

Optimize Rx

› Better Connections – Better Outcomes ‹

Nasdaq:OPRX



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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-prescribe communication platform** for the pharmaceutical industry
- **Digital, point-of-care communication** designed to improve prescription affordability and patient adherence
- **Multiple Solutions:** financial, clinical, brand and patient messaging

Company Snapshot

Net Revenue (ttm)
\$24.2M

Market Cap
\$219M

of Employees⁽¹⁾
43

Provider Reach
300K+

of Clients
60+

EHR & ePrescribe
Platforms
370+

Source: Capital IQ as of July 11, 2019.

Note: ttm = trailing 12 months at June 30, 2019.

1) As of 5/03/2019.

Our Offerings

OptimizeRx

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

Point of Care Provider Access via EMR and E-prescribe Systems with Patient Mobile Solutions Connectivity

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%

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



\$528B

Annual cost of prescription drug non-adherence.⁽²⁾



200%+

Rise in deductibles since 2008.⁽³⁾

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



90%

U.S. physicians now using EHR on a daily basis.⁽⁵⁾

85% of prescriptions sent electronically.⁽⁶⁾



5.9 Hrs/Day

Average daily EHR use by HCP.⁽⁷⁾

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.

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

4) Health Affairs.

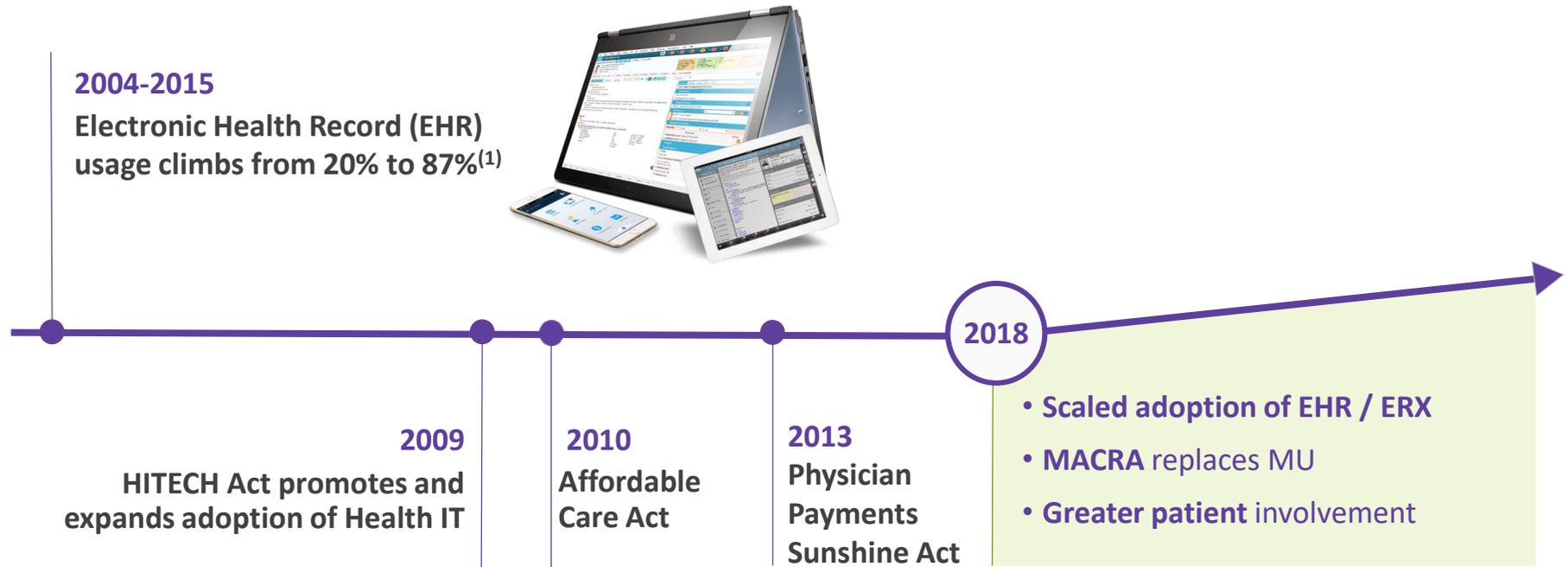
5) U.S. Adoption of Electronic Health Records Nears 100 Percent.

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.

2018: Inflection Point for HealthTech

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



Rapid & Expansive Growth of EHRs Creates Fragmented & Complex HCIT Ecosystem with over 550 EHRs in the U.S.⁽²⁾

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. December 2016.

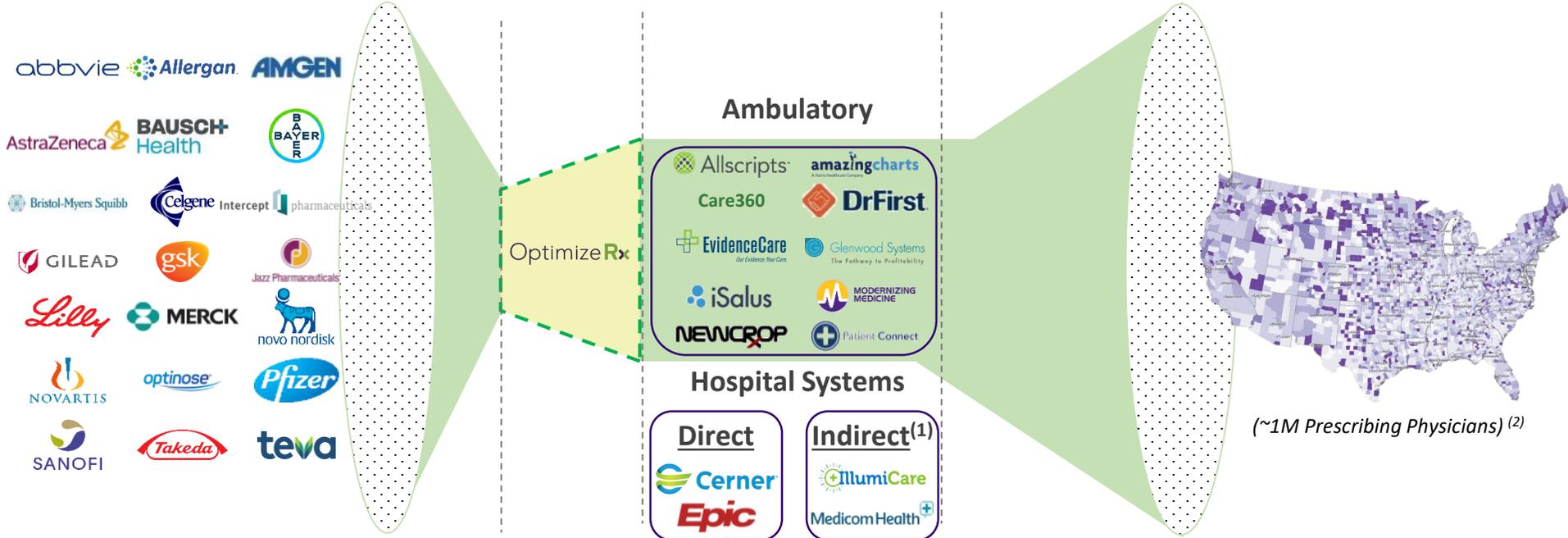
2) Why Are There So Many EHR Systems? Analyzing a Bloated Market.

OptimizeRx is the Leading Aggregator in the Fragmented EHR market

Key Customers

EHR Systems

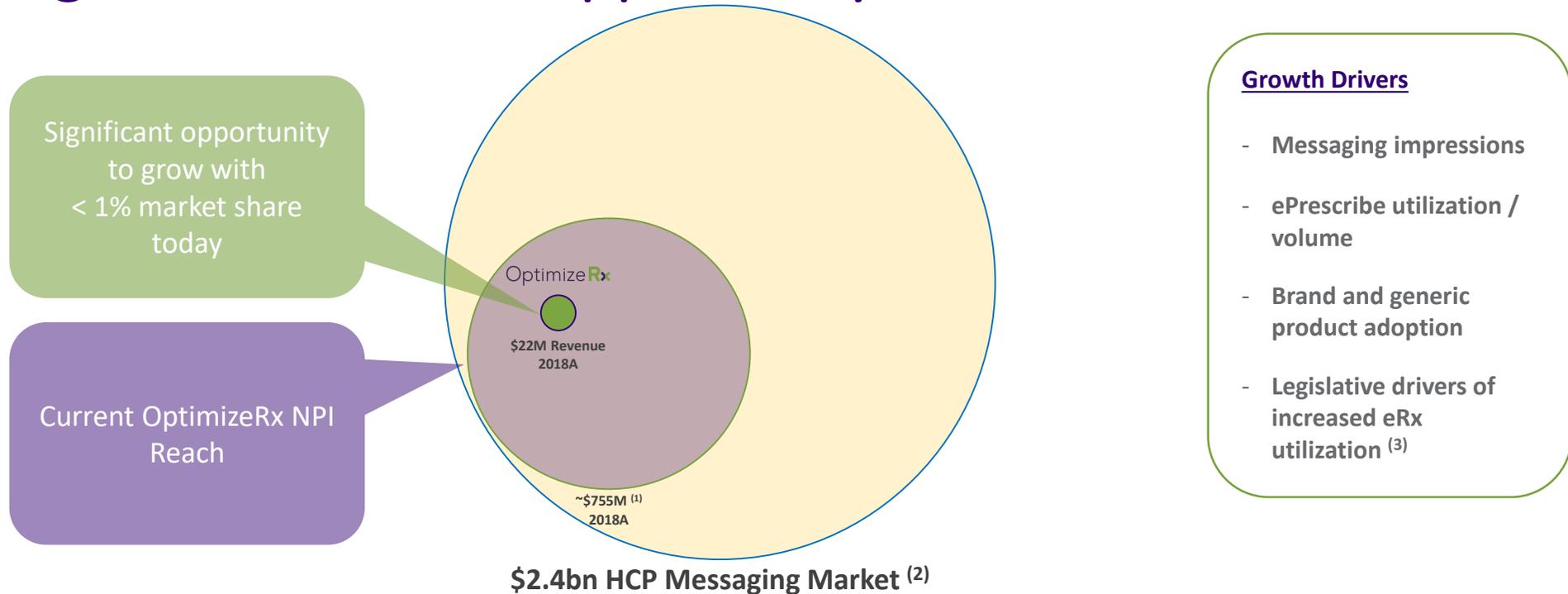
U.S. Providers



Over 550 EHR Integrations!

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

\$2.4 Billion HCP Messaging Market with Significant Growth Opportunity



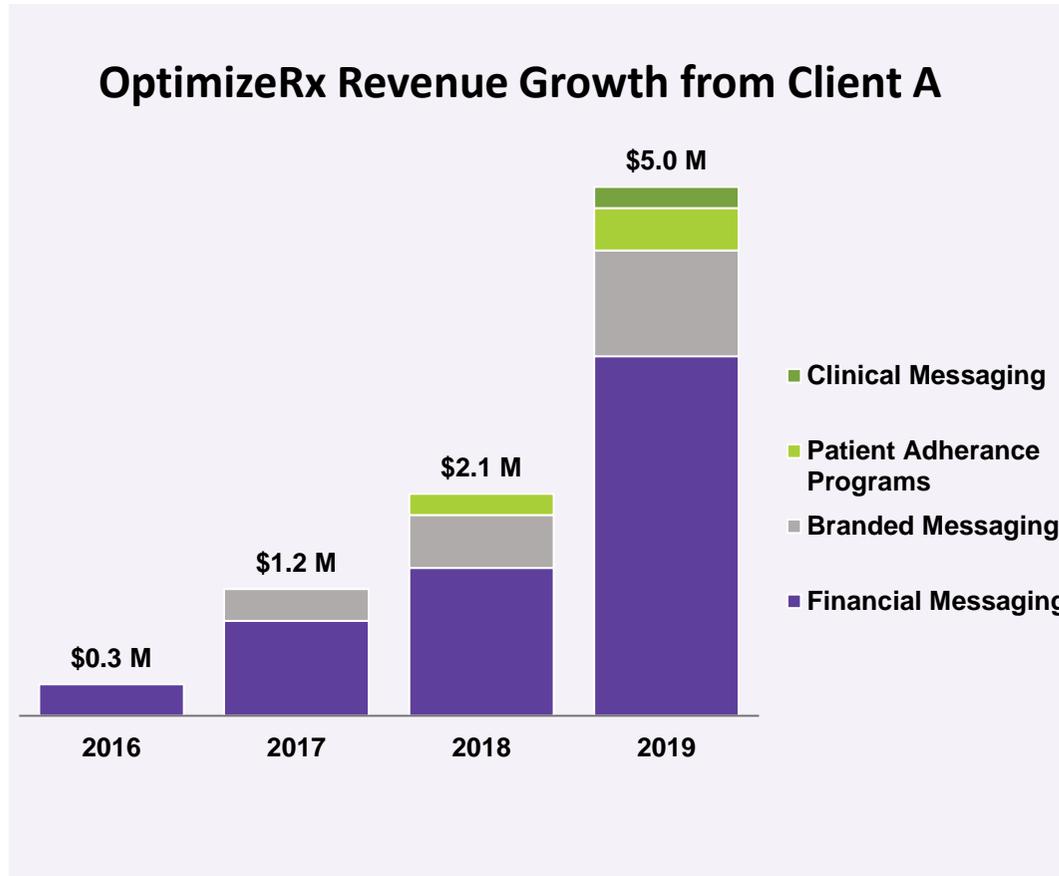
Provider Preference and Compliance Advantages Driving Increased ePrescribe Utilization

1) Estimated from current ~300k NPI reach.

2) Addressable market per management estimate.

3) "Opioid Law Creates Mandates for ePrescribing under Medicare Part D", Point of Care Partners, January 2019. <https://www.pocp.com/opioid-law-creates-mandates-for-eprescribing-under-medicare-part-d/>.

Highly Scalable Revenue Model - Example



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
Total Revenue	\$5M	\$50M	\$500M

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

Growth Strategy

Expand Enterprise-level Offerings

Recently added **chief commercial officer**

Increase Customer Share of Wallet

Extend client solutions **offering**

Add Additional Pharma Brands

Rapidly **expanding commercial team** to drive growth

Reach More HCPs

Opportunity to **triple ePrescriber reach**

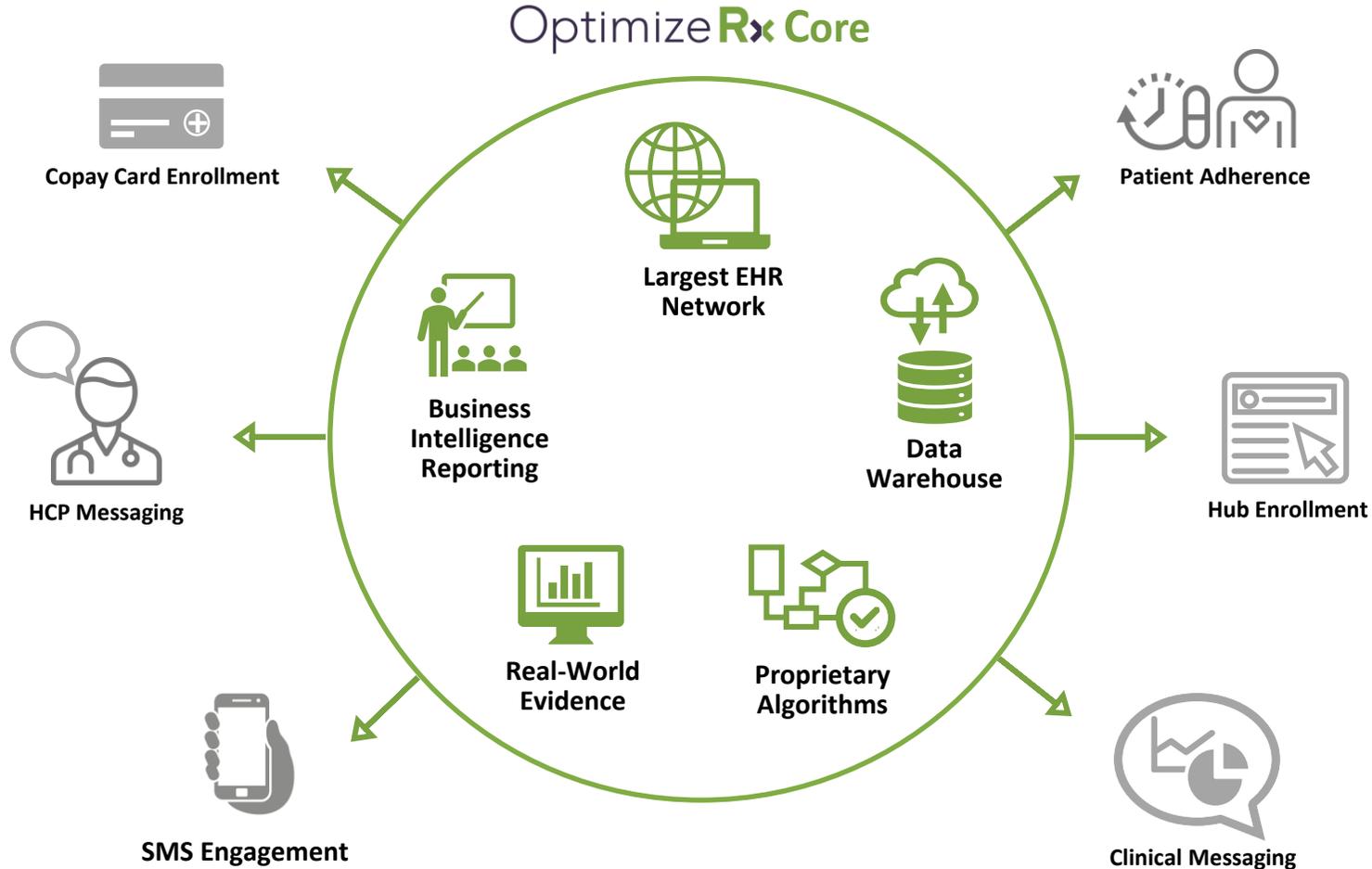
Expand into Hospitals & Health Systems

Started **direct sales** approach in 2019

Strategic Acquisitions

Add **payor** and **partner** customers / offerings

Communication Platform & Applications



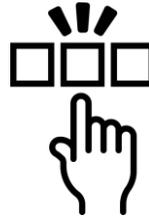
How it Works: Financial Messaging/Savings Workflow

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:

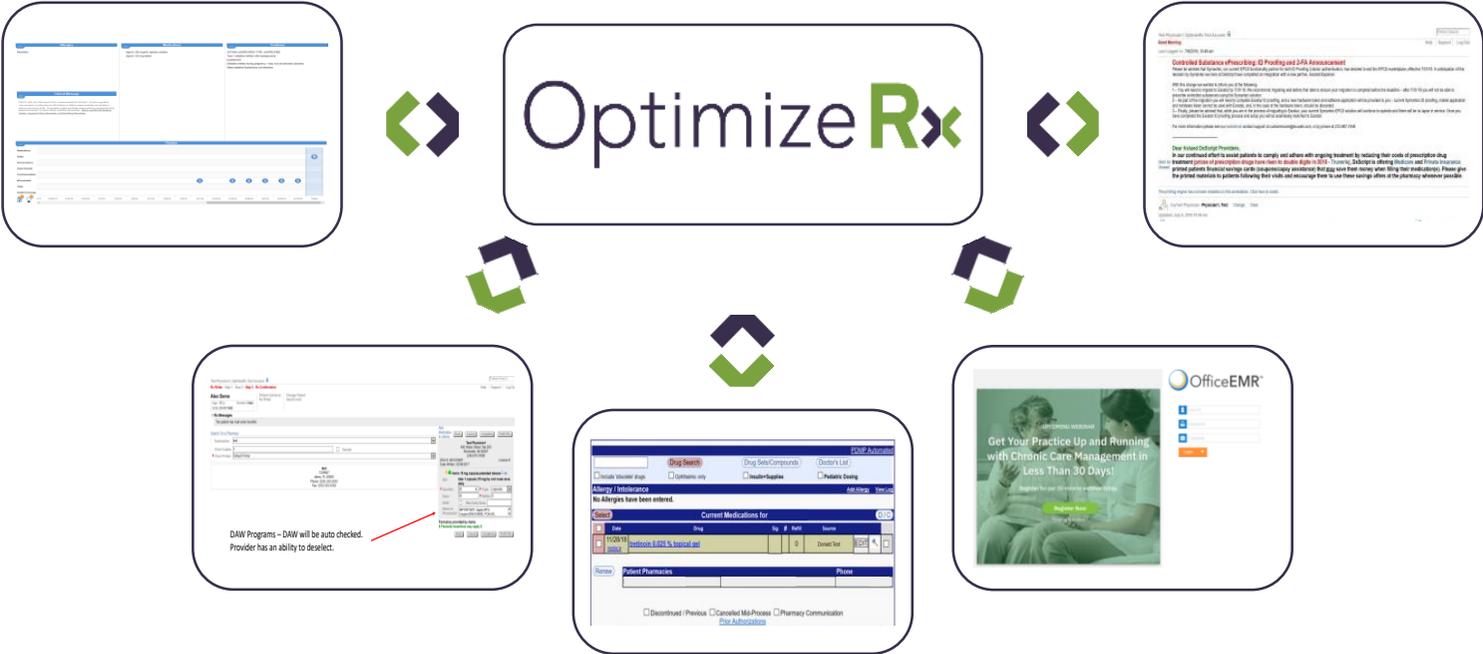
Designed to Raise Awareness of Alternative Therapy

Complementary Messaging:

Displayed with Related Medications

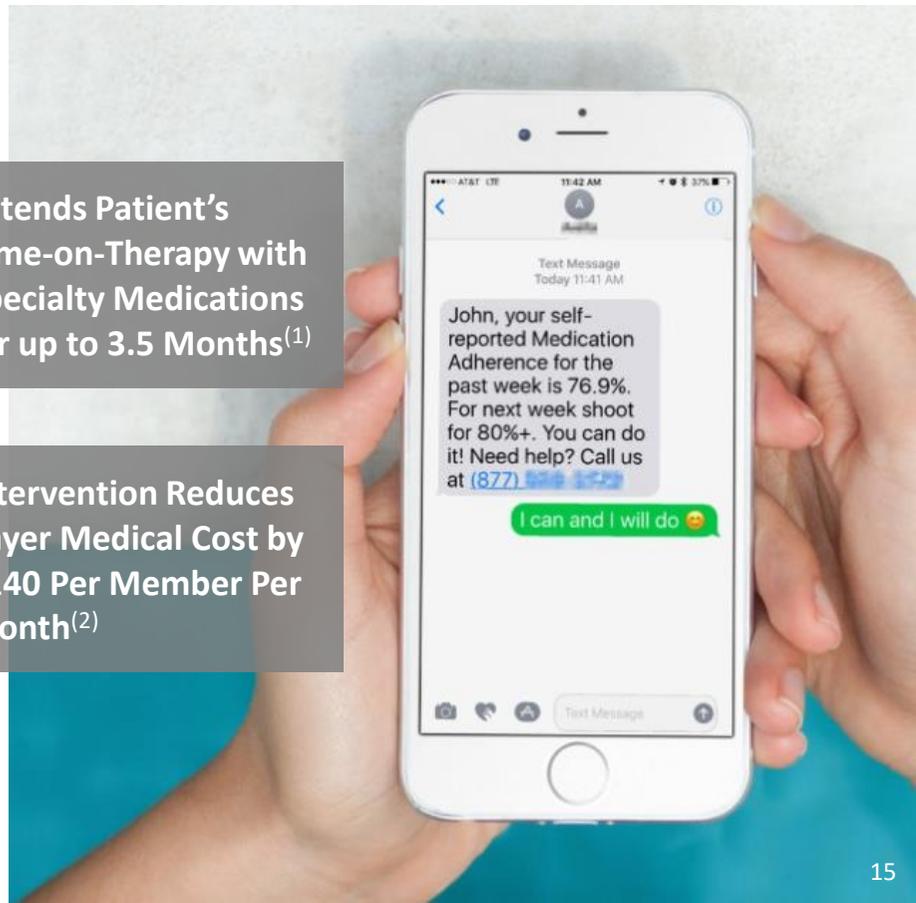
Self-Messaging:

New Formulation Announcements



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⁽¹⁾

Intervention Reduces
Payer Medical Cost by
\$140 Per Member Per
Month⁽²⁾

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.

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)⁽¹⁾

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

Q2 2019 vs. Q2 2018

\$7.0M

Q2-19 Revenue
Up 37%

61.6%

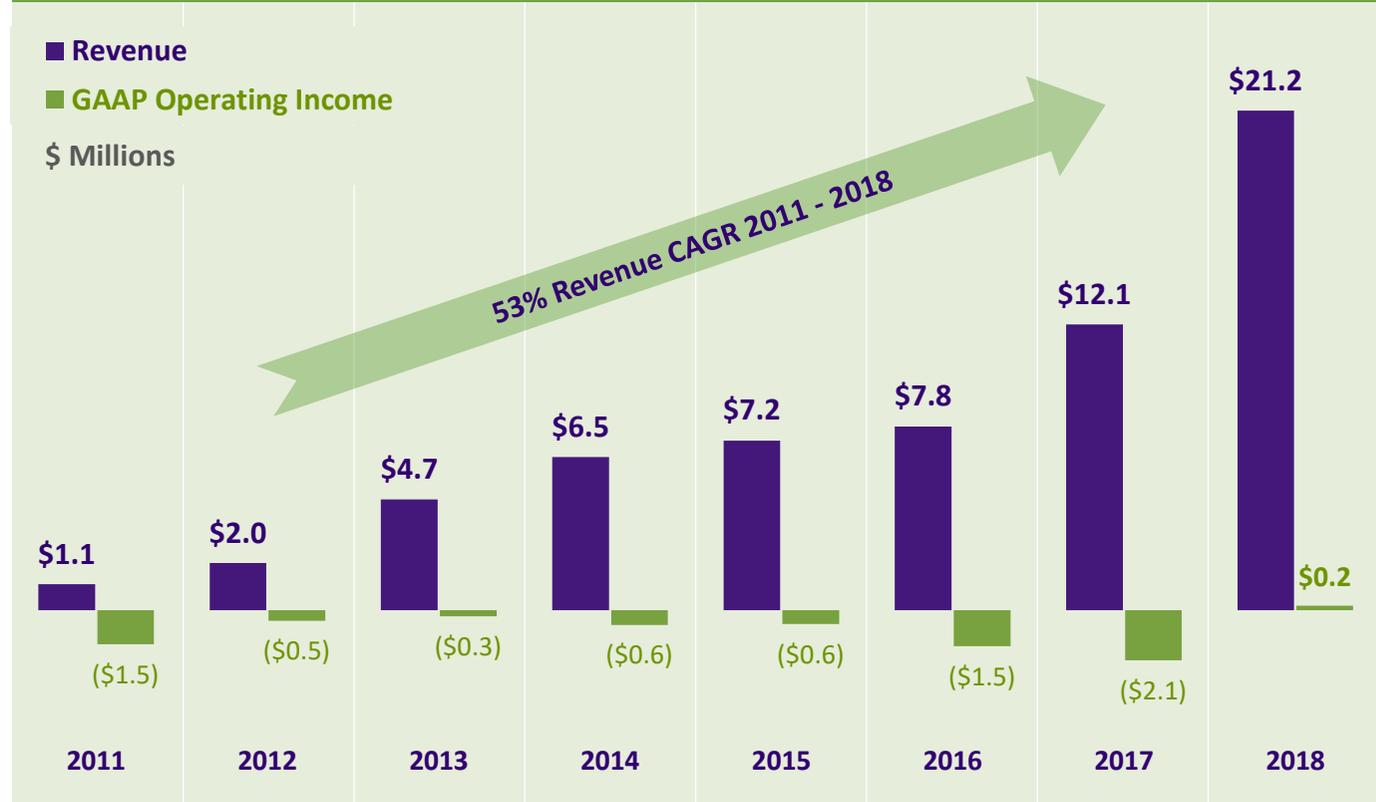
Q2-19 Gross Margin
Up from 56.1%

\$1.2M

Q2-19 Non-GAAP Net Income
Up 39%

\$0.09 diluted Non-GAAP EPS⁽¹⁾

Annual Revenue & GAAP Operating Income



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

Key Takeaways

Market Opportunity

1.91 billion eRx transactions annually, with point-of-care marketing spend increasing.

Proven Technology

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

Low Corporate Overhead

Highly leverageable/scalable profile.

World-Leading

Aggregator of EHR partners for pharmaceutical companies.
 Healthy pipeline for 2019 in both areas.

High Growth & Profitability

Total revenue up 37% to \$7.0 million in Q2 2019.
 Non-GAAP \$0.09 per diluted EPS.

Proven Acquiror

Ability to identify, execute and integrate strategic acquisitions.

Management Team

Highly experienced management team with extensive background in healthcare.

APPENDIX

Condensed Consolidated Statement of Operations (Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
NET REVENUE	\$ 7,006,291	\$ 5,099,474	\$ 12,215,725	\$ 9,211,710
COST OF REVENUES	<u>2,687,143</u>	<u>2,236,751</u>	<u>4,270,623</u>	<u>4,244,842</u>
GROSS MARGIN	4,319,148	2,862,723	7,945,102	4,966,868
OPERATING EXPENSES	<u>3,839,105</u>	<u>2,589,126</u>	<u>7,332,894</u>	<u>4,884,467</u>
INCOME FROM OPERATIONS	<u>480,043</u>	<u>273,597</u>	<u>612,208</u>	<u>82,401</u>
OTHER INCOME (EXPENSE)				
Interest income	33,574	6,912	55,938	8,929
Change in Fair Value of Contingent Consideration	<u>(107,000)</u>	<u>-</u>	<u>(255,000)</u>	<u>-</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(73,426)</u>	<u>6,912</u>	<u>(199,062)</u>	<u>8,929</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	406,617	280,509	413,146	91,330
PROVISION FOR INCOME TAXES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME	\$ <u>406,617</u>	\$ <u>280,509</u>	\$ <u>413,146</u>	\$ <u>91,330</u>
WEIGHTED AVERAGE SHARES OUTSTANDING				
BASIC	<u>12,743,379</u>	<u>10,979,086</u>	<u>12,412,442</u>	<u>10,373,326</u>
DILUTED	<u>13,806,761</u>	<u>11,949,593</u>	<u>13,467,562</u>	<u>11,517,604</u>
EARNINGS PER SHARE				
BASIC	\$ <u>0.03</u>	\$ <u>0.03</u>	\$ <u>0.03</u>	\$ <u>0.01</u>
DILUTED	\$ <u>0.03</u>	\$ <u>0.02</u>	\$ <u>0.03</u>	\$ <u>0.01</u>

Reconciliation of non-GAAP to GAAP Financial Measures

Definition and Use of Non-GAAP Financial Measures

This presentation includes a presentation of non-GAAP net income (loss) and non-GAAP earnings per share or non-GAAP EPS, both of which are non-GAAP financial measures. The company defines non-GAAP net income (loss) as GAAP net income (loss) with an adjustment to add back depreciation, amortization and stock-based compensation expense. 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 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 at the end of this press release provides a reconciliation of non-GAAP net income (loss) and non-GAAP EPS for the three and six-month periods ended June 30, 2018 and 2019.

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
Net income	\$ 406,617	\$ 280,509	\$ 413,146	\$ 91,330
Depreciation and amortization	235,572	54,473	425,873	108,946
Stock based compensation	<u>543,130</u>	<u>516,700</u>	<u>1,179,476</u>	<u>1,013,822</u>
Non-GAAP net income	\$ <u>1,185,319</u>	\$ <u>851,682</u>	\$ <u>2,018,495</u>	\$ <u>1,214,098</u>
Non-GAAP earnings per share				
Basic	\$ <u>0.10</u>	\$ <u>0.08</u>	\$ <u>0.16</u>	\$ <u>0.12</u>
Diluted	\$ <u>0.09</u>	\$ <u>0.07</u>	\$ <u>0.15</u>	\$ <u>0.11</u>
Weighted average shares outstanding				
Basic	<u>12,743,379</u>	<u>10,979,086</u>	<u>12,412,442</u>	<u>10,373,326</u>
Diluted	<u>13,806,761</u>	<u>11,949,593</u>	<u>13,467,562</u>	<u>11,517,604</u>