

# Optimize Rx

› Better Connections – Better Outcomes ‹

Nasdaq:OPRX



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The words ‘believe,’ ‘expect,’ ‘may,’ ‘strategy,’ ‘future,’ ‘likely,’ ‘goal,’ ‘plan,’ ‘estimate,’ ‘possible’ and ‘seeking’ and similar expressions identify forward-looking statements, which speak only as to the date the statement was made. All statements other than statements of historical facts included in this presentation regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding our acquisition of RMDY Health and CareSpeak Communications, the plans and objectives of management for future operations, including plans relating to the development of new products or services, and our future financial performance. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, competition within the industries in which we operate, the timing, cost and success or failure of new product and service introductions and developments, our ability to attract and retain qualified personnel, maintaining our intellectual property rights and litigation involving intellectual property rights, legislative, regulatory and economic developments, and the other risks and uncertainties described in the Risk Factors and in Management’s Discussion and Analysis of Financial Condition and Results of Operations sections of our most recently filed Annual Report on Form 10-K and any subsequently filed Quarterly Report(s) on Form 10-Q. Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

This presentation may include certain non-GAAP financial measures as defined by SEC rules. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the Appendix.

# Who We Are

- OptimizeRx is a **Digital Health company**
- Nation's largest **point-of-care communication platform** for the life sciences industry
- **Digital, point-of-care communication** designed to improve prescription affordability and patient adherence
- **Multiple Solutions:** financial, clinical, brand and patient messaging
- **Expanded TAM with new solutions:** recent acquisitions expand reach beyond point-of-prescribe to directly via its mobile communications platform and digital therapeutics SaaS platform

## Company Snapshot

**\$24.6M**

Net Revenue (ttm)

**\$131M**

Market Cap<sup>2</sup>

**70**

# of Employees<sup>1</sup>

**300K+**

Provider Reach

**60+**

# of Clients

**370+**

EHR & ePrescribe  
Platforms

Note: ttm = trailing 12 months at Dec. 31, 2019.

1) As of 12/31/2019.

2) Market cap as of March 30, 2020.

# Our Leadership



**Will Febbo**  
*CEO*

20+ years of experience leading health services & financial businesses



**Miriam Paramore**  
*President*

30+ years of healthcare & health IT experience



**Doug Baker**  
*CFO*

25+ years of senior financial experience



**Stephen Silvestro**  
*Chief Commercial Officer*

20+ years of experience in operations, sales, and growing partner networks



# Multiple Reasons Why Our Platform is the New Point-of-Care Solution for Communication



~55%

Percent of doctor offices now ban or severely limit access of pharma reps & ability to deliver samples and savings coupons.<sup>(1)</sup>



\$528B

Annual cost of prescription drug non-adherence.<sup>(2)</sup>



200%+

Rise in deductibles since 2008.<sup>(3)</sup>

U.S. health care costs expected to climb 5%+ annually through 2027.<sup>(4)</sup>



90%

U.S. physicians now using EHR on a daily basis.<sup>(5)</sup>

85% of prescriptions sent electronically.<sup>(6)</sup>



5.9 Hrs/Day

Average daily EHR use by HCP.<sup>(7)</sup>

More than double all other digital resources combined.

1) ZS's 2017 AccessMonitor™ and AffinityMonitor™ Findings.

2) [Cost of Prescription Drug-Related Morbidity and Mortality report](#). The estimated annual cost of drug-related morbidity and mortality resulting from nonoptimized medication therapy.

3) 2018 benchmark Kaiser Family Foundation Employer Health Benefits Survey .

4) Health Affairs.

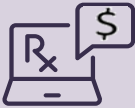

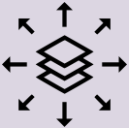
5) U.S. Adoption of Electronic Health Records Nears 100 Percent.

6) Surescripts 2018 National Progress Report.

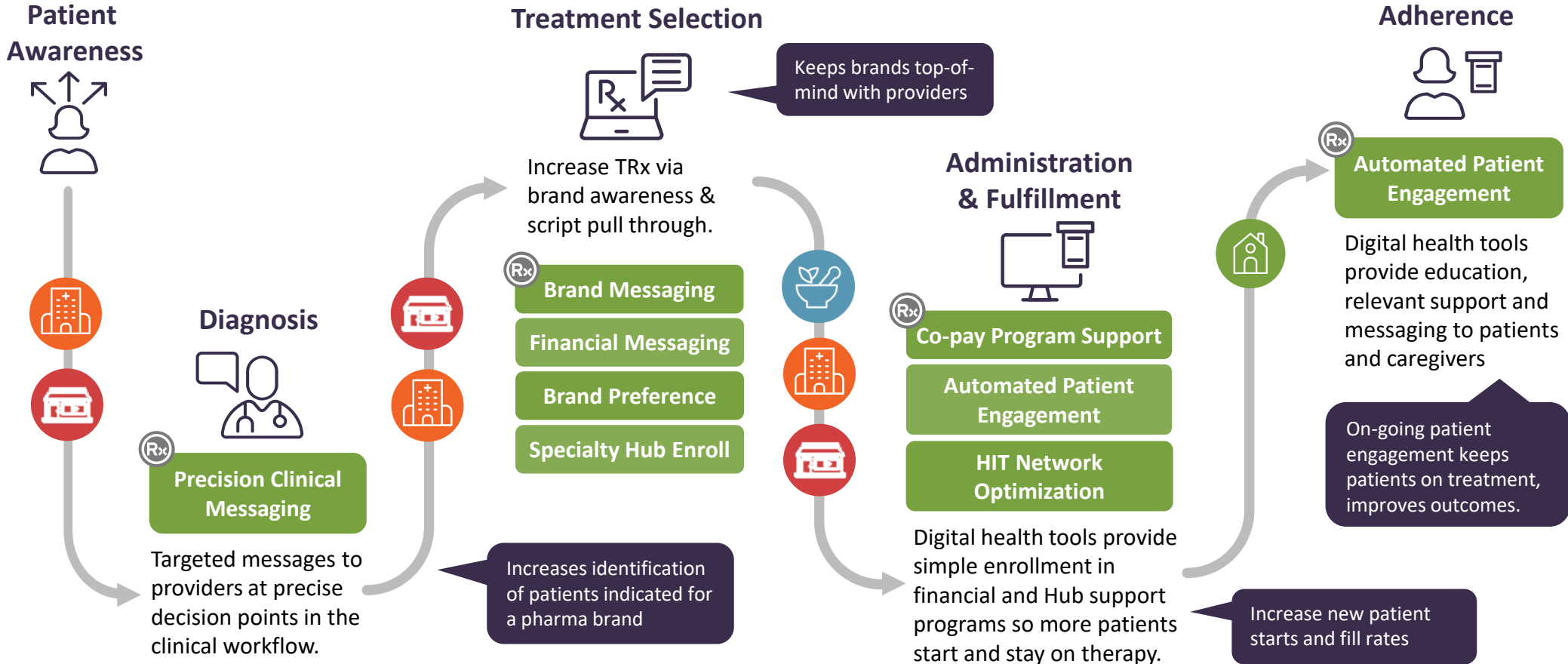
7) Tethered to the EHR: Primary Care Physician Workload Assessment Using EHR Event Log Data and Time-Motion Observations and Allocation of Physician Time in Ambulatory Practice: A Time and Motion Study in 4 Specialties.

# Our Offerings



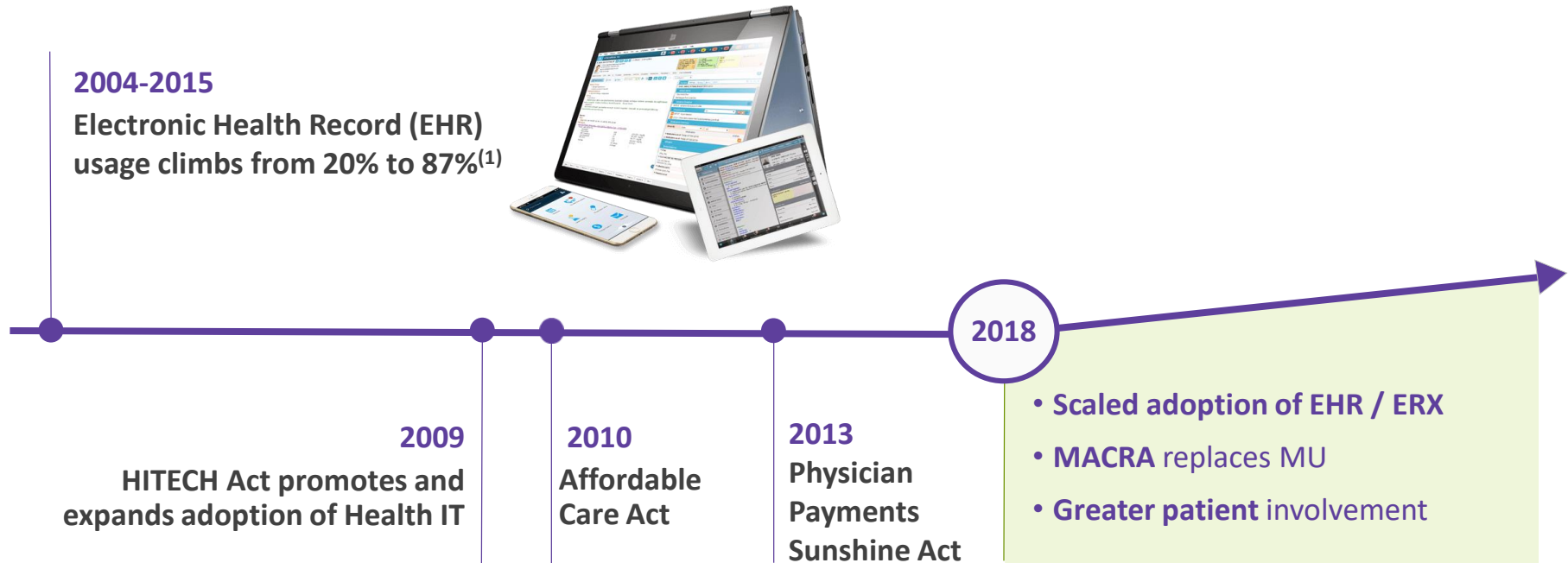
- **Financial Messaging**  
Integrated platform that provides access to a universe of sample vouchers, co-pay coupons and other patient support through EMR and e-prescribe systems.
- **Brand Messaging**  
Tailored brand awareness messaging.
- **Clinical Messaging**  
Content distribution enabling the provision of effective care while reviewing data and treatment options.
- **Patient Engagement**  
Patient-facing mobile solutions to drive adherence and better care via medication reconciliation, alerts, monitoring services and patient education.
- **Platform Revenue**  
Distribution of content and brand audit services.

# We're at Every Stage in the Patient Journey



# 2018: Inflection Point for HealthTech

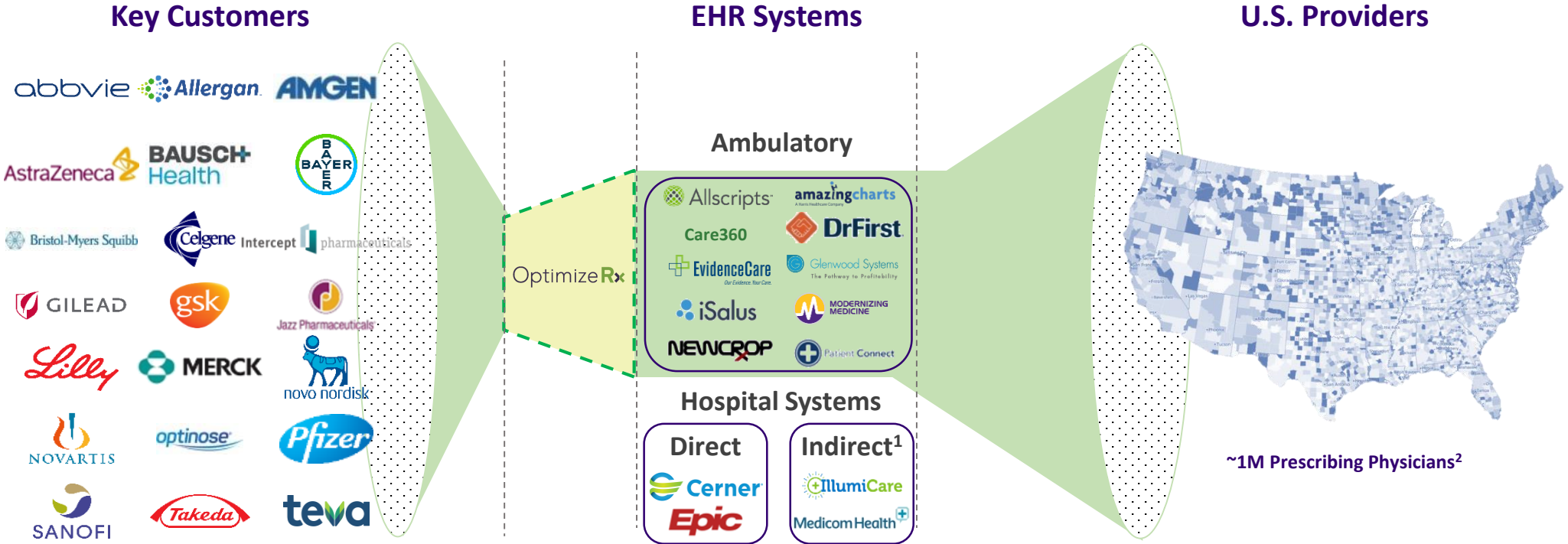
Regulations, legislation, consumer activity, and changes in healthcare provider behavior driving opportunity for Digital Health Messaging



1) Office of the National Coordinator for Health Information Technology. 'Office-based Physician Electronic Health Record Adoption,' Health IT Quick-Stat #50. [dashboard.healthit.gov/quickstats/pages/physician-ehr-adoption-trends.php](https://dashboard.healthit.gov/quickstats/pages/physician-ehr-adoption-trends.php). December 2016.  
2) Why Are There So Many EHR Systems? Analyzing a Bloated Market.



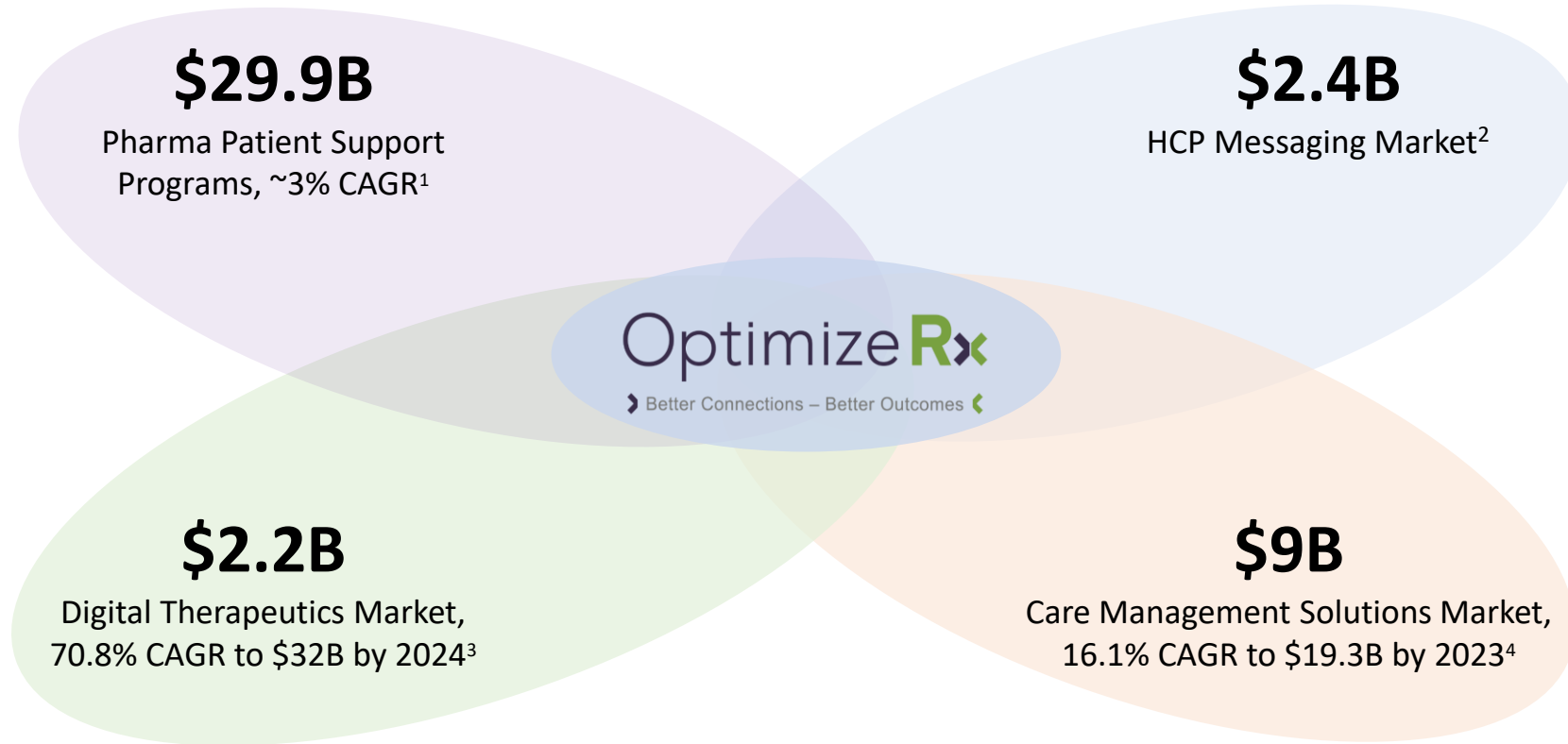
# OptimizeRx is the Leading Aggregator in the Fragmented EHR market



1) Technology Partnerships.

2) Total ambulatory market of ~1M – sources: [www.kff.org/other/state-indicator/totalactivephysicians/](http://www.kff.org/other/state-indicator/totalactivephysicians/), A Census of Actively Licensed Physicians in the United States, 2016

# Our Growth Opportunity Intersects Multibillion Dollar High Growth Markets



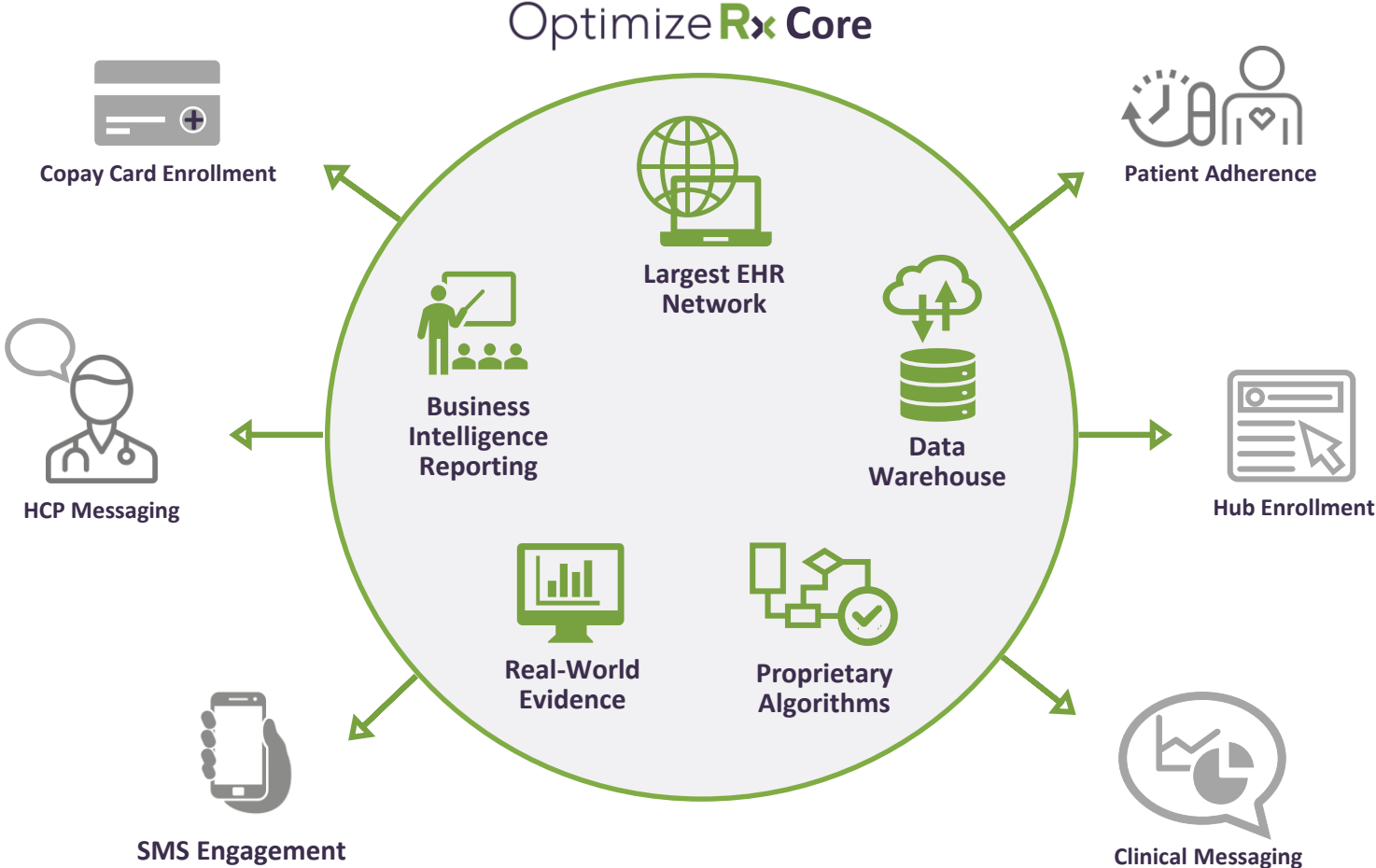
1) Globally as of 2016, most recent research data available as [published for first time by JAMA in Jan. 2019](#); 2) 2018 addressable market per company estimate; 3) [Juniper Research](#), May 2019; 4) [Marketsandmarkets.com](#).

# Industry Growth Drivers

- **Messaging impressions**
- **Brand & generic product adoption**
- **Legislative drivers** of increased eRx utilization<sup>1</sup>
- **Increasing use of mobile** and wearable devices for managing health
- **Global focus** on adherence
- **Overcoming HCP perception barriers** on specific therapies, particularly specialty pharma



# Communication Platform & Applications



# We Offer Strong Value Proposition to Pharma Clients, Industry Partners, Patients and Providers

## Huge Market Opportunity

**1.91 billion ERx transactions** annually and growing across hundreds of EHRs used constantly by health care providers (HCPs)<sup>(1)</sup> .

## Proven Proprietary Technology

Delivered via nation's **largest promotional eRx network**

## Affordability

**Drives adherence** by reducing barrier to prescription fill

## Major Benefits for All Stakeholders

**High-value** support to healthcare workflow, **reducing costs, improving patient outcomes**

## ROI

Pharma manufacturers report **300% - 1,200%+ ROI** making our eCoupons solution one of the most effective digital strategies available today

1) 2018 National Progress Report.

2) Source: OptimizeRx White Paper - Studies conducted by third-party analytics: Cognizant and Ogilvy Analytics 2015, 2016 on behalf of Top 5 global pharma companies.

# Strong Momentum in Financial Performance

## 2019 vs 2018

**\$24.6M**

2019 Record revenue,  
up 16%

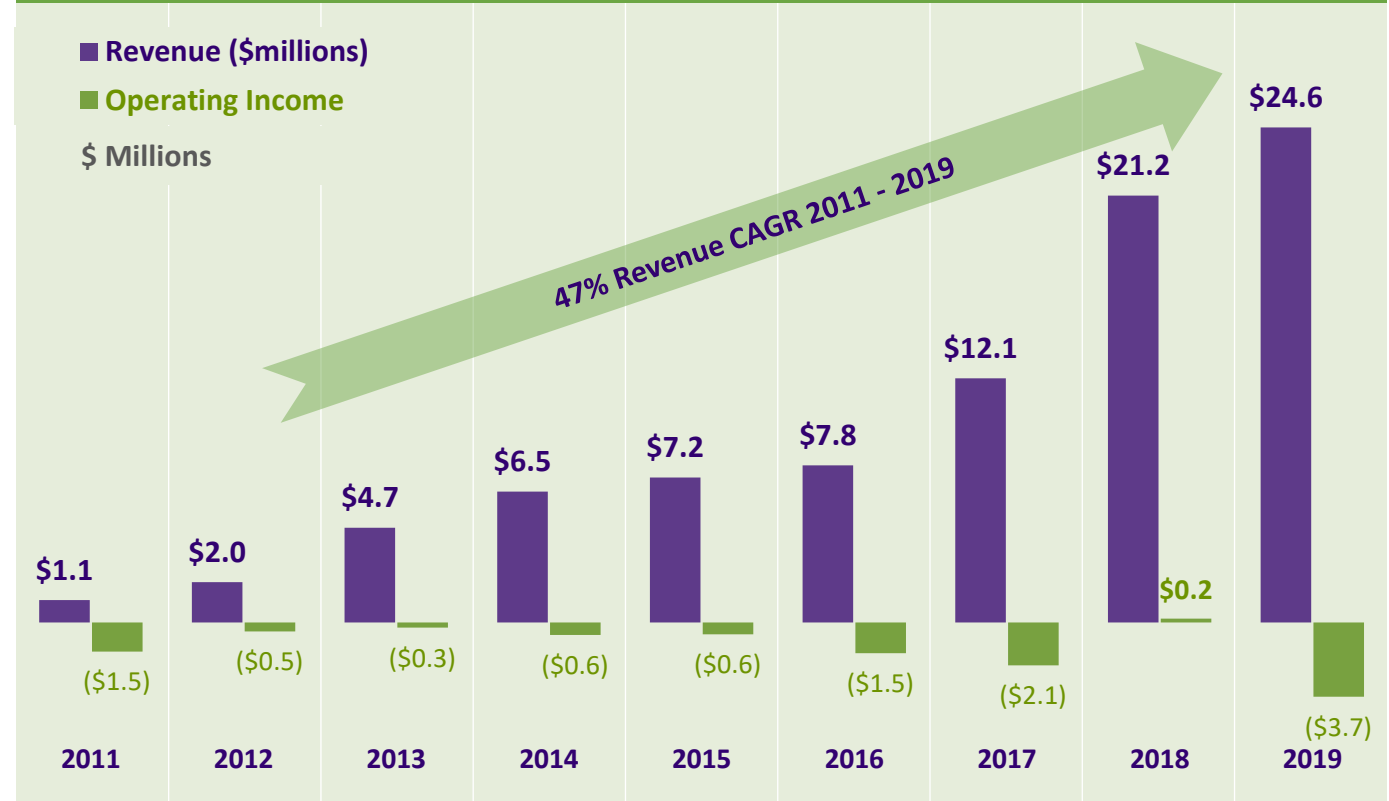
**62.8%**

2019 Gross margin,  
up vs. 57.6%

**\$0.9M**

2019 non-GAAP net income or  
**\$0.07** Non-GAAP EPS<sup>(1)</sup>

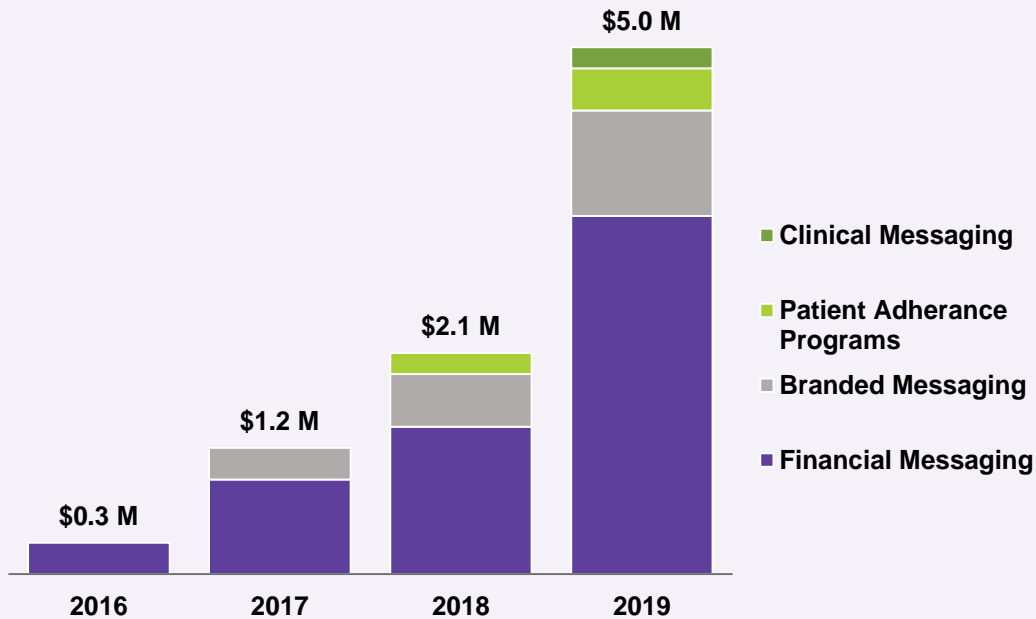
## Annual Revenue & GAAP Operating Income



1) See definition of non-GAAP measures and reconciliation to GAAP in Appendix.

# Highly Scalable Revenue Model - Example

OptimizeRx Revenue Growth from Client A



Digital Health Messaging Solutions	Client A	10 Clients	100 Clients
Financial Messaging	\$3.4M	\$34M	\$340M
Branded Messaging	\$1M	\$10M	\$100M
Patient Adherence Programs	\$400K	\$4M	\$40M
Clinical Messaging	\$200K	\$2M	\$20M
<b>Total Revenue</b>	<b>\$5M</b>	<b>\$50M</b>	<b>\$500M</b>

Note: Numbers are for example only, and assumes additional growth in HCP reach and EHR/ERX integration.

# Growth Strategy

Expand Enterprise-level Offerings

Appointed **chief commercial officer**

Increase Customer Share of Wallet

**Extend** client solutions **offering**

Add Additional Pharma Brands

Rapidly **expanding commercial team** expected to drive another year of record growth and market expansion

Reach More HCPs

Opportunity to **triple ePrescriber reach**

Expand into Hospitals & Health Systems

Started **direct sales** approach in 2019

Strategic Acquisitions

Add **payer** and **partner** customers / offerings



# Key Takeaways

## Proven Technology

Infinitely scalable for an expanding market without need for extensive future investment.

## Expanding Market Opportunity

- 1.91 billion eRx transactions annually, with point-of-care marketing spend increasing.
- Recent acquisitions increase potential total available markets by a significant multiple, and which involves an increasing portion of recurring SaaS revenue.

## World-Leading Partner

Aggregator of EHR partners for pharmaceutical companies.  
Healthy pipeline for 2020 in both areas.

## High Growth & Strong Pipeline

Revenue up 16% to record \$24.6M in 2019, with non-GAAP net income of \$937K or \$0.07 per share

## Strong Deal Pipeline

Increased pipeline deal size from \$130K in 2018 to \$300K+ coming into 2020.

## Successful Acquirer

Proven ability to identify, execute and integrate strategic acquisitions.

## Low Corporate Overhead

Highly leverageable/scalable profile.

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# APPENDIX

# Condensed Consolidated Statement of Operations

	For the year ended December 31, 2019 (Unaudited)	For the year ended December 31, 2018	For the quarter ended December 31, 2019 (Unaudited)	For the quarter ended, December 31, 2018 (Unaudited)
Revenue	\$ 24,598,274	\$ 21,206,363	\$ 7,379,782	\$ 6,579,268
Cost of sales	9,158,699	8,999,666	2,906,933	2,485,855
Gross margin	<u>15,439,575</u>	<u>12,206,697</u>	<u>4,472,849</u>	<u>4,093,413</u>
Operating expenses				
Stock-based compensation	2,260,298	2,520,852	490,578	798,866
Depreciation and amortization	1,282,787	316,502	536,859	153,085
Other general and administrative expenses	15,590,054	9,189,211	5,763,874	3,266,909
Total operating expenses	<u>19,133,139</u>	<u>12,026,565</u>	<u>6,791,311</u>	<u>4,218,860</u>
Income (loss) from operations	<u>(3,693,564)</u>	<u>180,132</u>	<u>(2,318,462)</u>	<u>(125,447)</u>
Other income				
Interest income	288,028	46,212	95,722	15,533
Change in fair value of contingent consideration	(635,000)	-	(660,000)	-
Total other income	<u>(346,972)</u>	<u>46,212</u>	<u>(564,278)</u>	<u>15,533</u>
Income (loss) before provision for income taxes	<u>(4,040,536)</u>	<u>226,344</u>	<u>(2,882,740)</u>	<u>(109,914)</u>
Income tax (expense) benefit	897,960	-	897,960	-
Net income (loss)	<u>\$ (3,142,576)</u>	<u>\$ 226,344</u>	<u>\$ (1,987,780)</u>	<u>\$ (109,914)</u>
Weighted average number of shares outstanding - basic	<u>13,387,863</u>	<u>10,832,209</u>	<u>14,548,910</u>	<u>12,013,771</u>
Weighted average number of shares outstanding - diluted	<u>13,387,863</u>	<u>11,862,991</u>	<u>14,548,910</u>	<u>12,013,771</u>
Net income (loss) per share - basic	<u>\$ (0.23)</u>	<u>\$ 0.02</u>	<u>\$ (0.14)</u>	<u>\$ (0.01)</u>
Net income (loss) per share - diluted	<u>\$ (0.23)</u>	<u>\$ 0.02</u>	<u>\$ (0.14)</u>	<u>\$ (0.01)</u>

# Reconciliation of non-GAAP to GAAP Financial Measures (Unaudited)

## Definition and Use of Non-GAAP Financial Measures

This presentation includes a presentation of non-GAAP net income (loss) and non-GAAP earnings (loss) per share or non-GAAP EPS, both of which are non-GAAP financial measures. Starting this quarter, the company changed its definition of non-GAAP net income (loss) and non-GAAP earnings per share or non-GAAP EPS to include acquisition expenses, income or loss related to the fair value of contingent consideration, and deferred income taxes.

The company defines non-GAAP net income (loss) as GAAP net income (loss) with an adjustment to add back depreciation, amortization, stock-based compensation, acquisition expenses, income or loss related to the fair value of contingent consideration, and deferred income taxes. Non-GAAP EPS is defined as non-GAAP net income (loss) divided by the number of weighted average shares outstanding on a basic and diluted basis. The company has provided non-GAAP financial measures to aid investors in better understanding its performance. Management believes that these non-GAAP financial measures provide additional insight into the operations and cashflow of the company.

Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash operating expenses, management believes that providing non-GAAP financial measures that excludes non-cash expenses allows for meaningful comparisons between the company's core business operating results and those of other companies, as well as provides an important tool for financial and operational decision making and for evaluating the company's own core business operating results over different periods of time.

The company's non-GAAP net income (loss) and non-GAAP EPS measures may not provide information that is directly comparable to that provided by other companies in the company's industry, as other companies in the industry may calculate such non-GAAP financial results differently. The company's non-GAAP net income (loss) and non-GAAP EPS are not measurements of financial performance under GAAP and should not be considered as an alternative to operating income or as an indication of operating performance or any other measure of performance derived in accordance with GAAP. The company does not consider these non-GAAP measures to be substitutes for or superior to the information provided by its GAAP financial results.

The table, "Reconciliation of non-GAAP to GAAP Financial Measures," included on this page, provides a reconciliation of non-GAAP net income (loss) and non-GAAP EPS for the three and 12-month periods ended December 31, 2019 and 2018.

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2019	2018	2019	2018
Net income (loss)	\$ (1,987,780)	\$ (109,914)	\$ (3,142,576)	\$ 226,344
Depreciation and amortization	536,859	153,085	1,282,787	316,502
Stock-based compensation	490,578	798,866	2,260,298	2,520,852
Acquisition expenses	799,623	607,670	799,623	607,670
Income or loss related to the fair value of contingent consideration	660,000	-	635,000	-
Deferred income taxes	(897,960)	-	(897,960)	-
Non-GAAP net income (loss)	<u>\$ (398,680)</u>	<u>\$ 1,449,707</u>	<u>\$ 937,172</u>	<u>\$ 3,671,368</u>
Non-GAAP net income (loss) per share				
Basic	<u>\$ (0.03)</u>	<u>\$ 0.12</u>	<u>\$ 0.07</u>	<u>\$ 0.34</u>
Diluted	<u>\$ (0.03)</u>	<u>\$ 0.11</u>	<u>\$ 0.07</u>	<u>\$ 0.31</u>
Weighted average shares outstanding:				
Basic	<u>14,548,910</u>	<u>12,013,771</u>	<u>13,387,863</u>	<u>10,832,209</u>
Diluted	<u>14,548,910</u>	<u>13,217,534</u>	<u>14,279,087</u>	<u>11,862,991</u>

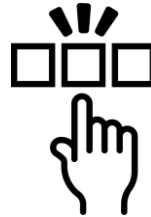
# How it Works: Financial Messaging/Savings Workflow

## STEP 1: SEARCH



- Healthcare provider searches for a brand drug within the EHR
- Alerted to potential savings for patient

## STEP 2: SELECTION



- After selection, OptimizeRx instantly returns eligible patient financial support to review
- Offers print and/or instant electronic send-to-pharmacy option

## STEP 3: SEND & PRINT



- Savings offer sent along to pharmacist with ePrescription
- Full financial savings offer can be printed and given to patient

# How it Works: Clinical and Educational Messaging

**Competitive Messaging:**

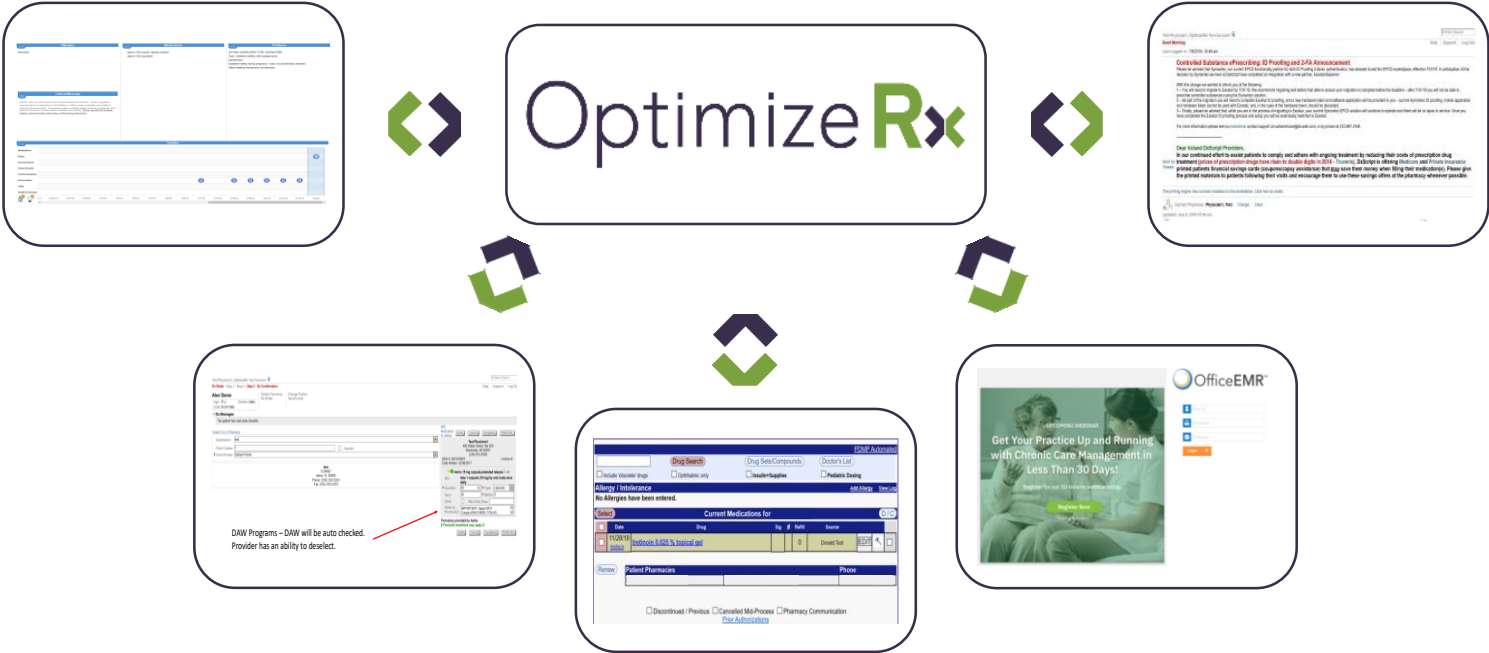
Designed to Raise Awareness of Alternative Therapy

**Complementary Messaging:**

Displayed with Related Medications

**Self-Messaging:**

New Formulation Announcements



# How it Works:

## CareSpeak Patient Engagement Solution

- **Interactive, mobile health messaging platform**
  - Direct, real-time interactive health messaging
- **Designed to:**
  - Help patients manage their health
    - Cost-saving co-pay programs
    - Medication reminders
    - Refill notices
    - Side effects information
  - Address critical industry need for direct communication between pharma and patients
  - Deliver greater medication adherence, patient engagement and healthier outcomes

Extends Patient's  
Time-on-Therapy with  
Specialty Medications  
for up to 3.5 Months<sup>(1)</sup>

Intervention Reduces  
Payer Medical Cost by  
\$140 Per Member Per  
Month<sup>(2)</sup>



1) Simple Technology Extends Patient's Time on Therapy with Specialty Medications for up to 3.5 Months.

2) CareSpeak Helps Molina Get More Personal with Members Using Two-Way Health Messaging.

# How it Works: RMDY Health

- **Digital therapeutic SaaS platform** enables health care stakeholders to launch digital care management and patient engagement programs
- Focused on care management, population health management and patient support programs
- Deployed via interactive websites and personal mobile devices
- Adds additional client segments:
  - Payers
  - MedTech companies
  - Med Associations
- Expands TAM to \$2.2 billion Digital Therapeutics Market, growing at 70.8% CAGR to \$32B by 2024<sup>1</sup>
- Scales OptimizeRx solution set
- New recurring revenue stream with 85%-95% gross margins

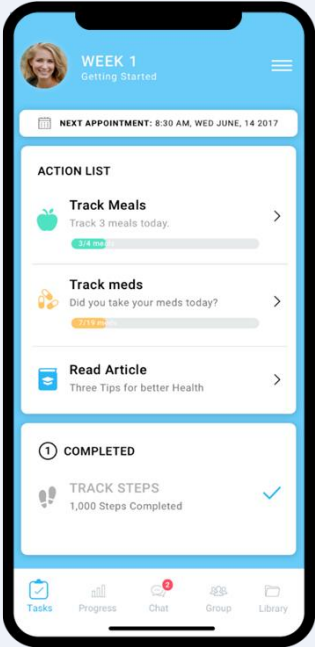


Digital Therapeutic SaaS Platform

### Health Care Provider Patient Console

Coach Console   Diabetes Management Program		Member (13)					Selected(0)
Name	Phase	Avg B...	Weigh...	Avg Da...	Avg Da...	% of C...	Tags
Elaine Bennis	Phase: 7/21	269	N/A	N/A	N/A	20	Back pain, Type I diabetes, Insulin Pump
Andrew White	Phase: 7/21	209.5	36.55	N/A	N/A	20	Pre-diabetic, Insulin Resistance, Overweight
Netta Levrان	Phase: 7/21	N/A	0	N/A	5,908	0	Back pain
Monica Green	Phase: 7/21	181	-2.27	N/A	N/A	0	New Patient, Medication, Pre-diabetic
Jenny Brown	Phase: 7/21	182.5	-4.3	N/A	N/A	10	New Patient, Medication, Anxiety, Type II Diabetes

### Patient Mobile App



### Connect Personal Devices Seamlessly



1) Juniper Research - May 2019