

ADDRESSING NEXTGEN HEALTHCARE'S DIVERSIONS AND MISREPRESENTATIONS

PREPARED BY THE RAZIN GROUP
SEPTEMBER 2021



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THE MARGOLIS BOARD'S PRESENTATIONS ARE FULL OF CONSULTANT-PRODUCED ATTACKS AND SPIN

Given that Chairman Jeffrey Margolis and his hand-picked committee chairs have an indefensible track record over the past six years, they are hinging their campaign on *diversions, entrenchment maneuvers and excuses*

We urge shareholders to see through the Board's smoke screen

THE MARGOLIS BOARD'S PRESENTATIONS ARE FULL OF CONSULTANT-PRODUCED ATTACKS AND SPIN (CONT.)

What the Margolis Board's presentations DO include...

- ✓ An array of pledges about being on the precipice of value creation after 19 consecutive quarters of unfulfilled promises
- ✓ A litany of excuses about why the Company has dramatically underperformed over the past six years
- ✓ A variety of attempts to misrepresent the record of Sheldon Razin, who oversaw 1,150% share price appreciation as Chairman
- ✓ Overt cherry-picking with regard to the Company's historical financial and operating performance
- ✓ Self-selected, unconvincing endorsements from employees, who are obviously beholden to leadership
- ✓ Self-selected analyst quotes that omit all criticism and skepticism from the sell-side
- ✓ Outrageous claims of having a "*powerhouse management team*" despite operating for multiple months without a CEO

What the Margolis Board's presentations DO NOT include...

- ✗ Any acknowledgement of accountability for the past six years of underperformance
- ✗ Any acknowledgement of accountability for failing to maintain a legitimate CEO succession plan
- ✗ A satisfactory explanation for the proposed reincorporation in Delaware, which would strengthen the Board's power at the expense of shareholders' rights
- ✗ Clearly defined key performance indicators for the business
- ✗ Clearly defined capital allocation parameters
- ✗ Clearly defined metrics for helping shareholders assess the benefits of past acquisitions

DISTORTION #1 – THE MARGOLIS BOARD IS BLATANTLY MISREPRESENTING THE RAZIN GROUP’S MOTIVATIONS

Fact: Sheldon’s Fight is About Self-Preservation, Advancing His Self-Interests and Taking De Facto Control

- Sheldon is a 47-year tenured director
- If the Company’s proposals are approved, Sheldon will no longer have the ability to preserve his Board seat, and that of another, in perpetuity
- Sheldon’s assertion that he now fears investment in the business is disingenuous
- During his tenure as Chair, the Company paid out \$400M in dividends, \$71M of which went to Sheldon
- Sheldon has supported virtually every decision the Board has made, except for those related to reinstating his dividends, equity compensation for management and employees, and Lance’s CEO
- He has repeatedly derided Board conversations, saying that the Company should reinstate his dividends
- Although Sheldon dropped two of his six candidates just days after launching his proxy contest, don’t be fooled. He’s wanted to take control from the start and is still trying to take de facto control now

“We believe that Shelly Razin (sic) had been pulling too much cash out of the business to create passive income for himself...in our view these dividend payments should have been R&D dollars and investment dollars going back into the business”

May 30, 2017
SVBLEERINK

The Razin Group has repeatedly stated that this contest is not about attaining boardroom control, reinstating a dividend or any short-term goals – to the contrary, Messrs. Razin and Rosenzweig want to establish an enduring culture of accountability and a foundation for value creation that continues to exist long after they step down from the Board

DISTORTION #2 – THE MARGOLIS BOARD IS PEDDLING FALSEHOODS ABOUT CUMULATIVE VOTING

Fact: The Only Unmitigated “Power” is Sheldon’s Ability to Appoint Himself and Another Director Indefinitely

- The Board is comprised of independent thinkers who are committed to acting in the best interests of ALL shareholders
- Of the Board’s nine director nominees, five are new to the Board since 2017. Four were nominated for the first time this Annual Meeting. If elected, these five directors will constitute a majority of the Board
- Sheldon continues to rely on the ability to cumulate his votes to elect himself as director and preserve his seat on the Board indefinitely
- If one were truly interested in “resetting the balance of power,” he would support the nomination of new Board directors and the elimination of cumulative voting

Sheldon believes the Board runs the Company because that is how he ran it over his 47-year tenure. He protected the performing management because it fortified his position and power as Chair



The Razin Group has proactively stated it will not invoke cumulative voting in this election, and supports a shareholder-friendly Delaware reincorporation that eliminates the Company’s use of cumulative voting altogether

DISTORTION #3 – THE MARGOLIS BOARD IS RELYING ON MISREPRESENTATIVE DATA TO PAINT A ROSY REVENUE PICTURE



The reality is that NextGen Healthcare's revenue is lagging and has only grown 13% during the Margolis chairmanship – compared to an average 28% increase from the Company's proxy peers during the same period

NextGen Healthcare's highest margin business – software – has seen revenues decline during the same period

DISTORTION #4 – THE MARGOLIS BOARD IS MAKING OUTRAGEOUS CLAIMS OF IMPLEMENTING A “SUCCESSFUL M&A STRATEGY”

Fact: Strategic M&A Has Provided New Capabilities and Unlocked High-Growth Markets

New leadership has implemented successful M&A strategy

- Surrounded our core offerings with solutions our clients need to succeed in the evolving Healthcare market, e.g., mobile, population health and analytics, patient engagement and telehealth
- Provided access to new large and growing markets — 10%+ CAGR
- Generated \$100M+ in new revenue
- The Company has no debt, generated \$300M+ in cash flow and benefits from a strong balance sheet

Of the investments and M&A Sheldon pursued, most were failures

- \$77M+ in write-offs
- Underperforming hospital business, which needed to be sold
- “NGNow” was discontinued
- Sheldon’s capital allocation favored dividends and left the Company unable to compete

What Analysts are Saying

“Entrada acquisition expanded Nextgen’s competitive advantage.”

PIPER | SANDLER

May 19, 2017

“Nextgen, in particular, has seen significant traction with its own embedded telehealth solution — built from its acquisition of Otto Health (December 2019).”

KeyBanc
Capital Markets

September 20, 2021

“We estimate recurring subscription bookings were in excess of \$21 million, up \$4M+ or 26% Y/Y, with the majority of this growth stemming from the acquired businesses.”

DOUGHERTY
& COMPANY LLC

May 25, 2018

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More than \$200 million spent between 2016 and 2019 has done little more than conceal the Company’s anemic organic revenue growth

The Company’s share price was higher in early 2016 – prior to the M&A spree – than it is today

In keeping with the Company’s nonexistent capital allocation policy, shareholders have not been provided updates on the success and benefits of these deals, which deliberately obscures the value-add (if any) of these acquisitions

DISTORTION #5 – THE MARGOLIS BOARD IS TRYING TO SHAMELESSLY REWRITE HISTORY AND SMEAR MR. RAZIN

Fact: The Board Embraces Diversity. Sheldon Does Not

Four of the Board's director nominees are diverse across race and gender

The Board's new director nominees were recruited as part of a purposeful refreshment process that began more than a year ago, assisted by Spencer Stuart, to add new directors who bring relevant expertise and diverse thoughts and perspectives

1/3 of the management team is diverse across race, gender and LGBTQ+

There was little diversity on the Board or on the executive leadership team when Sheldon was Chair

Sheldon vetoed AGAINST:

Julie Klapstein's appointment as NextGen Healthcare's first female director to the Board despite her significant expertise, including 30 years of experience in the healthcare industry

Dr. Anne Puryear's nomination to this year's director slate despite her expertise in driving value through human capital management, organizational transformation, innovation and operational excellence within the healthcare industry

Just this year, Sheldon was issued a formal letter of censure for inappropriate comments he made while interviewing two diverse director candidates

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Since Mr. Razin's chairmanship ended, NextGen Healthcare has actually cut ties with several diverse executives

In fact, the Company's seven highest paid executives are all white men and female executives earn dramatically less than their male colleagues

The Razin Group's slate of nominees is highly-diverse, with two racially diverse individuals that possess sorely-needed capital allocation acumen and corporate governance experience

DISTORTION #6 – THE MARGOLIS BOARD’S “THOUGHTFUL SUCCESSION PROCESS” LEFT THE COMPANY WITHOUT A LEADER

Fact: Board’s Thoughtful Succession Process Resulted in Powerhouse Management Team and World Class CEO

- Key hires over the past several years have resulted in a proven management team with the vision and expertise needed to advance our strategy and ensure we deliver results.
- The strength of this team and talent pipeline drove the decision to establish an Executive Leadership Committee to support the Company and ensure a smooth transition during the search for a new CEO.
- With the assistance of Spencer Stuart, we evaluated a number of highly qualified internal and external candidates.
- The Board took a thoughtful approach to identifying the next CEO, ensuring the best possible fit, not the most expedient solution.
- David S. Jones brings extensive experience and a proven record leading premier global healthtech companies. We are confident David will help ensure we fully capitalize on the transformational changes that have been made.

The Board ignored pleas to establish a CEO succession plan, which is why the Company had no CEO for multiple months this year

It is an insult to shareholders for the Margolis Board to claim NextGen Healthcare has a “powerhouse management team and a world class CEO” – the performance data laid out in our September 23rd presentation proves otherwise

DISTORTION #7 – THERE IS NO EVIDENCE TO SUPPORT THE MARGOLIS BOARD’S CLAIM THAT ITS COMP POLICY “MOTIVATES VALUE CREATION”

Fact: Executive Compensation is Structured to Support Recruitment and Retention and Align with Performance

Pay Program Motivates Value Creation

- Pay magnitude reasonable and in line with market for each position
- Pay mix emphasizes pay-for-performance link
- More than 55% of continuing NEOs' target compensation performance-based
- Revenue metric promotes top-line growth; non-GAAP EBITDA and TSR modifier promote strong alignment with shareholder value creation
- Ongoing shift to more Performance Share Units
- Restricted Stock Units continue to promote stability
- Established with consultant, F.W. Cook

Program Outcomes Reflect Company Performance

- No payouts on long-term incentives that matured at the end of the year
- Annual incentives paid, max based on strong performance during FY2020

We discussed David's compensation package with Sheldon, and Sheldon did not express any concern about it

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1 Includes NEOs Arnold, Metcalfe, and Linton

2 Total Target Compensation includes annualized base salary, target annual incentive and grant date fair value of long-term incentives

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During Craig Barbarosh's tenure as Chair of the Compensation Committee, the Board has abandoned performance-based vesting in favor of straight share grants and ineffective grants measured against the Company's budget

Total executive compensation has surged approximately 250% under Messrs. Margolis and Barbarosh, while the Company has dramatically underperformed peers and relevant indices

WE URGE SHAREHOLDERS TO FOCUS ON OUR SLATE'S VALUE PROPOSITION

Our slate possesses the exact mix of fresh perspectives and institutional knowledge that NextGen Healthcare needs in order to begin a new chapter of growth

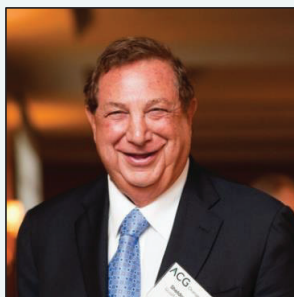
Kenneth H. Fearn



- 25+ years of experience advising corporate leadership teams and allocating capital
- Worked with Fortune 200 companies at McKinsey & Co. to address profitability issues and develop growth strategies
- Experience serving on public and private boards of directors

Mr. Fearn will help the Board create a clear capital allocation framework and oversee management's development of a growth plan

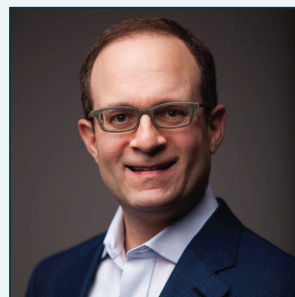
Sheldon Razin



- Founder and current director of NextGen Healthcare, with deep knowledge of the business
- Oversaw 1,150%+ share price appreciation and meaningful value creation during his tenure as Chairman
- Award-winning corporate director and entrepreneur

Mr. Razin will continue to bring sorely-needed ownership perspectives and guide management on organic growth opportunities

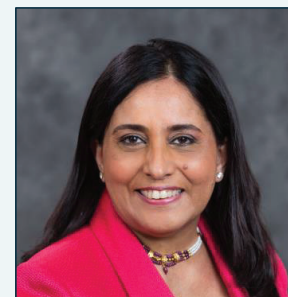
Lance Rosenzweig



- Current director of NextGen Healthcare
- Extensive experience serving on public and private boards of directors
- Unique experience serving as a Chief Executive Officer at three different technology companies

Mr. Rosenzweig will continue to advocate for cost containment, operational efficiencies and realigned executive compensation policies

Ruby Sharma



- Former Principal at Ernst & Young LLP and with the EY Center for Board Matters
- Former contributor to Harvard Law School Forum on Corporate Governance
- Financial expert with significant experience advising companies on audit and tax matters

Ms. Sharma will bring corporate governance best practices to the Board, including ideas for a shareholder-friendly reincorporation

WE URGE SHAREHOLDERS TO FOCUS ON OUR SLATE'S SOLUTIONS

NEXTGEN HEALTHCARE'S IMPEDIMENTS TO SUCCESS

1

Stagnation-Fueled Underperformance

2

Dysfunctional, Insular Corporate Governance

3

Misalignment Between Leadership & Shareholders

OUR SLATE'S CONSTRUCTIVE VISION

1

Prioritize Organic Growth & Margin Expansion

- Deprioritize acquisitions for the next few quarters
- Increase incentives for internal sales teams
- Increase incentives for clients to grow relationships
- Increase utilization of underleveraged India team
- Outsource non-core, supplemental services
- Reduce dependency and spending on consultants

2

Establish Best-in-Class Governance

- Pursue a shareholder-friendly Delaware reincorporation
- Establish clear KPIs for management to report on
- Establish transparent capital allocation parameters
- Eliminate the costly, duplicative Vice Chairman role
- Eliminate excessive, redundant committees
- Review and refresh succession plans bi-annually

3

Establish a Culture of Accountability & Incentivize Management

- Shift to performance-based share vesting for NEOs
- Shift NEO performance targets to real financial metrics
- Cut director compensation, weight more toward equity

NOW IS THE TIME FOR SHAREHOLDERS TO RESET THE BALANCE OF POWER IN NEXTGEN HEALTHCARE'S BOARDROOM

*As David Sides steps into the Chief Executive Officer role, **we have a unique opportunity to usher in a new day at NextGen Healthcare** by ridding the Board of imperial directors who have already failed to empower, incentivize and oversee management and prioritize shareholders' best interests*



VOTE THE BLUE CARD
