

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

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2024**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: **001-38543**

OptimizeRx Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

26-1265381

(I.R.S. Employer
Identification No.)

**260 Charles Street Suite 302
Waltham, MA**

(Address of principal executive offices)

02453

(Zip Code)

Registrant's telephone number: **248-651-6568**

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001	OPRX	NASDAQ Capital Market

Securities registered under Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

- | | |
|---|---|
| <input type="checkbox"/> Large accelerated filer | <input type="checkbox"/> Accelerated filer |
| <input checked="" type="checkbox"/> Non-accelerated filer | <input checked="" type="checkbox"/> Smaller reporting company |
| | <input type="checkbox"/> 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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. \$179,568,360

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. 18,490,385 common shares as of March 11, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's definitive proxy statement, in connection with its 2025 Annual Meeting of Shareholders, to be filed with the Securities and Exchange Commission within 120 days after December 31, 2024, are incorporated by reference into PART III of this Annual Report on Form 10-K.

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FORWARD LOOKING STATEMENT

This Annual Report on Form 10-K contains statements that relate to future events and expectations and, as such, constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements, other than purely historical information, including estimates, projections, statements relating to our strategies, outlook, business and financial prospects, business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements.” These forward-looking statements generally are identified by the words “believes,” “project,” “expects,” “anticipates,” “estimates,” “intends,” “strategy,” “plan,” “may,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements are not guarantees of future performance. Although OptimizeRx believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, these expectations may not be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and changes in circumstances, many of which are beyond OptimizeRx’s control.

For a discussion of some of the specific factors that could cause actual results to differ materially from the information contained in this report, see the following sections of this report: Part I, Item 1A. “Risk Factors,” and Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” including the disclosures under “Critical Accounting Estimates”. Market projections are subject to the risks discussed in this report and other risks in the market. OptimizeRx disclaims any intention or obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by applicable law.

Unless otherwise specified or the context otherwise requires, when used in this Annual Report on Form 10-K, the terms “we,” “our,” “us,” “OptimizeRx,” or the “Company” refer to OptimizeRx Corporation and its subsidiaries.

SUMMARY OF RISK FACTORS

An investment in our Company is subject to a number of risks. Set forth below is a high-level summary of some, but not all, of these risks. You should review and carefully consider the risks and uncertainties described in more detail in “Part I, Item 1A. Risk Factors” of this Annual Report, which includes a more complete discussion of the risks summarized below as well as a discussion of other risks related to our business and an investment in our securities.

Risks Related to Our Financial Position

- We have a history of losses, and may not be able to achieve profitability, or, if achieved, sustain profitability.
- We may need to raise additional capital to grow our business and may not be able to do so on favorable terms, if at all.
- Servicing debt and funding other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.
- Restrictions in our Term Loan could adversely affect our business, financial condition, results of operations, ability to make distributions, and the value of our securities.

Risks Related to Our Business: Our Industry, Operations, and Competition

- Seasonal trends in the pharmaceutical brand marketing industry could affect our operating results.
- Developing and implementing new and updated applications, features and services for our solutions may be more difficult than expected, may take longer and cost more than expected and may not result in sufficient increases in revenue to justify the costs.
- Any failure to offer high-quality customer support for our solutions may adversely affect our relationships with our customers and harm our financial results.
- We are dependent on a concentrated group of customers.
- If we are unable to maintain our contracts with electronic prescription platforms and electronic health record systems, our business will suffer.
- Our agreements with eRx and EHR channel partners could be subject to audit.
- If we fail to attract new customers or retain and expand existing customers, our business and future prospects may be materially and adversely impacted.
- The markets in which we operate are competitive, continually evolving and, in some cases, subject to rapid change.
- Developments in the healthcare industry could adversely affect our business.

Risks Related to Regulatory Matters

- Actual or perceived failures to comply with applicable laws and regulations that affect the healthcare industry, including data protection, privacy and security, fraud and abuse laws, regulations, standards and other requirements could adversely affect our business, results of operations, and financial condition.
- Our operations may be impacted from changes to current regulations and future legislation.
- If our customers, partners, and third-party providers fail to comply with the extensive and changing landscape of legal and regulatory requirements affecting the pharmaceutical and healthcare industries, they could face increased costs and/or penalties, which could lead to us losing business.

Risks Related to Our Intellectual Property and Technology

- We are dependent, in part, on our intellectual property. If we are not able to protect our proprietary rights or if those rights are invalidated or circumvented, our business may be adversely affected.
- Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.
- We may be unable to support our technology to further scale our operations successfully.
- Our business will suffer if our network systems fail or become unavailable.
- The use of AI technology in our operations and IT infrastructure could improve internal processes, but poses security risks and privacy risks; the use of AI technology also faces regulatory uncertainty and scrutiny given that AI technology is rapidly growing and evolving.

Risks Related to Managing Our Growth

- If we are unable to manage growth, our operations could be adversely affected.
- We may not be able to identify suitable acquisition candidates, complete acquisitions or integrate acquisitions successfully.
- Our acquisition activities may disrupt our ongoing business and may involve increased expenses, and we may not realize the financial and strategic goals contemplated at the time of a transaction.

Risks Related to Inflation, Interest Rates, and Other Adverse Economic Conditions

- Interest rate increases may adversely affect our financial condition and results of operations.
- We could be subject to economic, political, regulatory and other risks arising from our international operations.
- Inflation, the current interest rate environment, and other adverse economic conditions may adversely affect our business, results of operations and financial condition.
- Geopolitical events may affect our business and our customer base and have a material adverse impact on our sales and operating results.
- Impairment charges for goodwill or other long-lived assets may need to be recognized or increased if we lose a major customer, experience a decline in our common stock price or experience changes to the regulatory environment affecting pharmaceutical advertising restricting the use of our technology.
- Market conditions could adversely change and our earnings could decline resulting in charges to impair intangible assets, such as goodwill.

General Risks

- Our business and growth may suffer if we are unable to attract and retain members of our senior management team and other key employees.
- The impact and effects of public health crises, pandemics and epidemics could have a material adverse effect on our business, prospects, financial condition, and operating results.

Risks Relating to Our Common Stock

- If a market for our common stock is not maintained, shareholders may be unable to sell their shares.
- The market price of our common stock may be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control.
- We do not expect to pay dividends in the foreseeable future and any return on investment may be limited to the value of our common stock.
- Certain provision of our charter, bylaws and Nevada law may discourage takeover attempts and business combinations that shareholders might consider in their best interests.
- Actions of activist stockholders could be disruptive and costly and could adversely affect our results of operations, financial condition, and/or share price.

Risks Related to Being a Public Company

- We have identified a material weakness in our internal control over financial reporting. Failure to remediate the material weakness or any other material weaknesses that we identify in the future could result in material misstatements in our future financial statements.
- Conflicting views on environmental, social and governance matters may have a negative impact on our business, impose additional costs on us, and expose us to additional risks.

PART 1

Item 1. Business

General

OptimizeRx is a leading healthcare technology company that is redefining how life sciences brands connect with patients and healthcare providers. OptimizeRx is a Nevada corporation and was founded in 2006 in Rochester, Michigan as a healthcare technology company delivering various types of messages, including coupons and co-pays directly to physicians and pharmacists through electronic health record (EHR) systems and ePrescribing (eRx) platforms. Over time, the demand for different types of communication and marketing solutions among life sciences organizations, healthcare professionals (HCPs), and patients led us to expand upon our initial solution to increase the variety of health-related information we deliver, as well as the platforms, technology, and audiences through, and to which we deliver.

By combining artificial intelligence (AI)-driven tools with our original financial messaging solution, we progressively enhanced our original financial messaging solution. Our current AI-enabled Dynamic Audience Activation Platform (DAAP) not only identifies precise HCP audiences, but also estimates which HCPs will see brand eligible patients, and when such brand eligible patients will be seen.

After acquiring Healthy Offers, Inc. (d/b/a “Medicx” or “Medicx Health”) in 2023, we expanded our capabilities to include direct-to-consumer (DTC) marketing using our patent-protected Micro-Neighborhood Targeting (MNT) solution. MNT uses de-identified claims data to target not individual patients, but geographies in which eligible patients live, to better target audiences for brand manufacturers - a privacy-centric approach to audience creation. With the integration of DTC marketing, our life sciences brand customers can now access across our omnichannel network to reach both HCP and patient audiences. Today, we offer diverse tech-enabled marketing solutions using sophisticated machine-learning algorithms to find the best audience in the correct channels at the right time.

Customers are able to execute traditional marketing campaigns on our proprietary digital point-of-care network, as well as dynamic DTC marketing campaigns that optimize audiences in real time to increase the value of treatment information for HCPs and patients. Connecting over two million U.S. healthcare providers and millions of their patients through an intelligent technology platform embedded within a proprietary omnichannel network, OptimizeRx helps life sciences organizations engage and support their customers.

Business Strategy

OptimizeRx is at a pivotal moment in its almost 20-year history. Over the past few months, we have completed an extensive review of our business processes, operations, growth plans, capital allocation, strategies and opportunities - with the ultimate goal of assessing how we can best create value for our shareholders.

On March 10, 2025, after a rigorous search and selection process for a new Chief Executive Officer that was conducted by our independent directors with the assistance of a leading executive search firm, we named Stephen L. Silvestro as our Chief Executive Officer.

As Mr. Silvestro leads the next phase of the Company’s growth and transformation, many of our business priorities will be the same, such as continuing to focus on customer centricity and delight, operational excellence, disciplined execution, developing stronger relationships with our valued business partners, and expanding our unique value proposition with our top-tier pharma customers. However, going forward, a core aspect of our new value creation strategy will be to drive towards being recognized as a “Rule of 40” company within the next several years such that our combined annual revenue growth rate and EBITDA margin are 40% or higher. Like other companies aspiring to be a “Rule of 40” company, we understand the need to effectively balance growth with profitability. As we drive towards this ambitious financial goal, we plan to develop a re-occurring revenue component to our business as we look to convert our DAAP customers to a subscription-based model for the data component of our offerings. We believe this will improve our EBITDA margins over time while substantially enhancing the overall predictability of our revenue streams. We also believe this will enhance our ability to scale our business and more thoughtfully plan for profitable growth.

While we believe we are executing the right strategy, our Board of Directors and management team understand the need to regularly review our strategy, assess it against a variety of opportunities that may create greater value, and ensure that the strategy we are executing is fully aligned with the best interests of our shareholders.

Industry Background

Life sciences organizations face a challenging commercial landscape. The life sciences industry is characterized by rapidly advancing science and technologies, intense competition, and a strong emphasis on differentiated products.

As a result, life sciences organizations have increasingly turned to technology solutions to support their commercial strategies. According to industry sources, total pharmaceutical industry commercial spend in the United States is \$30 billion of which approximately \$10 billion is attributable to commercial digital spend.

We believe significant opportunity exists to address the unmet needs of life sciences organizations as they relate to digital solutions, including omnichannel access to HCPs, for our customers' biggest commercial challenges. These complex challenges include brand visibility to HCPs which is impacted by a competitive drug environment with sales representatives losing time in front of prescribers, augmented by the amount of time the HCPs have to spend in front of computers and in the EHR. Further, EHRs do not often communicate with one another, creating interoperability issues resulting in HCPs not having all relevant patient information. In addition, expensive specialty medications are becoming more common and involve more complex diagnosis criteria - factors that contribute to substantial script abandonment by patients. Our solutions are designed to address these and other commercial challenges faced by our customers.

Principal Solutions

We offer clear, actionable solutions to the challenges faced by our customers, and our combined HCP and DTC marketing strategies are designed to ensure our customers' brands are positioned at the right moment and with the right message, always prioritizing the end result: successful brand engagement to reach both HCPs and patients, ultimately resulting in improved patient care.

Our principal solutions can be summarized as follows:

Audience Development: DAAP and MNT

- Dynamic Audience Activation Platform (DAAP) generates dynamic audiences with predictive analytics via machine learning methods. This identifies which potentially qualified patients and which HCPs to actively engage based on the patient's care journey and disease progression. These dynamic audiences provide our manufacturing customers with relevant and timely targets, generating a higher likelihood of impact.
- Micro-Neighborhood Targeting (MNT) creates consumer audiences using a privacy-first process. MNT looks for all patients expressing brand eligibility signals (covering more than 90% of the U.S. population), then scores over 35 million 9-digit zip codes based on the concentration of those signals to create a prioritized, yet de-identified audience. Geographies are automatically refreshed and prioritized regularly for maximum marketing relevance and precision. Our clients may then activate these audiences through programmatic Demand-Side Platforms (DSPs).

Audience Profiling: Profiler

- Our audience profiling solution, Profiler, provides insights into our customers' target consumers, identifying the most cost effective and engaging channels, partners, and strategies for our customers. Audience profiling enables clients to maximize marketing dollars, focusing on channels their targets are most likely to be consuming, and more specifically focusing on the media partners within those channels. This is critical to upfront planning as well as periodic analysis to ensure efficient use of marketing budgets.

Audience Activation and Media Execution

- Our primary media offering is banner messaging delivered to HCPs. Banner messages include brand messaging, therapeutic support messaging, affordability messaging, HUB awareness, limited distribution drug information, and patient support program messaging. We can deliver these in a number of ways via our HCP omnichannel network (EHR systems and eRx platforms), programmatic social media, and programmatic display.
- With the acquisition of Medicx, our omnichannel solutions expanded further to offering media execution solutions to consumer audiences. To reach consumer audiences - brand eligible patients - we deliver messages via our consumer omnichannel network including through programmatic display, programmatic connected television (CTV)/over-the-top (OTT), programmatic social media, addressable television (ATV), digital out-of-home (OOH), programmatic audio (podcasts, apps, radio), and email/direct mail.

Pharmacy Alerts

- Pharmacy Alerts improves the existing workflow for prescribing HCPs by informing them in real time about which pharmacies are able to fill a patient's prescription. Currently, HCPs typically see a list of pharmacies near their patients, sorted by proximity, without regard to whether each pharmacy carries the medication or is permitted to fill it (in case of a limited distribution drug). Pharmacy Alerts flags pharmacies that have the medication in stock and are able to fill the prescriptions, resulting in less frustration and added work for prescribing physicians, pharmacies and patients and less waiting time to get essential medications to the patients.

Financial Messaging

- Financial Messaging provides prescribers visibility to branded copay offers for patients directly within their EHR systems and eRx platforms. It allows prescribers to print or digitally send copay offer details to the dispensing pharmacy. Our solution addresses the fact that many healthcare systems and prescribers are looking for an easier, more effective way to increase affordable access to their prescribed branded medications.

Sales and Marketing

The go-to-market strategy for the business aligns sales and marketing efforts while keeping customer engagement at the core. Engaging customers early, providing value throughout their journey, and nurturing long-term relationships drive sustainable growth and retention. Our sales and marketing teams include over 25 individuals focused on awareness, adoption and expansion of data and technology solutions designed to address the digital engagement needs of life sciences brands and their agency partners.

DAAP, our patent pending patient-centric omnichannel engagement platform combines artificial intelligence (AI) and human intelligence (HI), to determine the optimal time to engage patients and physicians. We synchronize HCP and DTC marketing across the programmatic and point-of-care channels to increase brand conversions, streamline therapy starts, and build stronger brand relationships. Our sales and marketing teams work closely together to cultivate customer relationships. We use a number of methods to market and promote our solutions, including digital advertising, industry events, trade shows, conferences, media coverage, social media, and email.

Technology

Our proprietary technology platform enables us to curate privacy safe DTC audiences, dynamic HCP and DTC audiences, and effectively manage digital media campaigns for our advertiser clients (agencies, and manufacturer/brands) across our channel partner network. Our platform consists of a unified data intelligence technology stack, multiple cloud-based data warehouses, and in-house applications and application programming interface layers. Collectively, this platform enables us with a collaborative environment for data engineering, data science, and machine learning, an efficient method to curate privacy safe DTC audiences, and a scalable means to manage both point-of-care media campaigns and the supply-side inventory request volume. For the management of point-of-care media campaigns, the platform integrates advanced features of a Supply-Side Platform (SSP), allowing us to provide seamless access to an expansive range of point-of-care inventory via our strategic partnerships. As an SSP, our platform enables us to manage and optimize our point-of-care network's ad inventory, maximizing their revenue. On the demand side, our platform empowers our account and program managers to efficiently manage our customers' campaign(s). Our technology is built on a scalable and secure architecture that supports high-performance data processing, real-time decisioning, and integration with third-party data providers.

To support our growth and provide maximum security, scalability, and flexibility, all our systems, including from acquisitions, are now hosted and integrated in the cloud. Our technology development and systems management core team is in the U.S. and in Croatia, with contractors in India and Ukraine to provide bench depth, rich skills experience, and business economies. The teams are organized into Centers of Excellence focused on Product Domains, Quality Assurance, Information Security, Data Warehousing, Business Intelligence, Platform Services, and Internal Systems Support. System enhancements in 2024 included system and framework upgrades, documentation of processes and procedures, security implementation for ongoing cybersecurity, Sarbanes Oxley, HIPAA, and customer security assessments, and in achieving both System and Organization Controls (SOC) 2 Type 1 and Type 2 certifications.

Competition

The competitive landscape within life sciences digital marketing is constantly evolving. Our solutions face competition from numerous other companies.

We compete broadly in the dynamic and ever-evolving pharmaceutical and life sciences digital marketing industry with healthcare data suppliers, health-focused demand-side platforms, and health-focused walled garden websites and web platforms, and advertising networks that aggregate traffic from multiple web sites or point-of-care platforms such as telehealth, EHR, eRx, physician practice management, health information exchanges (HIE), and site-based platforms within large health systems. Our competitors include large well-known companies with established names, solid market niches, and wide arrays of product offerings and marketing networks.

As innovators in the industry, we have patented and patent-pending technologies that provide unique differentiation, including a patient-centric focus on brand conversion, and value generation for our customers. Our extensive point-of-care network provides our customers with unparalleled reach to relevant prescribers. We are uniquely able to use DAAP to produce targeted, privacy-safe audiences for both consumers and their treating HCPs, allowing brand engagement to occur within the likely care window to find brand-eligible patients at the right time for brand adoption. DAAP leverages the investment in data and AI technologies, combined with human intelligence, in applying brand-specific strategies to optimize program performance. Our patented MNT technology provides a unique opportunity for pharmaceutical brands to market to consumers while adhering to HIPAA and state level privacy requirements.

For more information on risks relating to our competition, see Item 1A. Risk Factors.

Intellectual Property

Historically, we have created intellectual property or obtained intellectual property through commercial relationships and in connection with acquisitions.

We own patents important to our business, and we expect to continue to file patent applications to protect our research and development investments in new products. As of December 31, 2024, we held five patents and two pending patent applications, including foreign counterpart patents and foreign applications. For the United States, patents may last 20 years from the date of the patent's filing, subject to term adjustments made by the patent office.

In addition, we own registered trademarks in the United States and other countries. As of December 31, 2024, OPTIMIZERx, OPTIMIZEMD, CareSpeak, DIETWATCH, Innovate4Outcomes, SPRx, SPx, RMDY, Specialty Express, TELAREP, Medicx, Micro-Neighborhood, and Geomedical Targeting are our registered trademarks.

We also have licenses to intellectual property for the use and sale of certain of our solutions. In addition, we obtain other intellectual property rights and/or licenses used in connection with our business when practical and appropriate.

Government Regulation

The healthcare industry and, in particular, our customers and partners are subject to U.S. federal, state and local laws and regulations, including those governing fraud, abuse, privacy and security. Many of these laws and regulations are complicated and how they might apply to us, our customers, our partners, or the specific services and relationships we have with our customers and partners are not always well-defined. Many states have enacted laws regulating the processing of personal information which may reduce demand for placing digital ads in general, especially when those ads relate to medications, medical products, or health conditions. Although our solutions address these laws by using publicly available information and by processing de-identified and aggregated information, and we use this data to target geographies rather than individuals, our customers and partners in the advertising industry remain subject to these regulatory pressures and may not process personal information in this same way. Our failure, or perceived failure, to accurately apply, or comply with, these laws and regulations could subject us to significant fines and liability, result in reputational harm, and adversely affect our business. Any new or amended laws or regulations that impose significant operational restrictions and compliance requirements may negatively impact our business. See Item 1A. Risk Factors for more information on the impact of Government Regulations on OptimizeRx.

Human Capital

As of December 31, 2024, we had 106 full-time employees and 1 part-time employee in the U.S, as well as 22 full-time employees in Croatia. None of our employees are represented by a labor union or collective bargaining agreement with respect to their employment with us. The majority of our employees work remotely and are geographically distributed across the United States and Croatia. We supplement our workforce with contractors in the United States and internationally on an as-needed basis. We consider our relationship with our employees to be good and have not experienced any work stoppages.

We are dedicated to providing a supportive and respectful environment for our employees where everyone feels valued, and we celebrate both the differences and similarities among our people. We also believe that diversity in all areas, including cultural background, experience and thought, is essential to bettering a professional environment and in making our Company stronger. Our Diversity, Equity, Inclusion & Belonging Committee (DEI&B) is actively engaged in improving our culture, hiring practices and training. In 2023, we upheld the Parity Pledge – a commitment made in 2021 to interview and consider at least one qualified woman and one underrepresented minority for every open role, VP or higher. In addition, the DEI&B Committee sponsored quarterly events, including “Cultural Café”, “Food Waste Awareness”, “Movement Challenge”, and “Affinity Groups”.

We prioritize recruiting, retaining, and incentivizing a highly qualified, diverse workforce as the success of our Company is dependent on the skills, experience, and efforts of our employees. A skilled workforce not only improves a company's performance, but also contributes to overall employee satisfaction and enhances human capital. We have increased our focus on training and development for our current employees and have implemented a Learning Management System where current and future training modules will be presented and tracked for reporting purposes. We offer other learning and development opportunities and resources to support our employees in achieving and enhancing their development objectives. We equip our managers with the skills and tools to provide ongoing coaching and feedback so employees can maximize their performance and potential, delivering success for the Company and the employee.

We pay our employees competitively and offer a broad range of company-paid benefits, which we believe are competitive with others in our industry. Moreover, we believe our long-term incentives are structured in a manner to provide time-based vesting schedules that are retentive and we incentivize select employees through the granting of stock-based awards and cash-based performance bonus awards.

Smaller Reporting Company

We are a "smaller reporting company" as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result, we may take advantage of certain reduced disclosure obligations available to smaller reporting companies, including the exemption from compliance with the auditor attestation requirements pursuant to the Sarbanes-Oxley Act of 2002, reduced disclosure about our executive compensation arrangements and the requirements to provide only two years of audited financial statements in our annual reports and registration statements. We will continue to be a "smaller reporting company" as long as (1) we have a public float (i.e., the market value of our American Depositary Shares held by non-affiliates) less than \$250 million calculated as of the last business day of our most recently completed second fiscal quarter, or (2) our annual revenues are less than \$100 million for our previous fiscal year and we have either no public float or a public float of less than \$700 million as of the end of that fiscal year's second fiscal quarter. Decreased disclosures in our SEC filings due to our status as a "smaller reporting company" may make it harder for investors to analyze our results of operations and financial prospects.

Corporate Information

On January 31, 2006, Optimizer Systems, L.L.C. was formed in the State of Michigan and, on October 16, 2007, OptimizeRx Corporation was separately incorporated in Michigan. On October 22, 2007, Optimizer Systems, LLC merged into OptimizeRx Corporation, a Michigan corporation, and the name OptimizeRx Corporation remained unchanged following the merger.

On April 14, 2008, an alternative reporting company with the OTC Market Group, Inc., known at the time as RFID Ltd., and formed in the State of Colorado, entered into a share exchange agreement with the stockholders of OptimizeRx Corporation, pursuant to which the stockholders of OptimizeRx Corporation exchanged all of the issued and outstanding capital stock of OptimizeRx Corporation for shares of common stock of RFID Ltd. As of April 30, 2008, RFID's officers and directors resigned their positions and RFID changed its business to OptimizeRx's business. On April 15, 2008, RFID Ltd's corporate name was changed to OptimizeRx Corporation, a Colorado corporation. On September 4, 2008, the Company then completed a migratory merger, thereby changing the Company's state of incorporation from Colorado to Nevada, resulting in OptimizeRx Corporation, a Nevada corporation becoming the parent corporation of OptimizeRx Corporation, a Michigan corporation. On April 11, 2023, OptimizeRx Corporation, a Michigan corporation was merged with and into OptimizeRx Corporation, a Nevada corporation.

We conduct our operations through our wholly-owned subsidiaries, Healthy Offers, Inc. (d/b/a Medicx Health or "Medicx Health"), a Nevada corporation, and CareSpeak Communications, d.o.o., a controlled foreign corporation incorporated in Croatia.

Our principal executive offices are located at 260 Charles Street Suite 302, Waltham, MA 02453 and our telephone number is (248) 651-6568. Our website address is www.optimizerx.com. Information contained on or accessible through this website is not incorporated by reference in, or otherwise a part of, this Annual Report on Form 10-K, and any references to this website are intended to be inactive textual references only.

Available Information

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith, we file reports, proxy and information statements and other information with the Securities and Exchange Commission (the "SEC"). You can read our SEC filings over the Internet at the SEC's website at www.sec.gov. Our filings with the SEC are also available free of charge through the investor relations section of our website at www.optimizerx.com. Reports are available free of charge as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. From time to time, we also use multiple social media channels to communicate with the public about OptimizeRx. It is possible that the information we post on social media could be deemed to be material information. Therefore, we encourage you to review the information we post on the social media channels listed on our investor relations website, if any.

Information contained on or accessible through the websites and social media channels referred to above is not incorporated by reference in, or otherwise a part of, this Annual Report, and any references to these websites and social media channels are intended to be inactive textual references only.

Item 1A. Risk Factors

Risks Related to Our Financial Position

We have a history of losses, and may not be able to achieve profitability, or, if achieved, sustain profitability.

With the exception of 2021, we have historically incurred losses as a result of investing in future growth. While we have increased revenues, we have not yet consistently achieved profitability due to these investments and non-cash expenses. Our ability to achieve consistent profitability depends on our ability to generate sales through our technology platform and advertising model, while maintaining reasonable expense levels. If we do not achieve sustainable profitability, it may impact our ability to continue our operations.

We may need to raise additional capital to grow our business and may not be able to do so on favorable terms, if at all.

We may need to raise additional capital in the future, including to expand our operations and pursue our growth strategies, to respond to competitive pressures, or to meet capital needs in response to operating losses or unanticipated working capital requirements. Our inability to raise additional capital on acceptable terms in the future may limit our ability to continue to operate our business and further expand our operations.

Servicing debt and funding other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.

Our ability to make payments on and refinance our indebtedness and to fund our operations and capital expenditures depends on our ability to generate cash flow and secure financing in the future. Our ability to generate future cash flow depends, among other things, on future operating performance, general economic conditions, competition, and legislative and regulatory factors affecting our operations and business.

Some of these factors are beyond our control. There is no assurance that our business will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. There is no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have an adverse effect on our financial condition.

Restrictions in our Term Loan could adversely affect our business, financial condition, results of operations, ability to make distributions, and the value of our securities.

Our Term Loan contains customary affirmative covenants, including, among others, covenants pertaining to the delivery of financial statements; certain financial covenants; notices of default and certain other material events; payment of obligations; preservation of corporate existence, rights, privileges, permits, licenses, franchises and intellectual property; maintenance of property and insurance and compliance with laws, as well as customary negative covenants, including, among others, limitations on the incurrence of liens and entering into capital leases, investments and indebtedness; mergers and certain other fundamental changes; dispositions of assets; restricted payments; changes in our line of business; transactions with affiliates and burdensome agreements. These covenants could affect our ability to operate our business, increase the amount of interest expense we ultimately pay pursuant to the Term Loan, and may limit our ability to take advantage of potential business opportunities as they arise.

Our ability to comply with the covenants and restrictions contained in our Term Loan, may be affected by events beyond our control, including prevailing economic, financial, and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. A failure to comply with these provisions could result in a default or an event of default. Upon an event of default, unless waived, the lenders could elect to terminate their commitments, cease making further loans, cause their loans to become due and payable in full, foreclose against any assets securing the debt under our Term Loan and force us and our subsidiaries into bankruptcy or liquidation. If the payment of our debt is accelerated, our assets may be insufficient to repay such debt in full, and the holders of our stock could experience a partial or total loss of their investment.

Risks Related to Our Business: Our Industry, Operations, and Competition

Seasonal trends in the pharmaceutical brand marketing industry could affect our operating results.

In general, the pharmaceutical brand marketing industry experiences seasonal trends that affect the vast majority of participants in the pharmaceutical digital marketing industry. Many pharmaceutical companies allocate the largest portion of their brand marketing to the fourth quarter of the calendar year. As a result, the first quarter tends to reflect lower activity levels and lower revenue, with gradual increases in the following quarters. We generally expect these seasonality trends to continue and our ability to effectively manage our resources in anticipation of these trends may affect our operating results.

Developing and implementing new and updated applications, features and services for our solutions may be more difficult than expected, may take longer and cost more than expected and may not result in sufficient increases in revenue to justify the costs.

Attracting and retaining users of our solutions requires us to continue to improve the technology underlying those solutions and to continue to develop new and updated applications, features and services for those solutions. If we are unable to do so on a timely basis or if we are unable to implement new applications, features and services without disruption to our existing ones, we may lose potential users and clients. The costs of development of these enhancements may negatively impact our ability to achieve profitability.

We rely on a combination of internal development, strategic relationships, licensing and acquisitions to develop our solutions and related applications, features and services. Our development and/or implementation of new technologies, applications, features and services may cost more than expected, may take longer than originally expected, may require more testing than originally anticipated and may require the acquisition of additional personnel and other resources. There can be no assurance that the revenue opportunities from any new or updated technologies, applications, features or services will justify the amounts spent.

Any failure to offer high-quality customer support for our solutions may adversely affect our relationships with our customers and harm our financial results.

Once our solutions are implemented, our customers use our support organization to resolve technical issues relating to our solutions. Increased demand for our support services may increase our costs without corresponding revenue, which could adversely affect our operating results. Further, the sale of our solutions is highly dependent on the ease of use of our solutions, on our business reputation, and on favorable recommendations from our existing customers. Any failure to maintain high-quality and responsive customer support, or a market perception that we do not maintain high-quality support, could harm our reputation, cause us to lose customers, adversely affect our ability to sell our solutions to prospective customers, and harm our business, operating results and financial condition.

We are dependent on a concentrated group of customers.

Because the pharmaceutical industry is dominated by large companies with multiple brands, our revenue is concentrated in a relatively small number of companies. We have over 100 pharmaceutical manufacturers as customers, and our revenues are concentrated in these customers. Loss of one or more of our larger customers could have a negative impact on our operating results. Our top five customers represented approximately 49% of revenue for the year ended December 31, 2024. In 2024 and 2023, respectively, we had two customers and one customer that represented over 10% of our revenues.

We expect that we will continue to depend upon a relatively small number of customers for a significant portion of our total revenues for the foreseeable future. The loss of any of these customers or groups of customers for any reason, or a change of relationship with any of our key customers could cause a material decrease in our total revenues.

Additionally, mergers or consolidations among our customers in the healthcare industry could reduce the number of our customers and could adversely affect our revenues and sales. In particular, if our customers are acquired by entities that are not also our customers, that do not use our solutions or that have more favorable contract terms with competitors and choose to discontinue, reduce or change the terms of their use of our solutions, our business and operating results could be materially and adversely affected.

If we are unable to maintain our contracts with electronic prescription platforms and electronic health record systems, our business will suffer.

We are reliant upon our contracts with leading electronic prescribing (“eRx”) platforms and electronic health record (“EHR”) systems to generate a portion of the revenues received from our customers. Such arrangements subject us to a number of risks, including the following:

- Our eRx and EHR channel partners may experience financial, regulatory or operational difficulties, which may impair their ability to focus on and fulfill their contract obligations to us;
- Legal disputes or disagreements, including the ownership of intellectual property, may occur with one or more of our eRx and EHR channel partners and may lead to lengthy and expensive litigation or arbitration;
- Significant changes in an eRx and/or EHR channel partner’s business strategy may adversely affect such partner’s willingness or ability to satisfy obligations under any such arrangement;
- An eRx and EHR channel partner could terminate the partnership arrangement, which could negatively impact our ability to sell our solutions and achieve revenues; and
- The failure of an eRx or EHR channel partner to provide accurate and complete financial information to us or to maintain adequate and effective internal control over its financial reporting may negatively affect our ability to meet our financial reporting obligations as required by the SEC. See Part II, Item 9A. “Controls and Procedures.”

We generated 57.3% and 55.9% of our revenue through our two largest channel partners in 2024 and 2023, respectively. As such, the inability to maintain these relationships could adversely impact our business.

Our agreements with eRx and EHR channel partners could be subject to audit.

Our agreements with our eRx and EHR channel partners provide for revenue-sharing payments to them based on the revenue we generate through their platforms and systems. These payments could be subject to an audit by our channel partners, at their cost, and if there is a dispute as to the calculation, we may be liable for additional payments. Some agreements would require us to also pay for the cost of the audit if an underpayment is determined to be in excess of a certain amount.

If we fail to attract new customers or retain and expand existing customers, our business and future prospects may be materially and adversely impacted.

We currently work with many leading pharmaceutical companies, medical device manufacturers, associations, and other companies. While we have experienced customer growth, this growth may not continue at the same pace in the future or at all. Achieving growth in our customer base may require us to engage in increasingly sophisticated and costly sales and marketing efforts that may not result in additional customers. We may also need to modify our solution set and/or pricing model to attract and retain such customers. If we fail to attract new customers or fail to maintain or expand existing relationships in a cost-effective manner, our business and future prospects may be materially and adversely impacted.

The markets in which we operate are competitive, continually evolving and, in some cases, subject to rapid change.

Our solutions face competition from numerous other companies. We compete for revenue from healthcare advertisers and sponsors (pharmaceutical manufacturers) with healthcare data suppliers, health-focused demand-side platforms, and health-focused walled garden websites and web platforms, and advertising networks that aggregate traffic from multiple web sites or point-of-care platforms such as telehealth, EHR, eRx, physician practice management, health information exchanges (HIE), site-based platforms within large health systems, etc.

Many of our competitors have greater financial, technical, product development, marketing and other resources than we do. These organizations may be better known than we are and have more customers than we do. We cannot provide assurance that we will be able to compete successfully against these organizations or any alliances they have formed or may form. Since there are no substantial barriers to entry into the markets in which we participate, we expect that competitors will continue to enter these markets.

Developments in the healthcare industry could adversely affect our business.

Most of our revenue is derived from pharmaceutical manufacturers and could be affected by changes affecting the broader healthcare industry, including decreased spending in the industry overall.

General reductions in expenditures by healthcare industry participants could result from, among other things:

- Government regulation or private initiatives that affect the manner in which healthcare industry participants interact with consumers and the general public;
- Government regulation prohibiting the use of coupons by patients covered by federally funded health insurance programs;
- Consolidation of healthcare industry participants;
- Reductions in governmental funding for healthcare; and
- Adverse changes in business or economic conditions affecting healthcare industry participants.

Even if general expenditures by industry participants remain the same or increase, developments in the healthcare industry may result in reduced spending in some or all the specific market segments that we serve now or may serve in the future. For example, the use of our solutions and services could be affected by:

- A decrease in the number of new drugs or medical devices coming to market; and
- A decrease in marketing expenditures by pharmaceutical or medical device companies.

The healthcare industry has changed significantly in recent years, and we expect that significant changes will continue to occur. However, the timing and impact of developments in the healthcare industry are difficult to predict. We cannot assure you that the demand for our solutions and services will continue to exist at current levels or that we will have adequate technical, financial and marketing resources to react to changes in the healthcare industry.

Risks Related to Regulatory Matters

Actual or perceived failures to comply with applicable laws and regulations that affect the healthcare industry, including data protection, privacy and security, fraud and abuse laws, regulations, standards and other requirements could adversely affect our business, results of operations, and financial condition.

The global data protection landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal information. In addition, our customers and service providers may be or become subject to these same rules. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer, use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards is high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulation, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations and enforcement actions, claims by third parties, and damage to our reputation, any of which could have a material adverse effect on our operations, financial performance and business.

We also may be bound by contractual obligations and other obligations relating to privacy, data protection, and information security that are more stringent than applicable laws and regulations. The costs of compliance with, and other burdens imposed by, laws, regulations, standards, and other obligations relating to privacy, data protection, and information security are significant. Although we work to comply with applicable laws, regulations, and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with another or other legal obligations with which we must comply. Accordingly, our failure, or perceived inability, to comply with these laws, regulations, standards, and other obligations may limit the use and adoption of our solution, reduce overall demand for our solution, lead to regulatory investigations, breach of contract claims, litigation, and significant fines, penalties, or liabilities for actual or alleged noncompliance or slow the pace at which we close sales transactions, any of which could harm our business.

The Health Insurance Portability and Accountability Act of 1996, or HIPAA, and the rules promulgated thereunder require certain entities, referred to as Covered Entities, to comply with established standards, including standards regarding the privacy and security of protected health information, or PHI. HIPAA further requires that Covered Entities enter into agreements meeting certain regulatory requirements with their business associates, as such term is defined by HIPAA, which, among other things, obligate the business associates to safeguard the covered entity's PHI against improper use and disclosure. While we are not a Covered Entity, we have contracted as a business associate of our Covered Entity customers and, as such, may be regulated by HIPAA and have contractual obligations under such agreements, including to enter into business associate agreements with our third-party vendors. We, and our Covered Entity customers might face significant contractual liability pursuant to such business associate agreements if the business associate breaches the agreement or causes the Covered Entity to fail to comply with HIPAA. Additionally, even if we do not act as a Covered Entity or Business Associate, we process data that has been de-identified according to the expert determination method under HIPAA's Privacy Rule. This requires us to take measures to prevent the re-identification of that data and to comply with HIPAA if that data is re-identified.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, proprietary business information and personally identifiable information (including of our employees, customers, suppliers and business partners). Any data breach may subject us to civil fines and penalties, or regulatory orders, fines or sanctions under relevant state and federal privacy laws in the United States, including the California Consumer Privacy Act ("CCPA") and other laws and regulations. Our failure, or the failure of our third-party vendors, to comply with applicable laws and regulations relating to data security and our involvement or the involvement of any of our third-party vendors in any data security incidents could result in legal claims and liability, obligations to report incidents to governmental agencies, regulatory investigations and penalties, and reputational damage, which could have a material adverse effect on our business, financial condition and results of operations.

Certain other laws and regulations such as federal and state anti-kickback and false claims laws may apply to us indirectly through our relationships with our customers and partners. Violations can result in considerable penalties and sanctions. If we are found to have violated, or to have facilitated the violation of such laws, we could be subject to significant penalties.

Our operations may be impacted from changes to current regulations and future legislation.

The current Executive Branch administration and regulatory agencies may propose policy changes that create uncertainty for our business, including potentially implementing restrictions on pharmaceutical direct to consumer ("DTC") marketing.

Additionally, in its June 2024 decision in *Loper Bright Enterprises v. Raimondo* (the "Loper decision"), the U.S. Supreme Court overturned the longstanding Chevron doctrine, under which courts were required to give deference to regulatory agencies' reasonable interpretations of ambiguous federal statutes. The Loper decision could result in additional legal challenges to regulations and guidance issued by federal agencies applicable to our customer's operations, including those issued by the U.S. Food and Drug Administration (FDA), the U.S. Department of Health & Human Services, and the U.S. Federal Trade Commission. Additionally, the Loper decision may result in increased regulatory uncertainty, inconsistent judicial interpretations and other impacts to the agency rule-making process. We cannot predict which additional measures may be adopted or the impact of current and additional measures on our business, or our customer's businesses, which could have a significant impact on our business, financial condition and results of operations.

If our customers, partners, and third-party providers fail to comply with the extensive and changing landscape of legal and regulatory requirements affecting the pharmaceutical and healthcare industries, they could face increased costs and/or penalties, which could lead to us losing business.

The FDA, U.S. state licensure bodies, other healthcare regulators and other comparable agencies in other jurisdictions directly regulate many of the most critical business activities of our customers, partners, and third-party providers, including R&D for biotechnology and pharmaceutical development, and pharmaceutical advertising. States increasingly have been placing greater restrictions on the marketing and advertising practices of healthcare companies, particularly pharmaceutical companies. In addition, pharmaceutical and biotechnology companies have been the target of lawsuits and investigations alleging violations of government regulations, including claims asserting submission of incorrect pricing information, improper promotion of pharmaceutical products, payments intended to influence the referral of federal or state healthcare business, submission of false claims for government reimbursement, antitrust violations, violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and similar anti-bribery or anti-corruption laws. Any failure to comply with applicable laws, rules and regulations may result in civil and/or criminal legal proceedings and lead to fines, damages, mandatory compliance programs and other sanctions and remedies that may materially affect the business, operations and reputations of our customers, partners and third-party providers which could adversely affect our business.

Risks Related to Our Intellectual Property and Technology

We are dependent, in part, on our intellectual property. If we are not able to protect our proprietary rights or if those rights are invalidated or circumvented, our business may be adversely affected.

Our business is dependent, in part, on our ability to innovate, and, as a result, we are reliant on our intellectual property. We generally protect our intellectual property through patents, trademarks, trade secrets, confidentiality and nondisclosure agreements and other measures to the extent our budget permits. There can be no assurance that patents will be issued from pending applications that we have filed or that our patents will be sufficient to protect our key technology from misappropriation or falling into the public domain, nor can assurances be made that any of our patents, patent applications, trademarks or our other intellectual property or proprietary rights will not be challenged, invalidated or circumvented. In the event a competitor or other party successfully challenges our solutions, processes, patents or licenses or claims that we have infringed upon their intellectual property, we could incur substantial litigation costs defending against such claims, be required to pay royalties, license fees or other damages or be barred from using the intellectual property at issue, any of which could have a material adverse effect on our business, operating results and financial condition. We cannot assure that steps taken by us to protect our intellectual property and other contractual agreements for our business will be adequate, that our competitors will not independently develop or patent substantially equivalent or superior technologies or be able to design around patents that we may receive, or that our intellectual property will not be misappropriated.

If we are unable to protect our proprietary rights, we may be at a disadvantage to others who do not incur the substantial time and expense we incur. Preventing unauthorized use or infringement of our intellectual property rights is inherently difficult. Moreover, it may be difficult or practically impossible to detect theft or unauthorized use of our intellectual property. Any of the foregoing could have a material adverse effect upon our business, financial condition and results of operations.

Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information, and adversely impact our reputation and results of operations.

Global cybersecurity threats can range from uncoordinated individual attempts to gain unauthorized access to our information technology (IT) systems to sophisticated and targeted measures known as advanced persistent threats. While we employ extensive measures to prevent, detect, address and mitigate these threats (including access controls, insurance, vulnerability assessments, continuous monitoring of our IT networks and systems, maintenance of backup and protective systems and user training and education), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties) and the disruption of business operations. The potential consequences of a material cybersecurity incident include reputational damage, loss of customers, loss of income, litigation with customers and other parties, loss of trade secrets and other proprietary business data and increased cybersecurity protection and remediation costs, which in turn could adversely affect our competitiveness and results of operations. In addition, while we maintain insurance coverage, our insurance coverage for cyberattacks may not be sufficient to cover all the losses, liabilities and costs we may experience as a result of a cybersecurity incident, including any disruptions resulting from such an incident, or that applicable insurance will be available to us in the future on economically reasonable terms or at all.

A cybersecurity incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties using sophisticated, targeted methods, including hacking, fraud, phishing or other forms of deception. The techniques used by threat actors change frequently, are becoming increasingly diverse and sophisticated, and may be difficult to detect for long periods of time. Although we maintain information technology measures designed to protect the confidentiality, availability, and integrity of our information systems, and protect us against intellectual property theft, data breaches, and other cybersecurity incidents, such measures will require updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent or mitigate cybersecurity threats or incidents. The implementation, maintenance, segregation and improvement of these information systems requires significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, finance, and sales and service processes. These risks may affect our ability to manage our data and adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. Moreover, our proprietary information, confidential information, intellectual property, or personal information that we hold could be compromised or misappropriated and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

We also work with partners and third-party service providers or vendors that collect, store and process such data on our behalf and in connection with our services. There can be no assurance that any security measures that we or our third-party service providers or vendors have implemented will be fully executed, adhered to, or effective in protecting our systems and information, including against current or future cybersecurity threats. While we have designed and developed systems and processes to protect the availability, integrity, and confidentiality of our data and information, as well as those of our customers, website visitors, employees, and others, the security measures of our third-party service providers or vendors could fail and result in security incidents, including unauthorized access to, or disclosure, acquisition, encryption, modification, misuse, loss, destruction or other compromise of such data. If a compromise of such data were to occur, we may have liability under our contracts with other parties and under applicable law for damages and incur penalties and other costs to respond to, investigate and remedy such an incident. Laws require us to provide notice to customers, regulators, credit reporting agencies or others when certain sensitive information has been compromised as a result of a security breach. There are significant differences between the laws of the U.S. and other jurisdictions, and as a result compliance in the event of a widespread data breach could be complicated and costly. Such an event could harm our reputation and result in litigation against us. Any of these results could materially adversely affect our business, prospects, financial condition and operating results.

We may be unable to support our technology to further scale our operations successfully.

Our plan is to grow through further integration of our technology in electronic platforms. Our growth will place significant demands on our management and technology development, as well as our financial, administrative and other resources. We cannot guarantee that any of the systems, procedures and controls we put in place will be adequate to support the commercialization of our operations. Our operating results will depend substantially on the ability of our officers and key employees to manage changing business conditions and to implement and improve our financial, administrative and other resources. If we are unable to respond to and manage changing business conditions, or the scale of our solutions, services and operations, then the quality of our services, our ability to retain key personnel and our business could be harmed.

Our business will suffer if our network systems fail or become unavailable.

A reduction in the performance, reliability and availability of our network infrastructure would harm our ability to distribute our solutions to our users, as well as our reputation and ability to attract and retain customers. Our systems and operations could be damaged or interrupted by fire, flood, power loss, telecommunications failure, internet breakdown, earthquake and similar events. Our systems could also be subject to viruses, break-ins, sabotage, acts of terrorism, acts of vandalism, hacking, cyber-terrorism and similar misconduct. We might not carry adequate business interruption insurance to compensate us for losses that may occur from a system outage. Any system error or failure that causes interruption in availability of our solutions or an increase in response time could result in a loss of potential customers, which could have a material adverse effect on our business, financial condition and results of operations. If we suffer sustained or repeated interruptions, then our solutions and services could be less attractive to our users and our business would be materially harmed.

The use of AI technology in our operations and IT infrastructure could improve internal processes, but poses security risks and privacy risks; the use of AI technology also faces regulatory uncertainty and scrutiny given that AI technology is rapidly growing and evolving.

The rapid evolution of artificial intelligence (AI) could exacerbate the information technology related risks described below.

We have increased efficiency through adoption and use of AI, including with our DAAP programs, machine learning, and similar tools and technologies that collect, aggregate, analyze or generate data or other materials or content, and we expect to continue to adopt such tools as appropriate. In addition, we expect our third-party vendors and service providers to increasingly develop and incorporate AI into their product offerings.

While we anticipate that we will continue to utilize our AI-powered Dynamic Audience and Activation Platform (DAAP), and to research and implement other potential AI-based technology solutions to both mitigate risk and increase automation in our environment, it is possible that bad actors and/or competitors will leverage AI solutions more effectively to either exploit vulnerabilities or take market share. Either outcome could negatively impact our business.

We are aware that generative AI tools may respond with inaccurate or fabricated information, introduce bias or fail to provide traceability of source information.

The intellectual property risks associated with AI include uncertainties around the ownership of AI-generated works, potential infringement of existing patents and copyrights, unauthorized use of third-party data, and exposure of proprietary algorithms or trade secrets. Dependence on AI systems or AI vendors means that any downtime or outages can disrupt business operations. Usage of our confidential data to train the AI models by us or our vendors, could result in legal risk, especially if it involves customer data or our proprietary information.

There are significant and evolving risks involved in utilizing AI, and no assurance can be provided that our, our third-party vendors' or service providers' use of AI will enhance our, our third-party vendors' or service providers' products or services, or produce the intended results. The adoption and incorporation of such AI tools can lead to concerns around safety and soundness, fair treatment of consumers, and compliance with applicable laws and regulations. AI solutions may also be adversely impacted by unforeseen defects, technical challenges, cyber-attacks, cybersecurity breaches, service outages or other similar incidents, or material performance issues.

In addition, various federal, state, and international governments and regulatory agencies are reviewing the technologies underlying AI and its uses are applying, or are considering applying, existing laws and regulations to AI. Some are considering adopting new general legal frameworks for AI. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions.

Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all the legal, operational or technological risks that may arise relating to the use of AI. We expect that our DAAP platform and use of AI will require additional resources, including incurring additional costs to develop and maintain our products and solutions, to minimize potentially harmful or unintended consequences, to comply with applicable and emerging laws and regulations, to maintain or extend our competitive position, and to address any ethical, reputational, technical, operational, legal, competitive or regulatory issues which may arise as a result of any of the foregoing.

Risks Related to Managing Our Growth

If we are unable to manage growth, our operations could be adversely affected.

Our ability to manage growth effectively will depend on our ability to improve and expand operations, including our financial and management information systems, and to recruit, train and manage personnel. There can be no assurance that management will be able to manage growth effectively. To manage growth effectively, we will be required to continue to implement and improve our operating and financial systems and controls to expand, train and manage our employee base. Our ability to manage our operations and growth effectively will require us to continue to expend funds to enhance our operational, financial and management controls, reporting systems and procedures, and to attract and retain sufficient talented personnel.

If we do not properly manage the growth of our business, we may experience significant strains on our management and operations and disruptions in our business. Various risks arise when companies grow too quickly. If our business grows too quickly, our ability to meet customer demand in a timely and efficient manner could be challenged. We may also experience development delays as we seek to meet increased demand for our solutions. Our failure to properly manage the growth that we or our industry might experience could negatively impact our ability to execute on our operating plan and, accordingly, could have an adverse impact on our business, our cash flow and results of operations, and our reputation with our current or potential customers.

We may not be able to identify suitable acquisition candidates, complete acquisitions or integrate acquisitions successfully.

We may not be able to identify suitable acquisition candidates, complete acquisitions, or integrate acquisitions successfully. We may seek additional acquisition opportunities, both to further diversify our business and to penetrate or expand important product offerings or markets. There are no assurances, however, that we will be able to successfully identify suitable candidates, negotiate appropriate terms, obtain financing on acceptable terms, complete proposed acquisitions, successfully integrate acquired businesses, or expand into new markets. Once acquired, operations may not achieve anticipated levels of revenues or profitability. Acquisitions involve risks, including difficulties in the integration of the operations, technologies, services and products of the acquired companies and the diversion of management's attention from other business concerns. Although our management will endeavor to evaluate the risks inherent in any particular transaction, there are no assurances that we will properly ascertain all such risks. Difficulties encountered with acquisitions could have a material adverse impact on our business.

Our acquisition activities may disrupt our ongoing business and may involve increased expenses, and we may not realize the financial and strategic goals contemplated at the time of a transaction.

We have acquired, and may in the future acquire, companies, businesses, products, services and technologies. Acquisitions involve significant risks and uncertainties, including:

- our ongoing business may be disrupted, an acquisition may involve increased expenses, and our management's attention may be diverted by acquisition, transition, or integration activities;
- we may not further our business strategy as we expected;
- we may not realize anticipated synergies or other anticipated benefits of an acquisition or such synergies or benefits may take longer than anticipated to be realized;
- we may overpay for our investments, or otherwise not realize the financial returns contemplated at the time of the acquisition;
- integration with acquired operations or technology may be more costly or difficult than expected and such integration may not be successful;
- we may be unable to retain the key employees, customers and other channel partners of the acquired operation;
- we may not realize the anticipated increases in our revenues from an acquisition; and
- our use of cash to pay for acquisitions may limit other potential uses of our cash.

Risks Related to Inflation, Interest Rates, and Other Adverse Economic Conditions

Interest rate increases may adversely affect our financial condition and results of operations.

Borrowings under our Term Loan are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same. As a result, our cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. A one-percentage-point increase in the interest rates on outstanding borrowings under our Term Loan would have increased our interest expense by approximately \$0.4 million for the year ended December 31, 2024.

We could be subject to economic, political, regulatory and other risks arising from our international operations.

Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic and political risks that may be different from, and incremental to, those in the United States. In addition to the risks that we face in the United States, our international operations in Israel and Croatia, may involve risks that could adversely affect our business, including:

- difficulties and costs associated with staffing and managing foreign operations;
- natural or man-made disasters, political, social and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade, and other business restrictions;
- compliance with United States laws, such as the Foreign Corrupt Practices Act, export controls and economic sanctions, and local laws prohibiting corrupt payments to government officials;
- unexpected changes in regulatory requirements;
- less favorable foreign intellectual property laws;
- adverse tax consequences such as those related to repatriation of cash from foreign jurisdictions into the United States, non-income related taxes such as value-added tax or other indirect taxes, changes in tax laws or their interpretations, or the application of judgment in determining our global provision for income taxes and other tax liabilities given inter-company transactions and calculations where the ultimate tax determination is uncertain;
- fluctuations in currency exchange rates, which could impact expenses of our international operations and expose us to foreign currency exchange rate risk;
- profit repatriation and other restrictions on the transfer of funds;
- differing payment processing systems as well as use and acceptance of electronic payment methods, such as payment cards;
- new and different sources of competition; and
- different and more stringent user protection, data protection, privacy and other laws.

Our failure to manage any of these risks successfully could harm our international operations and our overall business, as well as results of our operations.

Inflation, the current interest rate environment, and other adverse economic conditions may adversely affect our business, results of operations and financial condition.

General global economic downturns and macroeconomic trends, including heightened inflation, capital market volatility, interest rate fluctuations, tariffs, and economic slowdown or recession, may result in unfavorable conditions that could negatively affect demand for our products and solutions and exacerbate some of the other risks that affect our business, financial condition and results of operations. Domestic markets experienced significant inflationary pressures in 2024. Threats of multinational tariffs and retaliatory tariffs provide uncertainty as to heightened inflation in the domestic markets in the next twelve months. In an inflationary environment, we may experience increases in the prices of labor and other costs of doing business. Additionally, cost increases may outpace our expectations, causing us to use our cash and other liquid assets faster than forecasted. If we are unable to successfully manage the effects of inflation, our business, operating results, cash flows and financial condition may be adversely affected. The occurrence or perception of an economic slowdown or recession, or of a further increase in inflation, may have a negative impact on the global economy and may reduce customer demand for our products and services.

In addition, macroeconomic effects such as changes in interest rates, potential tariffs, and other measures taken by central banks and other policy makers could have a negative effect on overall economic activity that could reduce our customers' demand for our products and services. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and may detract from our performance to the extent we are exposed to such interest rates and/or volatility. An adjustment in rates would impact our variable rate debt. If interest rates increase or remain elevated, we could face higher debt service requirements, which would adversely affect our cash flow and could adversely impact our results of operations. If we are unable to generate sufficient cash flow to service our debt or to fund our other liquidity needs, we could need to restructure or refinance all or a portion of our debt. Any refinancing of indebtedness could be at higher interest rates, thereby resulting in an overall increase in interest expense.

Adverse changes in demand could impact our business, collection of accounts receivable and our expected cash flow generation, which may adversely impact our financial condition and results of operations.

Impairment charges for goodwill or other long-lived assets may need to be recognized or increased as we shift our focus away from our non-core businesses, lose a major customer or experience changes to the regulatory environment affecting pharmaceutical advertising restricting the use of our technology.

Annually, we evaluate goodwill and long-lived assets to determine if impairment has occurred. Additionally, interim reviews are performed whenever events or changes to the business could indicate possible impairment. The future occurrence of a potential indicator of impairment could include matters such as (i) a decrease in expected net earnings, (ii) adverse equity market conditions, (iii) a decline in current market multiples, (iv) a decline in our common stock price, (v) a significant adverse change in legal factors or the general business climate, and (vi) an adverse action or assessment by a regulator. Any future impairment of our goodwill or long-lived assets could require us to record an impairment charge, which would negatively impact our results of operations. An impairment could be recorded as a result of changes in assumptions, estimates or circumstances, some of which are beyond our control. Since a number of factors may influence determinations of fair value, we are unable to predict whether impairments of goodwill and other long-lived assets will occur in the future, and we can provide no assurance that continued conditions will not result in future impairments of these assets. For example, our strategic shift away from non-core business, in 2023, resulted in an impairment of one or more of our long-lived assets and, in 2024, a decline in our stock price and overall market capitalization resulted in goodwill impairment. See Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Results of Operation of the Years Ended December 31, 2024 and 2023 - Operating Expenses.”

Market conditions could adversely change and our earnings could decline resulting in charges to impair intangible assets, such as goodwill.

As a result of our various acquisitions, the consolidated balance sheet at December 31, 2024 contains goodwill of approximately \$70.9 million and intangible assets, net of approximately \$45.5 million. We evaluate on an ongoing basis whether facts and circumstances indicate any impairment to the carrying value of indefinite-lived intangible assets such as goodwill. As circumstances after an acquisition can change, we may not realize the value of these intangible assets. During the year ended December 31, 2024, we recorded impairment charges, related to goodwill, of approximately \$7.5 million. Any future impairment charges related to our goodwill or long-lived assets could require us to record additional impairment charges, which would negatively impact our results of operations.

Geopolitical events may affect our business and our customer base and have a material adverse impact on our sales and operating results.

Our results of operations may be affected by the conditions in the global capital markets and the economy generally, both in the U.S. and elsewhere in the world. The ongoing war between Russia and Ukraine as well as the conflict between Israel and Hamas have caused uncertainty in the credit markets and could cause our customers and potential customers to postpone or reduce spending on technology products or services or put downward pressure on prices, which could have an adverse effect on our business.

General Risk Factors

Our business and growth may suffer if we are unable to attract and retain members of our senior management team and other key employees.

Our success has been largely dependent on the skills, experience and efforts of our senior management team and key employees and the loss of the services of any of our senior management team or other key employees, without a properly executed transition plan, could have an adverse effect on us. The loss of any member of our senior management team or any of our other key employees could damage critical customer relationships, result in the loss of vital knowledge, experience and expertise, lead to an increase in recruitment and training costs, and make it more difficult to successfully operate our business and execute our business strategy. We may not be able to find qualified potential replacements for these individuals and the integration of potential replacements may be disruptive to our business. Furthermore, our business also depends on our ability to attract and retain qualified management, sales and technical personnel. However, competition for these types of employees is intense due to the limited number of qualified professionals with expertise in our industry. Our ability to meet our business development objectives will depend in part on our ability to recruit, train, incentivize, and retain top quality people with advanced skills who understand our industry, technology, and business. Our compensation arrangements, including our equity award programs, are essential to retaining our senior management team and other key employees, but may not always be successful in attracting new employees or retaining and motivating our existing key employees for reasons that may include movement in our stock price or our ability to maintain or increase our equity pool. If we are unable to engage, incentivize, and retain the necessary personnel, our business may be materially and adversely affected.

The impact and effects of public health crises, pandemics and epidemics could have a material adverse effect on our business, prospects, financial condition, and operating results.

The actual or perceived effects of an epidemic, pandemic, or similar widespread public health concern could negatively affect our business, financial condition, and result of operations. The extent to which a pandemic, epidemic or outbreak of an infectious disease impacts our operations will depend on future occurrences, which are highly uncertain and cannot be predicted with confidence, including the duration of any outbreak and the actions to contain or treat its impact, among others. We are prepared to take steps to modify our business practices and mitigate the impact of the emergence and spread of new variants and resurgences, or another pandemic or epidemic; however, there can be no assurance that such steps will be successful, or that our business operations, or the operations of our customers or partners will not be materially and adversely affected by the consequences of such pandemic or epidemic, which could materially impact our results of operations, cash flows, and financial condition.

Risks Relating to Our Common Stock

If a market for our common stock is not maintained, shareholders may be unable to sell their shares.

Our common stock is traded under the symbol “OPRX” on the Nasdaq Capital Market. We do not currently have a consistent active trading market. There can be no assurance that a consistent active and liquid trading market will develop or, if developed, that it will be sustained.

Historically, our securities have been thinly traded. Accordingly, it may be difficult to sell shares of our common stock without significantly depressing the value of the stock. Unless we are successful in developing continued investor interest in our stock, sales of our stock could continue to result in major fluctuations in the price of the stock.

The market price of our common stock may be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control.

Our stock price is subject to a number of factors, including:

- Technological innovations or new solutions and services by us or our competitors;
- Government regulation of our solutions and services;
- The establishment of partnerships with other healthcare companies;
- Intellectual property disputes;
- Additions or departures of key personnel;
- Sales of our common stock;
- Our ability to execute our business plan;
- Operating results below or exceeding expectations;
- Our operating and financial performance and prospects;
- Loss or addition of any strategic relationship;
- General financial, domestic, international, economic, industry and other market trends or conditions; and
- Period-to-period fluctuations in our financial results.

Our stock price may fluctuate widely as a result of any of the above. In addition, the securities markets have from time-to-time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

We do not expect to pay dividends in the foreseeable future and any return on investment may be limited to the value of our common stock.

We have never declared or paid any cash dividends on our common stock. We currently intend to retain all available funds and future earnings, if any, to fund our future growth and do not expect to declare or pay any dividend on shares of our common stock in the foreseeable future. As a result, the success of an investment in our common stock may depend entirely upon any future appreciation in its value. There is no guarantee that our common stock will appreciate in value or even maintain the price at which it is purchased.

Certain provision of our articles of incorporation, bylaws and Nevada law may discourage takeover attempts and business combinations that shareholders might consider in their best interests.

The Company is a Nevada corporation. Anti-takeover provisions in Nevada law and our articles of incorporation and Third Amended and Restated Bylaws (our “bylaws”) could make it more difficult for a third-party to acquire control of us. These provisions could adversely affect the market price of the common stock and could reduce the amount that shareholders might receive if the Company is sold. For example, our articles of incorporation provides that the board of directors may issue, without shareholder approval, preferred stock in one or more series, with such voting power, full or limited, or without voting powers and with such designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue thereof adopted by the board of directors. Such a series of preferred stock could be designated in connection with the adoption by the board of directors of a shareholder rights plan. Pursuant to the provisions of Nevada Revised Statutes (“NRS”) §78.195(5), Nevada corporations are generally permitted to adopt shareholder rights plans without shareholder approval. In addition, our bylaws require shareholders to provide proper and timely advance notice of their intent to bring director nominations or other business before an annual meeting of shareholders, provide that the Company’s secretary is only required to call shareholder requested special meetings upon the written request of shareholders who together own of record not less than 50.1% of the capital stock of the Company issued and outstanding and entitled to vote at such meeting, shareholders cannot act by written consent and that directors may be removed by shareholders only with the approval of the holders of not less than two-thirds of the voting power of the issued and outstanding stock entitled to vote at an annual or special meeting of the shareholders.

Nevada has a business combination law (NRS §78.411 through §78.444, inclusive) which prohibits certain business combinations between certain Nevada corporations and any person deemed to be an “interested stockholders” for two years after the “interested stockholder” first becomes an “interested stockholder,” unless our Board approves the combination in advance or thereafter by both the Board and 60% of the disinterested stockholders. For purposes of Nevada law, an “interested stockholder” is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (ii) an affiliate or associate of the corporation and at any time within the two previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term “business combination” is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation’s assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders. This law generally applies to Nevada corporations with 200 or more stockholders of record. The effect of Nevada’s business combination law is to potentially discourage parties interested in taking control of us from doing so if it cannot obtain the approval of our Board. Pursuant to NRS 78.434, a Nevada corporation may elect in its articles of incorporation not to be governed by these particular laws, but if such election is not made in the corporation’s original articles of incorporation, the amendment (1) must be approved by the affirmative vote of the holders of stock representing a majority of the outstanding voting power of the corporation not beneficially owned by interested stockholders or their affiliates and associates, and (2) is not effective until 18 months after the vote approving the amendment and does not apply to any combination with a person who first became an interested stockholder on or before the effective date of the amendment. We have not made such an election in our original articles of incorporation, and we have not amended our articles of incorporation to so elect. The NRS also contains provisions governing the acquisition of a controlling interest in certain Nevada corporations. Nevada’s “acquisition of controlling interest” statutes (NRS §78.378 through §78.3793, inclusive) govern the acquisition of a controlling interest in certain Nevada corporations. These “control share” laws provide generally that any person that acquires a “controlling interest” in certain Nevada corporations may be denied voting rights, unless a majority of the disinterested stockholders of the corporation elects to restore such voting rights. These laws will apply to us as of a particular date if we were to have 200 or more stockholders of record (at least 100 of whom have addresses in Nevada appearing on our stock ledger at all times during the 90 days immediately preceding that date) and do business in the State of Nevada directly or through an affiliated corporation, unless our articles of incorporation or bylaws in effect on the tenth day after the acquisition of a controlling interest provide otherwise. These laws provide that a person acquires a “controlling interest” whenever a person acquires shares of a subject corporation that, but for the application of these provisions of the NRS, would enable that person to exercise (1) one-fifth or more, but less than one-third, (2) one-third or more, but less than a majority or (3) a majority or more, of all of the voting power of the corporation in the election of directors. Once an acquirer crosses one of these thresholds, shares which it acquired in the transaction taking it over the threshold and within the 90 days immediately preceding the date when the acquiring person acquired or offered to acquire a controlling interest become “control shares” to which the voting restrictions described above apply. These laws may have a chilling effect on certain transactions if our articles of incorporation or bylaws are not amended to provide that these provisions do not apply to us or to an acquisition of a controlling interest, or if our disinterested stockholders do not confer voting rights in the control shares.

In addition, Nevada law also provides that directors may resist a change or potential change in control of the corporation if the board of directors determines that the change or potential change is opposed to or not in the best interest of the corporation upon consideration of any relevant facts, circumstances, contingencies or constituencies.

Actions of activist stockholders could be disruptive and costly and could adversely affect our results of operations, financial condition, and/or share price.

While we strive to maintain constructive communications with our stockholders, we may, from time to time, be subject to demands from activist stockholders. Any activist campaign against the Company that contests, conflicts with, or seeks to change, our board composition, leadership, strategic direction, or business mix could have an adverse effect on us because: (i) responding to actions by activist stockholders could disrupt our operations, be costly or time-consuming, or divert the attention of our board of directors and senior management from their regular duties, which could adversely affect our results of operations or financial condition; (ii) perceived uncertainties as to our future direction, including as a result of possible changes to the composition of our board, may lead to the perception of a change in the direction of the business or lack of continuity, any of which may be exploited by our competitors, cause concern to our customers, employees, and/or business partners and result in the loss of potential business opportunities, or make it more difficult to attract and retain qualified personnel and business partners, and may adversely affect our relationships with vendors, customers, business partners, and other third parties; (iii) these types of actions could cause significant fluctuations in our share price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business; and (iv) if individuals are elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our stockholders.

Risks Related to Being a Public Company

We have identified a material weakness in our internal control over financial reporting. Failure to remediate the material weakness or any other material weaknesses that we identify in the future could result in material misstatements in our future financial statements.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, our management is required to report on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Annually, we perform activities that include reviewing, documenting and testing our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. If we fail to achieve and maintain an effective internal control environment, we could suffer misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could result in significant expenses to remediate any internal control deficiencies and lead to a decline in our stock price.

The Company has identified a material weakness in the Company's internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. To address such material weakness in the Company's internal control over financial reporting, the Company performed additional analyses and other procedures to prepare the audited consolidated financial statements in accordance with generally accepted accounting principles ("GAAP"). Accordingly, management believes that the consolidated financial statements included in this Annual Report on Form 10-K fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented. For further discussion of the material weaknesses, see Item 9A, Controls and Procedures.

We cannot provide assurance that we have identified all, or that we will not in the future have additional, material weaknesses in our internal control over financial reporting. As a result, we may be required to implement further remedial measures and to design enhanced processes and controls to address deficiencies. If we do not effectively remediate the material weakness identified by management and maintain adequate internal controls over financial reporting in the future, we may not be able to prepare reliable financial reports and comply with our reporting obligations under the Exchange Act on a timely basis. Any such delays in the preparation of financial reports and the filing of our periodic reports may result in a loss of public confidence in the reliability of our financial statements, which, in turn, could materially adversely affect our business, the market value of our common stock and our access to capital markets.

Conflicting views on environmental, social and governance matters may have a negative impact on our business, impose additional costs on us, and expose us to additional risks.

Certain stakeholders have pressured companies on initiatives relating to environmental, social and governance (ESG) matters, including environmental stewardship, social responsibility, and corporate governance. Organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters, which in turn, are used by some investors to inform their investment and voting decisions. Any failure, or perceived failure, by us to achieve our goals, further our initiatives, adhere to our public statements, comply with federal, state or international ESG laws and regulations, or meet evolving and varied stakeholder expectations and standards could result in reputational harm, loss of investor confidence, legal and regulatory proceedings against us and materially affect our business, reputation, results of operations, financial condition and stock price.

In recent years, “anti-ESG” sentiment has gained momentum across the United States, with several states and the federal government having proposed or enacted anti-ESG policies, legislation or initiatives, or issued related legal opinions. Additionally, the current Executive Branch administration’s initiatives and executive actions surrounding ESG and diversity, equity, and inclusion matters (DEI) may conflict with our stakeholder initiatives on such matters, which may cause us to experience conflicts between governmental regulations and stakeholder expectations which could impose additional costs on our business and negatively impact investor sentiment. The current Executive Branch administration also recently issued an executive order opposing DEI initiatives in the private sector. Such anti-ESG and anti-DEI-related policies, legislation, initiatives, litigation, legal opinions and scrutiny could result in us facing additional compliance obligations, becoming the subject of investigations, enforcement actions or litigation, sustaining reputational harm, and/or requiring certain investors to divest, or discouraging certain investors from investing in the Company.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our information security and risk management program is designed to identify, assess, and manage material risks from cybersecurity threats to our applications, computer networks, third-party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic or competitive in nature, personal information, or protected health information (PHI) (collectively, “Information Systems”).

Our information security program’s basis is a comprehensive set of policies and procedures covering various information security domains (collectively, “Information Security Policy”), including, but not limited to:

- Access control,
- Endpoint protection,
- Third-party oversight,
- Education, training, and awareness,
- Network security,
- Risk management,
- Incident response,
- Business continuity and disaster recovery,
- Data protection and privacy, and
- Other security domains.

Our risk management process is based on a standard methodology, and risks are identified based on:

- Annual risk assessments,
- Information on past incidents,
- Internal audits,
- Security penetration tests, and
- Other security assessments.

All risks are documented in a central Risk Register and tracked for mitigation and other treatment decisions.

Our information security program is audited annually against a well-known security framework, by an accredited third-party. In 2024, we allowed our HITRUST certification to lapse and we replaced it with System and Organization Controls (SOC) 2 assessment, which has more general applicability and covers the trust services criteria of security, confidentiality, privacy, and accessibility.

In 2024 we stored certain PHI on behalf of customers on secure AWS managed servers in the contiguous United States, encrypted at rest and in transit. End users did not have permission to access PHI unless the end user's account had the proper end user role permissions (e.g., HCPs or hub service providers). These end user roles were assigned according to the customer's needs to see the information. At all times, such information was segregated so that one customer could not access records containing PHI that were associated with another customer.

Our external audits and assessments identify and evaluate material risks from cybersecurity threats against our overall business objectives on a periodic basis and form the basis of internal reports, which can be shared with the management team, the Audit Committee of the Board of Directors, and the Board of Directors to evaluate our overall enterprise risk.

Our incident response program consists of an Incident Response Plan document and a cross-functional Incident Response Team, which are defined in our Information Security Policies. All workforce members are trained on incident reporting procedures, and there is a single point of contact for reporting all incidents. Incident response training is conducted annually, followed by a tabletop exercise. Our Incident Response Plan instructs personnel on how to notify our Incident Response Team in case of an incident. The VP of Information Security is the point person for incident responses and coordinates mitigation and remediation of cybersecurity incidents. We log all incidents and response plans for purposes of internal documentation. We report critical incidents to the management team, the Audit Committee, and the Board of Directors.

The Company's VP of Information Security is responsible for implementing the Information Security Policy on a day-to-day basis along with the Security Committee (as defined in the Information Security Policy), which includes the heads of the following departments, at a minimum: Information Security, Technology, Compliance, Product Management, Internal Audit, and Legal.

We use third-party service providers to perform a variety of functions throughout our business, including, but not limited to infrastructure support and maintenance, CRM, contract management, data hosting, and miscellaneous finance and accounting projects. We assess our vendors with respect to cybersecurity risk according to the services provided, the sensitivity of the Information Systems at issue, and the provider's identity. In appropriate cases, we will seek enhanced contractual obligations or guarantees related to cybersecurity on the service provider. Vendor risk assessments are performed before each vendor is engaged, and annual reviews are conducted to ensure vendors continue to meet security requirements.

We also maintain technical errors and omissions insurance which includes a cyber incident endorsement of up to \$20 million. This endorsement provides coverage for Network Security and Privacy, Privacy Regulation Proceeding, Privacy Event Expense Reimbursement, Extortion Demand Reimbursement, Data Restoration, Network Restoration, Business Interruption and System Failure. This coverage reimburses the most common costs for information security incidents, including attorney's fees, consumer notification costs, and regulatory fines.

To our knowledge, during 2024, there were no material cybersecurity incidents or threats that materially affected or are reasonably likely to materially affect the Company's business strategy, results of operations, or financial condition.

For more information on risks from cybersecurity threats that may materially affect the Company, see Item 1A. "Risk Factors".

Governance

The Board of Directors' oversight function includes cybersecurity risk management. The Board of Directors has three members with skills and experience in information security and cybersecurity through their experience as current and former executives of digital technology companies.

The Board of Directors has tasked the Audit Committee with overseeing the Company's cybersecurity risk management processes and determining which threats are likely to impact the Company's strategy, business operations, and financial condition.

Pursuant to its charter, the Audit Committee of the Board of Directors reviews the Company's policies regarding information technology security and protection from cyber risks. In particular, the Audit Committee reviews with management the Company's key IT Systems and evaluates the adequacy of the Company's information security program, compliance, and controls.

Our cybersecurity risk assessment and management processes are implemented and maintained by our VP of Information Security and the Security Committee. For strategic decisions regarding cybersecurity, the VP of Information Security consults with the Chief Technology Officer, the Chief Financial Officer, the Chief Legal Officer, and the VP of Compliance.

The VP of Information Security is responsible for hiring appropriate personnel, performing vendor risk assessments, and communicating information security priorities to relevant personnel, so that we can build cybersecurity risk considerations into our business practices. The VP of Information Security also plans related budgets, designs cybersecurity processes, and reviews security assessments and related reports.

Item 2. Properties

Currently, we do not own any real estate. As of December 31, 2024, we have operating leases for office space in four multi-tenant facilities. The leases include office spaces in Waltham, Massachusetts; Clarkston, Michigan; Scottsdale, Arizona and Zagreb, Croatia. Our principal executive offices are located at 260 Charles Street, Waltham, Massachusetts 02453.

The lease in Waltham, Massachusetts expires July 31, 2026 and has a monthly rent with escalating payments of \$5,778 to \$6,848. The lease in Clarkston, Michigan expires November 30, 2025, with a three-year renewal option through 2028, and has a monthly rent of \$2,445. The lease in Scottsdale, Arizona expires April 30, 2025, and has a monthly base rent with escalating payments of \$9,304 to \$9,727. On February 19, 2025, the Company entered into a new lease in Scottsdale, Arizona with the current landlord for reduced space and monthly rent, with escalating payments of \$7,870 to \$8,453 over three years, expiring on July 31, 2028. The Company entered into a lease for new office space in Zagreb, Croatia on July 1, 2023, which expires on June 30, 2029, but which grants the tenant the option to terminate the lease with 30-day notice before each lease anniversary, and has a monthly rent of approximately \$3,111. The former lease in Zagreb, Croatia, with a monthly rent of approximately \$1,883 was terminated effective June 30, 2023.

Item 3. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings, and we are not aware of any pending or threatened material legal or administrative proceedings against us.

Item 4. Mine Safety Disclosures

Not applicable.

Item 4.1 Information About Our Executive Officers

The following information sets forth the names, ages, and positions of our executive officers as of March 20, 2025.

Name	Age	Positions and Offices Held
Stephen L. Silvestro	47	Chief Executive Officer
Marion Odence-Ford	60	General Legal Officer and Chief Human Resources Officer
Edward Stelmakh	59	Chief Financial Officer and Chief Operations Officer
Doug Besch	43	Chief Product Officer and Chief Technology Officer
Theresa Greco	52	Chief Commercial Officer

Set forth below is a brief description of the background and business experience of each of our current executive officers.

Stephen L. Silvestro

Mr. Silvestro was appointed the Chief Executive Officer in March 2025. He joined the Company as Chief Commercial Officer in April 2019 and has since served as President from October 2023 until his appointment as interim CEO in January 2025. Prior to joining the Company, Mr. Silvestro was with CCH® Tagetik, a Wolters Kluwer company that provides corporate performance management software solutions for planning, consolidation and reporting, as its Vice President and General Manager from January 2018 until April 2019. From April 2017 to January 2018, Mr. Silvestro was with Prognos Health, Inc., a healthcare data and analytics company, as its Chief Commercial Officer and, before that, from September 2007 to April 2017, he was with Decision Resources Group, a multi-national corporation that provides high value global data solutions, analytics and consulting services to pharmaceutical, biotech, medical device, healthcare provider and payer, and managed care companies, in various capacities with him last serving as Executive Vice President, Head of Global Sales.

Marion Odence-Ford

Ms. Odence-Ford was named the Chief Legal Officer and Chief Human Resources Officer effective January 1, 2025. She joined the Company as General Counsel & Chief Compliance Officer in February 2021. From April 2013 to June 2020, Ms. Odence-Ford was Vice President & Deputy General Counsel at Decision Resources Group, a multi-national corporation that provides high value global data solutions, analytics and consulting services to pharmaceutical, biotech, medical device, healthcare provider and payer, and managed care companies. From November 2004 to November 2012, Ms. Odence-Ford was Vice President & Associate General Counsel at CRA International, Inc. (dba Charles River Associates), a global consulting firm that offers economic, financial, and strategic expertise to major law firms, corporations, accounting firms, and governments around the world. From May 2004 to November 2004, Ms. Odence-Ford was a member of the GTC Law Group, LLP, a law firm specializing in the business affairs of companies in the high tech and biotech industries. Prior to joining the GTC Law Group, Ms. Odence-Ford worked on the legal teams of Bank of America Corporation/Fleet Boston Financial Corporation from November 2002 to May 2004, and Akamai Technologies, Inc. from October 1999 to November 2002. Ms. Odence-Ford began her legal career in private practice at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, PC, where she advised public and private companies on corporate matters.

Edward Stelmakh

Mr. Stelmakh joined the Company as Chief Financial Officer and Chief Operating Officer in October 2021. Prior to joining the Company, Mr. Stelmakh served as Senior Vice President, Chief Financial Officer and Chief Operating Officer of Otsuka America Pharmaceuticals Inc. (“Otsuka”), a US division of a Japanese global healthcare enterprise, since April 2020. Previously, he held various positions at Otsuka including Senior Vice President and Chief Financial Officer (December 2017 – March 2020) and Vice President and Chief Financial Officer (December 2015 – November 2017). From March 2010 to December 2015, Mr. Stelmakh worked at Covance, a division of LabCorp, Inc., as Vice President, Finance, Clinical Development and Commercialization Services. Prior thereto, Mr. Stelmakh held a variety of positions of increasing responsibilities at Johnson & Johnson, Sanofi-Aventis, Organon/Schering-Plough and Mylan.

Doug Besch

Dr. Besch was named the Chief Product Officer and Chief Technology Officer effective January 1, 2025. He joined the Company in May 2021 as SVP Product Strategy & Innovation and became the Company’s Chief Product Officer in October 2022. Prior to joining the Company, from January 2018 to May 2021, Dr. Besch was the Vice President over Payor and Market Access Solutions for Clarivate (previously Decision Resources Group (DRG)), a multi-national corporation that provides high value global data solutions, analytics and consulting services to pharmaceutical, biotech, medical device, healthcare provider and payer, and managed care companies. Prior to Clarivate, from January 2012 to June 2017, Dr. Besch was a co-founder and the Chief Product Officer for Rx Savings Solution, a company which helps members and payers reduce prescription drug costs through a combination of clinical technology, transparency, member engagement and concierge support. Dr. Besch holds a PharmD and MBA from Creighton University and practiced as a pharmacist for the Walgreens Boots Alliance corporation from 2007 through 2013.

Theresa Greco

Ms. Greco joined the Company in October 2023 as the Company’s Chief Commercial Officer with the Company’s acquisition of Healthy Offers, Inc. (“Medicx Health”), where Ms. Greco served as its President since August 2022. Prior to joining Medicx Health, Ms. Greco was at Prognos Health, Inc., a healthcare data and analytics company, from August 2018 to January 2022 as its Chief Commercial Officer where she led all aspects of product strategy, marketing, sales, and customer delivery. Prior to Prognos, Ms. Greco held the Chief Commercial Officer position at MediSpend, a global technology company focused on life sciences compliance solutions. From August 2010 through August 2017, Ms. Greco was with LexisNexis Healthcare through their acquisition of Health Market Science, where she held a variety of progressive executive positions including in Customer Success, Product Strategy, Commercial Strategy, and Sales that contributed to revenue growth and profitability that yielded a successful exit. Ms. Greco led the Life Sciences consulting group providing consultation and technology solutions to life sciences companies for master data management at Computer Sciences Corporation from April 2008 to August 2010. Prior to 2008, Ms. Greco held various positions at IQVIA and Pfizer.

PART II

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is traded under the symbol “OPRX” on the Nasdaq Capital Market. At March 11, 2025, there were approximately 274 shareholders of record of our common stock.

We currently intend to retain future earnings for the operation of our business. We have never declared or paid cash dividends on our common stock, and we do not anticipate paying any cash dividends in the foreseeable future. Any payment of future dividends will be at the discretion of our board of directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, and other factors that our board of directors deems relevant.

For the information regarding our equity compensation plans, see PART III, Item 12, “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.”

Issuer Purchases of Equity Securities

On March 14, 2023, we announced that our Board of Directors had authorized the repurchase of up to \$15 million of our outstanding common stock. Under this program, share repurchases may be made from time to time depending on market conditions, share price and availability and other factors at our discretion. No shares were repurchased under the program during 2024. This stock repurchase authorization expired on March 12, 2024.

Item 6. Reserved

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

OptimizeRx is a digital healthcare technology company that connects over two million HCPs and millions of their patients through an intelligent technology platform embedded within a proprietary omnichannel network. OptimizeRx helps life sciences organizations engage and support their customers through our combined HCP and DTC marketing strategies.

OptimizeRx has historically generated revenue by delivering messages to HCPs via their EHR systems and eRx platforms using our proprietary network of channel partners. We have gradually expanded our offerings to include audience development, audience creation, and media execution across different messaging types and media distribution channels.

Overall, we employ a “land and expand” strategy focused on growing our existing customer base and generating greater and more consistent revenues in part through a continued shift in our business model toward enterprise level engagements, while also broadening our platform with innovative proprietary virtual communication solutions such as our patented Micro-Neighborhood Targeting and our AI-powered DAAP, which uses sophisticated machine-learning algorithms to find the best audiences in the correct channels at the right time.

Our strategy for driving revenue growth is also expected to work in tandem with our efforts to increase margin and profitability as revenue drivers such as DAAP have inherently higher margins than most other messaging solutions we offer. In addition, by aiming to transition our DAAP customers to a more predictable subscription-based model for data services, we believe will further improve margins, increase visibility, and enhance the overall predictability of our revenue streams over time.

Customer Concentration

Because the pharmaceutical industry is dominated by large companies with multiple brands, our revenue is concentrated in a relatively small number of companies. We have approximately 100 pharmaceutical companies as customers, and our revenues are concentrated among the largest pharmaceutical companies in the world. Loss of one of more of our larger customers could have a negative impact on our operating results. Our top five customers represented approximately 49% and 44% of our revenue for the years ended December 31, 2024 and December 31, 2023, respectively. In 2024 and 2023, we had two customers and one customer, respectively, that represented more than 10% of our revenues.

Seasonality

In general, the pharmaceutical brand marketing industry spends its advertising budget seasonally. Many pharmaceutical companies allocate the largest portion of their brand marketing to the fourth quarter of the calendar year. As a result, the first quarter tends to reflect lower activity levels and lower revenue, with gradual increases in the following quarters. We expect these seasonality trends to continue and our ability to effectively manage our resources in anticipation of these trends may affect our operating results.

Impact of Macroeconomic Events

Unfavorable conditions in the economy may negatively affect the growth of our business and our results of operations. For example, macroeconomic events including rising inflation and the U.S. Federal Reserve raising interest rates have led to economic uncertainty in the recent past, and threats of multinational tariffs and retaliatory tariffs provide uncertainty as to heightened inflation in the domestic markets in the next twelve months. In addition, high levels of employee turnover across the pharmaceutical industry as well as a fewer number of U.S. drug approvals could create additional uncertainty within our target customer markets. Historically, during periods of economic uncertainty and downturns, businesses may slow spending, which may impact our business and our customers' businesses. Adverse changes in demand could impact our business, collection of accounts receivable and our expected cash flow generation, which may adversely impact our financial condition and results of operations.

Key Performance Indicators

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business and make strategic decisions. We have updated the definition of "top 20 pharmaceutical manufacturers" in our key performance indicators to be based upon Fierce Pharma's most updated list of "The top 20 pharma companies by 2023 revenue". We previously used "The top 20 pharma companies by 2022 revenue". As a result of this change, prior periods have been restated for comparative purposes.

Average revenue per top 20 pharmaceutical manufacturer. Average revenue per top 20 pharmaceutical manufacturer is calculated by taking the total revenue the company recognized through pharmaceutical manufacturers listed in Fierce Pharma's "The top 20 pharma companies by 2023 revenue" over the last twelve months, divided by the total number of the aforementioned pharmaceutical manufacturers that our solutions helped support over that time period. The Company uses this metric to monitor its progress in "landing and expanding" with key customers within its largest customer vertical and believe it also provides investors with a transparent way to chart our progress in penetrating this important customer segment. The increase in the average in 2024, as compared to 2023, is primarily the result of higher revenue in the Company's top 5 client accounts, all of which are included in the average revenue per top 20 pharmaceutical manufacturer KPI calculation. The above mentioned top 5 client accounts averaged \$9.0 million in revenue, which was primarily driven by growth in DAAP and omnichannel messaging expansion.

	Twelve Months Ended December 31	
	2024	2023
	(in thousands)	
Average revenue per top 20 pharmaceutical manufacturer	\$ 2,933	\$ 2,399

Percent of top 20 pharmaceutical manufacturers that are customers. Percent of top 20 pharmaceutical manufacturers that are customers is calculated by taking the number of revenue generating customers that are pharmaceutical manufacturers listed in Fierce Pharma's "The top 20 pharma companies by 2023 revenue" over the last 12 months, which is then divided by 20 - which is the number of pharmaceutical manufacturers included in the aforementioned list. The Company uses this metric to monitor its progress in penetrating key customers within its largest customer vertical and believes it also provides investors with a transparent way to chart our progress in penetrating this important customer segment.

	Twelve Months Ended December 31	
	2024	2023
Percent of top 20 pharmaceutical manufacturers that are customers	100%	100%

Percent of total revenue attributable to top 20 pharmaceutical manufacturers. Percent of total revenue attributable to top 20 pharmaceutical manufacturers is calculated by taking the total revenue the company recognized through pharmaceutical manufacturers listed in Fierce Pharma's "The top 20 pharma companies by 2023 revenue" over the last twelve months, divided by our consolidated revenue over the same period. The Company uses this metric to monitor its progress in "landing and expanding" with key customers within its largest customer vertical and believes it also provides investors with a transparent way to chart our progress in penetrating this important customer segment. Our revenue from customers that are not top 20 pharmaceutical manufacturers stayed relatively consistent year over year.

	Twelve Months Ended December 31	
	2024	2023
Percent of total revenue attributable to top 20 pharmaceutical manufacturers	64%	67%

Net revenue retention. Net revenue retention is a comparison of revenue generated from all customers in the previous twelve-month period to total revenue generated from the same customers in the following twelve-month period (i.e., excludes new customer relationships for the most recent twelve-month period). The Company uses this metric to monitor its ability to improve its penetration with existing customers and believes it also provides investors with a metric to chart our ability to increase our year-over-year penetration and revenue with existing customers. The retention rate in 2024 increased due to increased DAAP related revenue streams from existing clients and full year benefit of the October 2023 acquisition of Medix Health.

	Twelve Months Ended December 31	
	2024	2023
	121%	105%
Net revenue retention		

Revenue per average full-time employee. We define revenue per average full-time employee as total revenue over the last twelve months divided by the average number of employees over the last twelve months (i.e., the average between the number of FTEs at the end of the reported period and the number of FTEs at the end of the same period of the prior year). The Company uses this metric to monitor the productivity of its workforce and its ability to scale efficiently over time and believes the metric provides investors with a way to chart our productivity and scalability. Our revenue rate per employee increased year over year due to revenue growing at a higher rate than the average number of FTEs over the last 12 month period.

	Twelve Months Ended December 31	
	2024	2023
	(in thousands)	
Revenue per average full-time employee	\$ 701	\$ 586

Results of Operations for the Years Ended December 31, 2024 and 2023

The following table sets forth, for the periods indicated, the dollar value and percentage of total return represented by certain items in our consolidated statements of operations (in thousands):

(in thousands, except percentage data)	Years Ended December 31,			
	2024		2023	
Total Net Revenue	\$ 92,127	100.0%	\$ 71,522	100.0%
Cost of Revenues	32,749	35.5%	28,622	40.0%
Gross margin	59,378	64.5%	42,900	60.0%
Operating expenses	73,084	79.3%	69,302	96.9%
Loss from operations	(13,706)	(14.8)%	(26,402)	(36.9)%
Other (expense) income	(5,679)	(6.2)%	1,238	1.7%
Loss before provision for income taxes	(19,385)	(21.0)%	(25,164)	(35.2)%
Income tax (expense) benefit	(725)	(0.8)%	7,598	10.6%
Net loss	\$ (20,110)	(21.8)%	\$ (17,566)	(24.6)%

* Balances and percentage of total revenue information may not add due to rounding

Net Revenue

Our net revenue increased 29% to \$92.1 million for the year ended December 31, 2024 from \$71.5 million for the year ended December 31, 2023. 66% of the \$20.6 million year over year revenue increase resulted from the October 2023 acquisition of Medicx Health, with the remaining increase being primarily due to increased DAAP related sales as the Company generated 48 DAAP deals in 2024 compared to 24 DAAP deals in 2023. The increase was partially offset by a reduction of approximately \$4.2 million as a result of the disposal of our non-core Access solutions and the sale of certain non-core solutions-related contracts in the fourth quarter of 2023.

Cost of Revenues

Our total cost of revenues, composed primarily of revenue-share expense paid to our channel partners, increased in the year ended December 31, 2024 compared to the year ended December 31, 2023. Our cost of revenues as a percentage of revenue decreased to approximately 36% in the year ended December 31, 2024 from approximately 40% in the year ended December 31, 2023. This decrease in our cost of revenues as a percentage of revenue resulted primarily due to favorable network utilization.

Gross Margin

Our gross margin, which is the difference between our revenues and our cost of revenues, increased from 2023 to 2024 and our gross margin percentage increased to 64.5% in 2024 from 60% in 2023. We had higher revenues in 2024, which increased gross margin. Our gross margin percentage increased for the reasons discussed above in the cost of revenues section.

Operating Expenses

Total operating expenses increased to \$73.1 million for the year ended December 31, 2024, from \$69.3 million for the year ended December 31, 2023, an increase of approximately 5%.

The detail by major category is reflected in the table below (in thousands).

	Years Ended December 31	
	2024	2023
Stock-based compensation	\$ 11,467	\$ 13,717
Depreciation and amortization	4,329	2,402
Impairment charges	7,489	6,738
Loss on disposal of a business	—	2,142
Transaction costs	243	4,482
Other sales, general, and administrative expense	49,556	39,821
Total operating expense	<u>\$ 73,084</u>	<u>\$ 69,302</u>

Stock-based compensation decreased to \$11.5 million for the year ended December 31, 2024, from \$13.7 million for the year ended December 31, 2023 as a result of the lower grant date fair value of awards due to declines in the Company's stock price partially offset by the acceleration of the market based restricted stock units for the former CEO which was fully expensed as of December 31, 2024 upon his resignation.

Depreciation and amortization increased to \$4.3 million for the year ended December 31, 2024, from \$2.4 million for the year ended December 31, 2023, as a result of the amortization associated with the identifiable intangibles arising from the Medicx Health acquisition.

Impairment charges increased to \$7.5 million for the year ended December 31, 2024, from \$6.7 million for the year ended December 31, 2023. The impairment charge recorded during 2024 represents a goodwill impairment and represents the amount by which the Company's book value exceeded its estimated fair value. The impairment charges recorded during 2023 relate to intangible assets, primarily technology and patent and trademarks relating to certain non-core assets. The Company determined that the carrying value of these long-lived assets was not recoverable on an undiscounted basis and accordingly, an impairment charge was recognized to the extent fair value exceeds carrying value. The fair value of the assets was determined based on various estimates and assumptions including internal estimates of cash flows directly attributable to the assets, the useful life of the assets and residual value, if any.

The loss on disposal of a business for the year ended December 31, 2023 is discussed in Part II, Item 8. Financials Statements and Supplementary Data; Note 7 - Goodwill and Intangibles.

Transaction related costs for the year ended December 31, 2023 arose due to the acquisition of Medicx Health, discussed in Part II, Item 8. Financials Statements and Supplementary Data; Note 3 - Acquisitions.

Sales general, and administrative expense increased to \$49.6 million for the year ended December 31, 2024, from \$39.8 million for the year ended December 31, 2023. There were a variety of increases, the largest of which was in compensation, which increased by \$7.7 million from \$24.1 million in 2023 to \$31.8 million in 2024. The increase in 2024 is due to severance expense and the addition of Medicx employees for a full year period increasing compensation and benefits. This increase was partially offset by savings due to operational synergies generated through the integration of Medicx Health.

Other income (expense)

Other income (expense) was comprised of the following:

(in thousands)	Years Ended December 31	
	2024	2023
Other income (expense)		
Interest expense	\$ (6,160)	\$ (1,454)
Other income	152	500
Interest income	329	2,192
	<u>\$ (5,679)</u>	<u>\$ 1,238</u>

Interest expense increased to \$6.2 million for the year ended December 31, 2024, from \$1.5 million for the year ended December 31, 2023. Interest expense represents interest charges on our Term Loan, which was raised during 2023 to partially fund the acquisition of Medix Health, together with the amortization of the related issuance costs, (see Part II, Item 8. Financials Statements and Supplementary Data; Note 12 - Long Term Debt for further details concerning our Term Loan). The increase year over year is due to 2024 having a full year of interest expense versus three months of interest expense in 2023.

Other income in 2023 represents the net proceeds from the sale of customer assets, primarily contracts, while other income in 2024 relates to benefits from legacy vendor contracts.

Interest income decreased to \$0.3 million for the year ended December 31, 2024, from \$2.2 million for the year ended December 31, 2023. Interest income represents interest earned on our short-term investments, which were realized during 2023 in order to partially fund the acquisition of Medix Health. Interest earned in 2024 reflects the lower average balance on amounts held in short-term investments during that period.

Income tax (expense) benefit

We recorded an income tax expense of \$0.7 million for the year ended December 31, 2024 compared to an income tax benefit of \$7.6 million for the year ended December 31, 2023. The increase in income tax expense for 2024 compared to 2023 primarily related to having taxable income for the year ended December 31, 2024. The income tax benefit recorded in 2023 represents the partial reversal of our valuation allowance, previously recorded against the value of our net operating loss (“NOL”) carryforwards. In evaluating our ability to recover our deferred tax assets, in full or in part, we consider all available positive and negative evidence, including our past operating results, the impact of the Medix transaction on our consolidated tax returns, and our forecast of future earnings, future taxable income and prudent and feasible tax planning strategies.

The assumptions utilized in determining future taxable income require significant judgment and are consistent with the plans and estimates we are using to manage the underlying businesses. Actual operating results in future years could differ from our current assumptions, judgments and estimates.

Net Income (Loss)

We finished the year ended December 31, 2024 with a net loss of \$20.1 million, compared to \$17.6 million during the year ended December 31, 2023. The reasons for specific components are discussed above. Overall, we had an increase in revenue and gross margin partially offset by increased operating expenses. In addition, the loss in both periods included significant noncash items. We had \$24.3 million in noncash operating expenses in 2024 compared to \$25.9 million in noncash operating expenses in 2023.

Liquidity and Capital Resources

Historically, our primary sources of liquidity have been cash receipts from customers and proceeds from equity offerings. On October 11, 2023, we entered into a financing agreement that provided for a \$40.0 million term loan (the “Term Loan”), the proceeds of which were to fund, in part, the acquisition of Medix Health. See Part II, Item 8. Financials Statements and Supplementary Data; Note 12 - Long Term Debt.

As of December 31, 2024, we had total current assets of \$54.0 million, compared with current liabilities of \$18.7 million, resulting in working capital of \$35.3 million and a current ratio of 3 to 1. This compares with a working capital balance of \$36.4 million and a current ratio of 3 to 1 at December 31, 2023. This decrease in working capital, as discussed in more detail below, is primarily the result of a slight increase in our accounts receivable driven by higher fourth quarter billings, and a slight increase in our accrued expenses due to severance expenses as of December 31, 2024.

We believe that funds generated from operations, together with existing cash and cash equivalents, will be sufficient to finance our current operations and planned growth for the next twelve months. We do not anticipate the need to raise any additional cash to support operations. However, we could require additional debt or equity financing if we were to make any significant acquisitions for cash during that period. In addition, we believe we can generate the cash needed to operate beyond the next 12 months from operations.

Cash Flows

Following is a table with summary data from the consolidated statement of cash flows for the years ended December 31, 2024 and 2023, as presented.

(in thousands)	2024	2023
Net cash provided by / (used in) operating activities	\$ 4,889	\$ (7,240)
Net cash used in investing activities	(450)	(25,337)
Net cash (used in) / provided by financing activities	(4,911)	28,220
Net decrease in cash and cash equivalents	\$ (472)	\$ (4,357)

Our operating activities provided \$4.9 million in the year ended December 31, 2024, as compared with approximately \$7.2 million used by operating activities in the year ended December 31, 2023. The net increase in net cash provided by operating activities was mainly attributable to a \$6.5 million increase in cash flows from accounts receivable largely driven by higher fourth quarter billings in fiscal 2024 as compared to fiscal 2023 and a reduction of cash outflows for deferred tax liabilities. In 2023, as a result of the Medix Health acquisition, the Company recorded a deferred tax liability of \$7.7 million which was reduced in 2024 for the change in deferred tax liability. This was partially offset by a \$2,544 increase in net loss.

Investing activities used \$0.5 million in 2024, compared with \$25.3 million in 2023. In 2024, we incurred capitalized software development costs of \$0.3 million, and purchased \$0.1 million of tangible property, primarily personal computers.

During 2023, in addition to the cash payment of \$82.9 million related to the acquisition of Medix Health, we purchased \$162.8 million and redeemed \$218.7 million in Treasury bills during 2023. We also incurred capitalized software development costs of \$0.8 million, and purchased \$0.1 million of tangible property, primarily personal computers and received \$2.5 million from the disposal of our Access products (see Part II, Item 8. Financials Statements and Supplementary Data; Note 7 - Goodwill and Intangibles).

Financing activities used \$4.9 million in 2024, and provided \$28.2 million in 2023. During 2024, in connection with the Term Loan, we have made repayments of approximately \$4.0 million. In addition, during 2024, we paid \$0.9 million for employee withholding taxes related to the vesting of restricted stock units.

During 2023, we raised \$40.0 million pursuant to the Term Loan to partially fund the acquisition of Medix Health. In connection with the Term Loan, we incurred debt issuance costs of approximately \$2.3 million, and made repayments of approximately \$1.7 million. In addition, during 2023, we repurchased 526,999 shares of common stock for \$7.5 million.

Term Loan

On October 11, 2023 (the "Loan Date"), in connection with the acquisition of Medix Health, we entered into a financing agreement that provided for a \$40.0 million term loan.

The outstanding principal amount of the Term Loan is repayable in quarterly installments on the last business day of each fiscal quarter commencing on December 31, 2023 in an amount equal to 1.25% of the principal amount. The outstanding unpaid principal amount of the Term Loan, and all accrued and unpaid interest thereon, shall be due and payable on the earliest of (i) the fourth anniversary of the closing of the financing agreement and funding of the Term Loan and (ii) the date on which the Term Loan is declared due and payable pursuant to the terms of the financing agreement. The Term loan bears interest at a variable rate, which was 13.3% at December 31, 2024.

We incurred debt issuance costs of approximately \$2.3 million, in connection with this Term Loan and made repayments of approximately \$4.0 million and \$1.7 million for the year ended December 31, 2024 and 2023, respectively.

As of December 31, 2024, total obligations under the Term Loan were \$34.3 million, with \$2.0 million of principal payments due over the next twelve months. We are subject to market risks arising from changes in interest rates which relate primarily to the Term Loan, which is variable rate debt. We estimate our potential additional interest expense over the next twelve months that would result from a hypothetical, instantaneous and unfavorable change of 100 basis points in the interest rate on our Term Loan would be approximately \$0.3 million on a pre-tax basis. See Part II, Item 8. Financials Statements and Supplementary Data; Note 12 - Long Term Debt for additional information regarding the Term Loan.

Other Contractual Obligations

We have obligations under our operating leases for office space. Total obligations under short and long term operating leases were \$0.4 million, with \$0.2 million due over the next twelve months. For details regarding short and long term operating lease liabilities, see Part II, Item 8. Financial Statements and Supplementary Data; Note 13 – Leases in the Consolidated Financial Statements.

We have obligations under our former employee severance agreements. As of December 31, 2024, total obligations under former employee severance agreements were \$1.2 million, with \$1.0 million due over the next twelve months.

Off Balance Sheet Arrangements

From time to time, the Company enters into arrangements with channel partners to acquire minimum amounts of media, data or messaging capabilities. As of December 31, 2024, the Company had commitments with channel partners for future minimum payments of \$19.7 million that will be reflected in cost of revenues during the years from 2025 through 2029, with \$14.4 million due over the next twelve months. See Part II, Item 8. Financial Statements and Supplementary Data; Note 16 – Commitments.

Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations are based upon the Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from those estimates and assumptions. See Part II, Item 8. Financial Statements and Supplementary Data; Note 2 - Summary of Significant Accounting Policies, for a discussion of significant accounting policies. Actual results may differ materially from these estimates due to different assumptions or conditions. The following areas all require the use of subjective or complex judgments, estimates and assumptions:

Business Combination

Business combinations are accounted for under the acquisition method. Assets acquired and liabilities assumed as part of a business acquisition are generally recorded at their estimated fair value at the date of acquisition. The excess of purchase price over the amount allocated to the assets acquired and liabilities assumed is recorded as goodwill. In determining the fair value of assets acquired, including intangible assets, the Company uses a variety of methods. The method used to estimate the fair values of intangible assets incorporates significant estimates and assumptions regarding the estimates a market participant would make to evaluate an asset, including a market participant's use of the asset, future cash inflows and outflows, probabilities of success, asset lives and the appropriate discount rates. This judgement and determination affects the amount of consideration paid that is allocated to assets acquired and liabilities assumed in the business purchase transaction. The Company engages third-party appraisal firms to assist in determining fair value of assets acquired and liabilities assumed when appropriate.

During the remeasurement period, which extends no later than one year from the acquisition date, the Company may record certain adjustments to the carrying value of the assets acquired and liabilities assumed with a corresponding offset to goodwill.

Revenue Recognition

Recognition of revenue requires evidence of a contract, probable collection of proceeds, and completion of substantially all performance obligations. We use a 5-step model to recognize revenue: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when or as the performance obligations are satisfied.

Revenues are primarily generated from content delivery activities in which we deliver financial, clinical, or brand messaging through a distribution network of e-prescribers and electronic health record technology providers (channel partners), directly to consumers, or from reselling services that complement the business. This content delivery for a customer is referred to as a program. Unless otherwise specified, revenue is recognized based on the selling price to customers.

Our contracts are generally all less than one year and the primary performance obligation is delivery of messages or other forms of content, but the contract may contain additional services. Additional services may include program design, which is the design of the content delivery program, set up, and reporting. We consider set up and reporting services to be complimentary to the primary performance obligation and recognized through performance of the delivery of content. We consider the design of the programs and related consulting services to be performance obligations separate from the delivery of messages. Performance obligations which are recognized at a point in time upon delivery to the client include the development and delivery of NPI target data lists and custom analytic and consulting projects.

As the content is distributed through the platform and network of channel partners (a transaction), these transactions are recorded, and revenue is recognized, over time as the distributions occur. Revenue for transactions can be realized based on a price per message, a price per redemption, as a flat fee occurring over a period of time, or upon completion of the program, depending on the client contract. We recognize setup fees that are required for integrating client offerings and campaigns into the rule-based content delivery system and network over the life of the initial program, based either on time, or units delivered, depending upon which is most appropriate in the specific situation. Should a program be cancelled before completion, the balance of set up revenue is recognized at the time of cancellation, as set up fees are nonrefundable. Additionally, we also recognize revenue for providing program performance reporting and maintenance, either by our company directly delivering reports or by providing access to our online reporting portal that the client can utilize. This reporting revenue is recognized over time as the messages are delivered. Program design, which is the design of the content delivery program, and related consulting services are recognized as services are performed.

In some instances, we license certain of our software applications in arrangements that do not include other performance obligations. In those instances, we record license revenue when the software is delivered for use to the license. In instances where our contracts included Software as a Service, the revenue is recognized over the subscription period as services are delivered to the customer.

In some instances, we also resell messaging solutions that are available through channel partners that are complementary to our HCP marketing business and customer base. These channel partner-specific solutions are frequently similar to our own solutions and revenue recognition for these programs is the same as described above. In instances where we sell solutions on a commission basis, net revenue is recognized based on the commission-based revenue split that we receive. In instances where we resell these messaging solutions and have all financial risk and significant operation input and risk, we record the revenue based on the gross amount sold and the amount paid to the channel partner as a cost of sales.

Cost of Revenues

The primary costs of revenue are revenue-share expense and data acquisition costs. Based on the volume of transactions that are delivered through a channel partner network, we provide a revenue-share to compensate the channel partner for its or their promotion of the campaign. Revenue-shares are a negotiated percentage of the transaction fees and can also be specific to special considerations and campaigns. In addition, we pay revenue-share to ConnectiveRx as a result of a 2014 legal settlement in an amount equal to the greater of 10% of financial messaging distribution revenues generated through our integrated network, or \$0.37 per financial message distributed through our integrated network. As our solution mix has expanded and our revenues have grown, financial messaging has become a smaller percentage of our revenues and these payments to ConnectiveRx, a smaller portion of our revenue-share. The contractual amount due to the channel partners is recorded as an expense at the time the message is distributed. Data acquisition costs consist primarily of the costs to acquire data through flat-fee data licensing agreements. Data acquisition costs are amortized over the period for which we have access to the data.

Intangible Assets

Intangible assets are stated at cost. Finite-lived assets are being amortized over their estimated useful lives of fifteen to seventeen years for patents, eight years for customer relationships, fifteen years for tradenames, two to four years for covenants not to compete, and three to ten years for software and websites, all using the straight-line method.

Intangible assets are reviewed whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment of assets with definite-lives is generally determined by comparing projected undiscounted cash flows expected to be generated by the asset, or asset groups, to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted basis, an impairment is recognized to the extent fair value exceeds carrying value. Determining the extent of impairment, if any, typically requires various estimates and assumptions including cash flows directly attributable to the asset, the useful life of the asset and residual value, if any. When necessary, the Company uses internal cash flow estimates, quoted market prices and appraisals, as appropriate, to determine fair value. Actual results could vary from these estimates. In addition, the remaining useful life of the impaired asset is revised, if necessary.

No events or circumstances were noted that would be indicative of potential impairment during the year ended December 31, 2024. We recorded impairment charges of \$6.7 million against the value of our intangible assets during the year ended December 31, 2023.

Goodwill

Assets and liabilities of acquired businesses are measured at their estimated fair values at the dates of acquisition. The excess of the purchase price over the estimated fair value of the net assets acquired, including identified intangibles, is recorded as goodwill. The determination and allocation of fair value to the assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment, including estimates based on historical information, current market data and future expectations.

We evaluate goodwill for impairment during our fiscal fourth quarter, or more frequently if an event occurs or circumstances change. Management performs its annual goodwill impairment test as of December 31. Goodwill is tested for impairment at the reporting unit level.

An entity is permitted to first assess qualitative factors to determine if a quantitative impairment test is necessary. If we choose to use qualitative factors and determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test would be required. The goodwill impairment test requires the Company to estimate the fair value of the reporting unit and to compare the fair value of the reporting unit with its carrying amount.

In estimating the reporting unit's fair value, the Company performed a valuation analysis, utilizing a discounted cash flow income approach and a guideline public company market approach. We assigned a probability weighting to each approach of 50%. The determination of the fair value of the reporting unit requires the Company to make significant estimates and assumptions about the reporting unit's expected future cash flows. These estimates and assumptions primarily include, but are not limited to, the discount rate, revenue growth rates, operating margins and multiples of earnings. These estimates and assumptions were determined in connection with support from a third-party valuation specialist. The discount rate used is based on the estimated weighted-average cost of capital for companies with profiles similar to our profile and based on an assessment of the risk inherent in those future cash flows. To forecast the reporting unit's cash flows, the Company takes into consideration economic conditions and trends, historical results and recent performance, estimated future operating results, management's and a market participant's view of growth rates, management's ability to execute on planned future strategic initiatives and anticipates future economic conditions. The market approach compares the valuation multiples of similar companies to that of the associated reporting unit. The Company then reconciles the calculated fair values to its market capitalization. The fair value is then compared to its carrying value including goodwill. If the fair value is in excess of its carrying value, the related goodwill is not impaired. If the fair value is less than carrying value, an impairment charge is recognized, equivalent to the amount that the carrying value exceeds the fair value.

For both the years ended December 31, 2024 and 2023, our annual reviews determined there was no impairment as our single reporting unit had a fair value in excess of its carrying value. For both the years ended December 31, 2024 and 2023, our annual reviews determined that there was no impairment. It was determined that the Company's single reporting unit was exactly equal to its carrying value at December 31, 2024. It was determined that the fair value of the Company's single reporting unit was greater than its carrying value at December 31, 2023.

During the third quarter of 2024, the Company experienced a Triggering Event due to a sustained decline in its stock price and overall market capitalization. Accordingly, the Company conducted a quantitative impairment test of its goodwill at September 30, 2024. The Company estimated the implied fair value of its goodwill using a combination of a market approach and income approach. A noncash charge of \$7.5 million, representing the amount by which the Company's book value exceeds its estimated fair value, was recorded as a goodwill impairment in the year ended December 31, 2024.

Assessment of the potential impairment of goodwill and intangible assets is an integral part of our normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on numerous assumptions and reflects management's best estimates at a particular point in time. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time in which such impairments are recognized. Any amount of negative change to the above disclosed key assumptions could result in future impairment to goodwill.

Goodwill impairment charges may be recognized in future periods to the extent changes in factors or circumstances occur, including deterioration in the macro-economic environment or in the equity markets, including a decline in the market value of the Company's common shares, deterioration in its performance or its future projections, or changes in its plans for one or more reporting units.

Stock-based Compensation

We use the fair value method to account for stock-based compensation. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital over the period during which services are rendered. The fair value of each award is estimated on the date of each grant.

For time-based options, fair value is estimated using the Black-Scholes option pricing model that uses the following assumptions. Estimated volatilities are based on the historical volatility of our stock over the same period as the expected term of the options. The expected term of options granted represents the period of time that options granted are expected to be outstanding. We use historical data to estimate option exercise behavior and to determine this term. The risk-free rate used is based on the U.S. Treasury yield curve in effect at the time of the grant using a time period equal to the expected option term. We have never paid dividends and do not expect to pay any dividends in the future.

The Black-Scholes option valuation model and other existing models were developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. These option valuation models require the input of, and are highly sensitive to, subjective assumptions including the expected stock price volatility. Our stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions could materially affect the fair value estimate.

For restricted stock units, the fair value is based on the market value of the Company's common stock on the date of grant. For market based restricted stock units, fair value is estimated using a Monte Carlo simulation model. This valuation technique includes estimating the movement of stock prices and the effects of volatility, interest rates and dividends.

Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The provisions of ASU 2023-09 are effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of adopting ASU 2023-09.

In November 2024, the FASB issued ASU 2024-03 ("ASU 2024-03"), Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 requires that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The prescribed categories include purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion. This authoritative guidance is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the effect of this new guidance on its consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item 7A.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements Required by Article 8 of Regulation S-X:

Audited Financial Statements:

F-1	Report of Independent Registered Public Accounting Firm;
F-4	Consolidated Balance Sheets as of December 31, 2024 and 2023;
F-5	Consolidated Statements of Operations for the Years Ended December 31, 2024 and 2023;
F-6	Consolidated Statement of Stockholders' Equity for the Year Ended December 31, 2024;
F-7	Consolidated Statement of Stockholders' Equity for the Year Ended December 31, 2023;
F-8	Consolidated Statements of Cash Flows for the Years Ended December 31, 2024 and 2023; and
F-9	Notes to Consolidated Financial Statements



Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of
OptimizeRx Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of OptimizeRx Corporation and Subsidiaries (the “Company”) as of December 31, 2024 and 2023, and the related consolidated statements of operations, stockholders’ equity and cash flows for the years then ended, and the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they related.

Critical Audit Matter - Revenue Recognition

As disclosed in Note 2 to the consolidated financial statements, the Company recognizes revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The principal considerations for our determination that performing procedures relating to revenue recognition is a critical audit matter is that significant judgment is exercised in determining revenue recognition for customer agreements and includes the following: (1) determining whether services are considered distinct performance obligations that should be accounted for separately versus together, (2) the pattern and timing of delivery for each distinct performance obligation, and (3) identification and treatment of contract terms that may impact the timing and amount of revenue recognized.

How the Critical Audit Matter Was Addressed in the Audit

The audit procedures we performed to address this critical audit matter included the following: (1) obtaining an understanding of the design and implementation of controls related to identifying distinct performance obligations, determining the timing of revenue recognition, and estimating any variable consideration, (2) selecting of a sample of customer agreements and testing management's identification and treatment of contract terms, (3) testing the mathematical accuracy of management's calculations of revenue and the associated timing of revenue recognized in the consolidated financial statements, (4) confirming data utilized to recognize revenue with third-party service providers to ensure completeness and accuracy of the data used to recognize revenue, and (5) confirming with the Company's customers the contract terms and conditions of agreements and completion of the Company's performance obligations under the contract.

Critical Audit Matter - Valuation of Goodwill

As discussed in Notes 2 and 7 to the consolidated financial statements, the Company evaluates goodwill for impairment on an annual basis as of December 31 or more frequently if events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. The goodwill balance as of December 31, 2024, was \$70.9 million. The Company's goodwill impairment assessment involves comparing the fair value of each reporting unit to its carrying value. The Company estimates the fair value of its reporting units using a weighting of fair values derived from the income and market approaches. The determination of fair value using the income approach is based on the present value of estimated future cash flows, which requires management to make significant estimates and assumptions of revenue growth rates and operating margins, and selection of the discount rate. The determination of the fair value using the market approach requires management to make significant assumptions related to market multiples of earnings derived from comparable publicly traded companies with similar operating and investment characteristics as the reporting unit.

During the quarter ended September 30, 2024, the Company identified circumstances that would be indicative of possible impairment and recorded impairment expense of \$7.5 million. Based on the results of the Company's annual impairment testing as of December 31, 2024, no impairment was recognized as the fair value of the Company's reporting units exceeded their carrying value.

We identified the Company's goodwill impairment assessments as a critical audit matter because of the significant estimates and assumptions used by management to estimate the fair value of the reporting unit. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management's estimates and assumptions of future cash flows based on estimates of revenue growth rates and gross profit margins and selection of the discount rate for the income approach, and multiples of earnings for the market approach.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the Company's goodwill impairment assessments included the following, among others:

- (1) Obtaining an understanding of the design and implementation of controls relating to management's assessment of goodwill for potential impairment, including management's controls over forecasts of future cash flows based upon estimates of revenue growth rates and operating margins and the selection of the discount rate for the income approach, and determination of multiples of earnings for the market approach.
- (2) We evaluated the reasonableness of management's forecasts of future cash flows based on revenue growth rates and operating margins by comparing the forecasts to historical revenues and operating margins. We performed procedures to verify the mathematical accuracy of the calculations used by management. Furthermore, we assessed the appropriateness of the disclosures in the financial statements.
- (3) With the assistance of our fair value specialists:
 - We evaluated the reasonableness of the valuation methodologies.
 - We evaluated the reasonableness of the discount rates used in the income approach by developing an independent range of estimated discount rates and comparing that range to the discount rate used in the Company's valuation.
 - We evaluated the multiples of earnings used in the market approach, including testing the underlying source information and mathematical accuracy of the calculations.

We have served as the Company's auditor since 2020.

/s/ UHY LLP
Sterling Heights, Michigan
March 20, 2025
Firm ID #1195

OPTIMIZERx CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 13,380	\$ 13,852
Accounts receivable, net of allowance for credit losses of \$335 and \$239 at December 31, 2024 and 2023, respectively	38,212	36,253
Taxes receivable	—	1,036
Prepaid expenses and other	2,379	3,190
Total Current Assets	53,971	54,331
Property and equipment, net	150	149
Other Assets		
Goodwill	70,869	78,357
Patent rights, net	5,517	6,185
Technology assets, net	8,180	9,013
Tradename and customer relationships, net	31,819	34,198
Operating lease right-of-use assets	366	573
Security deposits and other assets	296	568
Total Other Assets	117,047	128,894
TOTAL ASSETS	\$ 171,168	\$ 183,374
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	\$ 2,000	\$ 2,000
Accounts payable – trade	2,156	2,227
Accrued expenses	8,486	7,706
Revenue share payable	5,053	5,506
Taxes payable	318	49
Current portion of lease liabilities	168	222
Deferred revenue	473	172
Total Current Liabilities	18,654	17,882
Non-current Liabilities		
Long-term debt, net	30,816	34,231
Lease liabilities, net of current portion	209	371
Deferred tax liabilities, net	4,491	4,337
Total Liabilities	54,170	56,821
Commitments and contingencies (See Note 16)		
Stockholders' Equity		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, none issued and outstanding at December 31, 2024 and 2023, respectively	—	—
Common stock, \$0.001 par value, 166,666,667 shares authorized, 20,194,697 and 19,899,679 shares issued at December 31, 2024 and 2023, respectively	20	20
Treasury stock, \$0.001 par value, 1,741,397 shares purchased at December 31, 2024 and 2023	(2)	(2)
Additional paid-in-capital	201,348	190,793
Accumulated deficit	(84,368)	(64,258)
Total Stockholders' Equity	116,998	126,553
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 171,168	\$ 183,374

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

OPTIMIZERx CORPORATION
Consolidated Statements of Operations
(in thousands, except share and per share data)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Net revenue	\$ 92,127	\$ 71,522
Cost of revenues, exclusive of depreciation and amortization presented separately below	32,749	28,622
Gross profit	<u>59,378</u>	<u>42,900</u>
Operating Expenses		
Stock-based compensation	11,467	13,717
Loss on disposal of a business	—	2,142
Impairment charges	7,489	6,738
Depreciation and amortization	4,329	2,402
Other sales, general and administrative expenses	49,799	44,303
Total operating expenses	<u>73,084</u>	<u>69,302</u>
Loss from operations	(13,706)	(26,402)
Other income (expense)		
Interest expense	(6,160)	(1,454)
Other income	152	500
Interest income	329	2,192
Total other income (expense), net	<u>(5,679)</u>	<u>1,238</u>
Loss before provision for income taxes	(19,385)	(25,164)
Income tax (expense) benefit	(725)	7,598
Net loss	<u>\$ (20,110)</u>	<u>\$ (17,566)</u>
Weighted average number of shares outstanding – basic	<u>18,292,935</u>	<u>17,124,801</u>
Weighted average number of shares outstanding – diluted	<u>18,292,935</u>	<u>17,124,801</u>
Loss per share – basic	<u>\$ (1.10)</u>	<u>\$ (1.03)</u>
Loss per share – diluted	<u>\$ (1.10)</u>	<u>\$ (1.03)</u>

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

OPTIMIZERx CORPORATION
Consolidated Statement of Stockholders' Equity for the Year
Ended December 31, 2024
(in thousands, except share and per share data)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, January 1, 2024	19,899,679	\$ 20	(1,741,397)	\$ (2)	\$ 190,793	\$ (64,258)	\$ 126,553
Stock-based compensation expense							
Options	—	—	—	—	4,783	—	4,783
Restricted stock	—	—	—	—	6,683	—	6,683
Issuance of common stock:							
For restricted stock units vested, net of cancelled units	295,018	—	—	—	(911)	—	(911)
Net loss for the year	—	—	—	—	—	(20,110)	(20,110)
Balance, December 31, 2024	<u>20,194,697</u>	<u>\$ 20</u>	<u>(1,741,397)</u>	<u>\$ (2)</u>	<u>\$ 201,348</u>	<u>\$ (84,368)</u>	<u>\$ 116,998</u>

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

OPTIMIZERx CORPORATION
Consolidated Statement of Stockholders' Equity for the Year
Ended December 31, 2023
(in thousands, except share and per share data)

	Common Stock		Treasury Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, January 1, 2023	18,288,571	\$ 18	\$(1,214,398)	\$ (1)	\$ 172,786	\$ (46,692)	\$ 126,111
Stock-based compensation expense							
Options	—	—	—	—	5,925	—	5,925
Restricted stock	—	—	—	—	7,792	—	7,792
Issuance of common stock:							
For stock options exercised	24,668	—	—	—	181	—	181
For acquisition	1,444,581	2	—	—	12,090	—	12,092
For restricted stock units vested, net of cancelled units	141,859	—	—	—	(459)	—	(459)
Repurchase of common stock	—	—	(526,999)	(1)	(7,522)	—	(7,523)
Net loss for the year	—	—	—	—	—	(17,566)	(17,566)
Balance, December 31, 2023	<u>19,899,679</u>	<u>\$ 20</u>	<u>(1,741,397)</u>	<u>\$ (2)</u>	<u>\$ 190,793</u>	<u>\$ (64,258)</u>	<u>\$ 126,553</u>

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

OPTIMIZERx CORPORATION
Consolidated Statements of Cash Flows
(in thousands)

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (20,110)	\$ (17,566)
Adjustments to reconcile net loss to net cash provided by / (used in) operating activities:		
Depreciation and amortization	4,329	2,402
Impairment charges	7,489	6,738
Loss on disposal of business	—	2,142
Bad debt expense	208	666
Stock-based compensation	11,467	13,717
Amortization of debt issuance costs	835	211
Change in:		
Accounts receivable	(2,168)	(8,713)
Prepaid expenses and other assets	811	(573)
Accounts payable	(72)	(1,320)
Revenue share payable	(453)	1,515
Accrued expenses and other liabilities	1,053	1,303
Deferred tax liabilities	1,449	(7,695)
Deferred loan fees	(250)	—
Deferred revenue	301	(67)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	4,889	(7,240)
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchases of property and equipment	(112)	(87)
Proceeds from sale of property and equipment	—	10
Cash paid for acquisitions, net of cash acquired	—	(82,947)
Proceeds from sale of business	—	2,540
Purchase of short-term investments	—	(162,778)
Redemptions of short-term investments	—	218,709
Capitalized software development costs and other	(338)	(784)
NET CASH USED IN INVESTING ACTIVITIES	(450)	(25,337)
CASH FLOWS (USED IN) / PROVIDED BY FINANCING ACTIVITIES:		
Proceeds from long-term debt, net of issuance costs	—	37,730
Repayment of long-term debt	(4,000)	(1,710)
Repurchase of common stock	—	(7,522)
Cash paid for employee withholding taxes related to the vesting of restricted stock units	(911)	—
Proceeds from exercise of stock options, net of cash paid for withholding taxes	—	(278)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES	(4,911)	28,220
NET DECREASE IN CASH AND CASH EQUIVALENTS	(472)	(4,357)
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	13,852	18,209
CASH AND CASH EQUIVALENTS – END OF PERIOD	\$ 13,380	\$ 13,852
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ 6,203	\$ 1,213
ROU assets obtained in exchange for lease obligations	\$ —	\$ 460
Shares issued in connection with acquisition	\$ —	\$ 12,091
Cash paid for income taxes	\$ 161	\$ 48

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

OPTIMIZERx CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024
(in thousands, excepts share and per share data)

NOTE 1 – ORGANIZATION AND NATURE OF BUSINESS

OptimizeRx Corporation (the “Company” or “OptimizeRx”) is a digital healthcare technology company that connects over two million HCPs and millions of their patients through an intelligent technology platform embedded within a proprietary omnichannel network. OptimizeRx helps life science organizations engage and support their customers through our combined HCP and DTC marketing strategies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America and are presented in US dollars.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions have been made in determining the allowance for credit losses, carrying value of assets, fair values assigned to acquired long-lived assets, depreciable and amortizable lives of tangible and intangible assets, the carrying value of liabilities, the valuation allowance for deferred tax assets, the timing of revenue recognition and related revenue-share expenses, and inputs used in the calculation of stock based compensation. Actual results could differ from these estimates.

Principles of Consolidation

The financial statements reflect the consolidated results of OptimizeRx Corporation, a Nevada corporation, and its wholly owned subsidiaries: Healthy Offers, Inc., a Nevada corporation, and CareSpeak Communications d.o.o., a controlled foreign corporation incorporated in Croatia. Together, these companies are referred to as “OptimizeRx” and “the Company.” All material intercompany transactions have been eliminated.

Segment Reporting

We operate in one reportable segment and use consolidated net income as its measure of segment profit and loss. Overall, our business involves connecting life science companies to patients and providers. We have a common customer base for all of our solutions, which are primarily all communications with healthcare providers or patients on behalf of life science customers. Our customers are geographically located in the U.S, although we have one (1) technology center located internationally. We do not prepare separate internal income statements by solution as our focus is on selling enterprise arrangements covering multiple solutions that span the entire patient journey with a specific brand.

The Company’s chief operating decision maker (“CODM”) is its Chief Executive Officer. The CODM allocates resources and assesses performance of the business and other activities at the operating segment level. The CODM assesses performance for the operating segment and decides how to allocate resources based on net income (loss) that is also reported on the Consolidated Statement of Operations as consolidated net income (loss). The measure of segment assets is reported on the Consolidated Balance Sheets as total assets.

The CODM uses consolidated net income (loss) to evaluate income generated in deciding whether to reinvest profits into the segment or to use such profits for other purposes, such as for acquisitions or share repurchases. Consolidated net income (loss) is used to monitor budget versus actual results. The CODM also uses consolidated net income (loss) in competitive analyses by benchmarking to the Company’s competitors. The competitive analysis along with the monitoring of budget versus actual results are used in assessing performance of the segment, and in establishing management and variable compensation. The CODM also regularly reviews the Consolidated Statement of Operations for segment expenses, of which the significant expenses are related to cost of revenues and compensation, including stock-based compensation and other expenses. Since the Company operates as one reportable segment, all required segment financial information is found in the consolidated financial statements and notes to the consolidated financial statements.

OPTIMIZERx CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024
(in thousands, excepts share and per share data)

Reclassifications

Certain items in the previous year financial statements have been reclassified to match the current year presentation.

Foreign Currency

The Company's functional currency is the U.S. dollar, however it pays certain expenses related to its two foreign subsidiaries in the local currency, which is the shekel for its subsidiary in Israel and the euro for its Croatian subsidiary. All transactions are recorded at the exchange rate at the time of payment. If there is a time lag between the time of recording the liability and the time of payment, a gain or loss is recorded in the Consolidated Statement of Operations due to any fluctuations in the exchange rate.

Cash and Cash Equivalents

Cash equivalents include items almost as liquid as cash comprised of investments in AAA rated money market funds that invest in first-tier only securities, which primarily include domestic commercial paper and securities issued or guaranteed by the U.S. government or its agencies. We account for marketable equity securities in accordance with ASC 321-10, "Investments - Equity Securities", as the shares have a readily determinable fair value quoted on the national stock exchange and are classified within Level 1 of the fair value hierarchy. At December 31, 2024 and 2023, we have recorded \$8,300 and none, respectively, of money market funds at approximate fair value.

Investments

We account for marketable securities in accordance with ASC 320, "Investments - Debt Securities", which require that certain debt securities be classified into one of three categories: held-to-maturity, available-for-sale, or trading securities, and depending upon the classification, value the security at amortized cost or fair market value.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the disclosure requirements around fair value establish a fair value hierarchy for valuation inputs, which is expanded. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 – Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2 – Inputs are based upon significant observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. The Company's stock options and warrants are valued using level 3 inputs.

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The Company's carrying amounts of financial instruments including cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximate their fair values due to their short maturities.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are reported at realizable value, net of allowances for credit losses, which is estimated and recorded in the period the related revenue is recorded. The Company does not seek collateral to secure its accounts receivable and amounts billed are generally due within a short period of time based on terms and conditions normal for our industry. The Company has a standardized approach to estimate and review the collectability of its receivables based on a number of factors, including the period they have been outstanding. Historical collection and payer reimbursement experience is an integral part of the estimation process related to allowances for credit losses. In addition, the Company regularly assesses the state of its billing operations to identify issues, which may impact the collectability of these receivables or reserve estimates. If current or expected future economic trends, events, or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when the Company's collection efforts have been exhausted.

The Company's customers are primarily large well-capitalized companies, and historically there has been very little bad debt expense. Bad debt expense was \$208 and \$666 for the years ended December 31, 2024 and 2023, respectively. The allowance for credit losses was \$335 and \$239 as of December 31, 2024 and 2023, respectively.

The changes in the allowance for credit losses in each of the years ended December 31, 2024 and 2023, were as follows:

	2024	2023
Balance at beginning of year	\$ 239	\$ 352
Bad debt expense	208	666
Write-offs	(112)	(779)
Balance at end of year	<u>\$ 335</u>	<u>\$ 239</u>

From time to time, we may record revenue based on our revenue recognition policies described below in advance of being able to invoice the customer. Included in accounts receivable are unbilled amounts of \$3,241, and \$6,077, at December 31, 2024 and 2023, respectively.

Property and Equipment

Property and equipment are stated at cost and are being depreciated over their estimated useful lives of three to five years for office equipment and three years for computer equipment using the straight-line method of depreciation for book purposes. Maintenance and repair charges are expensed as incurred.

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Leases

Lease-related assets, or Operating lease right-of-use (“ROU”) assets, are recognized at the lease commencement date at amounts equal to the respective lease liabilities, adjusted for prepaid lease payments, initial direct costs, and lease incentives received. Lease-related liabilities are recognized at the present value of the remaining contractual fixed lease payments, discounted using our incremental borrowing rate. The Company reviews all options to extend, terminate, or purchase its ROU assets at the commencement of the lease and on an ongoing basis and accounts for these options when they are reasonably certain of being exercised.

Operating lease expense is recognized on a straight-line basis over the lease term, while variable lease payments are expensed as incurred.

The short-term lease recognition exemption is applied for leases with terms at commencement of not greater than 12 months.

Intangible Assets

Intangible assets are stated at cost. Finite-lived assets are being amortized over their estimated useful lives of fifteen to seventeen years for patents, eight years for customer relationships, fifteen years for tradenames, two to four years for covenants not to compete, and three to ten years for software and websites, all using the straight-line method. These assets are evaluated when there is a triggering event.

Long-lived assets, such as property and equipment and amortizing intangible assets are reviewed whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment of assets with definite-lives is generally determined by comparing projected undiscounted cash flows expected to be generated by the asset, or asset groups, to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted basis, an impairment is recognized to the extent fair value exceeds carrying value. Determining the extent of impairment, if any, typically requires various estimates and assumptions including cash flows directly attributable to the asset, the useful life of the asset and residual value, if any. When necessary, the Company uses internal cash flow estimates, quoted market prices and appraisals, as appropriate, to determine fair value. Actual results could vary from these estimates. In addition, the remaining useful life of the impaired asset is revised, if necessary.

We recorded impairment charges of \$0 and \$6,738 against the value of our intangible assets during the years ended December 31, 2024 and 2023, respectively.

Goodwill

Goodwill represents the excess of the purchase price over the fair value assigned to the net tangible and identifiable intangible assets of an acquired business.

Goodwill is assessed for impairment at least annually as of December 31, of each year, or more frequently if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value.

An entity is permitted to first assess qualitative factors to determine if a quantitative impairment test is necessary. If we choose to use qualitative factors and determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the quantitative goodwill impairment test would be required. The goodwill impairment test requires the Company to estimate the fair value of the reporting unit and to compare the fair value of the reporting unit with its carrying amount.

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The fair value of a reporting unit is calculated using the income approach (including Discounted Cash Flow (“DCF”)) and validated using a market approach with the involvement of a third-party valuation specialist. The income approach uses expected future cash flows for the reporting unit and discounts those cash flows to present value. Expected future cash flows are estimated using management assumptions of growth rates, including long-term growth rates, capital expenditures and cost efficiencies. The judgments made in determining the expected future cash flows used to estimate the fair value can materially impact the Company’s financial condition and results of operations. Future acquisitions or divestitures are not included in the expected future cash flows. The Company uses a discount rate based on a calculated weighted average cost of capital which is adjusted for company specific risk premiums. The market approach compares the valuation multiples of similar companies to that of the associated reporting unit. The Company then reconciles the calculated fair values to its market capitalization. The fair value is then compared to its carrying value including goodwill. If the fair value is in excess of its carrying value, the related goodwill is not impaired. If the fair value is less than carrying value, an impairment charge is recognized, equivalent to the amount that the carrying value exceeds the fair value.

We recorded impairment charges of \$7,489 and \$0 against the value of our goodwill during the years ended December 31, 2024 and 2023, respectively.

Revenue Recognition

Recognition of revenue requires evidence of a contract, probable collection of proceeds, and completion of substantially all performance obligations. We use a 5-step model to recognize revenue. These steps are: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when or as the performance obligations are satisfied.

Revenues are primarily generated from content delivery activities in which the Company delivers financial, clinical, or brand messaging through a distribution network of ePrescribers and electronic health record technology providers (channel partners), directly to consumers, or from reselling services that complement the business. This content delivery for a customer is referred to as a program. Unless otherwise specified, revenue is recognized based on the selling price to customers.

The Company’s contracts are generally all less than one year and the primary performance obligation is delivery of messages, or our forms of content, but the contract may contain additional services. Additional services may include program design, which is the design of the content delivery program, set up, and reporting. We consider set up and reporting services to be complimentary to the primary performance obligation and recognized through performance of the delivery of content. We consider the design of the programs and related consulting services to be performance obligations separate from the delivery of messages. Performance obligations which are recognized at a point in time upon delivery to the client include the development and delivery of NPI target data lists and custom analytic and consulting projects. The net contract balance for contracts in progress at December 31, 2024 and 2023 was \$4.3 million and \$2.0 million, respectively. The outstanding performance obligations are expected to be satisfied during the year ended December 31, 2025.

In certain circumstances, the Company will offer sales rebates to customers based on spend volume. Rebates are typically contracted based on a quarterly or annual spend amount based on a volume threshold or tiered model. At the beginning of the year, the rebate percentage is estimated based on input from the sales team and analysis of prior year sales. Thereafter, the open contract balance for the customer is assessed quarterly to ensure the estimated rebate percentage being used for the rebate accrual remains reasonable. The estimated amount of variable consideration will be included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. For the year ended 2024, there were two contracts with customers that included a rebate clause.

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As the content is distributed through the platform and network of channel partners (a transaction), these transactions are recorded, and revenue is recognized over time as the distributions occur. Revenue for transactions can be realized based on a price per message, a price per redemption, as a flat fee occurring over a period of time, or upon completion of the program, depending on the client contract. The Company recognizes setup fees that are required for integrating client offerings and campaigns into the rule-based content delivery system and network over the life of the initial program, based either on time, or units delivered, depending upon which is most appropriate in the specific situation. Should a program be cancelled before completion, the balance of set up revenue is recognized at the time of cancellation, as set up fees are nonrefundable. Additionally, the Company also recognizes revenue for providing program performance reporting and maintenance, either by the Company directly delivering reports or by providing access to its online reporting portal that the client can utilize. This reporting revenue is recognized over time as the messages are delivered. Program design, which is the design of the content delivery program, and related consulting services are recognized as services are performed.

Disaggregation of Revenue

Consistent with ASC Topic 606, we have disaggregated our revenue by timing of revenue recognition. The majority of our revenue is recognized over time as solutions are provided. A small portion of our revenue related to program development, NPI data lists, and other solutions is recognized at a point in time upon delivery to customers. A break down is set forth in the table below.

	2024	2023
Revenue recognized over time	\$ 85,469	\$ 63,527
Revenue recognized at a point in time	6,658	7,995
Total Revenue	\$ 92,127	\$ 71,522

In some instances, we license certain of our software applications in arrangements that do not include other performance obligations. In those instances, we record license revenue when the software is delivered for use to the licensee. In instances where our contracts included Software as a Service, the revenue is recognized over the subscription period as services are delivered to the customer.

In some instances, the Company also resells messaging solutions that are available through channel partners that are complementary to the HCP marketing business and customer base. These partner specific solutions are frequently similar to our own solutions and revenue recognition for these programs is the same as described above. In instances where the Company sells solutions on a commission basis, net revenue is recognized based on the commission-based revenue split that the Company receives. In instances where the Company resells these messaging solutions and has all financial risk and significant operation input and risk, the Company records the revenue based on the gross amount sold and the amount paid to the channel partner as a cost of sales. The amount of revenue recognized on a net basis was \$10,999 and \$3,471 for the years ended December 31, 2024 and 2023, respectively.

Cost of Revenues

Cost of revenues includes revenue-share expense and costs associated with licensing data from third parties. Cost of revenues does not include depreciation and amortization which is listed separately on the statements of operations. Based on the volume of transactions that are delivered through the channel partner network, the Company provides a revenue-share to compensate the partner, or others, for their promotion of the campaign. Revenue-shares are a negotiated percentage of the transaction fees and can also be specific to special considerations and campaigns. In addition, we pay revenue-share to ConnectiveRx as a result of a 2014 legal settlement in an amount equal to the greater of 10% of financial messaging distribution revenues generated through our integrated network, or \$0.37 per financial message distributed through our integrated network. Data acquisition costs consist primarily of the costs to acquire data through flat-fee data licensing agreements.

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Change in Accounting Estimate

In accordance with its policy, the Company periodically reviews the stand-alone selling prices of its performance obligations under ASC 606 for use in allocating the contract prices. As a result, effective April 1, 2024, the Company updated the methodology for determining the value of program design and consulting services from the residual method to using an adjusted market assessment approach. The effect of this change in estimate was immaterial to the results for the year ended December 31, 2024, but may become material in future periods.

Income Taxes

Income taxes are computed using the asset and liability method. Under the asset and liability method, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax basis of assets and liabilities and are measured using the currently enacted tax rates and laws. A valuation allowance is provided for the amount of deferred tax assets that, based on available evidence, are not expected to be realized.

Significant judgments are required in order to determine the realizability of these deferred tax assets. In assessing the need for a valuation allowance, the Company evaluates all significant available positive and negative evidence, including historical operating results, estimates of future taxable income and the existence of prudent and feasible tax planning strategies. Changes in the expectations regarding the realization of deferred tax assets could materially impact income tax expense in future periods.

The Company recognizes the tax benefit from uncertain tax positions if it is more likely than not that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. It is the Company's policy to include interest and penalties related to tax positions as a component of income tax expense.

Concentration of Credit Risks

The Company maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts; however, amounts in excess of the federally insured limit may be at risk if the bank experiences financial difficulties. As of December 31, 2024 and 2023, the Company had \$12,973 and \$13,261, respectively, in cash balances in excess of federally insured limits, primarily at Bank of America.

Research and Development

The Company expenses research and development expenses as incurred. There was no research and development expense for the years ended December 31, 2024 and 2023.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising costs, included in Other general and administrative expenses were \$1,049 and \$776, for the years ended December 31, 2024 and 2023, respectively.

Stock-based Compensation

The Company uses the fair value method to account for stock-based compensation. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital over the period during which services are rendered. The fair value of each award is estimated on the date of each grant.

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For restricted stock awards, the fair value is based on the market value of the Company's common stock on the date of grant. For market based restricted stock units, the fair value is estimated using a Monte Carlo simulation model. This valuation technique included estimating the movement of stock prices and the effects of volatility, interest rates and dividends. At the year ended December 31, 2024 there are no market based restricted stock units outstanding.

For options, fair value is estimated using the Black-Scholes option pricing model that uses the following assumptions. Estimated volatilities are based on the historical volatility of the Company's common stock over the same period as the expected term of the options. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The Company uses historical data to estimate option exercise behavior and to determine this term. The risk-free rate used is based on the U.S. Treasury yield curve in effect at the time of the grant using a time period equal to the expected option term. The Company has never paid dividends and does not expect to pay any dividends in the future.

	2024	2023
Expected dividend yield	0%	0%
Risk free interest rate	3.52% - 4.59%	3.76% - 4.74%
Expected option term	3.5 years	3.5 years
Turnover/forfeiture rate	0%	0%
Expected volatility	66% - 72%	67% - 72%
Weighted average grant date fair value	\$ 2.89	\$ 6.58

The Black-Scholes option valuation model has limitations on its effectiveness, including that it was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable and it requires the use of highly subjective assumptions, such as expected stock price volatility. The Company's stock options have characteristics significantly different from those of traded options, and changes in the subjective input assumptions could materially affect the fair value estimate.

Loss Per Common and Common Equivalent Share

The computation of basic (loss) earnings per common share is computed using the weighted average number of common shares outstanding during the year. The computation of diluted (loss) earnings per common share is based on the basic weighted average number of shares outstanding during the year plus common stock equivalents, which would arise from the exercise of options and warrants outstanding using the treasury stock method and the average market price per share during the year. The number of common shares potentially issuable upon the exercise of certain awards that were excluded from the diluted loss per common share calculation in 2024 and 2023 was 212,798 and 31,727 related to options, and 78,203 and 52,607 related to restricted stock units, for a total of 291,001 and 84,334, respectively, because they are anti-dilutive, as a result of the net losses incurred in each of the years ended December 31, 2024 and 2023.

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The computation of weighted average shares outstanding and the basic and diluted earnings per common share for the years ended December 31, 2024 and 2023 consisted of the following:

	Year ended December 31, 2024		
	Net (Loss)	Shares	Per Share Amount
Basic EPS	\$ (20,110)	18,292,935	\$ (1.10)
Effect of dilutive securities	—	—	—
Diluted EPS	\$ (20,110)	18,292,935	\$ (1.10)

	Year ended December 31, 2023		
	Net Income	Shares	Per Share Amount
Basic EPS	\$ (17,566)	17,124,801	\$ (1.03)
Effect of dilutive securities	—	—	—
Diluted EPS	\$ (17,566)	17,124,801	\$ (1.03)

Recently Issued Accounting Guidance

ASU Topic 2021-08 *Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers, as if it had originated the contracts. The standard was effective for the Company's fiscal year beginning January 1, 2023. The adoption of this standard did not have a material effect on our financial position, results of operations, or cash flows.

In November 2023, the FASB issued ASU No. 2023-07 ("ASU 2023-07"), Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. ASU 2023-07 requires annual and interim disclosures that are expected to improve reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. The standard was effective for the Company's fiscal year beginning January 1, 2024. The requirements of this ASU are disclosure-related and the adoption of this standard did not have a material effect on our financial position, results of operations, or cash flows.

Not Yet Adopted

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 addresses investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This update also includes certain other amendments to improve the effectiveness of income tax disclosures. The provisions of ASU 2023-09 are effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact of adopting ASU 2023-09.

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In November 2024, the FASB issued ASU 2024-03 (“ASU 2024-03”), Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 requires that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. The prescribed categories include purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion. This authoritative guidance is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the effect of this new guidance on its consolidated financial statements.

NOTE 3 - ACQUISITIONS

On October 24, 2023, the Company acquired 100% of the issued and outstanding preferred and common stock of Healthy Offers, Inc., a Nevada corporation d/b/a Medicx Health. Medicx Health is a healthcare consumer-focused omnichannel marketing and analytics company. We completed the acquisition of Medicx Health to enhance and expand the Company’s technology offerings.

The acquisition date fair value of consideration transferred was calculated as follows:

Net cash transferred	\$ 83,888
Fair value of common stock transferred	12,091
Fair value of consideration transferred	<u>\$ 95,979</u>

The goodwill balance reflects the benefits associated with future iterations of the technology platforms, new customer relationships anticipated as a result of the transaction and market participant synergies from economies of scale and is not deductible for tax purposes.

In addition, the Company is required to remit, upon collection from the appropriate authorities, approximately \$1,000 related to certain state and federal income tax receivables which were included on Medicx Health’s balance sheet at the date of acquisition. The Company has recorded \$1,000 in Taxes receivable, to reflect the receivables due to the Company and \$1,000 in Accrued expenses, to reflect the total amount due to the former stockholders of Medicx Health.

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The following table summarizes the estimated fair value of assets acquired and liabilities assumed at the acquisition date:

Assets Acquired

Cash	\$ 941
Accounts receivable	6,028
Taxes receivable	1,036
Prepaid expenses and other	913
Property and equipment	33
Customer relationships intangible	34,000
Trademark and patent intangible	5,700
Technology intangibles	8,300
Operating lease right-of-use assets	145
Deposits	10
	<u>57,106</u>

Liabilities Assumed

Accounts payable	1,997
Accrued expenses	3,849
Lease liabilities	166
Deferred revenue	75
Deferred tax liabilities	12,033
	<u>18,120</u>

Net assets acquired	<u>38,986</u>
Goodwill	<u>56,993</u>
	<u>95,979</u>
Fair value of consideration transferred	<u>\$ 95,979</u>

The Company used a third-party valuation specialist to value the intangible assets acquired. The identifiable intangibles are being amortized on a straight line basis over the following estimated useful lives:

Customer relationship intangible	15 years
Trademark and patent intangible	10 years
Technology intangibles	4 to 10 years

The Company recognized \$4,272 of acquisition related costs that were expensed in the current period. These costs are included in the consolidated statement of operations in the line item entitled "Other sales, general and administrative expenses."

The results of operations of Medicx Health have been included in the consolidated statement of operations since the date of acquisition.

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The amounts of revenue and net income of Medicx Health included in the Company's consolidated statement of operations for the period from the acquisition date until December 31, 2023, are as follows:

Revenue	\$	4,546
Net income		314

The following represents the pro-forma consolidated statement of operations as if Medicx Health had been included in the consolidated results of the Company for the full years ended December 31, 2023:

		Year ended December 31, 2023
Pro-forma consolidated statement of operations		
Revenue	\$	97,066
Net loss		(18,616)

These amounts have been calculated after applying the Company's accounting policies, adjusting Medicx Health results to reflect the additional amortization that would have been charged assuming the fair value adjustments to intangible assets had been applied on January 1, 2023, full year interest expense associated with the Term Loan and elimination of interest income on short-term investments that were used to fund the acquisition, one time transaction related items, including the amounts incurred by the Company, discussed above and \$9,600 in transaction related expenses incurred by Medicx Health.

During the year ended December 31, 2023, the Company disposed of its non-core Access business - See Item 8. Financials Statements and Supplementary Data; Note 7 - Goodwill and Intangible Assets for additional information regarding this transaction. A pro forma statement of operations for the twelve months ended December 31, 2024 is not presented for this transaction as the pro forma impacts were not material to the Company's consolidated results.

Revenue presented in the pro forma financial consolidated statement of operations data above includes \$4,169 for the year ended December 31, 2023, to the Access and other non-core solutions for which no revenue was recorded in the year ended December 31, 2024 (see also the discussion under Net Revenues in Results of Operations for the twelve months ended December 31, 2024 in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations).

NOTE 4 - INVESTMENT SECURITIES

There were no investment securities held at December 31, 2024 and 2023.

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NOTE 5 – PREPAID EXPENSES

Prepaid expenses consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Revenue share and exclusivity payments	\$ 1,213	\$ 1,495
Software	397	407
Insurance	239	370
Data	143	513
Other	387	405
Total prepaid expenses	<u>\$ 2,379</u>	<u>\$ 3,190</u>

NOTE 6 – PROPERTY AND EQUIPMENT

The Company owned equipment recorded at cost, which consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Computer equipment	\$ 354	\$ 266
Furniture and fixtures	54	34
	<u>408</u>	<u>300</u>
Less accumulated depreciation	258	151
Property and equipment, net	<u>\$ 150</u>	<u>\$ 149</u>

Depreciation expense was \$111 and \$100 for the years ended December 31, 2024 and 2023, respectively.

NOTE 7 – GOODWILL AND INTANGIBLE ASSETS

Goodwill

Our goodwill is related to the acquisitions of Medix Health in 2023, EvinceMed in 2022, RMDY Health, Inc. in 2019 and CareSpeak Communications in 2018. Goodwill is not amortizable for financial statement purposes.

Goodwill is tested for impairment at a reporting segment level at least annually, as of December 31, or on an interim basis if an event occurs or circumstances change (a “Triggering Event”).

During the third quarter of 2024, the Company experienced a Triggering Event due to a sustained decline in its stock price and overall market capitalization. Accordingly, the Company conducted a quantitative impairment test of its goodwill at September 30, 2024. The Company estimated the implied fair value of its goodwill using a combination of a market approach and income approach. It was determined that the fair value of the Company’s single reporting unit was less than its carrying value. A noncash charge of \$7,489, representing the amount by which the Company’s book value exceeds its estimated fair value, was recorded as a goodwill impairment in the year ended December 31, 2024.

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The Company performed the annual goodwill impairment test as of December 31, 2024. The Company performed its annual goodwill impairment test on a quantitative basis for its single reporting unit. In estimating the reporting unit's fair value, the Company performed a valuation analysis, utilizing a discounted cash flow income approach and a guideline public company market approach. We assigned a probability weighting to each approach of 50%. The determination of the fair value of the reporting unit requires the Company to make significant estimates and assumptions about the reporting unit's expected future cash flows. These estimates and assumptions primarily include, but are not limited to, the discount rate, revenue growth rates, operating margins and multiples of earnings. These estimates and assumptions were determined in connection with support from a third-party valuation specialist. The discount rate used is based on the estimated weighted-average cost of capital for companies with profiles similar to our profile and based on an assessment of the risk inherent in those future cash flows. To forecast the reporting unit's cash flows, the Company takes into consideration economic conditions and trends, historical results and recent performance, estimated future operating results, management's and a market participant's view of growth rates, management's ability to execute on planned future strategic initiatives and anticipates future economic conditions. Macroeconomic factors such as changes in economies, changes in the competitive landscape, changes in government legislation, industry consolidations and other changes beyond the Company's control could have a positive or negative impact on achieving its targets. Due to the inherent uncertainty involved in making these estimates, actual results could differ from those estimates. In addition, changes in underlying assumptions, especially as they relate to the key assumptions detailed, could have a significant impact on the fair value of the reporting unit. The market approach compares the valuation multiples of similar companies to that of the associated reporting unit. The Company then reconciles the calculated fair values to its market capitalization. After completing testing, it was determined that the fair value of the Company's single reporting unit was exactly equal to its carrying value and no further impairment to goodwill was recorded for the year ended December 31, 2024. Any amount of negative change to the above disclosed key assumptions could result in future impairment to goodwill.

The fair value of any reporting units, used in the annual assessments in 2024 and 2023, is classified as Level 3 measurements within the fair value hierarchy due to significant unobservable inputs, such as discount rates, projections of revenue, cost of revenue and operating expense growth rates, long-term growth rates and income tax rates.

Changes in the carrying amount of goodwill on the consolidated balance sheet consist of the following:

Balance January 1, 2023	\$ 22,674
Acquisitions	56,993
Disposal of business	(1,310)
Impairments	—
Balance January 1, 2024	<u>\$ 78,357</u>
Acquisitions	—
Impairments	(7,488)
Balance December 31, 2024	<u>\$ 70,869</u>

During the year ended December 31, 2023, we entered into various agreements, including a Product License Agreement and Platform Assets Purchase Agreement, with Mercalis, Inc. ("Mercalis"), collectively the "Transaction". Under the terms of the Transaction, Mercalis agreed to purchase certain customer contract assets and liabilities related to the Company's Access and Patient Engagement technologies. In addition, Mercalis was granted a perpetual license to the Access products and a non-exclusive two-year term license to the Patient Engagement products. Total consideration due for the Transaction was \$3,740 including \$2,540 related to the Access products.

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The Access products portion of the Transaction was deemed to be the disposal of a business for accounting purposes and accordingly the Company recorded a loss on disposal of \$2,142 including the allocation of a portion of the Company's goodwill balance of \$1,310 and the net book value of the underlying technology assets of \$3,328.

Intangible Assets

Intangible assets included on the consolidated balance sheets consist of the following:

	December 31, 2024			Weighted Average Life Remaining
	Gross Carrying Amount	Accumulated Amortization	Net	
Patent rights	\$ 7,164	\$ 1,647	\$ 5,517	7.7
Technology assets	9,711	1,531	8,180	7.5
Other intangible assets				
Tradenname	134	12	122	9.7
Non-compete agreements	1,093	1,093	—	—
Customer relationships	34,923	3,226	31,697	13.6
Total other	36,150	4,331	31,819	
Total intangible assets	\$ 53,025	\$ 7,509	\$ 45,516	
	December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Net	Weighted Average Life Remaining
Patent rights	\$ 7,164	\$ 979	\$ 6,185	8.8
Technology assets	12,388	3,375	9,013	6.6
Other intangible assets				
Tradenname	134	—	134	10.7
Non-compete agreements	1,093	1,093	—	—
Customer relationships	34,923	859	34,064	14.6
Total other	36,150	1,952	34,198	
Total intangible assets	\$ 55,702	\$ 6,306	\$ 49,396	

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During the year ended December 31, 2023, we recorded asset impairment charges of \$6,738 relating to Technology assets patent rights and tradenames that were not considered to be core solutions on a go forward basis, resulting in lower projected revenues for these solutions, as well as the outcome of the disposal of the Access products discussed above.

Intangibles are being amortized on a straight-line basis over the following estimated useful lives.

Patents	15 – 17 years
Tradenames	15 years
Non-compete agreements	2 – 4 years
Customer relationships	8 years
Technology assets	3 – 10 years

The Company recorded amortization expense of \$4,218 and \$2,302 in the years ended December 31, 2024 and 2023, respectively. Expected future amortization expense of the intangibles assets as of December 31, 2024 is as follows:

Year ended December 31,	
2025	\$ 4,258
2026	4,203
2027	3,906
2028	3,787
2029	3,787
Thereafter	25,575
Total	<u>\$ 45,516</u>

NOTE 8 – DEFERRED REVENUE

The Company has several signed contracts with customers for the distribution of financial messaging, or other services, which include payment in advance. The payments are not recorded as revenue until the revenue is earned under its revenue recognition policy discussed in Note 2. Deferred revenue was \$473 and \$172 as of December 31, 2024 and 2023, respectively. These contracts are all short term in nature and all revenue is expected to be recognized within 12 months, or less. Following is a summary of activity in the deferred revenue account for the year ended December 31, 2024.

Balance January 1, 2024	\$ 172
Revenue recognized	(18,204)
Amount collected	18,505
Balance December 31, 2024	<u>\$ 473</u>

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Following is a summary of activity in the deferred revenue account for the year ended December 31, 2023.

Balance January 1, 2023	\$	164
Revenue recognized		(12,359)
Amount collected		12,291
Amount acquired		76
Balance December 31, 2023	\$	<u>172</u>

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, the Company acquired the technical contributions and assignment of all exclusive rights to and for a key patent in process at the time from a former Chief Executive Officer (“CEO”), in exchange for a total payment in shares of common stock and options valued at \$930 at the time of the acquisition and recorded the patent at that cost. That patent remains in Patents on the consolidated balance sheet as of December 31, 2024.

Jim Lang, one of our Board Members, is the CEO of Eversana, a leading global provider of services to the life sciences industry. Eversana is similar to other customers we generate revenue from, such as agencies or resellers. During the years ended December 31, 2024 and 2023, we have recognized \$375 and \$336, respectively, in revenue from contracts engaged with Eversana. These contracts were sourced by Eversana on behalf of life science customers of theirs. The contracts are at market rates and were generated in the normal course of business.

William J. Febbo, former Chief Executive Officer of OptimizeRx was appointed to LifeMD’s board of directors during Q2 2023. During the year ended December 31, 2024, there was revenue in the amount of \$434 from contracts engaged with LifeMD. The contracts were sourced by LifeMD on behalf of their customers and are at market rates and generated in the normal course of business.

NOTE 10 – STOCKHOLDERS’ EQUITY

Preferred Stock

The Company had 10,000,000 shares of preferred stock, \$0.001 par value per share, authorized as of December 31, 2024. No shares were issued or outstanding in either 2023 or 2024.

Common Stock

The Company had 166,666,667 shares of common stock, \$0.001 par value per share, authorized as of December 31, 2024. There were 18,453,300 and 18,158,282 shares of common stock outstanding, net of shares held in treasury, at December 31, 2024 and 2023, respectively.

The Company issued 0 shares of common stock and received proceeds of \$0 in 2024 in connection with the exercise of options under our 2013 Equity Incentive Plan. We issued 24,668 shares of common stock and received proceeds of \$181 in 2023 in connection with the exercise of options under our 2013 Equity Incentive Plan.

The Company issued 295,018 shares of common stock in 2024 and 141,859 shares of common stock in 2023 in connection with the vesting of restricted stock units under our 2013 and 2021 Equity Incentive Plans. See Note 11, Stock Based Compensation. Some of the participants utilized a net withhold settlement method, in which shares were surrendered to cover payroll withholding taxes. Of the shares issued to participants during the year ended December 31, 2024 and 2023, respectively, 101,381 and 42,489 shares, valued at \$911 and \$459, were surrendered and subsequently cancelled.

Treasury Stock

During the quarter ended March 31, 2023, the Board authorized a share repurchase program, under which the Company could repurchase up to \$15 million of its outstanding common stock. This stock repurchase authorization expired on March 12, 2024. There were no shares repurchased in 2024 prior to the expiration.

During the year ended December 31, 2023, the Company repurchased 526,999 shares of our common stock for a total of \$7,522, including commissions paid on repurchases. The repurchased shares were recorded as Treasury Shares using the par value method.

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NOTE 11 – STOCK BASED COMPENSATION

The Company sponsors two stock-based incentive compensation plans.

The first plan is known as the 2013 Incentive Plan (the “2013 Plan”) and was established by the Board of Directors of the Company in June 2013. The 2013 Plan, as amended, authorized the issuance of 3,000,000 shares of Company common stock. The amended plan was approved by shareholders. A total of 234,512 shares of common stock underlying options and 8,000 shares of common stock underlying restricted stock unit awards were outstanding at December 31, 2024. In connection with the adoption of a new plan in 2021, the Company froze the 2013 Plan. At December 31, 2024, there were no shares available for grant under the 2013 Plan.

In 2021, the Company adopted a new plan known as the 2021 Equity Incentive Plan (“2021 Plan”). The plan was established by the Board of Directors and approved by shareholders in August 2021. On June 5, 2024, at the 2024 Annual Meeting of Stockholders, the Company’s stockholders approved an amendment to the 2021 Equity Incentive Plan to increase the number of shares of common stock available for awards under the 2021 Equity Incentive Plan by 1,950,000 shares for a total of 4,450,000 shares. A total of 1,611,338 shares of common stock underlying options and 686,326 shares of common stock underlying restricted stock unit awards were outstanding at December 31, 2024. At December 31, 2024, 1,161,064 shares were available for grant under the 2021 Plan.

The 2021 Plan allows the Company to grant incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based awards. Incentive stock options may only be granted to persons who are regular full-time employees of the Company at the date of the grant of the option. Non-qualified options may be granted to any person, including, but not limited to, directors, officers, employees and consultants, who the Company’s Board or Compensation Committee determines. The exercise price of options granted under the 2021 Plan must be equal to at least 100% of the fair market value of our common stock as of the date of the grant of the option. Options granted under the 2021 Plan are exercisable as determined by the Compensation Committee and specified in the applicable award agreement. In no event will an option be exercisable after ten years from the date of grant.

Stock Options

The compensation cost that has been charged against income related to options for the years ended December 31, 2024 and 2023, was \$4,783 and \$5,925, respectively. No income tax benefit was recognized in the consolidated statements of income and no compensation was capitalized in any of the years presented. During the year ended December 31, 2024, we granted certain performance based options, the expense for which will be recorded over time once the achievement of the performance is deemed probable. There was no expense related to these options recorded during the period. The fair value of these instruments was calculated using the Black-Scholes option pricing model.

During 2022, the Company granted certain performance-based stock options, the expense for which will be recorded over time once the achievement of the performance is deemed probable. There was \$25 in expense related to these options recorded during the year ended December 31, 2024.

The Company had the following option activity during the year ended December 31, 2024 and 2023:

	Number of Options	Weighted average exercise price	Weighted average remaining contractual life (years)	Aggregate intrinsic value \$
Outstanding at January 1, 2023	1,306,870	\$ 31.14		
Granted	426,703	\$ 12.50		
Exercised	(24,668)	\$ 7.34		
Expired or forfeited	(153,844)	\$ 30.70		
Outstanding at December 31, 2023	1,555,061	\$ 26.38	3.4	\$ 1,046
Granted	716,297	\$ 5.56		
Exercised	—	\$ —		
Expired or forfeited	(425,508)	\$ 26.31		
Outstanding, December 31, 2024	1,845,850	\$ 18.32	3.4	\$ 10
Exercisable, December 31, 2024	813,397	\$ 30.55	2.2	\$ —

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The table below reflects information for the total options outstanding at December 31, 2024

Range of Exercise Prices	Number of Options	Weighted average remaining contractual life (years)	Weighted average exercise price
\$4.83 to \$10.00	780,600	4.7	\$ 5.62
\$10.00 to \$20.00	674,374	3.0	\$ 14.31
\$20.00 to \$40.00	105,718	1.2	\$ 31.82
\$40.00 to \$60.00	185,957	1.6	\$ 48.04
\$60.00 to \$96.70	99,201	1.7	\$ 75.42
Total	<u>1,845,850</u>	3.4	\$ 18.32

The table below reflects information for the vested options outstanding at December 31, 2024.

Range of Exercise Prices	Number of Options	Weighted average remaining contractual life (years)	Weighted average exercise price
\$4.83 to \$10.00	47,761	2.8	\$ 7.82
\$10.00 to \$20.00	403,878	2.8	\$ 14.59
\$20.00 to \$40.00	98,591	1.2	\$ 31.90
\$40.00 to \$60.00	165,345	1.5	\$ 48.64
\$60.00 to \$96.70	97,822	1.7	\$ 75.59
Total	<u>813,397</u>	2.2	\$ 30.55

A summary of the status of the Company's non-vested options as of December 31, 2024, and changes during the year ended December 31, 2024, is presented below.

Nonvested Options	Options	Weighted average exercise price
Nonvested at January 1, 2024	968,787	\$ 22.03
Granted	716,297	\$ 5.56
Vested	(417,740)	\$ 13.46
Forfeited	(234,981)	\$ 21.80
Nonvested at December 31, 2024	<u>1,032,363</u>	\$ 8.69

There is \$3,651 of expense remaining to be recognized over a period of approximately 2.1 years related to options outstanding at December 31, 2024.

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Restricted Stock Units

The Company had the following restricted stock unit (“RSU”) activity during the years ended December 31, 2024 and 2023:

	Number of RSUs	Weighted average grant date fair value	Weighted average remaining contractual life (years)
Outstanding at January 1, 2023	789,074	\$ 36.95	
Granted	383,406	\$ 12.30	
Forfeited	(244,923)	\$ 58.18	
Vested and issued	(141,859)	\$ 31.38	
Withheld and cancelled	(42,489)	\$ 32.47	
Outstanding at December 31, 2023	743,209	\$ 18.62	1.7
Granted	545,772	\$ 7.56	
Forfeited	(198,256)	\$ 17.76	
Vested and issued	(295,018)	\$ 17.84	
Withheld and cancelled	(101,381)	\$ 18.03	
Outstanding at December 31, 2024	694,326	\$ 10.62	2.1

The Company granted restricted stock units of 545,772 and 383,406 units in 2024 and 2023, respectively, and valued at \$4,128 and \$4,715, respectively. These restricted stock units vest over a period of 1 year to 5 years. The Company recognized expense of \$6,683 and \$7,792 in 2024 and 2023, respectively, related to these restricted stock units. A total of \$5,260 remains to be recognized at December 31, 2024 over a period of 1.88 years.

In the year ended December 31, 2024, certain participants utilized a net withhold settlement method, in which shares were surrendered to cover payroll withholding tax. Of the shares issued to participants during the year ended December 31, 2024 and 2023, respectively, 101,381 and 42,489 shares, valued at \$911 and \$459, were surrendered and subsequently cancelled.

During 2022, the Company granted certain performance-based restricted stock units, the expense for which will be recorded over time once the achievement of the performance is deemed probable. There was \$25 in expense related to these restricted stock units recorded during the year ended December 31, 2024.

Non-employee Directors Compensation

The director’s compensation program calls for the grant of restricted stock units with a one-year vesting period. The Company granted 50,305 restricted stock units, valued at \$750 granted to the non-employee directors in 2023. These restricted stock units vested in 2024. The Company granted 64,896 restricted stock units, valued at \$750 granted to the non-employee directors in 2024 that will vest in 2025, 12 months from the grant dates.

Equity Award Modification

On April 16, 2023, the Compensation Committee approved a grant to the Company’s then CEO of 86,685 restricted stock units and 161,698 stock options with a grant date fair value of \$2,500 to vest over a three year period. Concurrently, the then CEO forfeited his October 2021 grant of 182,398 market-based restricted stock units. The forfeiture and accompanying grant was considered an equity modification according to ASC 718, *Compensation-Stock Compensation* (“ASC 718”). The additional compensation value created by the termination and issuance of new equity awarded, as measured using a Monte Carlo simulation, was approximately \$1,900 in total. Under ASC 718 this results in a non-cash expense in current and future periods to be recognized over a three-year period. These expense values are reflected and included in the option and restricted stock expense values discussed above. At December 31, 2024 the remaining expense of \$1,556 related to the October 2021 grant of market-based restricted stock units was accelerated upon the departure of the CEO. The expense for unvested stock-options and restricted stock units related to the April 2023 grant was reversed.

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NOTE 12 – LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2024 and 2023:

	2024	2023
Term loan, due in 2027	\$ 34,290	\$ 38,290
Less: current portion of long-term debt	(2,000)	(2,000)
Less: unamortized issuance costs	(1,474)	(2,059)
Long-term debt, net	<u>\$ 30,816</u>	<u>\$ 34,231</u>

On October 11, 2023, the Company entered into a Financing Agreement (the “Financing Agreement”) which provided for a term loan (the “Term Loan”) of \$40 million, the net proceeds of which were used to partially finance the Medicx Health transaction described in Note 3 “Acquisitions”. In connection with the Term Loan the Company incurred issuance costs of approximately \$2,270, which were capitalized and are being amortized to interest expense over the life of the Term Loan. Amortization of debt issuance costs for the year ended December 31, 2024 and December 31, 2023 was \$835 and \$211, respectively.

The Company’s obligations under the Term Loan are secured by all of the Company’s and its subsidiaries’ assets (including a pledge of all of the capital stock and equity interests of its subsidiaries).

The Term Loan is repayable in quarterly installments on the last business day of each fiscal quarter, beginning December 31, 2023, in an amount equivalent to 1.25% of the original principal amount. The outstanding unpaid principal amount and all accrued but unpaid interest thereon, shall be due and payable on the earlier of (i) the fourth anniversary of the closing date of the Term Loan or (ii) the date on which the Term Loan is declared due and payable pursuant to the terms of the Financing.

The Company may prepay, subject to an Applicable Premium, 3% if the prepayment is made on a date that is up to and including the first anniversary of closing, 2%, if the prepayment is made up to and including the second anniversary, 1% if the prepayment is made up to and including the third anniversary and zero thereafter, all or a portion of the Term Loan and, under certain circumstances, including certain asset disposals and the raising of indebtedness not permitted under the Term Loan is required to make mandatory prepayments of the principal balance. If the prepayment occurs within 12 months of the date of the loan, the Company is also required to pay lost interest from the prepayment date to one year from the loan funding date.

In addition, the Company is required to make a mandatory prepayment on March 31, of each year, commencing with 2025, equivalent to Excess Cash Flow multiplied by a percentage factor of 25%, if the leverage ratio is 3.60 to 1.00 or less, 50% if the leverage ratio is greater than 3.60 to 1 or less than or equal to 4.10 to 1.00 and 75%, if the leverage ratio is greater than 4.10 to 1.00. Excess Cash Flow is defined in the Financing Agreement as Consolidated EBITDA for the previous fiscal year less scheduled principal and interest payments, capital expenditure, cash taxes and any cash expenses/gains added back to net income in the calculation of Consolidated EBITDA, adjusted for any increase/decrease in working capital during the fiscal year.

During the year ended December 31, 2024, the Company made total principal repayments of \$4.0 million, including a voluntary prepayment of \$2.0 million. During the year ended December 31, 2023, the Company made total principal repayments of \$1.7 million, including a mandatory prepayment of \$1.2 million as a result of an asset sale completed during the year.

At the Company’s option the Term Loan, or any portion thereof bears interest at either:

- a. The greater of (a) 4.00% per annum, (b) the Federal Funds Rate plus 0.50% per annum, (c) the one month Secured Overnight Financing Rate (“SOFR”), plus an adjustment of 26.161 basis point and 1.00% per annum, and (d) the rate last quoted by The Wall Street Journal as the “Prime Rate”, plus an Applicable Margin of 7.5%; or
- b. Three-month SOFR plus an adjustment of 26.161 basis points and an Applicable Margin of 8.5%

As of December 31, 2024, the Loan bears interest at 13.3% per annum, with the effective interest rate for the year ended December 31, 2024, including the amortization of debt issuance costs and Applicable Premium and interest penalties of \$66,804 associated with the prepayment during the year ended December 31, 2024 was 16.5%.

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The Term Loan requires the Company to maintain certain maximum leverage ratios and Liquidity (as defined in the Financing Agreement), of at least \$5.0 million.

The Company was in compliance with its financial covenants as of December 31, 2024.

The Term Loan contains customary events of default, which include, (subject to, in certain circumstances to grace and cure periods), non-payment of principal and interest, non-compliance with certain covenants, commencement of bankruptcy proceedings and a change in control.

Payments due on the Term Loan in each of the next three years subsequent to December 31, 2024, are as follows:

For the year ending December 31,	
2025	2,000
2026	2,000
2027	30,290
	<u>\$ 34,290</u>

NOTE 13 – LEASES

In February 2016, the FASB issued new accounting guidance on leases. The accounting standard, effective January 1, 2019, requires virtually all leases to be recognized on the balance sheet. Under the guidance, we have elected not to separate lease and non-lease components in recognition of the lease-related assets and liabilities, as well as the related lease expense.

We had operating leases with terms greater than 12 months for office space in four multi-tenant facilities, which are recorded as ROU assets and Operating lease liabilities.

For the years ended December 31, 2024 and 2023, the Company's lease cost consisted of the following components, each of which is included in operating expenses within the Company's consolidated statements of operations:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 248	\$ 96
Short-term lease cost (1)	2	39
Total lease cost	<u>\$ 250</u>	<u>\$ 135</u>

(1) Short-term lease cost includes any lease with a term of less than 12 months.

The table below presents the future minimum lease payments to be made under operating leases as of December 31, 2024:

For the year ending December 31,	
2025	\$ 188
2026	115
2027	67
2028	45
2029	—
Total	<u>415</u>
Less: present value discount	<u>38</u>
Total lease liabilities	<u>\$ 377</u>

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The weighted average remaining lease term for operating leases is 2.65 and the weighted average discount rate used in calculating the operating lease asset and liability is 7.1%. Cash paid for amounts included in the measurement of lease liabilities was \$227. For the year ended December 31, 2024, payments on lease obligations were \$260 and amortization on the right of use assets was \$237. For the year ended December 31, 2023, payments on lease obligations were \$91 and amortization on the right of use assets was \$95.

NOTE 14 – MAJOR CUSTOMERS AND VENDORS

The Company had the following customers that accounted for 10% or greater of revenue in either 2024 or 2023. No other customers accounted for more than 10% of revenue in either year presented.

	2024		2023	
	\$	%	\$	%
Customer A	15,556	16.9	5,825	8.1
Customer B	12,760	13.9	10,275	14.4

Our accounts receivable included three agencies, that represented multiple customers, that individually made up more than 10% of our accounts receivable at December 31, 2024 in the percentages of 32.0%, 21.1% and 11.2%. As of December 31, 2023, our accounts receivable included two agencies, that represented multiple customers, that individually made up more than 10% of our accounts receivable in the percentages of 28.3% and 14.1%.

The Company generates a portion of its revenues through its EHR and eRx channel partners. There were three key channel partners and/or vendors through which 10% or greater of its revenue was generated in either 2024 or 2023 as set forth below. The amounts in the table below reflect the amount of revenue generated through those channel partners.

	2024		2023	
	\$	%	\$	%
Partner A	26,815	29.1	26,035	36.4
Partner B	25,978	28.2	13,955	19.5
Partner C	10,999	11.9	*	*

* Less than 10% of revenue

NOTE 15 – INCOME TAXES

As of December 31, 2024, the Company had net operating loss (“NOLs”) carry-forwards for federal income tax purposes of approximately \$11.6 million, consisting of post-2017 losses that will never expire. These net operating losses are available to offset future taxable income. The Company was formed in 2008 as a Nevada Corporation. Activity prior to incorporation is not reflected in the Company’s corporate tax returns. In the future, the cumulative net operating loss carry-forward for income tax purposes may differ from the cumulative financial statement loss due to timing differences between book and tax reporting.

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The provision for Federal income tax consists of the following for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Federal income tax benefit (expense) attributable to:		
Current operations	\$ 4,071	\$ 5,284
State tax effect, net of federal benefit	696	569
Option exercise benefits (expenses), net of Section 162M limitations	(480)	(476)
Transaction costs	—	(360)
Goodwill impairment	(1,413)	—
Stock compensation	(2,531)	(2,624)
Other adjustments	(204)	45
Valuation allowance	(864)	5,160
Income tax (expense) benefit	<u>\$ (725)</u>	<u>\$ 7,598</u>
	<u>2024</u>	<u>2023</u>
Current tax benefit (expense) - Federal	\$ (258)	\$ —
Current tax benefit (expense) - State	(314)	(97)
Total current (expense)	<u>(572)</u>	<u>(97)</u>
Deferred tax (expense) benefit - Federal	(96)	6,489
Deferred tax (expense) benefit - State	(57)	1,206
Total deferred (expense) benefit	<u>(153)</u>	<u>7,695</u>
Income tax (expense) benefit	<u>\$ (725)</u>	<u>\$ 7,598</u>

The cumulative tax effect of significant items comprising our net deferred tax amount at the expected rate of 21% is as follows as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Deferred tax assets attributable to:		
Net operating loss carryover	\$ 3,304	\$ 4,864
Stock compensation	3,121	3,744
Operating lease liability	105	115
Section 174 capitalized expenses	3,091	2,533
Tax credits	355	361
Goodwill	171	103
Section 163 (J) interest limitation	967	—
Other	559	—
Deferred tax assets	<u>\$ 11,673</u>	<u>\$ 11,720</u>
Deferred tax liabilities attributable to:		
Intangibles	\$ (11,760)	\$ (12,393)
Operating lease right-of-use assets	(102)	(110)
Other	(82)	(198)
Deferred tax liabilities	<u>(11,944)</u>	<u>(12,701)</u>
Net deferred tax (liability) asset	\$ (271)	\$ (981)
Valuation allowance	(4,220)	(3,356)
Net deferred tax liabilities	<u>\$ (4,491)</u>	<u>\$ (4,337)</u>

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The ultimate realization of deferred tax assets is dependent upon the Company's ability to generate sufficient taxable income during the periods in which the net operating losses expire and the temporary differences become deductible. The Company has determined that there is significant uncertainty that the results of future operations and the reversals of existing taxable temporary differences will generate sufficient taxable income to realize the deferred tax assets; therefore, a valuation allowance has been recorded. In making this determination, the Company considered historical levels of income, projections for future periods, and the significant amount of tax deductions to be generated from the future exercise of stock options.

The tax years 2021 to 2024 remain open for potential audit by the Internal Revenue Service. There are no uncertain tax positions as of December 31, 2023 or December 31, 2024, and none are expected in the next 12 months. The Company's foreign subsidiaries are cost centers that are primarily reimbursed for expenses, as a result they generate an immaterial amount of income or loss. Pretax book income (loss) is all from domestic operations. Up to four years of returns remain open for potential audit in foreign jurisdictions, however any audits for periods prior to ownership by the Company are the responsibility of the previous owners.

Under certain circumstances issuance of common shares can result in an ownership change under Internal Revenue Code Section 382, which limits the Company's ability to utilize carry-forwards from prior to the ownership change. Any such ownership change resulting from stock issuances and redemptions could limit the Company's ability to utilize any net operating loss carry-forwards or credits generated before this change in ownership. These limitations can limit both the timing of usage of these laws, as well as the loss of the ability to use these net operating losses. The Company had an ownership change as described in IRC Section 382 on March 18, 2014. The Company NOL's generated up until March 18, 2014 have been fully released.

NOTE 16 – COMMITMENTS AND CONTINGENT LIABILITIES

Legal

From time to time, the Company may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings, and we are not aware of any pending or threatened material legal or administrative proceedings against us.

Commitments

From time to time, the Company enters into arrangements with channel partners to acquire minimum amounts of media, data or messaging capabilities. As of December 31, 2024, the Company had commitments with channel partners for future minimum payments of \$19,737 that will be reflected in cost of revenues during the years from 2025 through 2029. Minimum payments are due in 2025, 2026 and 2027 in the amounts of \$14,396, \$3,716 and \$1,625, respectively.

NOTE 17 – RETIREMENT PLAN

The Company sponsors a defined contribution 401(k) profit sharing plan which was adopted in December 2015, effective in January 2016. Under the terms of the plan, the Company matches 100% of the first 3% of payroll contributed by the employee and 50% of the next 2% of payroll contributed by the employee to a maximum of 4% of an employee's payroll. There was expense of \$837 and \$727 recorded in 2024 and 2023, respectively, for the Company's contributions to the plan.

NOTE 18 – SUBSEQUENT EVENTS

None.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of our disclosure controls and procedures, as such term is defined in Exchange Act Rule 13a-15(e). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, due to a material weakness in our internal control over financial reporting, our disclosure controls and procedures, as defined in Rule 13a-15(e), were not effective at the reasonable assurance level.

To address the material weakness referenced above, the Company performed additional analyses and other procedures to prepare the audited consolidated financial statements in accordance with GAAP. Accordingly, management believes that the consolidated financial statements included in this Annual Report on Form 10-K fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

On October 24, 2023, we completed our acquisition of Medicx Health. We have evaluated the existing controls and procedures of Medicx Health and integrated Medicx Health into our internal control over financial reporting as of December 31, 2024. Refer to Part II, Item 8. Financials Statements and Supplementary Data; Note 3 – Acquisitions for additional information.

Management's Report on Internal Control Over Financial Reporting.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, any system of internal control over financial reporting, no matter how well defined, may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. The Company's management, with the participation of our Chief Executive Officer and our Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework (2013). Based on this assessment using those criteria, management identified the following material weakness existed as of December 31, 2024: inadequate controls to ensure that data received from third-party service organizations is complete and accurate. As a result, based on the COSO criteria, the Company's management has concluded that we did not maintain effective internal control over financial reporting as of December 31, 2024.

Ongoing Remediation of Previously Identified Material Weakness

As previously disclosed, a material weakness in our internal control over financial reporting was identified which related to controls to ensure that data received from third-party service organizations were complete and accurate.

Management, with oversight from the Audit Committee of our Board of Directors, is committed to remediating the material weakness that has been identified and maintaining an effective system of disclosure controls and procedures. These remediation efforts, summarized below, are intended to both address the identified material weakness and to enhance our overall financial control environment. Management is in the process of fully implementing process and control improvements to address the above material weakness identified in 2023 as follows:

- a. The Company requires each third-party service organization to provide to us, at least annually, a SOC-1 Type 2 report, with adequate controls to ensure the data we receive are complete and accurate. We rely upon a SOC-1 Type 2 report from the service organizations attesting to the vendor's internal controls.
- b. If a SOC-1 Type 2 report is not available, the Company evaluates each third-party's relevant system(s) and control environment reporting directly through inquiry and substantive testing of such third-party's control environment to ensure the data we receive are complete and accurate.
- c. If we are unable to obtain a valid SOC-1 Type 2 report or perform substantive testing of such third-party's control environment, the Company implements a third-party qualification and program triaging process, which could include modifying customer contracts, limiting the volume of activity with those third-parties, and establishing other controls to ensure the completeness and accuracy of information received from those third-parties, such as performing tagging procedures where possible.

To further execute on its remediation efforts of the material weakness, management took the following additional steps:

- d. Hired a Senior Vice President of internal controls and engaged a third-party consulting firm.
- e. Developed a framework to assess whether data received from third-party service organizations were complete and accurate.

The material weakness will be considered remediated when management concludes that, through testing, the applicable remedial controls are designed and implemented effectively.

When fully implemented and operational, we believe the measures described above will remediate the material weakness we have identified and strengthen our internal control over financial reporting. This material weakness will not be considered remediated until the newly implemented internal controls operate for a sufficient period of time and management has concluded, through testing, that these internal controls are operating effectively. We are working to have the material weakness remediated as soon as possible.

We are committed to continuing to improve our internal control processes and will continue to review and assess our financial reporting controls and procedures on an ongoing basis. As we continue to evaluate and improve our internal control over financial reporting, our management may determine whether it is appropriate or necessary to take additional measures.

Changes in Internal Controls Over Financial Reporting.

Other than the changes in connection with our implementation of the material weakness remediation plan discussed above and the integration of Medix Health into our internal control over financial reporting there was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act), that occurred during the quarter ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Director and Executive Officer Trading Arrangements

During the quarter ended December 31, 2024, no director or executive officers adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Registration S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Except for the information provided in PART I, Item 4.1, “Information About Our Executive Officers” and as set forth below, the required information is incorporated by reference from our definitive proxy statement for our 2025 Annual Meeting of Shareholders, including, but not necessarily limited to, the sections entitled “Proposal No. 1 Election of Directors, “Committees of the Board of Directors” and “Information Regarding Security Holders Delinquent Section 16(a) Reports.”

We have a Code of Business Conduct and Ethics (the “Code”) that applies to our directors, officers, and employees. Only the Board may grant a waiver of any provision for a director, executive officer, or any other principal financial officer, and any such waiver, or any amendment to the Code, will be promptly disclosed as required at www.optimizerx.com. The Code can be found on the Company’s website at www.optimizerx.com under “Investor Relations - Governance.” The information on the website is not and should not be considered part of this Annual Report on Form 10-K and is not incorporated by reference in this Annual Report on Form 10-K.

Item 11. Executive Compensation

The required information is incorporated by reference from our definitive proxy statement for our 2025 Annual Meeting of Shareholders, including, but not necessarily limited to, the sections entitled “Director Compensation” and “Executive Compensation”.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Except for the information set forth below, the required information is incorporated by reference from our definitive proxy statement for our 2025 Annual Meeting of Shareholders, including, but not necessarily limited to, the section entitled “Information Regarding Security Holders.”

Equity Compensation Plan Information

The following table details information regarding our existing equity compensation plans as of December 31, 2024:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders			
2013 Equity Compensation Plan – Options	234,512	38.37	—
2013 Equity Compensation Plan – Restricted Stock Units	8,000	N/A	—
2021 Equity Incentive Plan – Options	1,611,338	15.40	1,161,064
2021 Equity Incentive Plan – Restricted Stock Units	686,326	N/A	—
Equity compensation plans not approved by security holders	—	N/A	—
Total	<u>2,540,176</u>		<u>1,161,064</u>

Item 13. Certain Relationships and Related Transactions, and Director Independence

The required information is incorporated by reference from our definitive proxy statement for our 2025 Annual Meeting of Shareholders, including, but not necessarily limited to, the sections entitled “Certain Relationships and Related Transactions” and “Corporate Governance - Director Independence.”

Item 14. Principal Accounting Fees and Services

The required information is incorporated by reference from our definitive proxy statement for our 2025 Annual Meeting of Shareholders, including, but not necessarily limited to, the sections entitled “Ratification of UHY LLP as Independent Registered Public Accounting Firm – Independent Registered Public Accountant Fee Information” and “Ratification of UHY LLP as Independent Registered Public Accounting Firm – Pre-Approval Policies and Procedures.”

PART IV

Item 15. Exhibits and Financial Statements Schedules

- (a) The consolidated financial statements and exhibits listed below are filed as part of this Annual Report on Form 10-K.
- (1) The Company's consolidated financial statements, the notes thereto and the report of the Independent Registered Public Accounting Firm are included in PART II, Item 8. "Financial Statements and Supplementary Data."
 - (2) Financial statement schedules have been omitted because they are not applicable, not required, or the required information is included in the Consolidated Financial Statements or Notes thereto.
 - (3) Exhibits. Reference is made to Item 15(b) below.
- (b) *Exhibits*. The Exhibit Index, which immediately precedes the signature page, is incorporated by reference into this Annual Report on Form 10-K.
- (c) *Financial Statement Schedules*. Reference is made to Item 15(a)(2) above.

Item 16. Form 10-K Summary

None

EXHIBIT INDEX

Exhibit Number	Description
3.1	Articles of Incorporation of OptimizeRx Corporation (the "Company") Incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (Registration No. 333-155280) filed on November 12, 2008.
3.2	Certificate of Correction, dated April 30, 2018. Incorporated by reference to Exhibit 3.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.
3.3	Third Amended and Restated Bylaws of the Company. Incorporated by reference to Exhibit 3.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022.
4.1	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. Incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021.
10.1†	Fourth Amended and Restated 2013 Equity Incentive Plan. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 12, 2020.
10.2†	OptimizeRx 2021 Equity Incentive Plan. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 25, 2021.
10.3†	Form of Stock Option Award for grants under the OptimizeRx Corporation 2021 Equity Incentive Plan. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 25, 2021.
10.4†	Form of Performance Stock Option Award for grants under the OptimizeRx Corporation 2021 Equity Incentive Plan. Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 25, 2021.
10.5†	Form of Restricted Stock Unit Award for grants under the OptimizeRx Corporation 2021 Equity Incentive Plan. Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on August 25, 2021.
10.6†	Form of Performance Restricted Stock Unit Award for grants under the OptimizeRx Corporation 2021. Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on August 25, 2021.
10.7†	Employment Agreement with Marion Odence-Ford. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 11, 2021.
10.8†	Amendment to Employment Agreement by and between the Company and Marion Odence-Ford dated February 28, 2022. Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on March 4, 2022.
10.9*†	Offer Letter by and between the Company and Edward Stelmakh. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 30, 2021.
10.10†	OptimizeRx Corporation 2022 Cash Bonus Plan. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 4, 2022.
10.11	Agreement and Plan of Merger dated as of October 11, 2023 by and among OptimizeRx Corporation, Healthy Offers, Inc., the securityholders of Healthy Offers, Inc. who are party to the Agreement, and Michael Weintraub, not in his individual capacity, but solely in his capacity as the representative, agent and attorney-in-fact of the Securityholders. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 16, 2023.
10.12	Support Agreement, dated as of October 11, 2023 by and among the stockholders party thereto, OptimizeRx Corporation and Healthy Offers, Inc. Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 16, 2023.

10.13	Financing Agreement, dated as of October 11, 2023, by and among OptimizeRx Corporation, the lenders from time to time party thereto, and Blue Torch Finance, LLC, as collateral agent and administrative agent. Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on October 16, 2023.
10.14	Letter Agreement, dated as of October 11, 2023, OptimizeRx Corporation and Blue Torch Finance, LLC. Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on October 16, 2023.
10.15	Common Stock Purchase Agreement dated October 24, 2023 by and among the Company and the Management Investors. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 25, 2023.
10.16	Amendment No. 1 to Financing Agreement, dated March 29, 2024. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 2, 2024.
10.17*†	Amended and Restated Employment Agreement by and between the Company and William J. Febbo dated April 12, 2024. Incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.
10.18*†	Amended and Restated Employment Agreement by and between the Company and Stephen Silvestro dated April 12, 2024. Incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.
10.19**†	Amended OptimizeRx Corporation Executive Severance Plan, dated March 7, 2025.
10.20	Amendment No. 1 to the OptimizeRx 2021 Equity Incentive Plan. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 7, 2024.
10.21**	Amendment No. 2 to Financing Agreement, dated September 26, 2024.
10.22**	Amendment No. 3 to Financing Agreement, dated February 5, 2025.
10.23†	Separation and Advisory Agreement executed as of January 3, 2025 by and between the Company and William J. Febbo. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 10, 2025.
10.24†	Amended and Restated Employment Letter, dated as of March 7, 2025 by and between the Company and Stephen Silvestro Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 10, 2025.
14.1	Code of Business Conduct and Ethics Incorporated by reference to Exhibit 14.1 to the Company's Current Report on Form 8-K filed on June 25, 2021.
19.1**	OptimizeRx Corporation Insider Trading Policy
21.1**	List of Subsidiaries
23.1**	Consent of UHY LLP
31.1**	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	OptimizeRx Corporation Clawback Policy. Incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.
101.INS**	Inline XBRL Instance Document
101.SCH	Inline XBRL Schema Document
101.CAL	Inline XBRL Calculation Linkbase Document
101.DEF	Inline XBRL Definition Linkbase Document
101.LAB	Inline XBRL Label Linkbase Document
101.PRE	Inline Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Management Contracts and Compensatory Plans, Contracts or Arrangements.

* Exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to furnish supplementally a copy of any omitted exhibit to the SEC upon request.

** Provided herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OptimizeRx Corporation

By: /s/ Stephen Silvestro

Stephen Silvestro

Title: Chief Executive Officer

Date: March 20, 2025

By: /s/ Edward Stelmakh

Edward Stelmakh

Title: Chief Financial Officer Chief Operations Officer

Date: March 20, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Stephen Silvestro</u> Stephen Silvestro	Chief Executive Officer (principal executive officer)	March 20, 2025
<u>/s/ Edward Stelmakh</u> Edward Stelmakh	Chief Financial Officer and Chief Operations Officer (principal financial and accounting officer)	March 20, 2025
<u>/s/ Lynn O'Connor Vos</u> Lynn O'Connor Vos	Chairperson	March 20, 2025
<u>/s/ Patrick Spangler</u> Patrick Spangler	Director	March 20, 2025
<u>/s/ James Lang</u> James Lang	Director	March 20, 2025
<u>/s/ Greg Wasson</u> Greg Wasson	Director	March 20, 2025
<u>/s/ Catherine Klema</u> Catherine Klema	Director	March 20, 2025

**AMENDED
OPTIMIZERX CORPORATION
EXECUTIVE SEVERANCE PLAN***

Plan Document/Summary Plan Description

OptimizeRx Corporation (the “Company”) has adopted this OptimizeRx Corporation Executive Severance Plan (the “Plan”) for the benefit of certain employees of the Company and its subsidiaries (hereinafter referred to as the “Company Group”), on the terms and conditions hereinafter stated, effective as of the Effective Date.

The Plan is not intended to be an “employee pension benefit plan” or “pension plan” within the meaning of Section 3(2) of ERISA. Rather, the Plan is intended to be a “welfare benefit plan” within the meaning of Section 3(1) of ERISA and to meet the descriptive requirements of a plan constituting a “severance pay plan” within the meaning of regulations published by the Secretary of Labor at Title 29, Code of Federal Regulations, Section 2510.3-2(b). Accordingly, any benefits paid pursuant to the terms of the Plan are not deferred compensation for purposes of ERISA, and no Participant shall have a vested right to such benefits. To the extent applicable, it is intended that portions of the Plan either comply with or be exempt from the provisions of Section 409A of the Code. The Plan shall be administered in a manner consistent with this intent and any provision that would cause the Plan to fail to either constitute a welfare benefit plan under ERISA or comply with or be exempt from Section 409A of the Code, as the case may be, shall have no force and effect. This document serves as both the plan document as required under Section 402 of ERISA as well as a summary plan description as required under Section 104(b) of ERISA.

1. **Definitions.** Capitalized terms used in this Plan shall have the meanings ascribed to such terms in Appendix A.

2. **Eligibility.**

Except as otherwise provided under the Plan, each Participant is eligible to receive severance pay and severance benefits under the Plan if such Participant:

(a) remains in the employ of the Employer through the date of a Covered Termination, death or Disability;

(b) fulfills the normal responsibilities of such Participant’s position, including, but not limited to, meeting regular attendance, specific transitional activities, workload and other standards of the Employer,

(c) executes and does not revoke the Release Agreement; and

(d) complies with and, during the term of the Severance Period (and in some instances, for some period following the expiration of the Severance Period in accordance with the terms of the BPA), remains compliant with, all the terms of such BPA.

3. Termination of Employment.

(a) Payments on Covered Termination. If a Participant designated on Appendix B hereto undergoes a Covered Termination, in addition to any Accrued Obligations, subject to such Participant's execution, delivery to the Company, and non-revocation of a Release Agreement, as contemplated in subsection (e) below, and continued compliance with the BPA during the Severance Period (and in some instances, for some period following the expiration of the Severance Period in accordance with the terms of the BPA), such Participant shall be entitled to the following payments and benefits:

(i) the Target Bonus Amount set forth on Appendix B, which will be payable to the Participant in a lump sum within 60 days following the date of termination, and

(ii) (A) the applicable Cash Severance Amount set forth on Appendix B, payable in substantially equal installments as continuous pay in accordance with the Company's payroll practices as in effect from time to time over the applicable number of months set forth on Appendix B, commencing on the 60th day following the date of termination, *provided* that the first such payment shall include all amounts that would have been paid to the Participant in accordance with the Company's payroll practices if such payments had begun on the date of the Participant's Covered Termination; and (B) the COBRA Payment, payable in monthly installments during the Subsidized COBRA Period (or apply such amount to the payment of such continuation coverage), commencing on the 60th day following the date of termination, *provided* that the first such payment shall include all amounts that would have been paid or provided to Participant in accordance with the Company's payroll practices if such payments had begun on the date of the Participant's Covered Termination.

(b) Payments on Change in Control Covered Termination. If a Participant undergoes a Change in Control Covered Termination, subject to such Participant's execution, delivery to the Company, and non-revocation of a Release Agreement, as contemplated in subsection (e) below, and continued compliance with the BPA during the Severance Period (and in some instances, for some period following the expiration of the Severance Period in accordance with the terms of the BPA), such Participant shall be entitled to the following payment in addition to the payments and benefits set forth in Section 3(a): a lump-sum cash payment equal to the applicable CIC Covered Termination Payment Amount set forth on Appendix C, payable within 60 days following the later of (A) the date of the Participant's Change in Control Covered Termination or (B) the closing date of the applicable Change in Control. For the avoidance of doubt, if a Participant's name is not set forth on Appendix C hereto, such Participant is ineligible to receive any payments under this Section 3(b).

Payments and benefits described under subsections (a) and (b) may be made by the Company or any other member of the Company Group, as determined by the Company in its sole discretion, including, without limitation, the Employer.

(c) Payments on Death or Disability. In the event a Participant's employment with the Employer is terminated due to such Participant's death or Disability, in addition to any Accrued Obligations, the Participant (or the Participant's estate, as applicable) shall receive the Target Bonus, payable in a lump sum within 60 days following the date of termination; *provided, however*, in the case of the Participant's termination due to Disability, the Participant must execute, deliver to the Company, and not revoke the Release Agreement, as contemplated in subsection (e) below, and continue to comply with the BPA during the Severance Period (and in some instances, for some period following the expiration of the Severance Period in accordance with the terms of the BPA).

(d) Other Termination Events. If a Participant's employment is terminated for any reason other than pursuant to a Covered Termination, death or Disability, such Participant shall not be entitled to the Severance Pay or other benefits under the Plan.

(e) Release Agreement. Notwithstanding any provision herein to the contrary, the payment of any amount or provision of any benefit pursuant to this Section 3 (other than the Accrued Obligations) shall be conditioned upon a Participant's execution, delivery to the Company, and non-revocation of the Release Agreement (and the expiration of any revocation period contained in such Release Agreement) within 60 days following the date of a Covered Termination. If a Participant fails to execute the Release Agreement in such a timely manner or timely revokes his or her acceptance of such release following its execution, such Participant shall not be entitled to Severance Pay or any other benefits under the Plan. Further, to the extent that any of the payments hereunder constitute "nonqualified deferred compensation" for purposes of Section 409A of the Code, any payment of any amount or provision of any benefit otherwise scheduled to occur prior to the 60th day following the date of such Covered Termination, but for the condition of executing the Release Agreement as set forth herein, shall not be made until the first regularly scheduled payroll date following such 60th day, after which any remaining payments shall thereafter be provided to the Participant according to the applicable schedule set forth herein.

(f) Clawback/Forfeiture. Notwithstanding any provision herein to the contrary, the payment of any amount or provision of any benefit pursuant to subsections (a) or (b) above (other than the Accrued Obligations) shall be conditioned upon and subject to the Clawback Policy.

4. Treatment of Awards.

Any outstanding Awards granted to the Participant under (i) the Stock Plan shall vest in accordance with the terms of the Stock Plan and the applicable award agreement, or (ii) the Company's 2013 Equity Incentive Plan, as amended, shall vest in accordance with the terms of the 2013 Equity Incentive Plan, as amended, and the applicable award agreement.

5. Additional Terms.

(a) Taxes. Severance and other payments and benefits under the Plan will be subject to all required federal, state and local taxes and may be affected by any legally required withholdings. Payments under the Plan are not deemed "compensation" for purposes of the retirement plans, savings plans, and incentive plans of the Company Group. Accordingly, no deductions will be taken for any retirement and savings plan and such plans will not accrue any benefits attributable to payments under the Plan.

(b) Set-Off; Mitigation. The Company's obligation to pay the Participant the amounts provided and to make the arrangements provided hereunder shall not be subject to set-off, counterclaim, or recoupment of amounts owed by the Participant to the Company or its Affiliates. The Participant shall not be required to mitigate the amount of any payment provided pursuant to the Plan by seeking other employment or otherwise, and the amount of any payment provided for pursuant to the Plan shall not be reduced by any compensation earned as a result of the Participant's other employment or otherwise.

(c) Specified Employees. Notwithstanding anything herein to the contrary, if (i) at the time of a Participant's Covered Termination, such Participant is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the commencement of the payment of any such payments or benefits hereunder will be deferred (without any increase or decrease in such payments or benefits ultimately paid or provided to the Participant) until the date that is six months following such Participant's Covered Termination (or the earliest date that is permitted under Section 409A of the Code), and (ii) any other payments of money or other benefits due to the Participant hereunder would cause the application of an accelerated or additional tax under Section 409A of the Code, such payments or other benefits shall be deferred if deferral will make such payment or other benefits compliant under Section 409A of the Code, or otherwise such payment or other benefits shall be restructured, to the extent possible, in a manner, determined by or at the direction of the Committee, that does not cause such an accelerated or additional tax or result in additional cost to the Company. The Company shall consult with its legal counsel and tax advisors in good faith regarding the implementation of this Section 5(c); provided, however, that none of the Company any other member of the Company Group, or any of their respective employees or representatives, shall have any liability to the Participant with respect thereto.

6. Termination or Amendment of the Plan.

The Plan may be amended, terminated or discontinued in whole or in part, at any time and from time to time at the discretion of the Board or the Committee; provided, however, that no such amendment, termination or discontinuance shall, without a Participant's consent, adversely affect any Participant that has undergone a Covered Termination prior to the effective date of any such amendment, termination or discontinuance; provided further, that following (x) the date the Company has entered into an agreement the consummation of which would result in a Change in Control (until such time as the Change in Control occurs or such agreement is terminated) or (y) a Change in Control, the Plan may not be amended, terminated or discontinued in whole or in part, at any time prior to the second anniversary of the date of such Change in Control without the written consent of each affected Participant.

7. Limitation of Certain Payments.

Except as otherwise provided in an individual employment agreement, in the event that any payments and/or benefits due to a Participant under the Plan and/or any other arrangements are determined by the Company to constitute "excess parachute payments" as defined under Section 280G of the Code, any cash severance payable under the Plan shall be reduced by the minimum amount necessary, subject to the last sentence of this paragraph, such that the present value of such "parachute payments" (as defined under Section 280G of the Code) is below 300% of such Participant's "base amount" (as defined under Section 280G of the Code), and by accepting participation in the Plan. Notwithstanding the foregoing, no payments or benefits shall be reduced under this Section 7 unless (a) the net amount of such payments and benefits, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced payments and benefits), is greater than or equal to (b) the net amount of such payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such payments and benefits and the amount of excise tax imposed under Section 4999 of the Code as to which such Participant would be subject in respect of such unreduced payments and benefits and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced payments). For purposes hereof, (i) the order in which any amounts are deemed to be reduced, if applicable, is (A) cash payments, (B) other non-cash forms of benefits, and (C) equity-based payments and acceleration of vesting, and (ii) within any such category of payments and benefits (that is, (i)(A), (i)(B) or (i)(C) above), (A) a reduction shall occur first with respect to amounts that are not "deferred compensation" within the meaning of Section 409A of the Code and then with respect to amounts that are and (B) to the extent that any such amounts are to be made over time (e.g., in installments, etc.), then the amounts shall be reduced in reverse

8. Miscellaneous.

(a) No Right to Continued Employment. Nothing contained in the Plan shall confer upon any Participant any right to continue in the employ of any member of the Company Group nor interfere in any way with the right of the Company Group to terminate his or her employment, with or without Cause.

(b) Plan Not Funded. Amounts payable under the Plan shall be payable from the general assets of the Company, and no special or separate reserve, fund or deposit shall be made to assure payment of such amounts. No Participant, beneficiary or other Person shall have any right, title or interest in any fund or in any specific asset of the Company by reason of participation hereunder. Neither the provisions of the Plan, nor the creation or adoption of the Plan, nor any action taken pursuant to the provisions of the Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company and any Participant, beneficiary or other Person. To the extent that a Participant, beneficiary or other Person acquires a right to receive payment under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. Notwithstanding the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan.

(c) Non-Transferability of Benefits and Interests. All amounts payable under the Plan are non-transferable, and no amount payable under the Plan shall be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge. This Section 9(c) shall not apply to an assignment of a contingency or payment due (i) after the death of a Participant to the deceased Participant's legal representative or beneficiary, or (ii) after the disability of a Participant to the disabled Participant's personal representative.

(d) Discretion of Company, Board and Committee. Any decision made or action taken by, or inaction of, the Company, the Board, or the Committee arising out of or in connection with the creation, amendment, construction, administration, interpretation and effect of the Plan that is within its authority hereunder or applicable law shall be within the absolute discretion of such entity and shall be conclusive and binding upon all Persons.

(e) Indemnification. Neither the Board nor the Committee, nor any employee of the Company, nor any Person acting at the direction thereof (each such Person an "Affected Person"), shall have any liability to any Person (including without limitation, any Participant), for any act, omission, interpretation, construction or determination made in connection with the Plan (or any payment made under the Plan). Each Affected Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Affected Person in connection with or resulting from any action, suit or proceeding to which such Affected Person may be a party or in which such Affected Person may be involved by reason of any action taken or omitted to be taken under the Plan and against and from any and all amounts paid by such Affected Person, with the Company's approval, in settlement thereof, or paid by such Affected Person in satisfaction of any judgment in any such action, suit or proceeding against such Affected Person; *provided*, that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to an Affected Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Affected Person giving rise to the indemnification claim resulted from such Affected Person's bad faith, fraud or willful wrongful act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Affected Persons may be entitled under the Company's organizational documents, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such Person or hold them harmless.

(f) Section 409A. Notwithstanding any provision of the Plan to the contrary, if any benefit provided under the Plan is subject to the provisions of Section 409A of the Code, the provisions of the Plan will be administered, interpreted and construed in a manner necessary to comply with Section 409A of the Code or an exception thereto. Notwithstanding any provision of the Plan to the contrary, in no event shall the Company (or its employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of the Plan to satisfy the requirements of Section 409A of the Code or any other applicable law. For purposes of the application of Section 409A of the Code, each payment in a series of payments under this Plan will be deemed a separate payment.

(g) No Duplication; Treatment of Other Severance Arrangements. In no event shall any Participant receive the severance benefits provided for herein in addition to severance benefits provided for under any Other Severance Arrangement; *provided*, that if such Participant is covered by any Other Severance Arrangement, such Participant shall only be entitled to receive the greater of (x) the payments and benefits set forth in this Plan and (y) the payments and benefits set forth in, and subject to the terms, conditions and restrictions of, the Other Severance Arrangement.

(h) Governing Law. All questions pertaining to the construction, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the laws of the State of Nevada.

(i) Notice. Any notice or other communication required or which may be given pursuant to the Plan shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or two days after it has been mailed by United States express or registered mail, return receipt requested, postage prepaid, addressed to the Company at the address set forth below, or to the Participant at his or her most recent address on file with the Company.

OptimizeRx Corporation
260 Charles Street, Suite. 302
Waltham, MA 02453
c/o Chief Legal Officer

(j) Captions. Captions and headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such captions and headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(k) Successors. The Plan shall inure to the benefit of and be binding upon the Company and its successors.

Appendix A
Definitions

1. Definitions.

(a) “Accrued Obligations” means (i) all accrued but unpaid Base Salary through the date of a Covered Termination, (ii) any unpaid or unreimbursed expenses incurred in accordance with the policies of the Employer, and (iii) any benefits provided under the employee benefit plans and programs of the Company Group in which the Participant participates immediately prior to, and is due upon or continues after, a termination of employment, including rights with respect to Company equity.

(b) “Affiliate” means any entity which, at the time of reference, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Company.

(c) “Annual Bonus Program” means the annual cash incentive bonus program in which the Participant participates as of the date of such Participant’s Covered Termination, if any.

(d) “Anticipatory Termination” means a Covered Termination occurring within the three months prior to the occurrence of a Change in Control; *provided*, that it is reasonably demonstrated that such termination (A) was at the request of a third party who has taken steps reasonably calculated or intended to effect the Change in Control (and such transaction is actually consummated) or (B) otherwise arose in connection with or in anticipation of the Change in Control (and such transaction is actually consummated).

(e) “Asset Sale” means a Change in Control resulting from the consummation of a sale or other disposition of all or substantially all of the assets of the Company.

(f) “Award” has the meaning set forth in the Stock Plan.

(g) “Base Salary” means the Participant’s then current annual base salary rate immediately prior to his or her Covered Termination (or, if higher, the annual base salary immediately prior to an event that constitutes Good Reason hereunder).

(h) “Board” means the Board of Directors of the Company.

(i) “Business Protection Agreement” or “BPA” shall mean the Business Protection Agreement executed by Participant, as may be updated or amended from time to time to reflect changes in law and/or differences in applicable state law. BPA shall mean the agreement substantially in the form attached hereto as Exhibit A, as may be updated or amended from time to time to reflect changes in law and/or differences in applicable state law.

(j) “Cash Severance Amount” means, with respect to any Participant, the “Cash Severance Amount,” as set forth on Appendix B, as attached hereto, as applicable.

(k) “Cause” means the occurrence of any of the following as determined by the Committee:

(i) the Participant’s conviction of, or plea of guilty or *nolo contendere* to, (1) a felony under federal law or the law of the state in which such action occurred or (2) any other crime involving moral turpitude;

(ii) the Participant’s willful and continued failure to perform the Participant’s employment duties (other than any such failure resulting from the Participant’s incapacity due to a Disability); *provided, however*, that the Company shall have provided the Participant with written notice that such actions are occurring and, where practical, the Participant has been afforded at least 15 days to cure same;

(iii) the Participant’s willfully engaging in misconduct in the performance of the Participant’s duties for the Employer (including, but not limited to, theft, fraud, embezzlement and securities law violations, a violation of the Company’s “Code of Ethics and Business Conduct” or other written policies, or a material breach of the Business Protection Agreement or any other restrictive covenants to which the Participant is subject) that is materially injurious to the Company, or, in the good faith determination of the Committee, is potentially materially injurious to the Company, monetarily or otherwise.

For purposes of this Section 1(j), no act, or failure to act, on the part of the Participant shall be considered “willful,” unless done, or omitted to be done, by the Participant in bad faith and without a reasonable belief that the Participant’s action or omission was in, or not opposed to, the best interests of the Company (including reputationally). Prior to any termination for Cause, the Participant will be given five business days written notice specifying the alleged Cause event. After providing the notice in foregoing sentence, the Board or the Chief Executive Officer of the Company may suspend the Participant with full pay and benefits until a final determination has been made.

(l) “Change in Control” has the meaning set forth in the Stock Plan.

(m) “Change in Control Covered Termination” means a (i) a Covered Termination occurring during the two-year period commencing on the date of a Change in Control or (ii) an Anticipatory Termination.

(n) “CIC Covered Termination Payment Amount” means, with respect to any Participant, the “CIC Covered Termination Payment Amount,” as set forth on Appendix C, as attached hereto, as applicable. (o) “Clawback Policy” means any clawback, forfeiture or other similar policy adopted by the Board or the Committee from time to time.

(o) “COBRA Payment” means, provided the Participant validly elects continuation coverage under COBRA or similar state law for the Participant, his spouse and/or dependents, an amount equal to the monthly COBRA premium for continued health insurance coverage payable in monthly installments over the number of months in the Subsidized COBRA Period set forth on Appendix B, as attached hereto, as applicable.

(p) “Code” means the Internal Revenue Code of 1986, as amended, and the rules, regulations or other interpretative guidance promulgated thereunder, as well as any successor laws in replacement thereof.

(q) “Committee” means the Compensation Committee of the Board.

(r) “Covered Termination” means a Participant’s termination of employment with the Employer by the Employer without Cause or by the Participant for Good Reason; *provided, however*, that no such termination shall be considered a Covered Termination if such Participant’s employment with the Employer is terminated:

(i) solely by reason of a transfer to the employ of another member of the Company Group;

(ii) upon the expiration of a leave of absence by reason of his or her failure to return to work at such time unless, at such time, there is not an available position for which such Participant is qualified; or

(iii) in connection with an Asset Sale if either (A) in connection with such Asset Sale such Participant was offered employment with the purchaser or an Affiliate thereof in an Asset Sale (I) within a 25-mile radius of such Participant’s current work site for a comparable position and (II) with the same or greater Base Salary, and with comparable annual bonus and equity compensation opportunity, and the Participant fails to accept such employment offer, or (B) notwithstanding the comparable terms and conditions of employment being available within a 25-mile radius, such Participant voluntarily elected not to participate in the selection process for employment with the purchaser or an Affiliate thereof in an Asset Sale.

(s) “Disability” means a Participant’s substantial inability to perform Participant’s duties due to partial or total disability or incapacity resulting from a mental or physical illness, injury or other health-related cause for a period of 90 consecutive days or 180 non-consecutive days in any 12 months period.

(t) “Effective Date” means March 8, 2023, as amended on March 1, 2024.

(u) “Eligible Employee” means each non-union, salaried, full-time employee of the Company Group. Eligible Employees shall, in no event, include: (i) independent contractors, (ii) temporary employees, (iii) individuals treated other than as employees for federal income and employment tax purposes at the time such individual performs services, (iv) employees who are regularly scheduled to work less than 20 hours per week, and (v) individuals who the Company designates as “non-benefits eligible.”

(v) “Employer” means, with respect to any Participant, the member of the Company Group by which such Participant is employed.

(w) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules, regulations or other interpretive guidance promulgated thereunder, as well as any successor laws in replacement thereof.

(x) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules, regulations or other interpretive guidance promulgated thereunder, as well as any successor laws in replacement thereof.

(y) “Good Reason” means the occurrence of any of the following events without the Participant’s consent:

(i) a material diminution in the Participant’s title, authorities, duties or responsibilities;

(ii) any reduction in the Participant’s Base Salary, other than a reduction of not more than 15% implemented in connection with an across-the-board reduction affecting all similarly-situated executive employees of the Company;

(iii) the assignment to the Participant of duties or responsibilities which are materially inconsistent with any of the Participant’s duties and responsibilities;

(iv) the failure of any purchaser (or an Affiliate thereof) in an Asset Sale by agreement in writing, to expressly, absolutely and unconditionally assume and agree to perform the Plan, in the same manner and to the same extent that the Company would be required to perform the Plan if no such Asset Sale had taken place; or

(v) upon or within twenty-four (24) months following a Change in Control, (A) a reduction in the Participant’s Base Salary in effect immediately prior to the Change in Control or (B) a material reduction in the sum of (1) the Participant’s Target Bonus for the last completed fiscal year immediately prior to the Change in Control plus (2) the grant date fair value of equity or equity-based awards granted to the Participant under the Stock Plan for the last completed fiscal year immediately prior to the Change in Control;

provided, that any of the events described in clauses (i) – (iii) and (v) above shall constitute Good Reason only if the Participant provides the Company (or applicable employer following a Change in Control) with written objection to the event or condition within 90 days following the occurrence thereof, the Company (or applicable employer following a Change in Control) does not reverse or otherwise cure the event or condition within 30 days of receiving that written objection, and the Participant resigns employment within 30 days following the expiration of that cure period.

(z) “Other Severance Arrangements” means any plans, policies, guidelines, arrangements, agreements, letters and/or other communication, whether formal or informal, written or oral sponsored by the Company or any of its Affiliates and/or entered into by any representative of the Company or any of its Affiliates that might otherwise provide severance benefits upon a Covered Termination.

(aa) “Participant” means an Eligible Employee who is designated as a Participant by the Committee, subject to the requirements of Section 2. For purposes hereof, the Committee shall be permitted to (i) designate groups of Eligible Employees by category, job title or other classification it deems appropriate as Participants without the need to identify any individual Participant by name, provided that the Committee may determine in its sole discretion that any one or more Eligible Employees within a designated group shall not be a Participant in the Plan and (ii) delegate to Company management the authority to determine whether specific individuals qualify as Participants within the parameters set forth by the Committee.

(bb) “Person” means any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act).

(cc) “Release Agreement” means a release and/or waiver of claims in the form customarily provided by the Company Group to terminated employees, pursuant to which a Participant may be required to (i) acknowledge the receipt of the severance payment and other benefits, and (ii) release the Company and its Affiliates (including the Employer and its Affiliates) and other Persons designated by the Company from any and all claims and liabilities, whether known or unknown, or suspected or unsuspected, from the beginning of time until Participant’s execution of the Release Agreement, including without limitation, those arising from his or her employment or termination thereof (other than with respect to the Participant’s rights under the Plan).

(dd) “Severance Pay” means the Cash Severance Amount set forth on Appendix B for each Participant, payable in substantially equal installments in accordance with the Company’s payroll practices as in effect from time to time over the applicable number of months set forth on Appendix B.

(ee) “Severance Period” means the number of months set forth on Appendix B indicating the time the Cash Severance Amount will be paid to each Participant for a Covered Termination.

(ff) “Stock Plan” means the OptimizeRx Corporation 2021 Equity Incentive Plan, as amended from time to time (or any successor plan thereto adopted by the Company for the purpose of providing equity and other incentive compensation to the employees and other service providers of the Company or its Affiliates).

(gg) “Subsidized COBRA Period” means, with respect to any Participant, the period set forth on Appendix B, as attached hereto, as applicable.

(hh) “Target Bonus” means the Participant’s target annual bonus under the Annual Bonus Program.

Appendix B
Severance Payments on Covered Termination

Participant	Subsidized COBRA Period	Bonus Amount	Cash Severance Amount
Stephen Silvestro	From the date of the Covered Termination until the earliest of (x) 12 months thereafter, (y) the date the Participant becomes eligible for coverage under a subsequent employer's health plan, or (z) the date the Participant and/or the Participant's beneficiary(ies) cease to be eligible under COBRA.	1.0 times the Participant's Annual Bonus Target, paid in lump sum	1.5 times the Participant's Base Salary, paid in equal installments over 18 months
Edward Stelmakh	From the date of the Covered Termination until the earliest of (x) 12 months thereafter, (y) the date the Participant becomes eligible for coverage under a subsequent employer's health plan, or (z) the date the Participant and/or the Participant's beneficiary(ies) cease to be eligible under COBRA.	1.0 times the Participant's Annual Bonus Target, paid in lump sum	1.0 times the Participant's Base Salary, paid in equal installments over 12 months
Marion Odenca-Ford	From the date of the Covered Termination until the earliest of (x) 12 months thereafter, (y) the date the Participant becomes eligible for coverage under a subsequent employer's health plan, or (z) the date the Participant and/or the Participant's beneficiary(ies) cease to be eligible under COBRA.	1.0 times the Participant's Annual Bonus Target, paid in lump sum	1.0 times the Participant's Base Salary, paid in equal installments over 12 months
Douglas Besch	From the date of the Covered Termination until the earliest of (x) 6 months thereafter, (y) the date the Participant becomes eligible for coverage under a subsequent employer's health plan, or (z) the date the Participant and/or the Participant's beneficiary(ies) cease to be eligible under COBRA.	0.5 times the Participant's Annual Bonus Target, paid in lump sum	0.5 times the Participant's Base Salary, paid in equal installments over 6 months
Theresa Greco	From the date of the Covered Termination until the earliest of (x) 6 months thereafter, (y) the date the Participant becomes eligible for coverage under a subsequent employer's health plan, or (z) the date the Participant and/or the Participant's beneficiary(ies) cease to be eligible under COBRA.	0.5 times the Participant's Annual Bonus Target, paid in lump sum	0.5 times the Participant's Base Salary, paid in equal installments over 6 months

Appendix C
Payments on Change in Control Covered Termination

<u>Participant</u>	<u>CIC Covered Termination Payment Amount</u>
Stephen Silvestro	2.0 times the Participant's Base Salary
Edward Stelmakh	2.0 times the Participant's Base Salary
Marion Odenca-Ford	2.0 times the Participant's Base Salary
Douglas Besch	1.0 times the Participant's Base Salary
Theresa Greco	1.0 times the Participant's Base Salary

Exhibit A

OPTIMIZERX CORPORATION

BUSINESS PROTECTION AGREEMENT

In consideration of my employment with OptimizeRx Corporation, a Nevada corporation with its principal place of business in Waltham, Massachusetts, (the "Company"), and in recognition that (i) as an employee of the Company I will have access to Confidential Information (defined in Section 9 below), customers and corporate opportunities of Company, and (ii) if I become employed or affiliated with a Competing Organization (defined in Section 9 below), Company will be at risk, I agree with Company as follows:

1. Confidential Information.

a. No Unauthorized Disclosure or Use. While employed by Company and thereafter, I shall not, directly or indirectly, use or disclose to anyone outside of Company any Confidential Information other than pursuant to my employment by and for the benefit of Company.

b. Ownership of Confidential Information. I agree that all originals and all copies of manuscripts, letters, notes, notebooks, reports, models, computer files and other materials containing, representing, evidencing, recording, or constituting any Confidential Information (created by myself or others) shall be the sole property of Company or the property of third parties who lawfully disclosed the Confidential Information under obligations of confidentiality.

c. Third Party Confidential Information. I understand that Company from time to time has in its possession information which is claimed by others to be proprietary or confidential and which Company has agreed or is under an obligation to keep confidential. I agree that all such information shall be Confidential Information for purposes of this Agreement.

2. Developments.

a. Ownership. I agree that all Developments (defined in Section 9 below) created during the period of my employment with Company (whether or not made on Company's premises, during work hours or disclosed by me to Company), together with all products or services which embody these Developments, shall be the sole property of Company.

b. Assignment and Cooperation. I agree, for all Developments created during the period of my employment with Company or during the six month period following termination of my employment with Company, (i) to make and maintain adequate and current written records of all Developments, and to disclose all Developments promptly, fully and in writing to Company immediately upon development of the same and at any time upon request, (ii) that I hereby assign and will assign to Company all my right, title and interest in and to all Developments and to anything tangible which evidences, incorporates, constitutes, represents or records any Developments, (iii) to cooperate and assist Company in obtaining and maintaining any governmental protection it may seek for Developments, and to execute all documents that may be required therefor, and (iv) if any Developments constitute works made for hire under the laws of the United States, they shall be exclusive property of the Company, and should any Developments be held by a court of competent jurisdiction not to be a 'work made for hire', I hereby and will assign to Company all copyrights, patents and other proprietary rights I may have in any Developments, together with rights to file for and own wholly without restriction United States and foreign copyrights, patents, and trademarks with respect thereto. In the event the Company is unable to secure my signature on any application for patent, copyright or other analogous protection relating to any Development, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact (which designation and appointment shall be (i) deemed coupled with an interest and (ii) irrevocable, and shall survive my death or incapacity), to act for and in my behalf and stead to execute and file any application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights or other analogous protections with the same legal force and effect as if executed by me.

c. Prior Developments. I agree that the foregoing assignment covers all results, outputs and products of my work for Company prior to the date hereof (whether as an employee or as a consultant), and that all related copyrights, patents and other intellectual property rights, and that all such results, output and products are Developments and the sole property of Company.

3. Exceptions to this Agreement. I understand that Company does not desire to acquire from me any trade secrets or confidential business information that I may have acquired from others. I have informed Company, in the space below, of any (i) continuing obligations that I may have to any previous employers which require me not to disclose information to Company or compete with any such previous employers; and (ii) confidential information or developments which I claim as my own or otherwise intend to exclude from this Agreement because it was developed by me prior to the date of this Agreement. I understand that after execution of this Agreement I shall have no right to exclude confidential information or developments from this Agreement.

(If there are none, please enter the word "None"; attach additional pages as necessary)

Note: For obligations not to disclose information to Company or compete with any such previous employers, give the date of each obligation, identify the parties owed each obligation and the nature of any restriction. Please attach any such agreement(s) to this Agreement.

4. Employee's Obligation to Cooperate. At any time upon the request of Company, I shall execute all documents and perform all acts which Company considers necessary or advisable to secure its rights hereunder and to carry out the intent of this Agreement.

5. Return of Property. At any time upon the request of Company, and in any event upon cessation of employment, I shall return promptly to Company all Company property, including all Confidential Information and Developments and any copies thereof.

6. Employment At-Will. Nothing in this Agreement shall require that Company employ me for any period of time. I understand that I am an employee-at-will and that my employment relationship with Company may be terminated by Company or me at any time for any reason, with or without prior notice. I further understand that the employment-at-will relationship between me and Company cannot be modified by oral or written statements from supervisors, managers or others at Company; the at-will nature of my employment with Company can only be modified by a written agreement signed by the CEO of Company.

7. Restrictive Covenants.

a. I acknowledge and agree that Company has invested substantial time, money and resources in the development of its Confidential Information and the development and retention of its customers, clients, collaborators, and employees. I further acknowledge that during the course of my employment, I may be introduced to customers, clients, and collaborators of Company, and agree that any “goodwill” associated with any customer, client, or collaborator belongs exclusively to Company. In recognition of the foregoing, I specifically acknowledge and agree that while I am employed by Company and for a period of one (1) year after termination of such employment (for any reason, whether voluntary or involuntary) I will not directly or indirectly in any position or capacity engage in the following activities for myself or for any other person, business, corporation, partnership or other entity:

(i) call upon, solicit, divert, or accept, or attempt to solicit or divert any of Company’s business or prospective business from any of Company’s customers, clients, or collaborators, or prospective customers, clients, or collaborators with whom I had contact or whose dealings with Company I coordinated or supervised or about whom I obtained Confidential Information, unless I obtain prior written consent of Company;

(ii) refer, request, solicit, induce, hire (or attempt or assist in doing any of these actions) any employee or other persons (including consultants) who may have performed work or services for Company within one (1) year prior to the termination of my employment with Company to perform work or services for any person or entity other than Company; or

(iii) become employed by, associated with or render services to any Competing Organization in connection with any Competing Product anywhere in the world where Company does business or is planning to do business. I understand and agree that this covenant not to compete is reasonable in that I can continue my chosen profession when I leave the employment of Company so long as I do not work for companies that are Competing Organizations in connection with Competing Products and so long as I do not disclose confidential, proprietary and trade secret information of Company. I understand and agree that it does not impose an unnecessary restraint because of the nature of the confidential, proprietary and trade secret information of Company related to the Competing Products which mandates protection in the geographical areas described above. I also understand and agree that the covenant is necessary to protect the goodwill and confidential, proprietary and trade secret information of Company.

I ACKNOWLEDGE THAT THESE RESTRICTIONS SHALL APPLY AND BE BINDING REGARDLESS OF CHANGES IN MY POSITION, DUTIES, GEOGRAPHIC LOCATION, RESPONSIBILITIES OR COMPENSATION DURING MY EMPLOYMENT.

b. Confirmation of Post-Employment Status. I agree to inform Company, for a period of one year following the termination of my employment, of every place of employment and every affiliation I have in a company or business enterprise, directly or indirectly, as an employee, owner, manager, stockholder, consultant, director, officer, or partner. If I fail to so inform Company, and I have violated the obligations set forth in this Section 7, the one-year period shall run from the date that Company first learned of my activity.

c. Small Ownership Exemption. The provisions of this Section 7 shall not apply to ownership of less than one percent (1%) of the stock of any publicly traded corporation.

8. Corporate Compliance. I agree that I will abide by all policies and procedures that Company may have in effect from time to time, including without limitation, the Code of Conduct, Acceptable Use Policy, or any other corporate compliance programs or policies. I further acknowledge that failure to abide by policies and procedures may result in discipline, including immediate termination of my employment. Nothing herein limits my at-will employment with Company, pursuant to paragraph six (6) above.

9. Definitions. The following terms, as used in this Agreement, shall have the meanings set forth below:

a. "Competing Organization" shall mean persons, organizations, or any other entity, including myself, engaged in, or considering to become engaged in, research or development, production, distribution, marketing, providing or selling of a Competing Product.

b. "Competing Product" shall mean products, processes, or services of any person, organization, or entity other than Company, in existence or under development, which are substantially similar, may be substituted for, or applied to substantially similar end use of the products, processes or services with which I worked on in any capacity, including a sales or marketing capacity, at any time during my employment with Company or about which I acquired Confidential Information through my work with Company.

c. "Confidential Information" shall mean all trade secrets, proprietary information, and other data or information (and any tangible evidence, record or representation thereof), whether prepared, conceived or developed by an employee of Company (including myself) or received by Company from an outside source, which is in the possession of Company (whether or not the property of Company) and which is maintained in confidence by Company, including, but not limited to: (i) technical and business information; (ii) information relating to the design, manufacture, application, know-how, research and development of Company's products and services including Developments; (iii) sources of supply and material; (iv) operating and other cost data; (v) information relating to present, past or prospective customers, customer relationships, customer proposals, price lists and data relating to pricing of products or services; (vi) patient medical records and all other information relating to patients; and (vii) any other information not generally known in the industry, including specifically, all information contained in manuals, memoranda, formulae, plans, drawings and designs, specifications, supply sources, and records of Company whether or not legended or otherwise identified by Company as "Confidential Information." Notwithstanding the foregoing, the term Confidential Information shall not apply to information which senior management of Company has voluntarily disclosed to the public without restriction or which has otherwise lawfully entered the public domain.

d. "Developments" shall mean all Confidential Information and all other discoveries, inventions, ideas, concepts, research and other information, processes, products, methods and improvements, or parts thereof (including, without limitation, all computer programs, algorithms, subroutines, source codes, object codes, designs, and improvements), conceived, developed, or otherwise made by me, alone or jointly with others and in any way relating to the Corporation's present or proposed services, programs or products or to tasks assigned to me during the course of my employment, whether or not patentable or subject to copyright protection and whether or not reduced to tangible form or reduced to practice.

e. "Company" includes OptimizeRx and all other companies or entities currently or which in the future are related or affiliated with OptimizeRx.

10. Miscellaneous Provisions.

a. Entire Agreement and Amendment. This Agreement contains the entire and only agreement between Company and me respecting the subject matter hereof, and it supersedes all prior agreements and representations with regard to the subject matter hereof; provided however, to the extent I have a prior written agreement with Company regarding confidentiality, noncompetition, nonsolicitation, and/or developments, that agreement shall remain in full force and effect, as applicable. In the event of any inconsistency between this Agreement and any other contract between Company and me, the provisions of this Agreement shall prevail (unless such other contract expressly supersedes this Agreement). No modification of this Agreement shall be binding upon me or Company unless made in writing and signed by an authorized officer of Company.

b. Survival and Waivers. This Agreement will remain in effect if I am transferred, promoted, or reassigned to work on functions other than my present functions anywhere within Company. My obligations under this Agreement shall survive the termination of my employment with Company regardless of the manner of or reasons for such termination, and regardless of whether such termination constitutes a breach of any other agreement I may have with Company. This Agreement shall inure to the benefit of, and be binding upon, Company and me and our respective heirs, legal representatives, successors and assigns. This Agreement may be assigned by Company for no additional consideration and without my consent to any successor entity in the event of a merger, acquisition, change of control, or sale of all or a part of the business or assets of Company. I acknowledge that the term "Company," as used in this Agreement, shall also mean any such successor entity as the context requires. Failure by Company to insist upon strict compliance with any term of this Agreement shall not be deemed a waiver of that or any other right.

c. Interpretation. In the event that any provision of this Agreement shall be determined to be unenforceable by any court of competent jurisdiction by reason of its extending for too great a period of time or over too large a geographic area or over too great a range of activities, it shall be interpreted to extend only over the maximum period of time, geographic area or range of activities as to which it may be enforceable. If after application of the immediately preceding sentence, any provision of this Agreement shall be determined to be invalid, illegal or otherwise unenforceable by any court of competent jurisdiction, the validity, legality and enforceability of the other provisions of this Agreement shall not be affected. Except as otherwise provided in this paragraph, any invalid, illegal or unenforceable provision of this Agreement shall be severable and all other provisions hereof shall remain in full force and effect.

d. Equitable Relief. I acknowledge and agree that (i) the provisions set forth in this Agreement are necessary and reasonable to protect Company's Confidential Information and goodwill; (ii) the specific time, geography and scope provisions set forth in Section 7 are reasonable and necessary to protect Company's business interests; and (iii) in the event of my breach of any of the agreements set forth in this Agreement, Company would suffer substantial irreparable harm and that Company would not have an adequate remedy at law for such breach. In recognition of the foregoing, I agree that in the event of a breach or threatened breach of any of these covenants, in addition to such other remedies as Company may have at law, without posting any bond or security, Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available.

e. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the state of Nevada without regard to its principles of conflicts of laws, and shall be deemed to be effective as of the first day of my employment by Company. Both parties further agree that any action, demand, claim or counterclaim relating to this Agreement shall be resolved by a judge alone, and both parties hereby waive and forever renounce the right to a trial before a civil jury.

BY PLACING MY SIGNATURE HEREUNDER, I ACKNOWLEDGE THAT I HAVE HAD ADEQUATE OPPORTUNITY TO REVIEW THESE TERMS AND CONDITIONS AND TO REFLECT UPON AND CONSIDER THE TERMS AND CONDITIONS OF THIS AGREEMENT. I FURTHER ACKNOWLEDGE THAT I FULLY UNDERSTAND ITS TERMS AND THAT I VOLUNTARILY EXECUTED THIS AGREEMENT.

Date: _____

Date: _____

EMPLOYEE:

By: _____
Print
Name: _____

ACCEPTED:

OPTIMIZERx CORPORATION

By: _____
Name: _____
Its: _____

**AMENDMENT NO. 2
TO FINANCING AGREEMENT**

AMENDMENT NO. 2 TO FINANCING AGREEMENT, dated as of September 30, 2024 (this "Amendment"), to the Financing Agreement, dated as of October 11, 2023 (as amended, restated, supplemented or otherwise modified from time to time, including by that certain Joinder Agreement, dated as of October 24, 2023, by and among the Lead Borrower (as defined below), Orion Merger Sub, Inc. ("Merger Sub") and the Collateral Agent (as defined below), that certain Joinder and Assumption Agreement, dated as of October 25, 2023, by and among the Lead Borrower, Merger Sub, Healthy Offers, Inc. and the Collateral Agent and as amended by Amendment No. 1 to Financing Agreement, dated as of March 29, 2024, the "Financing Agreement"), by and among OptimizeRx Corporation (the "Lead Borrower"), the lenders from time to time party thereto (each a "Lender" and, collectively, the "Lenders") and Blue Torch Finance, LLC ("Blue Torch"), as collateral agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), and Blue Torch, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent" and together with the Collateral Agent, each an "Agent" and, collectively, the "Agents").

WHEREAS, pursuant to Section 7.03(a) of the Financing Agreement, the Leverage Ratio of the Lead Borrower and its Subsidiaries for the Test Period ending September 30, 2024 is not to exceed 3.50:1.00;

WHEREAS, the Loan Parties have requested, and, subject to the following conditions and notwithstanding anything to the contrary in the Financing Agreement, the Agents and the Required Lenders have agreed to, amend the Financing Agreement to add the underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Section 2; and

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All terms used herein that are defined in the Financing Agreement and not otherwise defined herein shall have the meanings assigned to them in the Financing Agreement.

2. Amendment. Subject to the terms and conditions contained herein, the Agents and the Required Lenders hereby agree to amend Section 1.01 of the Financing Agreement by amending the definition of "Leverage Ratio" as follows:

(a) "Leverage Ratio" means, with respect to any Person and its Subsidiaries for any period, the ratio of (a) all Indebtedness described in clauses (a), (b), (c), (d), (e) and (f) in the definition thereof of such Person and its Subsidiaries as of the end of such Test Period (or, in the case of the Test Period ending September 30, 2024, as of October 15, 2024), less an amount, which shall not exceed \$7,500,000, equal to the amount of Qualified Cash as of such test period (or, in the case of the Test Period ending September 30, 2024, as of October 15, 2024) to (b) Consolidated Adjusted EBITDA of such Person and its Subsidiaries for such Test Period.

3. Representations and Warranties. Each Loan Party hereby represents and warrants to the Agents and the Lenders as follows:

(a) Representations and Warranties; No Event of Default. The representations and warranties herein, in Article VI of the Financing Agreement and in each other Loan Document, certificate or other writing delivered by or on behalf of the Loan Parties to any Agent or any Lender pursuant to the Financing Agreement or any other Loan Document on or immediately prior to the Amendment Effective Date are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date), and no Default or Event of Default has occurred and is continuing as of the Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(b) Organization, Good Standing, Etc. Each Loan Party (i) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to conduct its business as now conducted and as presently contemplated, and to execute and deliver this Amendment, and to consummate the transactions contemplated hereby and by the Financing Agreement, as amended hereby, and (iii) is duly qualified to do business in, and is in good standing in each jurisdiction where the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except (solely for the purposes of this subclause (iii)) where the failure to be so qualified and be in good standing could not reasonably be expected to have a Material Adverse Effect.

(c) Authorization, Etc. The execution and delivery by each Loan Party of this Amendment and each other Loan Document to which it is or will be a party, and the performance by it of the Financing Agreement, as amended hereby, (i) are within the power and authority of such Loan Party and have been duly authorized by all necessary action, (ii) do not and will not contravene any of its Governing Documents, (iii) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document) upon or with respect to any of its properties, (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties, except (solely for the purposes of this subclause (iv)) to the extent that such default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect and (v) do not contravene any applicable Requirement of Law or any Contractual Obligation binding on or otherwise affecting it or any of its properties, except (solely for the purposes of this subclause (v)) to the extent it could not reasonably be expected to have a Material Adverse Effect.

(d) Enforceability of Loan Documents. This Amendment is, and each other Loan Document to which any Loan Party is or will be a party, when delivered hereunder, will be, a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by principles of equity.

(e) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the due execution, delivery and performance by any Loan Party of any Loan Document to which it is or will be a party.

4. Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction in full, in a manner satisfactory to the Agents, of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being hereinafter referred to as the "Amendment Effective Date"):

(a) Payment of Fees, Etc. The Borrowers shall have paid on or before the Amendment Effective Date all fees, costs, expenses and taxes then payable, if any, pursuant to Section 2.06 or 12.04 of the Financing Agreement.

(b) Delivery of Documents. The Collateral Agent shall have received on or before the Amendment Effective Date a copy of this Amendment, duly executed by the Loan Parties, each Agent and the Required Lenders.

5. Continued Effectiveness of the Financing Agreement and Other Loan Documents. Each Loan Party hereby (a) acknowledges and consents to this Amendment, (b) confirms and agrees that the Financing Agreement and each other Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Amendment Effective Date, all references in any such Loan Document to "the Financing Agreement", the "Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Financing Agreement shall mean the Financing Agreement as amended by this Amendment, and (c) confirms and agrees that, to the extent that any such Loan Document purports to assign or pledge to the Collateral Agent, for the benefit of the Agents and the Lenders, or to grant to the Collateral Agent, for the benefit of the Agents and the Lenders, a security interest in or Lien on any Collateral as security for the Obligations of the Loan Parties from time to time existing in respect of the Financing Agreement (as amended hereby) and the other Loan Documents, such pledge, assignment and/or grant of the security interest or Lien is hereby ratified and confirmed in all respects. This Amendment does not and shall not affect any of the obligations of the Loan Parties, other than as expressly provided herein, including, without limitation, the Loan Parties' obligations to repay the Loans in accordance with the terms of Financing Agreement or the obligations of the Loan Parties under any Loan Document to which they are a party, all of which obligations shall remain in full force and effect. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Agent or any Lender under the Financing Agreement or any other Loan Document nor constitute a waiver of any provision of the Financing Agreement or any other Loan Document.

6. No Novation. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Financing Agreement or instruments securing the same, which shall remain in full force and effect, except as modified hereby.

7. No Representations by Agents or Lenders. Each Loan Party hereby acknowledges that it has not relied on any representation, written or oral, express or implied, by any Agent or any Lender, other than those expressly contained herein, in entering into this Amendment.

8. Release. Each Loan Party hereby acknowledges and agrees that: (a) neither it nor any of its Subsidiaries has any claim or cause of action against any Agent or any Lender (or any of the directors, officers, employees, agents, attorneys or consultants of any of the foregoing), and (b) the Agents and the Lenders have heretofore properly performed and satisfied in a timely manner all of their obligations to the Loan Parties, and all of their Subsidiaries and Affiliates. Notwithstanding the foregoing, the Agents and the Lenders wish (and the Loan Parties agree) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of their rights, interests, security and/or remedies. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Loan Party (for itself and its Subsidiaries and Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "Releasors") does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge the Agents and the Lenders, together with their respective Affiliates and Related Funds, and each of the directors, officers, employees, agents, attorneys and consultants of each of the foregoing (collectively, the "Released Parties"), from any and all debts, claims, allegations, obligations, damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the Amendment Effective Date directly arising out of, connected with or related to this Amendment, the Financing Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, or the agreements of any Agent or any Lender contained therein, or the possession, use, operation or control of any of the assets of any Loan Party, or the making of any Loans or other advances, or the management of such Loans or other advances or the Collateral. Each Loan Party represents and warrants that it has no knowledge of any claim by any Releasor against any Released Party or of any facts or acts or omissions of any Released Party which on the date hereof would be the basis of a claim by any Releasor against any Released Party which would not be released hereby.

9. Further Assurances. The Loan Parties shall execute any and all further documents, agreements and instruments, and take all further actions, as may be required under Applicable Law or as any Agent may reasonably request, in order to effect the purposes of this Amendment.

10. Miscellaneous.

(a) This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart of this Amendment.

(b) Section and paragraph headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(c) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(d) Each Loan Party hereby acknowledges and agrees that this Amendment constitutes a “Loan Document” under the Financing Agreement. Accordingly, it shall be an immediate Event of Default under the Financing Agreement if (i) any representation or warranty made by any Loan Party under or in connection with this Amendment shall have been incorrect in any respect when made or deemed made, or (ii) any Loan Party shall fail to perform or observe any term, covenant or agreement contained in this Amendment.

(e) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date set forth on the first page hereof.

BORROWERS:

OPTIMIZERX CORPORATION

By: /s/ Edward Stelmakh

Name: Edward Stelmakh

Title: CFO & COO

HEALTHY OFFERS, INC.

By: /s/ Edward Stelmakh

Name: Edward Stelmakh

Title: CFO

Amendment No. 1 to Financing Agreement

COLLATERAL AGENT,
ADMINISTRATIVE AGENT AND
LENDER:

BLUE TORCH FINANCE, LLC

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 2 to Financing Agreement

LENDERS:

BTC HOLDINGS SBAF FUND LLC

By: Blue Torch Credit Opportunities SBAF Fund LP, *its sole member*

By: Blue Torch Credit Opportunities SBAF GP, LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC HOLDINGS KRS FUND LLC

By: Blue Torch Credit Opportunities KRS Fund LP, *its sole member*

By: Blue Torch Credit Opportunities KRS GP, LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BLUE TORCH CREDIT OPPORTUNITIES

UNLEVERED FUND III LP

By: Blue Torch Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 2 to Financing Agreement

BTC HOLDINGS FUND III LLC

By: Blue Torch Credit Opportunities Fund III LP, *its sole member*

By: Blue Torch Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC HOLDINGS FUND III-B LLC

By: Blue Torch Credit Opportunities Fund III LP, *its sole member*

By: Blue Torch Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC HOLDINGS SC FUND LLC

By: Blue Torch Credit Opportunities SC Master Fund LP, *its sole member*

By: Blue Torch Credit Opportunities SC GP LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 2 to Financing Agreement

BTC OFFSHORE HOLDINGS FUND III LLC

By: Blue Torch Offshore Credit Opportunities Master
Fund III LP, *its sole member*

By: Blue Torch Offshore Credit Opportunities GP III
LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 2 to Financing Agreement

AMENDMENT NO. 3

TO FINANCING AGREEMENT

AMENDMENT NO. 3 TO FINANCING AGREEMENT, dated as of February 5, 2025 (this "Amendment"), to the Financing Agreement, dated as of October 11, 2023 (as amended, restated, supplemented or otherwise modified from time to time, including by that certain Joinder Agreement, dated as of October 24, 2023, by and among the Lead Borrower (as defined below), Orion Merger Sub, Inc. ("Merger Sub") and the Collateral Agent (as defined below), that certain Joinder and Assumption Agreement, dated as of October 25, 2023, by and among the Lead Borrower, Merger Sub, Healthy Offers, Inc. and the Collateral Agent and as amended by Amendment No. 1 to Financing Agreement, dated as of March 29, 2024 and by Amendment No. 2 to Financing Agreement, dated as of September 30, 2024, the "Financing Agreement"), by and among OptimizeRx Corporation (the "Lead Borrower"), the lenders from time to time party thereto (each a "Lender" and, collectively, the "Lenders") and Blue Torch Finance, LLC ("Blue Torch"), as collateral agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Collateral Agent"), and Blue Torch, as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Administrative Agent" and together with the Collateral Agent, each an "Agent" and, collectively, the "Agents").

WHEREAS, pursuant to Section 12.02 of the Financing Agreement, the Loan Parties have requested, and, subject to the following conditions and notwithstanding anything to the contrary in the Financing Agreement, the Agents and the Required Lenders have agreed to, amend the Financing Agreement to add the underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Section 2; and

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All terms used herein that are defined in the Financing Agreement and not otherwise defined herein shall have the meanings assigned to them in the Financing Agreement.

2. Amendment. Subject to the terms and conditions contained herein, the Agents and the Required Lenders hereby agree to amend Section 1.01 of the Financing Agreement by amending clause (x) of the definition of "Consolidated Adjusted EBITDA" as follows:

(i) "(x) other extraordinary, unusual or non-recurring non-cash charges and extraordinary, unusual or non-recurring items (including cash items) in an amount not to exceed 5.0% of Consolidated EBITDA in any Test Period, provided, that, from the period commencing on January 1, 2025 and continuing until the Test Period ending June 30, 2026, amounts attributable to severance payments made to William J. Febbo in excess of the foregoing cap, not to exceed \$1,100,000 in the aggregate, may be added back pursuant to this clause (x)."

4. Representations and Warranties. Each Loan Party hereby represents and warrants to the Agents and the Lenders as follows:

(a) Representations and Warranties; No Event of Default. The representations and warranties herein, in Article VI of the Financing Agreement and in each other Loan Document, certificate or other writing delivered by or on behalf of the Loan Parties to any Agent or any Lender pursuant to the Financing Agreement or any other Loan Document on or immediately prior to the Amendment Effective Date are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such date as though made on and as of such date, except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to “materiality” or “Material Adverse Effect” in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date), and no Default or Event of Default has occurred and is continuing as of the Amendment Effective Date or would result from this Amendment becoming effective in accordance with its terms.

(b) Organization, Good Standing, Etc. Each Loan Party (i) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to conduct its business as now conducted and as presently contemplated, and to execute and deliver this Amendment, and to consummate the transactions contemplated hereby and by the Financing Agreement, as amended hereby, and (iii) is duly qualified to do business in, and is in good standing in each jurisdiction where the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary except (solely for the purposes of this subclause (iii)) where the failure to be so qualified and be in good standing could not reasonably be expected to have a Material Adverse Effect.

(c) Authorization, Etc. The execution and delivery by each Loan Party of this Amendment and each other Loan Document to which it is or will be a party, and the performance by it of the Financing Agreement, as amended hereby, (i) are within the power and authority of such Loan Party and have been duly authorized by all necessary action, (ii) do not and will not contravene any of its Governing Documents, (iii) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document) upon or with respect to any of its properties, (iv) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any permit, license, authorization or approval applicable to its operations or any of its properties, except (solely for the purposes of this subclause (iv)) to the extent that such default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal could not reasonably be expected to have a Material Adverse Effect and (v) do not contravene any applicable Requirement of Law or any Contractual Obligation binding on or otherwise affecting it or any of its properties, except (solely for the purposes of this subclause (v)) to the extent it could not reasonably be expected to have a Material Adverse Effect.

(d) Enforceability of Loan Documents. This Amendment is, and each other Loan Document to which any Loan Party is or will be a party, when delivered hereunder, will be, a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors’ rights generally and by principles of equity.

(e) Governmental Approvals. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority is required in connection with the due execution, delivery and performance by any Loan Party of any Loan Document to which it is or will be a party.

5. Conditions to Effectiveness. This Amendment shall become effective only upon satisfaction in full, in a manner satisfactory to the Agents, of the following conditions precedent (the first date upon which all such conditions shall have been satisfied being hereinafter referred to as the "Amendment Effective Date"):

(a) Payment of Fees, Etc. The Borrowers shall have paid on or before the Amendment Effective Date (i) an amendment fee equal to 0.10% of the outstanding principal balance of the Term Loans as of the Amendment Effective Date and (ii) all fees, costs, expenses and taxes then payable, if any, pursuant to Section 2.06 or 12.04 of the Financing Agreement.

(b) Delivery of Documents. The Collateral Agent shall have received on or before the Amendment Effective Date a copy of this Amendment, duly executed by the Loan Parties, each Agent and the Required Lenders.

6. Continued Effectiveness of the Financing Agreement and Other Loan Documents. Each Loan Party hereby (a) acknowledges and consents to this Amendment, (b) confirms and agrees that the Financing Agreement and each other Loan Document to which it is a party is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects, except that on and after the Amendment Effective Date, all references in any such Loan Document to "the Financing Agreement", the "Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Financing Agreement shall mean the Financing Agreement as amended by this Amendment, and (c) confirms and agrees that, to the extent that any such Loan Document purports to assign or pledge to the Collateral Agent, for the benefit of the Agents and the Lenders, or to grant to the Collateral Agent, for the benefit of the Agents and the Lenders, a security interest in or Lien on any Collateral as security for the Obligations of the Loan Parties from time to time existing in respect of the Financing Agreement (as amended hereby) and the other Loan Documents, such pledge, assignment and/or grant of the security interest or Lien is hereby ratified and confirmed in all respects. This Amendment does not and shall not affect any of the obligations of the Loan Parties, other than as expressly provided herein, including, without limitation, the Loan Parties' obligations to repay the Loans in accordance with the terms of Financing Agreement or the obligations of the Loan Parties under any Loan Document to which they are a party, all of which obligations shall remain in full force and effect. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Agent or any Lender under the Financing Agreement or any other Loan Document nor constitute a waiver of any provision of the Financing Agreement or any other Loan Document.

7. No Novation. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Financing Agreement or instruments securing the same, which shall remain in full force and effect, except as modified hereby.

8. No Representations by Agents or Lenders. Each Loan Party hereby acknowledges that it has not relied on any representation, written or oral, express or implied, by any Agent or any Lender, other than those expressly contained herein, in entering into this Amendment.

9. Release. Each Loan Party hereby acknowledges and agrees that: (a) neither it nor any of its Subsidiaries has any claim or cause of action against any Agent or any Lender (or any of the directors, officers, employees, agents, attorneys or consultants of any of the foregoing), and (b) the Agents and the Lenders have heretofore properly performed and satisfied in a timely manner all of their obligations to the Loan Parties, and all of their Subsidiaries and Affiliates. Notwithstanding the foregoing, the Agents and the Lenders wish (and the Loan Parties agree) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of their rights, interests, security and/or remedies. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Loan Party (for itself and its Subsidiaries and Affiliates and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the “Releasors”) does hereby fully, finally, unconditionally and irrevocably release, waive and forever discharge the Agents and the Lenders, together with their respective Affiliates and Related Funds, and each of the directors, officers, employees, agents, attorneys and consultants of each of the foregoing (collectively, the “Released Parties”), from any and all debts, claims, allegations, obligations, damages, costs, attorneys’ fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done, in each case, on or prior to the Amendment Effective Date directly arising out of, connected with or related to this Amendment, the Financing Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, or the agreements of any Agent or any Lender contained therein, or the possession, use, operation or control of any of the assets of any Loan Party, or the making of any Loans or other advances, or the management of such Loans or other advances or the Collateral. Each Loan Party represents and warrants that it has no knowledge of any claim by any Releasor against any Released Party or of any facts or acts or omissions of any Released Party which on the date hereof would be the basis of a claim by any Releasor against any Released Party which would not be released hereby.

10. Further Assurances. The Loan Parties shall execute any and all further documents, agreements and instruments, and take all further actions, as may be required under Applicable Law or as any Agent may reasonably request, in order to effect the purposes of this Amendment.

11. Miscellaneous.

(a) This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by facsimile or electronic mail shall be equally effective as delivery of an original executed counterpart of this Amendment.

(b) Section and paragraph headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(c) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

(d) Each Loan Party hereby acknowledges and agrees that this Amendment constitutes a “Loan Document” under the Financing Agreement. Accordingly, it shall be an immediate Event of Default under the Financing Agreement if (i) any representation or warranty made by any Loan Party under or in connection with this Amendment shall have been incorrect in any respect when made or deemed made, or (ii) any Loan Party shall fail to perform or observe any term, covenant or agreement contained in this Amendment.

(e) Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date set forth on the first page hereof.

BORROWERS:

OPTIMIZERX CORPORATION

By: /s/ Edward Stelmakh

Name: Edward Stelmakh

Title: CFO & COO

HEALTHY OFFERS, INC.

By: /s/ Edward Stelmakh

Name: Edward Stelmakh

Title: CFO

COLLATERAL AGENT,
ADMINISTRATIVE AGENT AND
LENDER:

BLUE TORCH FINANCE, LLC

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 3 to Financing Agreement

LENDERS:

BTC HOLDINGS SBAF FUND LLC

By: Blue Torch Credit Opportunities SBAF Fund LP, *its sole member*

By: Blue Torch Credit Opportunities SBAF GP, LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC HOLDINGS KRS FUND LLC

By: Blue Torch Credit Opportunities KRS Fund LP, *its sole member*

By: Blue Torch Credit Opportunities KRS GP, LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

**BLUE TORCH CREDIT OPPORTUNITIES
UNLEVERED FUND III LP**

By: Blue Torch Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 3 to Financing Agreement

BTC HOLDINGS FUND III LLC

By: Blue Torch Credit Opportunities Fund III LP, *its sole member*

By: Blue Torch Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC HOLDINGS FUND III-B LLC

By: Blue Torch Credit Opportunities Fund III LP, *its sole member*

By: Blue Torch Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC HOLDINGS SC FUND LLC

By: Blue Torch Credit Opportunities SC Master Fund LP, *its sole member*

By: Blue Torch Credit Opportunities SC GP LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 3 to Financing Agreement

BTC OFFSHORE HOLDINGS FUND III-B LLC

By: Blue Torch Offshore Credit Opportunities Master Fund III LP, *its sole member*

By: Blue Torch Offshore Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

BTC OFFSHORE HOLDINGS FUND III-D LLC

By: Blue Torch Offshore Credit Opportunities Master Fund III LP, *its sole member*

By: Blue Torch Offshore Credit Opportunities GP III LLC, *its general partner*

By: KPG BTC Management LLC, *its sole member*

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Managing Member

Amendment No. 3 to Financing Agreement

**OPTIMIZERX CORPORATION
INSIDER TRADING POLICY**

This Insider Trading Policy (“Policy”) provides the standards of OptimizeRx Corporation (“OptimizeRx” or the “Company”) with respect to transactions in securities of the Company and the handling of confidential information about OptimizeRx and the companies with which OptimizeRx does business. The federal securities laws prohibit insider trading. Insider trading occurs when a person uses material non-public information obtained through involvement with the Company to make decisions to engage in transactions in the Company’s securities or transmits such information to any other person who may trade on the information. Please note that this insider trading policy supplements the restrictions set forth in the Company’s Code of Business Conduct and Ethics.

From time to time, the Company may engage in transactions in its own securities. It is the Company’s policy to comply with all insider trading laws, rules and regulations, and any applicable listing standards when engaging in transactions in its own securities.

This Policy applies to all transactions in the Company’s securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company’s securities, whether or not issued by the Company (referred to in this Policy as the “Company’s securities”). The term “transactions” or “trading” means broadly any purchase, sale or other transaction to acquire, transfer or dispose of securities, including market option exercises, gifts or other contributions, exercises of stock options granted under the Company’s equity plans, sales of stock acquired upon the exercise of options and the vesting of restricted stock and restricted stock units and trades made under an employee benefit plan.

Section 1 hereof applies to all of the directors, officers and employees of the Company and its subsidiaries. Section 1 of this Policy also applies to such persons’ family members, other members of such persons’ households and entities controlled by such persons, as described in more detail below. The Company may also determine that other persons should be subject to Section 1 of this Policy, such as contractors or consultants. Section 2 hereof applies to all directors and Officers of the Company and the employees described in Appendix A hereto. Section 2 of this Policy also applies to such persons’ family members, other members of such persons’ households and entities controlled by such persons, as described in more detail below. Section 3 hereof sets forth additional requirements applicable to directors and Officers of the Company.

If this Policy applies to you, it also applies to family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings, in-laws and adoptive relationships) or are financially dependent on you, and also includes other family members whose transaction in securities are directed by you or are subject to your influence or control (collectively referred to as “Family Members”). This Policy also applies to any other person who lives in your household and to any legal entities (such as a corporation, partnership or trust) that are influenced or controlled by you (collectively referred to as “Controlled Entities”).

Transactions by your Family Members, household members and Controlled Entities should be treated for the purposes of this Policy as if they were for your own account. ***Accordingly, all references to you with regard to all trading restrictions and pre-clearance procedures in this Policy also apply to your Family Members, household members and Controlled Entities. You are personally responsible for the actions of your Family Members, household members and Controlled Entities.***

The Company has established a “Compliance Committee,” consisting of the Company’s General Counsel, Chief Financial Officer and Chief Executive. All determinations and interpretations by a member of the Compliance Committee shall be final and not subject to further review.

Any violation of this Policy may result in immediate dismissal and may subject you to both civil and criminal penalties. This is an extremely important matter, and we urge you to read the following with care. If you have any questions about this Policy, including its application to any proposed transaction, you may obtain additional guidance from a member of the Compliance Committee. Do not try to resolve uncertainties on your own, as the rules relating to insider trading are often complex, not always intuitive and carry severe consequences.

Section 1: Trading Restrictions and Guidelines

Section 1 of this Policy applies to all of the directors, officers and employees of the Company and its subsidiaries. Section 1 of this Policy also applies to such persons’ Family Members, household members and Controlled Entities. *All references to you with regard to all trading restrictions in this Policy also apply to your Family Members, household members and Controlled Entities.* The Company may also determine that other persons should be subject to Section 1 of this Policy, such as contractors or consultants.

A. General Policy - Prohibition Against Trading On or Tipping Material Non-Public Information

While in the possession of material non-public information relating to OptimizeRx, you may not directly or indirectly through family members or other persons or entities:

1. Engage in transactions in Company securities, except as otherwise specified in this Policy under the heading “Certain Exceptions to the Trading Restrictions in this Policy.”
2. Recommend the purchase or sale of any Company securities; or
3. Communicate material non-public information concerning OptimizeRx to any other person (including relatives, friends or business associates), except to the extent necessary to perform authorized work for OptimizeRx or as required or specifically permitted by law or legal process. Nor should such information be discussed with any person within OptimizeRx under circumstances where it could be overheard. Written information should be appropriately safeguarded and should not be left where it may be seen by persons not entitled to the information.

In addition, if, in the course of employment with the Company or the performance of services on the Company’s behalf, you learn material non-public information about another company with which the Company proposes to, or does, business, including a vendor, customer or supplier of the Company, you may not (i) trade in that company’s securities until the information becomes public or is no longer material, or (ii) communicate that information or make any recommendation relating to the buying or selling of securities of such company to any other person, including family and friends, business associates, or in any consulting capacity.

There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company’s reputation for adhering to the highest standards of conduct. This means that you may have to forgo a proposed transaction in the Company’s or another company’s securities even if you planned to make the transaction before learning the material non-public information and even though you believe that waiting may cause you to suffer an economic loss or not realize anticipated profit.

This Policy continues to apply to transactions in Company securities even after termination of service to OptimizeRx. If an individual is in possession of material non-public information when his or her service terminates, that individual may not trade in Company securities until that information has become public or is no longer material. Unless notified otherwise by the Company, persons who leave during a blackout period will continue to be subject to such blackout period after termination of service to OptimizeRx. The pre-clearance procedures specified in Section 2 will cease to apply to transactions in Company securities upon the expiration of any blackout period or other Company-imposed trading restrictions applicable at the time of the termination of service.

B. Definitions

Material Information. Material information is any information that a reasonable investor would consider important in determining whether to buy, sell or hold securities. Positive or negative information may be material to investors. A determination as to whether information is material depends on all of the related facts and circumstances. Material information is not limited to historical facts but may also include projections and forecasts. Materiality is based on an assessment of all the facts and circumstances and is often evaluated by courts and enforcement authorities with the benefit of hindsight.

Information that you should consider material includes, but is not limited to:

- earnings information and quarterly results;
- financial forecasts, including earnings estimates;
- changes in previously released forecasts;
- significant merger, acquisition or divestiture proposals or agreements;
- major customer wins or losses;
- changes in auditors;
- significant changes in the Company's prospects;
- significant or unusual borrowing or liquidity issues;
- equity or debt offerings;
- purchases or redemptions of securities;
- change in management or the Company's board of directors;
- significant related party transactions;
- development of a significant new product or service;
- pending or threatened significant litigation, or the resolution of such litigation; and
- significant cybersecurity incidents.

Non-public Information. Information that has not been disclosed to the public is generally considered to be non-public information. Information is considered to be public when it has been released in a manner that is reasonably designed to provide broad, non-exclusionary distribution (e.g., by means of a press release or an SEC filing) and after enough time has elapsed to permit the investment market to absorb and evaluate the information. As a general rule, information should not be considered fully absorbed by the market until after the second business day after the day on which the information is released. Note that the information disseminated must be some form of "official" announcement. In other words, the fact that rumors, speculation, or statements attributed to unidentified sources are public is insufficient to be considered broadly distributed even when the information is accurate.

Officer. Officer means the individuals classified by the Company as officers for purposes of SEC rules under Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

C. Trading Blackout Periods

Quarterly Blackout Periods. You cannot engage in transactions in Company securities during a blackout period. OptimizeRx has established four routine quarterly blackout periods (“Quarterly Blackout Periods”). Each Quarterly Blackout Period begins at the close of trading on the 15th day of the final month of each fiscal quarter (i.e. March 15th, June 15th, September 15th, and December 15th) and ends on the commencement of trading on Nasdaq on the third trading day following the day on which OptimizeRx makes a public news release of its quarterly or annual earnings for the prior fiscal quarter or fiscal year, as the case may be.

Under certain very limited circumstances, a person subject to this restriction may be permitted to trade during a Quarterly Blackout Period, but only if the Compliance Committee concludes that the person does not in fact possess material non-public information. Persons wishing to trade during a Quarterly Blackout Period must contact the Compliance Committee for approval at least two business days in advance of any proposed transaction involving Company securities. Such request may be granted in the sole discretion of the Compliance Committee. Exceptions to the Quarterly Blackout Periods are granted infrequently and only in exceptional circumstances. *All exception requests should be emailed to the Compliance Committee at preclearance@optimizerx.com.*

Event-Specific Blackout Periods. In addition to the Quarterly Blackout Periods, the Compliance Committee may issue instructions from time to time advising some or all personnel that they may not engage in transactions in Company securities for certain periods, or that our securities may not be traded without prior approval (an “Event-Specific Blackout Period”). Due to the confidential nature of the events that may trigger these sorts of blackout periods, the Compliance Committee may find it necessary to inform affected individuals of a blackout period without disclosing the reason. If you are made aware of such a blackout period, do not disclose its existence to anyone. Exceptions will not be granted during an Event-Specific Blackout Period.

D. Certain Exceptions to the Trading Restrictions in this Policy

The trading restrictions in this Policy (including the blackout period restrictions) do not apply in the case of the following transactions, except as specifically noted:

Exercise of Stock Options. The trading restrictions in this Policy do not apply to the exercise of an employee stock option acquired pursuant to the Company’s equity plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. The trading restrictions in this Policy *do* apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

Vesting of Restricted Stock Awards and Restricted Stock Unit Awards. The trading restrictions in this Policy do not apply to the vesting of restricted stock or restricted stock units, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock or restricted stock unit. The trading restrictions in this Policy *do* apply, however, to any market sale of restricted stock and shares of stock received upon the vesting of restricted stock units.

Rule 10b5-1 Trading Plan. The trading restrictions in this Policy do not apply to purchases or sales of the Company's securities pursuant to a pre-approved Rule 10b5-1 trading program (a "Rule 10b5-1 Plan"). Implementation of a Rule 10b5-1 Plan under the Exchange Act provides an affirmative defense (which must be proven) from insider trading liability under Rule 10b-5. A Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material non-public information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. Entry into a Rule 10b5-1 Plan must comply with the requirements set forth in "Rule 10b5-1 Plans" below.

E. Rule 10b5-1 Plans

Entry into a Rule 10b5-1 Plan requires the prior written approval of the Compliance Committee (which approval may include an email confirmation). Any Rule 10b5-1 Plan must be submitted for approval five days prior to the entry into the Rule 10b5-1 Plan. *All pre-clearance submissions should be emailed to the Compliance Committee at preclearance@optimizerx.com.* No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required. You may not adopt a Rule 10b5-1 Plan during any Quarterly Blackout Period or Event-Specific Blackout Period, or at a time when you are aware of material non-public information. The following requirements apply to all Rule 10b5-1 Plans:

- directors and Officers may not commence sales under a Rule 10b5-1 plan until the later of (i) 90 days following the date of adoption or modification of such plan; or (ii) two business days following the disclosure of the Company's financial results in a Form 10-K or Form 10-Q relating to the fiscal quarter in which the Rule 10b5-1 plan was adopted or modified (but not to exceed 120 days following plan adoption or modification);
- all persons other than directors and Officers, may not commence sales under a Rule 10b5-1 plan until 30 days following the date of adoption or modification of such plan;
- directors and Officers must provide a representation in the Rule 10b5-1 plan certifying that, on the date of adoption or modification of the plan, they (i) are not aware of material nonpublic information about the Company or its securities; and (ii) are adopting or modifying the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5;
- subject to the limited exceptions set forth in Rule 10b5-1, you may not maintain multiple, overlapping plans;
- subject to the limited exceptions set forth in Rule 10b5-1, you can utilize only one single-trade plan (i.e. a plan designed to effect only a single transaction) during any 12 month period; and
- you must act in good faith with respect to the Rule 10b5-1 plan, not just in connection with entering into the plan.

The Company may impose additional restrictions on Rule 10b5-1 Plans, including without limitation:

- requiring that all plans be managed by an administrator selected by the Company;
- restrictions on termination or modification of plans;

- prohibition on entry into new plans for extended periods following termination of an existing plan; and
- prescribed periods during which persons may enter into plans.

Modification or termination of Rule 10b5-1 Plans are generally discouraged absent compelling circumstances. Any modification to any Rule 10b5-1 Plan is treated as the entry into a new plan and must comply with all of the above requirements.

F. Violations of Insider Trading Laws

Penalties for trading on or communicating material non-public information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory. Individuals also may be prohibited from serving as directors or officers of the Company or any other public company. Keep in mind that there are no limits on the size of a transaction that will trigger insider trading liability; relatively small trades have in the past occasioned SEC investigations and lawsuits.

Legal Penalties. A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material non-public information can be sentenced to a substantial jail term and required to pay a penalty of several times the amount of profits gained or losses avoided. In addition, a person who tips others may also be liable for transactions by the tippers to whom he or she has disclosed material non-public information. Tippers can be subject to the same penalties and sanctions as the tpees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction. The SEC can also seek substantial penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel.

Company-imposed Penalties. An individual who violates this Policy may be subject to disciplinary action by the Company, including dismissal or removal for cause.

G. Additional Guidelines

The Company considers it improper and inappropriate for those employed by or associated with the Company to engage in short-term or speculative transactions in the Company's securities or in other transactions in the Company's securities that may lead to inadvertent violations of the insider trading laws. It therefore is the Company's policy that any persons covered by this Policy may not engage in any of the following transactions (even if they do not possess material non-public information):

Short Sales. You may not engage in short sales of the Company's securities (sales of securities that are not then owned), including a "sale against the box" (a sale with delayed delivery). Short sales of Company securities may evidence an expectation on the part of the seller that the securities will decline in value, and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of Company securities are prohibited.

Publicly Traded Options. You may not engage in transactions in publicly traded options related to the Company's securities, such as puts, calls and other derivative securities, on an exchange or in any other organized market. Given the relatively short term of publicly traded options, transactions in options related to the Company's securities may create the appearance that you are trading based on material non-public information and focus your attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in publicly traded options related to the Company's securities on an exchange or in any other organized market are prohibited by this Policy.

Hedging Transactions. Hedging or monetization transactions can be accomplished through a number of possible mechanisms, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars and exchange funds. Such hedging transactions may permit you to continue to own Company securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, you may no longer have the same objectives as the Company's other stockholders. Therefore, you are prohibited from engaging in any such transactions.

Margin Accounts and Pledges. Securities held in a margin account or pledged as collateral for a loan may be sold without your consent by the broker if you fail to meet a margin call or by the lender in foreclosure if you default on the loan. A margin or foreclosure sale that occurs when you are aware of material non-public information may, under some circumstances, result in unlawful insider trading. Therefore, you are prohibited from holding Company securities in margin accounts or pledging Company securities as collateral for a loan.

Section 2: Additional Restrictions Applicable to Directors, Officers and Designated Employees

Section 2 of this Policy imposes additional restrictions and applies to all directors and Officers of the Company and the employees described in Appendix A hereto ("Designated Employees"). This section of the Policy also applies to such persons' Family Members, household members and Controlled Entities.

A. Pre-Clearance

OptimizeRx requires that all directors, Officers and Designated Employees, as well as their respective Family Members, household members and Controlled Entities, obtain prior written approval from the Compliance Committee (which approval may include an email confirmation) before engaging in any transaction in Company securities. A request for pre-clearance should be submitted to the Compliance Committee at least two business days in advance of the proposed transaction. The Compliance Committee is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Company securities, and should not inform any other person of the restriction. If approved, the transaction must be completed within five business days, but in no event after the commencement of a blackout period. If the transaction does not occur during the five business day period, pre-clearance of the transaction must be re-requested. A form of "Request for Approval" is attached as Appendix B hereto and should be used to request approval hereunder, unless otherwise notified by a member of the Compliance Committee. *All pre-clearance requests should be emailed to the Compliance Committee at preclearance@optimizerx.com.*

The Compliance Committee's approval of a transaction submitted for pre-clearance does not constitute legal advice, does not constitute confirmation that you do not possess material non-public information and does not relieve you of any of your legal obligations.

A member of the Compliance Committee may not trade in our securities unless another member of the Compliance Committee has approved the trade(s) in accordance with this Policy's procedures.

B. Use of Rule 10b5-1 Plans

Directors, Officers and Designated Employees, as well as their respective Family Members, household members and Controlled Entities, who wish to trade in Company securities are strongly encouraged to trade such securities pursuant to a Rule 10b5-1 Plan. See Section 1E above.

Section 3: Additional Requirements Applicable to Directors and Officers

Directors and Officers of the Company (the “Section 16 Insiders”) are also subject to the reporting and short-swing profit rules under Section 16 of the Exchange Act.

A. Reporting Requirements

Section 16(a) requires the directors and Officers of the Company to file reports with the SEC that identify their beneficial ownership of the Company’s equity securities and any transactions they make in those securities. A Form 3 must be filed no later than the tenth (10th) calendar day after an individual becomes a director or Officer of the Company, and any subsequent change in beneficial ownership by a Section 16 Insider must, unless exempt from reporting or eligible for deferred reporting, be reported on a Form 4 filed within two business days. These reports must be filed with the SEC via EDGAR and are therefore immediately publicly available upon filing. Section 16(a) imposes the obligation to file ownership reports with the SEC on the individual insiders, not on the Company. However, the Company must disclose any delinquent Section 16 filers in its annual proxy statement and identify the trading information that was not properly filed. While it is not the Company’s obligation to do so, it is the Company’s practice to assist each of its Section 16 Insiders in filing their Section 16(a) reports: In order to facilitate timely compliance, a Section 16 Insider (or his or her broker) must immediately report (no later than the same day such Section 16 Insider engages in the transaction) detailed trade information, in writing, to Company’s General Counsel and Chief Financial Officer for all transactions made in Company securities by such insider, any family members, household members and entities that such insider controls. Although it is the individual responsibility and legal obligation of each director and Officer to comply with the reporting requirements described herein, the Compliance Officers will, upon being advised of a transaction, endeavor to prepare and, pursuant to a power of attorney, timely file Section 16(a) reports on behalf of each Section 16 Insider. A power of attorney (the “POA”) that authorizes Company personnel to prepare, complete and file Section 16(a) reports, and otherwise act on a Section 16 Insider’s behalf regarding Section 16(a) reports, is attached hereto as Appendix C. Section 16 Insiders who would like the Company to assist them with their Section 16(a) reports should sign the POA and return it to the Company’s General Counsel and Chief Financial Officer.

In addition to the disclosure requirements imposed by Section 16 of the Exchange Act, directors and Officers of the Company are required to file a Form 144 before making an open market sale of OptimizeRx securities. Form 144 notifies the SEC of your intent to sell OptimizeRx securities. This form is generally prepared and filed by your broker.

B. Short-Swing Profit Rules

Section 16(b) provides for the recovery of “short-swing” profits from a Section 16 Insider resulting from certain transactions in Company securities “beneficially owned” by them. Specifically, a Section 16 Insider is required by law to turn over to the Company any “profit” realized upon a purchase followed by a sale, or a sale followed by a purchase, of any equity security of the Company that is beneficially owned by him or her and made within a period of less than six months. A profit may result even if the purchase and sale involve different types of equity securities. Moreover, any sale or purchase may be matched with any purchase or sale within the period such that there may be recoverable “profit” even if there has been no economic benefit to the individual in question. The good faith of a director or Officer is irrelevant to whether recovery is required under Section 16.

Transactions in the Company’s securities by persons related to a Section 16 Insider (e.g., spouse, children, grandchildren and in-laws), or by entities in which he or she may have an indirect interest (e.g., partnerships, corporations and trusts) may be attributed to the Section 16 Insider. Accordingly, such related persons or entities should be advised not to engage in trades within six months of trades engaged in by the Section 16 Insider, or engaged in by each other, without considering the implications of the short-swing profit rules.

Amended: March 3, 2025

Amended: March 7, 2023

Approved and adopted: June 22, 2021

Appendix A

DESIGNATED EMPLOYEES

Our current Designated Employees for purposes of our Insider Trading Policy are on file with the Compliance Committee. The Compliance Committee may alter the list of Designated Employees at any time, in which case the Compliance Committee will provide written notice to any individuals added or removed from such list.

Appendix B

REQUEST FOR APPROVAL TO TRADE COMPANY SECURITIES

Number of Securities (e. g., shares): _____

Type of Security [check all applicable boxes]

- Common stock
- Restricted stock
- Stock Option
- Debt Securities
- Other _____

Type of Transaction [check all applicable boxes]

- Stock option exercise (must complete applicable exercise form)
- Purchase
- Sale
- Gift (Name of Donnee)
- Rule 10b5-1 Plan (attach a copy of the 10b5-1 Plan to this request form)
- Sale under benefit plans
- Other _____

Broker Contact Information

Company Name _____
Contact Name _____
Telephone _____
Fax _____
Account Number _____
Social Security or other Tax Identification Number _____

Status (check all applicable boxes and complete blanks)

- Employee – Citizenship _____, Country in which you are based _____
- Board Member

I am not currently in possession of any material non-public information relating to OptimizeRx Corporation. I hereby certify that the statements made on this form are true and correct. I have also discussed any questions I had with respect to OptimizeRx's insider trading policy and its applicability to the transactions contemplated hereby with a member of the Compliance Committee.

Signature _____ Print Name _____
Date: _____ Telephone Number _____

(office use only)

Request Approved (transaction must be completed within 5 business days after approval)

Request Denied

Request Approved with the following modification: _____

Signature & Date _____

Appendix C

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoints each of Marion Odence-Ford and Ed Stelmakh, individually, with full power of substitution, the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer and/or director of OptimizeRx Corporation (the "Company"), Forms 3, 4, and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Form 3, 4, or 5, complete and execute any amendment or amendments thereto, and timely file such form with the U.S. Securities and Exchange Commission and any stock exchange or similar authority; and
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact, individually, full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that each such attorney-in-fact, or each such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this Power of Attorney and the rights and powers herein granted. The undersigned acknowledges that each such attorney-in-fact, in serving in such capacity at the request of the undersigned, is not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of and transactions in securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorney-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this ___ day of __, 20_____.

Signature

Print Name

OptimizeRx Corporation

List of Subsidiaries

- Healthy Offers, Inc. (d/b/a Medicx Health), a Nevada corporation
- CareSpeak Communications, d.o.o., a controlled foreign corporation incorporated in Croatia



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following registration statements on Forms S-8 (File Nos. 333-280300, 333-259218; 333-237630; 333-230212; 333-210653; and 333-189439) of OptimizeRx Corporation and Subsidiaries (the "Company") of our report dated March 20, 2025, with respect to the consolidated financial statements of the Company as of December 31, 2024 and 2023 and for the years then ended, which is included in this Annual Report on Form 10-K of the Company.

/s/ UHY LLP

Sterling Heights, Michigan
March 20, 2025

**Certification Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Stephen Silvestro, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2024 of OptimizeRx Corp (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 20, 2025

/s/ Stephen Silvestro

By: Stephen Silvestro

Title: Chief Executive Officer, Principal Executive Officer

**Certification Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002**

I, Edward Stelmakh, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2024 of OptimizeRx Corp (the “registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 20, 2025

/s/ Edward Stelmakh

By: Edward Stelmakh
Chief Financial Officer and Chief Operations Officer,
Principal Financial Officer and Principal Accounting Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual Report of OptimizeRx Corp (the "Company") on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission (the "Report"), I, Stephen Silvestro, Chief Executive Officer of the Company, and I, Edward Stelmakh, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

By: /s/ Stephen Silvestro
Name: Stephen Silvestro
Title: Chief Executive Officer, Principal Executive Officer
Date: March 20, 2025

By: /s/ Edward Stelmakh
Name: Edward Stelmakh
Title: Chief Financial Officer and Chief Operations Officer,
Principal Financial Officer and Principal Accounting
Officer
Date: March 20, 2025

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.