

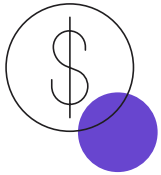


Medicine For All

October 15, 2021



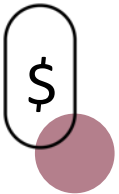
The expanding healthcare cost burden is increasingly transferred to consumers



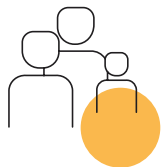
The continuing rise of healthcare costs is unsustainable for all parts of the health care ecosystem.



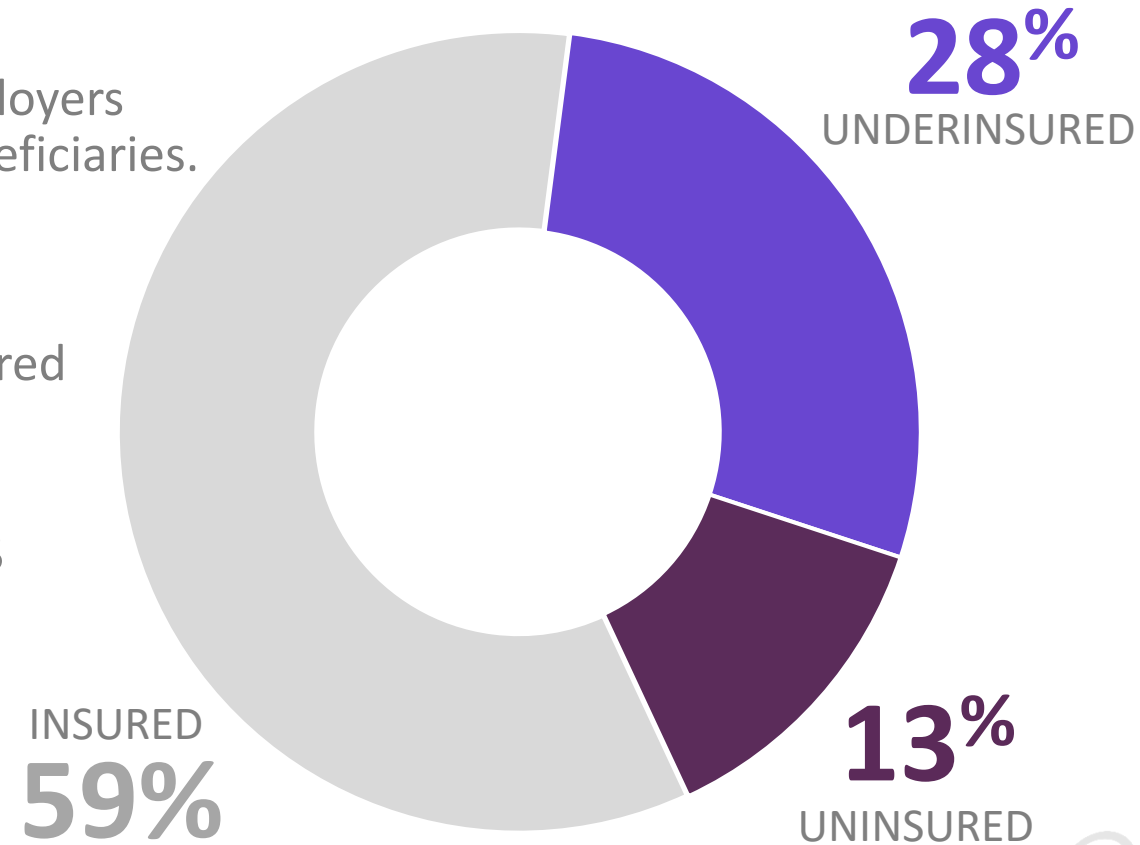
As costs rise unsustainably, payers and employers are increasingly passing on costs to the beneficiaries.



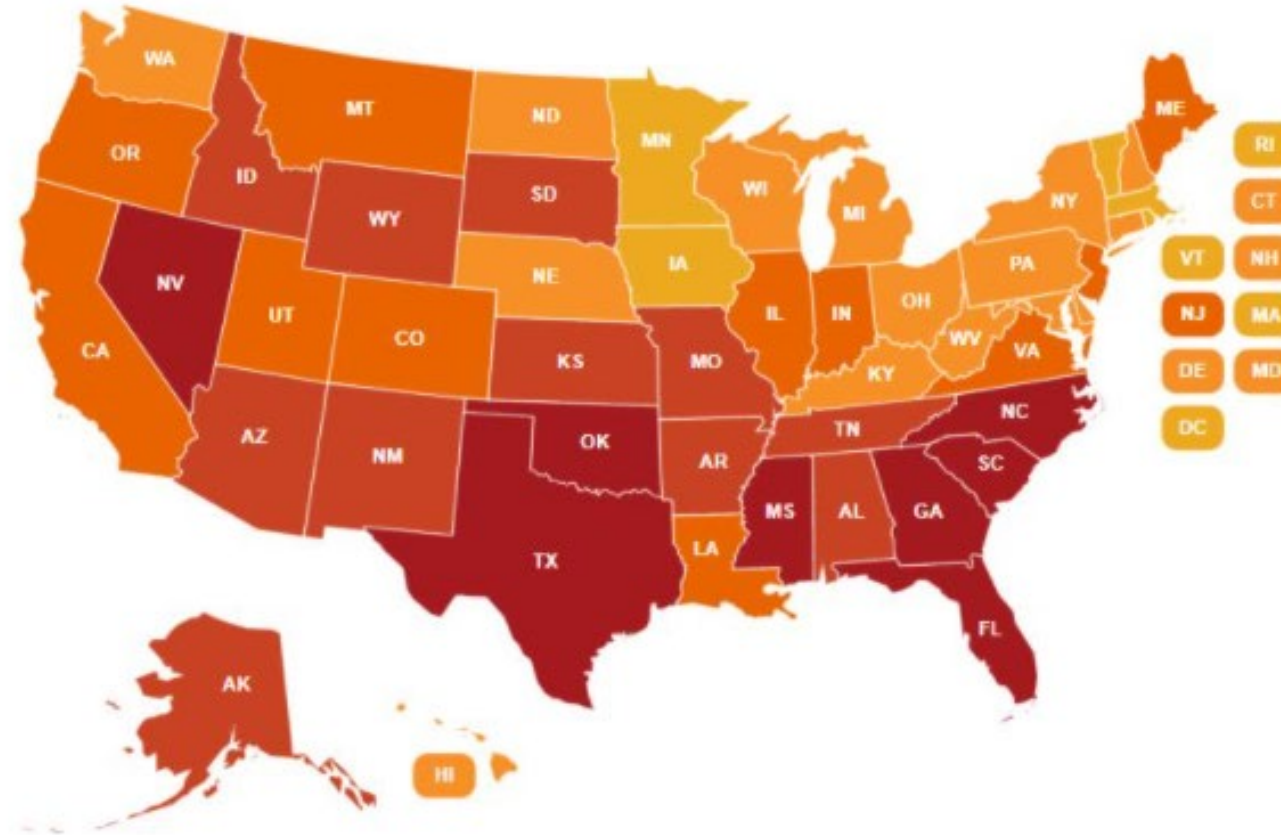
Most existing system participants predominantly cater to the sufficiently insured who can manage their out-of-pocket costs.



However, at the end of 2020, **41%** of the US population was underserved by the health insurance framework.



Uninsured Adults: May 2020



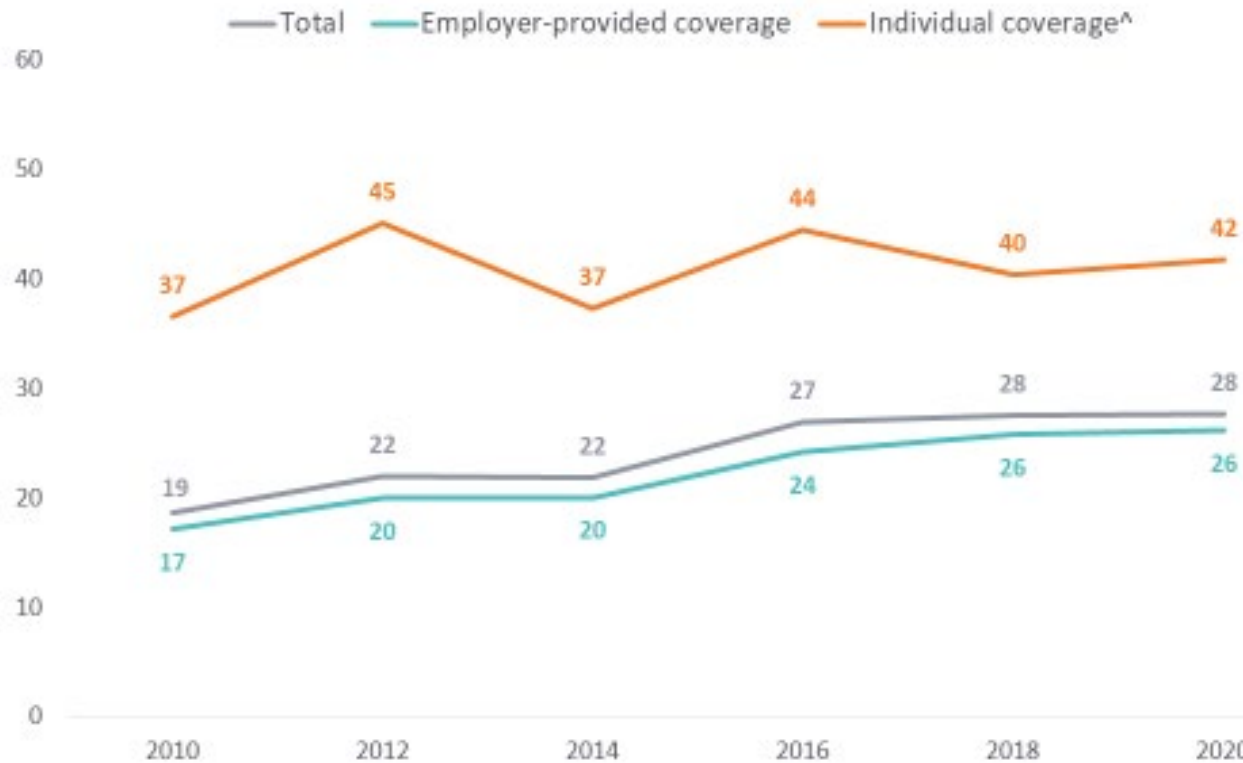
Percentage of nonelderly adults who are currently uninsured:



...and so is the Underinsured %

One-Quarter of Adults in Employer Plans Are Underinsured

Percent of adults ages 19–64 with private coverage who were insured all year and were underinsured



Notes: "Underinsured" refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equalled 10% or more of income; out-of-pocket costs, excluding premiums, equalled 5% or more of income if low-income (<200% of poverty); or deductibles equalled 5% or more of income. Respondents may have had another type of coverage at some point during the year but had coverage for the entire previous 12 months. ^ For 2014–2020, individual coverage includes adults who got coverage in the individual market and the marketplaces.

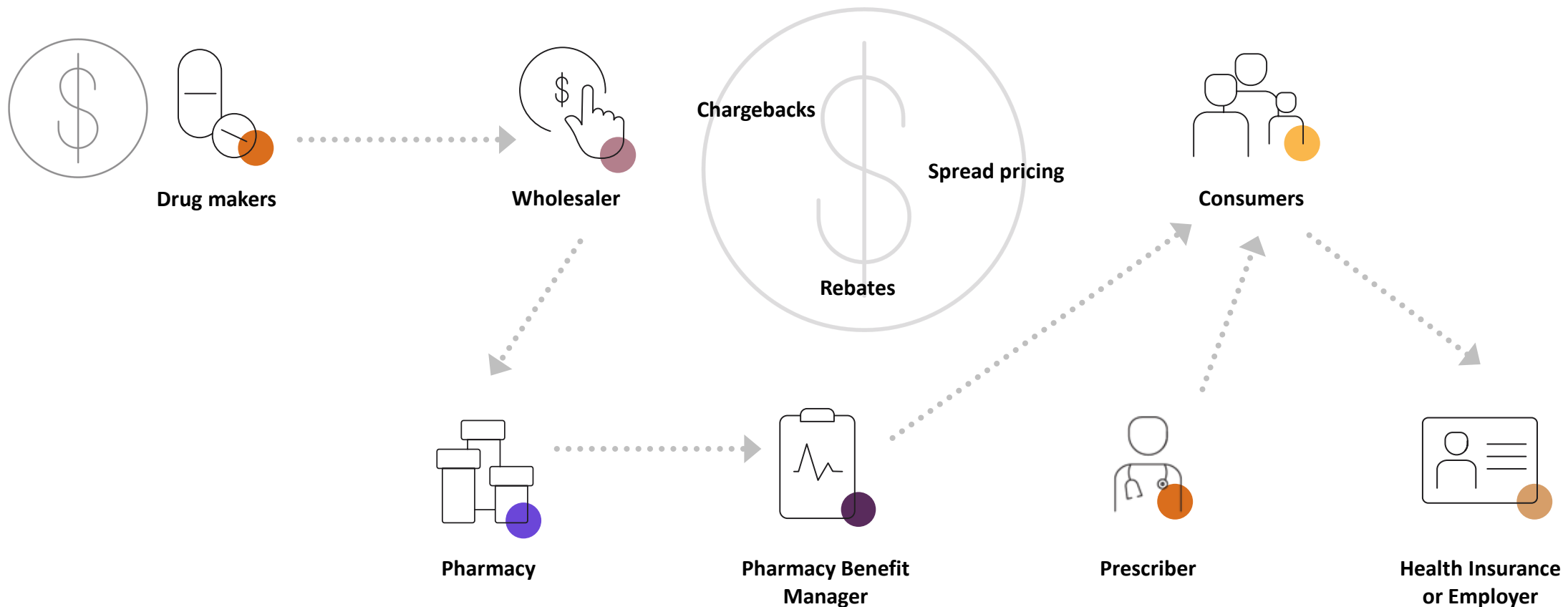
Data: Commonwealth Fund Biennial Health Insurance Surveys (2010, 2012, 2014, 2016, 2018, 2020).



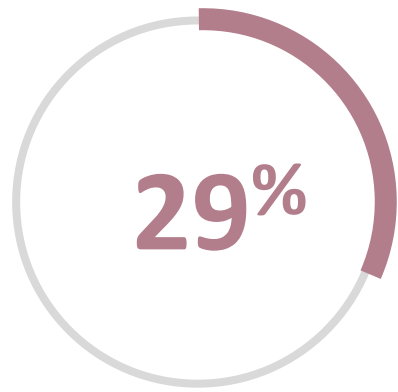
Source: Sara R. Collins, Munira Z. Gunja, and Gabriella N. Aboulafia, U.S. Health Insurance Coverage in 2020: A Looming Crisis in Affordability — Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2020 [Commonwealth Fund, Aug. 2020].

A complex pharma distribution system

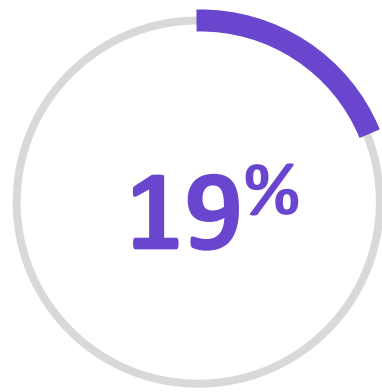
and disintermediated reimbursement system and supply chain control result in cost inflation



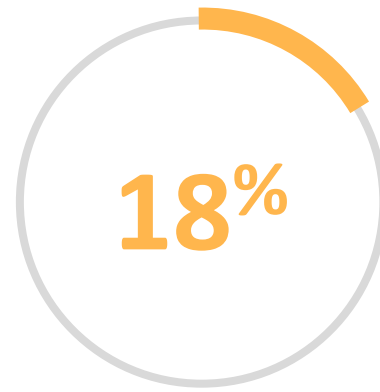
While a majority of adults have Rx prescriptions, 29% do not take Rx medicine as directed due to cost



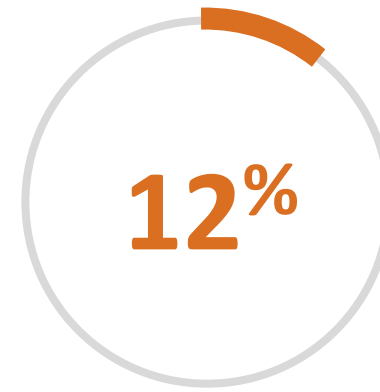
Did not take
prescription medicine
as directed because
of cost



Have not filled a
prescription



Have taken OTC
drugs instead



Cut their pills in half or
skipped doses



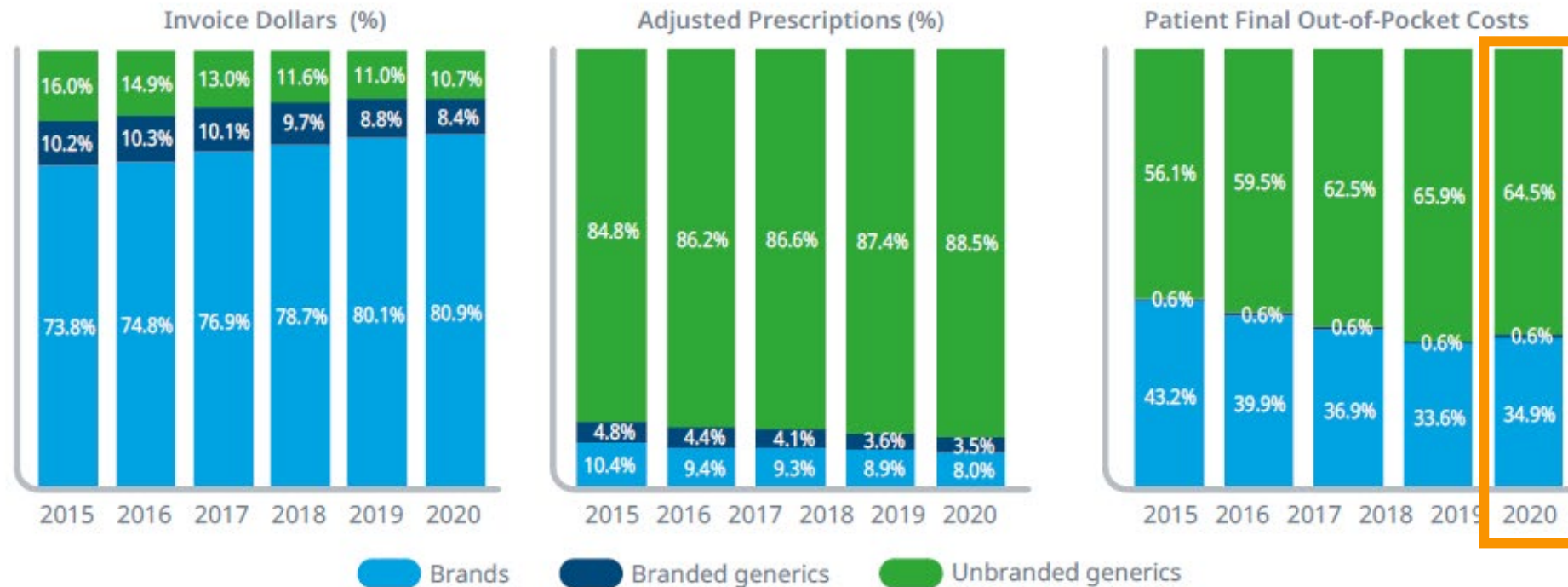
Most adults have
prescription medicines,
with over half of 65+
taking 4 or more

65% of patient out-of-pocket Rx costs are spent on generics

PATIENT OUT-OF-POCKET COSTS AND AFFORDABILITY

Generics and branded generics account for 19% of invoice-level spending but represent 65% of patient out-of-pocket costs

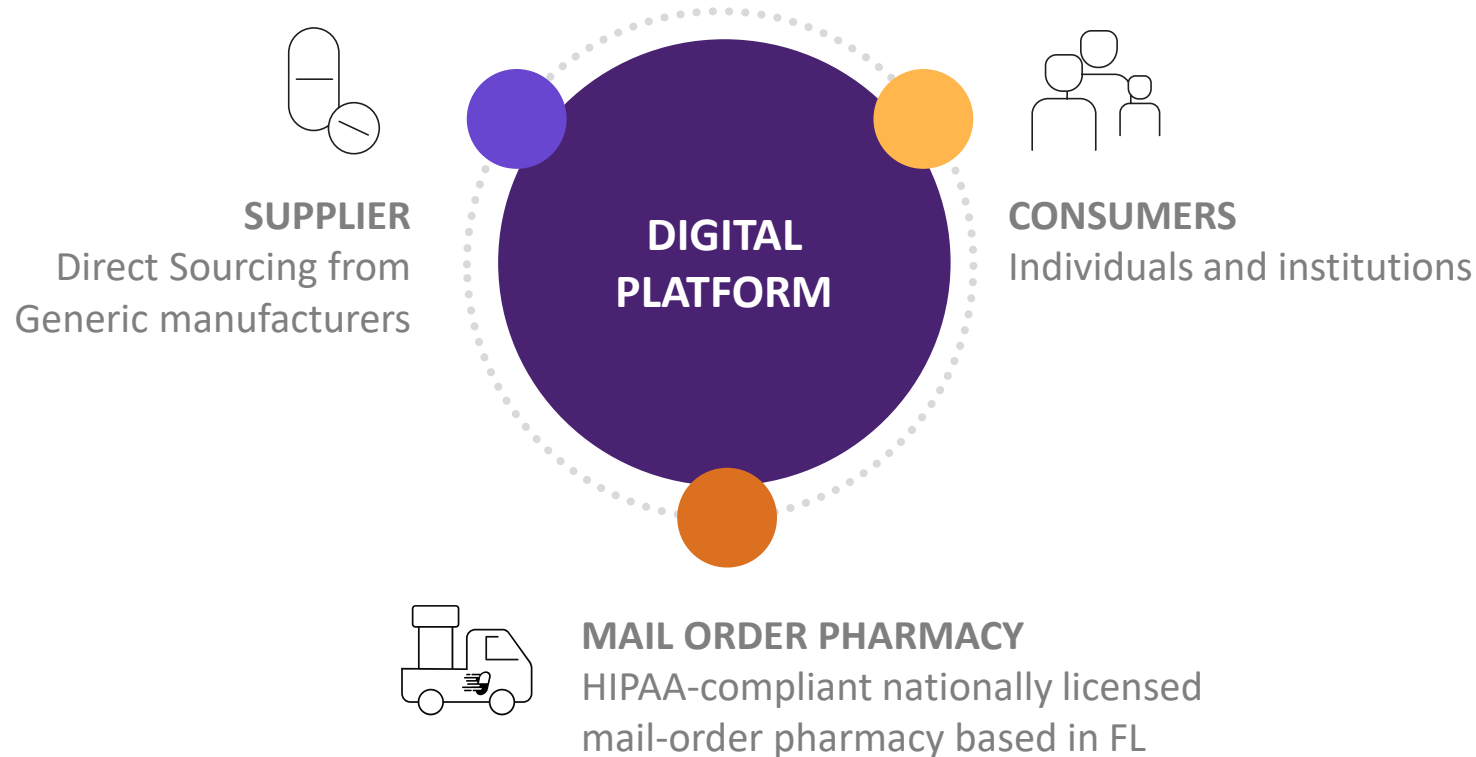
Exhibit 42: Share of Spending, Prescriptions and Patient Out-of-Pocket Costs by Product Type, 2016–2020



Source: IQVIA National Sales Perspectives; IQVIA National Prescription Audit, Dec 2020; IQVIA LAAD Sample Claims Data, Dec 2020

The DiRx value proposition: Affordable Medicine For All

Direct access to generic medicine, increased affordability and adherence, to improve health and quality of life



DIRECT ACCESS to most prescribed generic Rx medications through an e-commerce platform

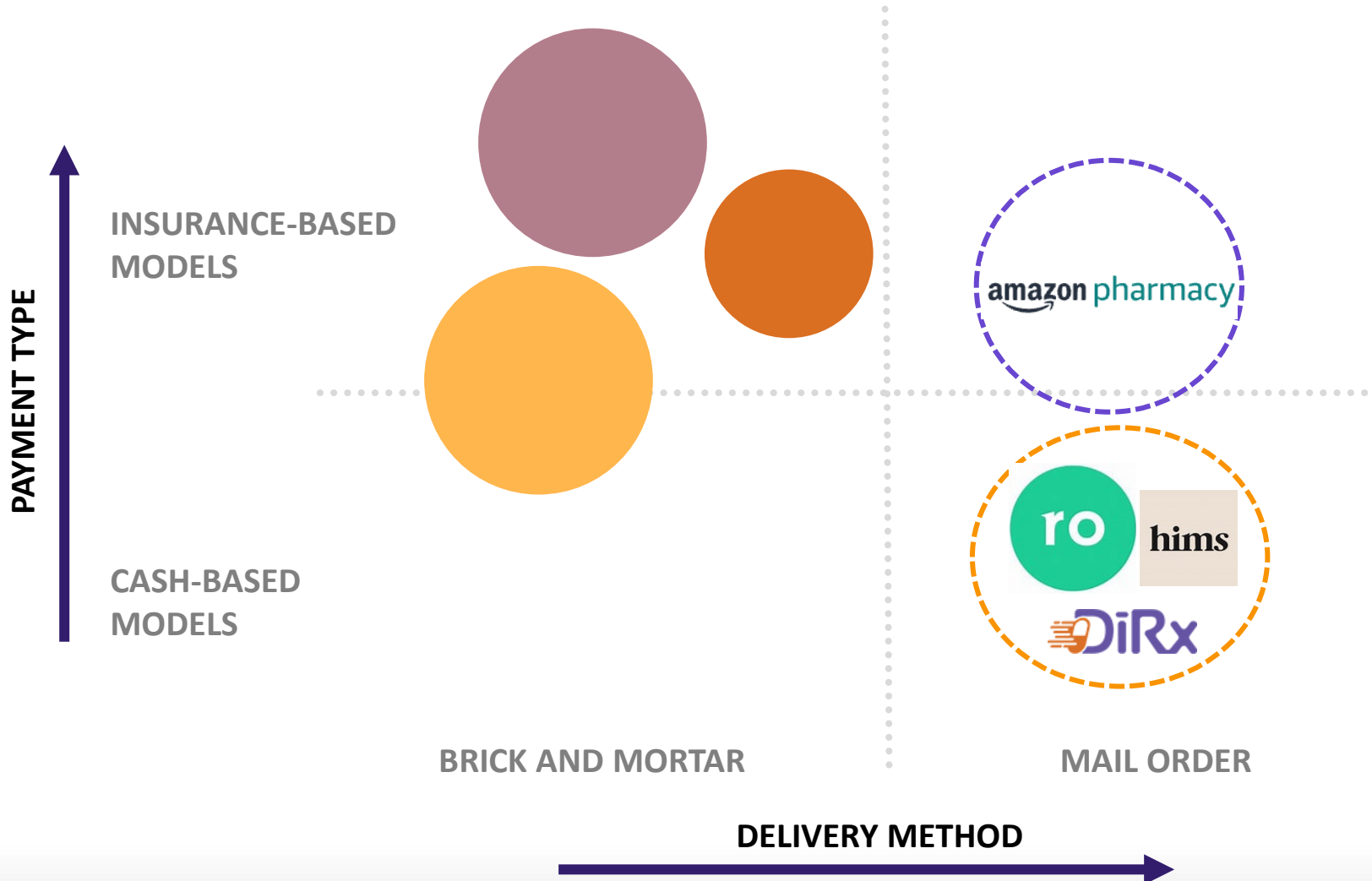
TRANSPARENT, affordable pricing for generic Rx medications through a cash-based, auto-refill program starting at \$3/month, >100 products at \$5/month

FOR B2B PARTNERS/EMPLOYERS: Custom formulary, low-cost options.



CAC for Digital/Mail Order Pharmacies

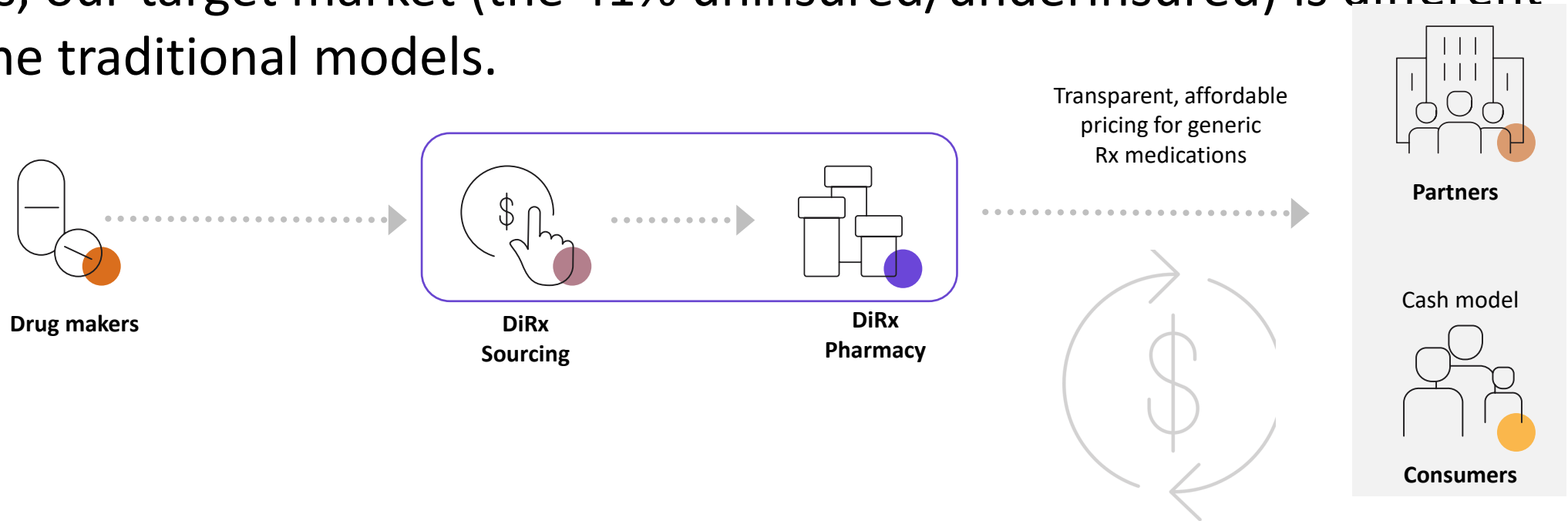
Higher than previously anticipated due to overall competitive mix
DiRx has a compelling value proposition due to direct sourcing



DiRx is the first cash-based digital pharmacy founded by generic industry experts.

This has helped create meaningful and transparent contracts without the usual pain points and without stepping on the toes of existing channel terms.

Besides, our target market (the 41% uninsured/underinsured) is different from the traditional models.



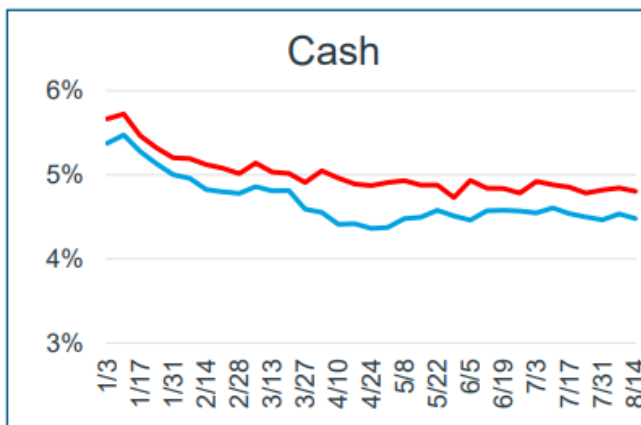
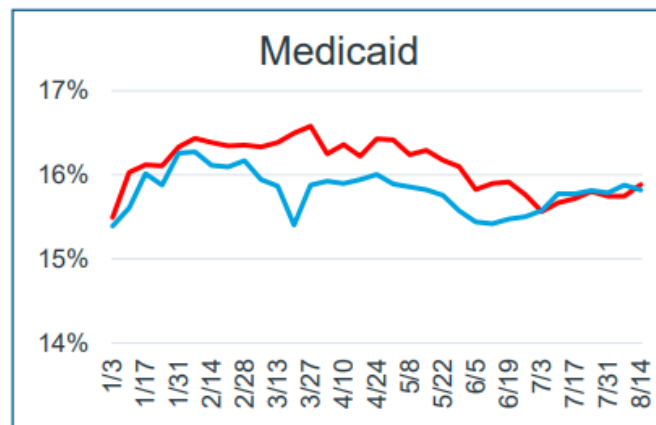
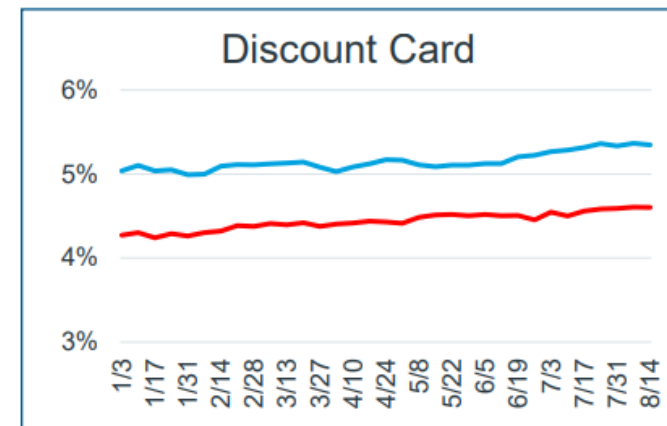
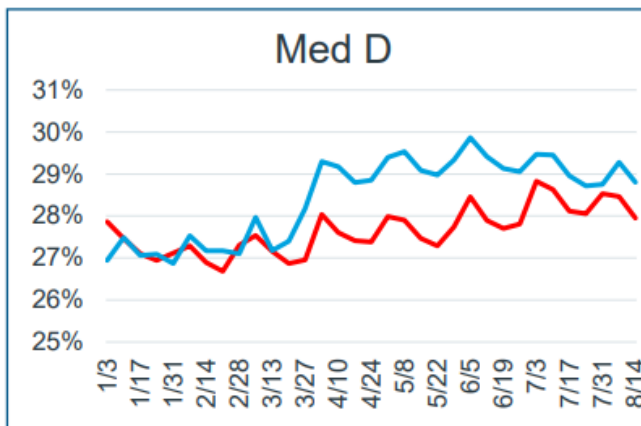
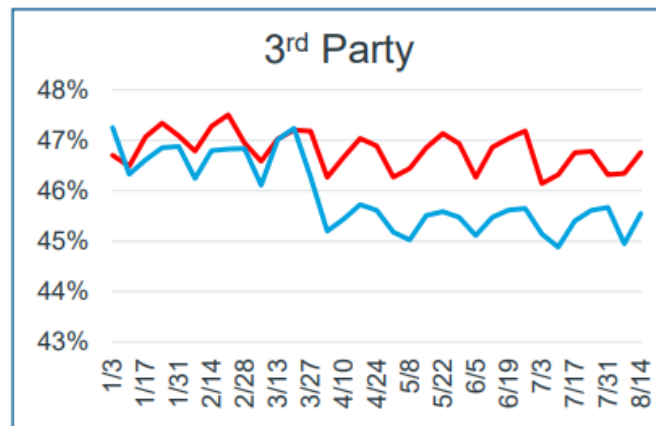
DiRx's Model Simplifies the distribution system

and shares the savings with consumers yielding beneficial results

- Everyone claims X% Off (from high “retail” reference prices); Ours is 95%+ Off the same reference prices.
- Specific case studies showed our pricing to be 15%-40% lower than benchmark pricing across product portfolios.
- Our cash pricing has been benchmarked to be at or below GoodRx pricing in most cases.
- Pricing on GoodRx and other platforms fluctuate over time whereas, as another first in this industry, we provide a 12-month price guarantee to consumers who sign up for our auto-refill program.

Market Data Provides Limited Data on “Discount Cards” and “Mail order” As Defined By The Reimbursement Framework

Multiple cash-based digital pharmacies have reached unicorn status though there's no market data tracking their TRxs, validating the choices the 41%+ are making.



	%
Commercial Insurance	45.500%
Medicare	28.750%
Medicaid	15.750%
Cash	4.625%
Other/Discount Card	5.375%
	100.000%

— 2019
— 2020

Amazon will eventually figure its way around

But will continue to provide strong tailwinds for all digital pharmacies, accelerating consumer shift away from brick-and-mortar models





Thank you for your time and attention.

Satish Srinivasan

CEO

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