\$ 1,607,625</u>	<u>\$ 366</u>	<u>\$ 3,709</u>		<u>\$ 1,611,700</u>

See accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

GoodRx Holdings, Inc.
Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2021
(Unaudited)

<i>(in thousands, except per share amounts)</i>	GoodRx	vitaCare - after Reclassification Adjustments (see Note 2)	Transaction Accounting Adjustments	Note	Pro Forma Condensed Combined
Revenue	\$ 745,424	\$ 875	\$ —		\$ 746,299
Costs and operating expenses:					
Cost of revenue, exclusive of depreciation and amortization presented separately below	46,716	9,968	—		56,684
Product development and technology	125,860	7,612	—		133,472
Sales and marketing	370,217	2,717	1,057	5A	373,991
General and administrative	154,686	3,102	2,019	5B	159,807
Depreciation and amortization	34,539	115	8,242	5C	42,896
Total costs and operating expenses	732,018	23,514	11,318		766,850
Operating income (loss)	13,406	(22,639)	(11,318)		(20,551)
Other expense, net:					
Interest income	(59)	—	—		(59)
Interest expense	23,642	2,366	(2,366)	5D	23,642
Total other expense, net	23,583	2,366	(2,366)		23,583
Loss before income taxes	(10,177)	(25,005)	(8,952)		(44,134)
Income tax expense	(15,077)	—	(189)	5E	(15,266)
Net loss	\$ (25,254)	\$ (25,005)	\$ (9,141)		\$ (59,400)
Loss per share:					
Basic	\$ (0.06)				\$ (0.14)
Diluted	\$ (0.06)				\$ (0.14)
Weighted average shares used in computing loss per share:					
Basic	409,981				409,981
Diluted	409,981				409,981

See accompanying Notes to the Unaudited Pro Forma Condensed Combined Financial Statements.

GoodRx Holdings, Inc.
Notes to the Unaudited Pro Forma Condensed Combined Financial Statements
(Unaudited)

1. Basis of Presentation

The accompanying unaudited pro forma condensed combined financial statements were prepared using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations* and are based on the audited historical consolidated financial statements of GoodRx and the audited historical financial statements of vitaCare. Historical financial statements of GoodRx and vitaCare were prepared in accordance with U.S. generally accepted accounting principles and are presented in U.S. dollars. Certain reclassifications were made to align vitaCare's financial statement presentation with that of GoodRx, which are further described in Note 2. GoodRx's best estimates and assumptions were used in determining the fair value of the tangible and intangible assets acquired and liabilities assumed. Goodwill is measured as the excess of purchase consideration over the fair value of tangible and intangible assets acquired and liabilities assumed. These estimates are preliminary and are only for the purposes of preparing these pro forma financial statements.

The pro forma financial statements have been prepared as if the Acquisition had been consummated on December 31, 2021, in the case of the unaudited pro forma condensed combined balance sheet, and as if the Acquisition had been consummated on January 1, 2021, in the case of the unaudited pro forma condensed combined statement of operations.

2. vitaCare Historical Financial Statement Reclassification Adjustments

Certain historical balance sheet line items of vitaCare were reclassified in order to conform to GoodRx's historical balance sheet presentation as follows:

(in thousands)

GoodRx Consolidated Balance Sheet Line Items	vitaCare Balance Sheet Line Items	vitaCare Historical Balance Sheet as of December 31, 2021	Reclassification Adjustments	vitaCare Reclassified Historical Balance Sheet as of December 31, 2021
Assets				
Current assets				
Accounts receivable, net	Accounts receivable	\$ 157	\$ —	\$ 157
Prepaid expenses and other current assets	Prepaid license fees	16	—	16
	Total current assets	173	—	173
Property and equipment, net	Fixed assets, net	157	—	157
Intangible assets, net	Intangible assets, net	36	—	36
	Total assets	<u>\$ 366</u>	<u>\$ —</u>	<u>\$ 366</u>
Liabilities and stockholders' equity (deficit)				
Current liabilities				
Accounts payable	Accounts payable	663	—	663
	Accrued compensation costs	1,384	(1,384)	—
	Other accrued expenses	52	(52)	—
Accrued expenses and other current liabilities		—	1,436	1,436
	Total current liabilities	<u>2,099</u>	<u>—</u>	<u>2,099</u>
	Total liabilities	2,099	—	2,099
Stockholders' equity (deficit)				
Common stock	Common stock	—	—	—
Additional paid-in capital	Additional paid-in capital	50,188	—	50,188
Accumulated deficit	Accumulated deficit	(51,921)	—	(51,921)
	Total stockholders' equity (deficit)	<u>(1,733)</u>	<u>—</u>	<u>(1,733)</u>
	Total liabilities and stockholders' equity (deficit)	<u>\$ 366</u>	<u>\$ —</u>	<u>\$ 366</u>

Certain historical statement of operations line items of vitaCare were reclassified in order to conform to GoodRx's historical statement of operations presentation as follows:

(in thousands)

GoodRx Consolidated Statement of Operations Line Items	vitaCare Statement of Operations Line Items	vitaCare Historical Statement of Operations For the Year Ended December 31, 2021	Reclassification Adjustments	vitaCare Reclassified Historical Statement of Operations For the Year Ended December 31, 2021
Revenue	Service revenue, net	\$ 875	\$ —	\$ 875
Cost and operating expenses:				
Cost of revenue, exclusive of depreciation and amortization presented separately below			9,968	9,968
Product development and technology			7,612	7,612
Sales and marketing			2,717	2,717
General and administrative			3,102	3,102
	Compensation and benefits	17,256	(17,256)	—
	Contract labor	2,672	(2,672)	—
	Software	950	(950)	—
	Rent	576	(576)	—
	Other direct expenses	689	(689)	—
	Corporate expense allocations from Seller	1,256	(1,256)	—
Depreciation and amortization	Depreciation	115	—	115
Total costs and operating expenses		23,514	—	23,514
Operating income (loss)		(22,639)	—	(22,639)
Other expense, net:				
Interest expense	Interest expense allocation from Seller	2,366	—	2,366
Total other expense, net		2,366	—	2,366
Loss before income taxes		(25,005)	—	(25,005)
Income tax expense	Provision for income taxes	—	—	—
Net loss		\$ (25,005)	\$ —	\$ (25,005)

(a) Represents reclassification from "Compensation and benefits" as reported by vitaCare to:

(in thousands)

GoodRx Consolidated Statement of Operations Line Items	Reclassification Adjustments
Cost of revenue, exclusive of depreciation and amortization presented separately below	\$ 8,454
Product development and technology	5,118
Sales and marketing	2,570
General and administrative	1,114
	\$ 17,256

(b) Represents reclassification from "Contract labor" as reported by vitaCare to:

(in thousands)

GoodRx Consolidated Statement of Operations Line Items	Reclassification Adjustments
Cost of revenue, exclusive of depreciation and amortization presented separately below	\$ 467
Product development and technology	2,203
General and administrative	2
	<u>\$ 2,672</u>

(c) Represents reclassification from "Software" as reported by vitaCare to:

(in thousands)

GoodRx Consolidated Statement of Operations Line Items	Reclassification Adjustments
Cost of revenue, exclusive of depreciation and amortization presented separately below	\$ 614
Product development and technology	182
Sales and marketing	1
General and administrative	153
	<u>\$ 950</u>

(d) Represents reclassification from "Rent" as reported by vitaCare to:

(in thousands)

GoodRx Consolidated Statement of Operations Line Items	Reclassification Adjustments
Cost of revenue, exclusive of depreciation and amortization presented separately below	\$ 425
Product development and technology	105
Sales and marketing	23
General and administrative	23
	<u>\$ 576</u>

(e) Represents reclassification from "Other direct expenses" as reported by vitaCare to:

(in thousands)

GoodRx Consolidated Statement of Operations Line Items	Reclassification Adjustments
Cost of revenue, exclusive of depreciation and amortization presented separately below	\$ 8
Product development and technology	4
Sales and marketing	123
General and administrative	554
	<u>\$ 689</u>

(f) Represents reclassification from "Corporate expense allocations from Seller" as reported by vitaCare to "General and administrative."

3. Preliminary Purchase Price Accounting

The purchase accounting for the Acquisition remains incomplete with respect to acquired tangible and intangible assets and liabilities assumed as GoodRx continues to gather and evaluate information about circumstances that existed as of the Closing Date.

The activities GoodRx is currently undertaking, include but are not limited to the following: review and evaluation of tangible assets acquired and liabilities assumed, acquired contracts, accounting policies, tax positions and other tax-related matters and third-party valuations that assist GoodRx in determining the fair

values of the contingent consideration payable and receivable as well as certain acquired intangible assets. Therefore, the acquired assets, liabilities assumed and contingent consideration payable and receivable associated with the Acquisition have been measured based on preliminary estimates using assumptions that GoodRx believes are reasonable, utilizing information that is currently available.

GoodRx intends to finalize the purchase accounting as soon as practicable, but in no event later than one year following completion of the Acquisition ("measurement period"). Differences between these preliminary estimates and the final purchase accounting could have a material impact on the accompanying pro forma financial statements and the combined company's future results of operations and financial position.

The table below presents the estimated purchase consideration and the preliminary allocation of the estimated purchase consideration to vitaCare's tangible and intangible assets acquired and liabilities assumed based on GoodRx's preliminary estimate of their respective fair values on a pro forma basis, as if the Acquisition was consummated on December 31, 2021.

<i>(in thousands)</i>	Purchase Price Allocation	
Cash consideration to the Seller	\$	138,627
Cash held in escrow for the Seller indemnification obligations		11,250
Fair value of contingent consideration payable		1,684
Fair value of contingent consideration receivable		(27,214)
Total estimated purchase consideration	\$	124,347
Accounts receivable	\$	157
Prepaid and other current assets		16
Property and equipment		157
Intangible assets		52,000
Total assets acquired	\$	52,330
Accounts payable	\$	663
Accrued expenses		1,436
Total liabilities assumed		2,099
Net assets acquired, excluding goodwill		50,231
Goodwill		74,116
Total estimated fair value of net assets acquired	\$	124,347

The estimated fair values of the acquired intangible assets are determined primarily by using a discounted cash flow method. Goodwill represents the excess purchase price over the tangible and intangible assets acquired and liabilities assumed.

The preliminary amounts assigned to the acquired intangible assets and their estimated useful lives are as follows:

<i>(in thousands)</i>	Fair Value	Useful Lives (Years)
Developed technology	\$ 30,000	5
Customer relationships	21,000	11
Tradename	1,000	3
Total acquired intangible assets	\$ 52,000	

Contingent consideration payable - The contingent consideration payable of up to \$7.0 million in cash is based upon vitaCare's achievement of certain specified revenue results through 2023 as stipulated by the purchase agreement. The preliminary fair value of the contingent consideration payable is based on the present value of the expected future payments to be made to the Seller using an option pricing model and

contains significant unobservable inputs for projected financial information, which GoodRx will finalize within the measurement period.

Contingent consideration receivable - vitaCare entered into a commercial agreement with the Seller in connection with the Acquisition. In accordance with the terms and conditions of the commercial agreement, the Seller is required to compensate vitaCare for certain pharmacy services over an initial 5-year term following the Acquisition, with annual minimum guaranteed payments totaling \$66.3 million. The preliminary fair value of the contingent consideration receivable is based on the present value of the expected future annual minimum guaranteed payments in excess of the estimated fair value of pharmacy services expected to be provided to the Seller for each respective year over the initial 5-year term and contains significant unobservable inputs for projected financial information, which GoodRx will finalize within the measurement period.

As GoodRx continues to refine its estimates of expected revenue to be generated from the commercial agreement as of the Closing date, it has provided the following sensitivity. A hypothetical increase or decrease of 20% in the preliminary estimate of fair value of pharmacy services expected to be provided to the Seller for each year of the initial 5-year term, holding all other assumptions the same, would impact the contingent consideration receivable, and as a result the total estimated purchase consideration, by approximately \$6.2 million with a corresponding impact substantially to acquired goodwill. Changes in the fair value of the contingent consideration payable and receivable each period after the Closing date will be recorded in earnings of GoodRx.

4. Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

Explanations of the pro forma adjustments to the unaudited pro forma condensed combined balance sheet are as follows:

(A) Cash and cash equivalents

The following table presents the components of the pro forma adjustments relating to cash and cash equivalents:

<i>(in thousands)</i>	<u>As of December 31, 2021</u>
Cash consideration to the Seller	\$ 138,627
Cash held in escrow for the Seller indemnification obligations	11,250
Transaction and severance costs (see Note 5B)	2,019
Pro forma adjustment	<u>\$ 151,896</u>

(B) Contingent consideration receivable

Represents an adjustment to reflect the preliminary fair value of the contingent consideration receivable, of which \$2.9 million represents the estimated portion that is receivable within twelve months of December 31, 2021. Refer to Note 3.

(C) Goodwill

Represents an adjustment to reflect acquired goodwill based on preliminary purchase accounting. Refer to Note 3.

(D) Intangible assets

Represents an adjustment to reflect the preliminary fair value of intangible assets acquired (other than goodwill) of \$52.0 million, less the historical vitaCare intangible assets value of \$36,000.

(E) Right of use operating lease assets and related liabilities

Represents an adjustment to reflect the estimated impact of ASC 842, Leases, for the sublease agreement between vitaCare and the Seller that was entered into in connection with the Acquisition.

(F)Contingent consideration payable

Represents an adjustment to reflect the preliminary fair value of the contingent consideration payable. Refer to Note 3.

(G)Additional paid-in capital

Reflects an adjustment to eliminate vitaCare's historical additional paid-in capital as of December 31, 2021.

(H)Accumulated deficit

The following pro forma adjustments impacted accumulated deficit:

<i>(in thousands)</i>	<u>As of December 31, 2021</u>
Elimination of vitaCare's accumulated deficit	\$ 51,921
Transaction and severance costs incurred by GoodRx and vitaCare (see Note 5B)	(2,019)
Pro forma adjustment	<u>\$ 49,902</u>

5. Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations

The unaudited pro forma condensed combined statement of operations excludes compensation expense in connection with the management incentive plan of \$10.0 million based on current estimates that the performance milestones will not be achieved. Explanations of the pro forma adjustments to the unaudited pro forma condensed combined statement of operations are as follows:

(A)Stock-based compensation

Represents an adjustment to recognize the estimated stock-based compensation expense incurred by vitaCare subsequent to December 31, 2021 related to the acceleration of unvested equity awards for a vitaCare executive due to their termination of employment with the Seller as a result of the Acquisition pursuant to a pre-existing employment agreement. For pro forma purposes, the acceleration of unvested equity awards for the vitaCare executive was assumed to have occurred on January 1, 2021.

(B)Transaction and severance costs

Represents an adjustment to recognize \$2.0 million of transaction and severance costs incurred subsequent to December 31, 2021. Of this total, \$1.6 million of transaction cost was incurred by GoodRx and \$0.4 million of severance cost was incurred by vitaCare related to the termination of employment between a vitaCare executive and the Seller as a result of the Acquisition pursuant to a pre-existing employment agreement. These costs will not affect the combined company's statement of operations beyond twelve months after the Closing Date. No transaction or severance costs were incurred prior to December 31, 2021. For pro forma purposes, these costs were assumed to have been incurred during the year ended December 31, 2021 and paid for in cash as of December 31, 2021.

(C)Amortization

Represents an adjustment to recognize amortization expense related to acquired intangible assets, which are discussed in Note 3. The following table represents on a pro forma basis, assuming the Acquisition occurred on January 1, 2021, the estimated amortization of acquired intangible assets for the year ended December 31, 2021:

<i>(in thousands)</i>	<u>Fair Value as of January 1, 2021</u>	<u>Useful Lives (Years)</u>	<u>Amortization Expense For The Year Ended December 31, 2021</u>
Developed technology	\$ 30,000	5	\$ 6,000
Customer relationships	21,000	11	1,909
Tradename	1,000	3	333
Pro forma adjustment	<u>\$ 52,000</u>		<u>\$ 8,242</u>

(D) Interest expense

Represents an adjustment to eliminate vitaCare's interest expense allocation from Seller. Prior to the consummation of the Acquisition, vitaCare was a guarantor to a financing agreement by and among the Seller as the borrower and various lenders. vitaCare was released from all of its obligations to the financing agreement as of the Closing Date.

(E) Income tax expense

After considering all available evidence as of December 31, 2021, GoodRx maintained a full valuation allowance against its net deferred tax assets in excess of tax amortizable goodwill as it believed it was more likely than not that the net deferred tax assets will be realized in the future. The Acquisition is expected to be an acquisition of assets for tax purposes and, accordingly, goodwill is expected to be deductible for tax purposes. This adjustment represents the estimated increase in the net deferred tax assets in excess of tax amortizable goodwill as a result of the Acquisition on a pro forma basis, assuming the Acquisition occurred on January 1, 2021. The income tax adjustment is calculated using the preliminary valuation of certain acquired assets and liabilities as described in Note 3 and may be subject to change.
