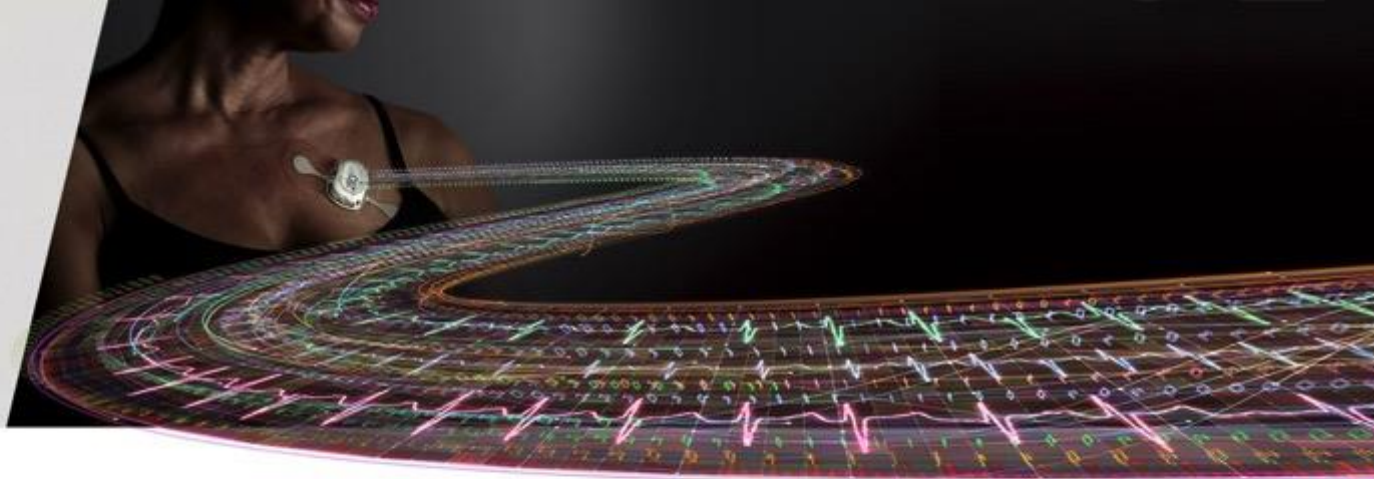


*iRhythm*<sup>™</sup>



# Investor Presentation

August 2020

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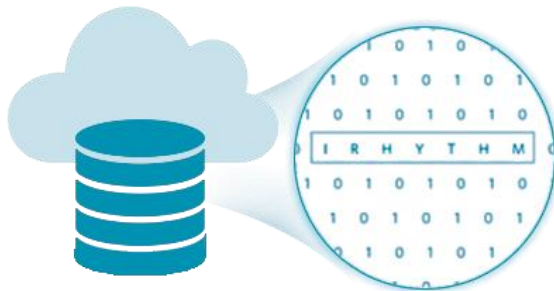
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# iRhythm is Redefining the Way Cardiac Arrhythmias are Diagnosed


## Single-Use Wearable Biosensors



## AI Based Data Analytics



## Clinically Actionable Digital Report

<b>Zio<sup>XT</sup></b>		<b>Zio XT Patch Report</b>		<b>iRhythm Technologies</b>	
		<b>Patch Report, Patient #14</b>		<b>rhythm</b>	
Date of Birth	Patient ID	Gender	Primary Indication (I48.0)	Enrollment Period	Analysis Time
12/12/67 (48 yrs)	123-456	Female	Syncope	13 days 19 hours	13 days 19 hours
Prescribing Clinician	Managing Location			(after artifact removed)	
Dr. E. Physician	iRhythm Technologies				
<b>Ventricular Tachycardia (4 beats or more)</b>			Episodes	<b>Heart Rate</b>	
Fastest VT (HR Range 135-150 bpm, Avg 142 bpm)			5	Overall	Max 154 bpm 04:49pm, 03/25
			HR Range	Min 50 bpm 06:59am, 03/23	
			Avg 132 bpm	Avg 78 bpm	
				Sinus	Max 96 bpm 06:14pm, 03/24
				Min 50 bpm 06:59am, 03/23	
				Avg 66 bpm	

# Cardiac Arrhythmia Burden is Immense in the United States

## Highly Prevalent

**11 million**

Have arrhythmias,  
incidence increases with  
age and risk factors

**~10 million**

Asymptomatic  
with high cardiac risk

## Utilization of Services

**750,000**

Hospitalizations/year  
due to AF

**130,000**

Deaths/year  
due to AF

## Financial Burden

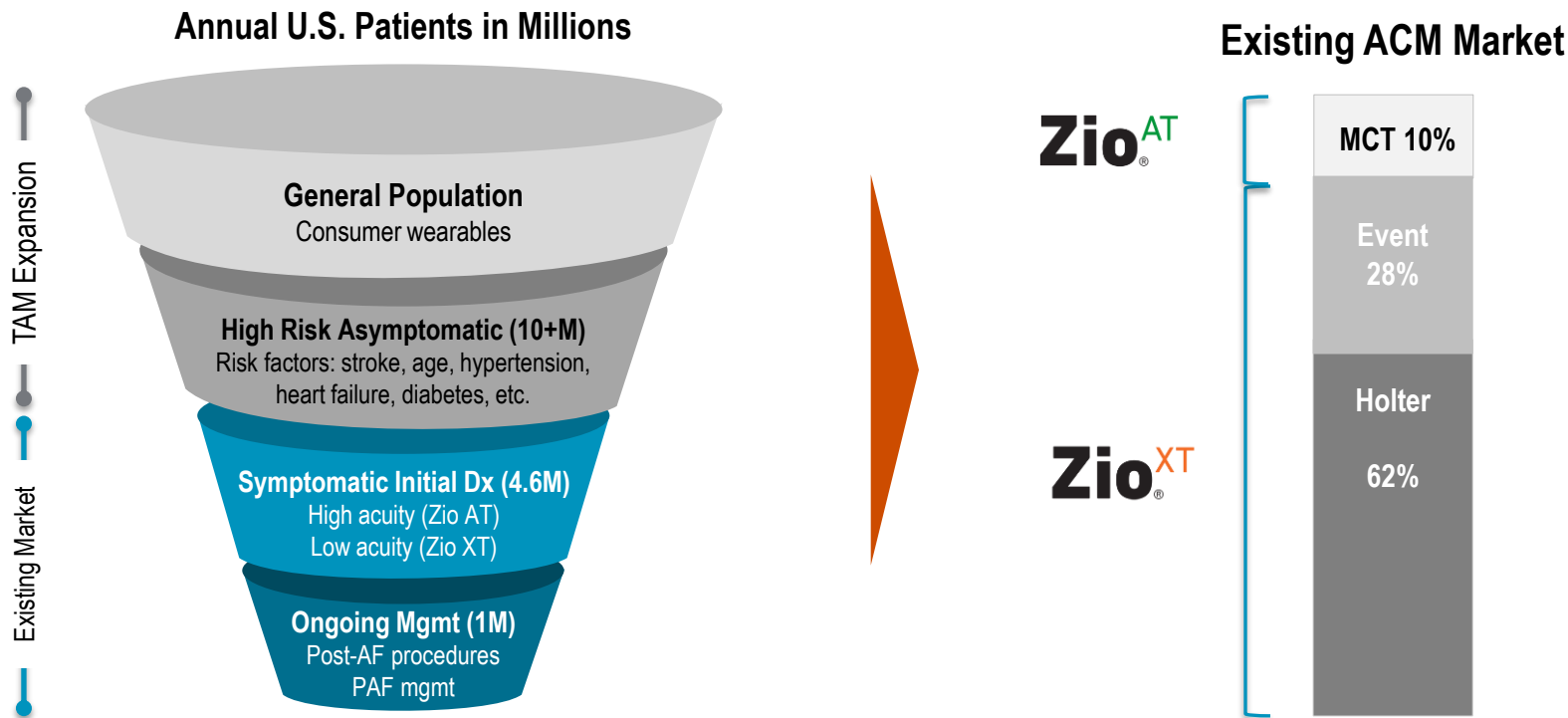
**5x**

Increased risk of stroke  
due to AF

**\$34 billion**

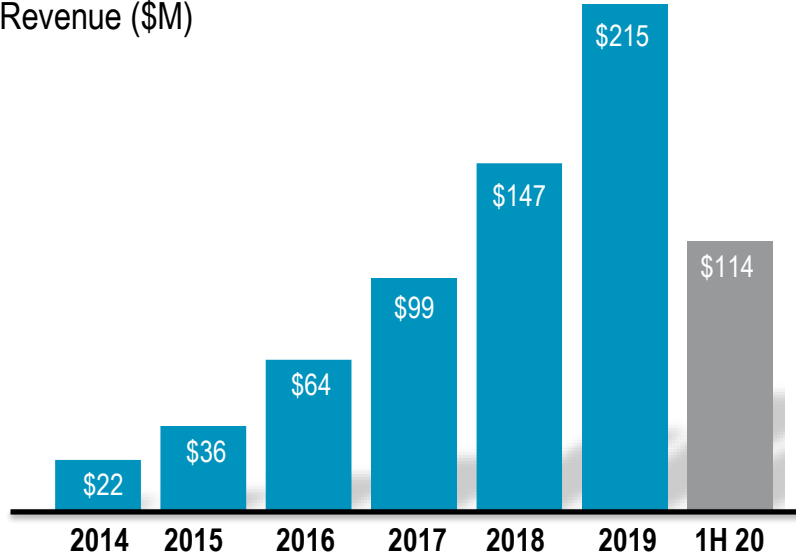
Annual cost of stroke

# \$1.8B Existing Market Opportunity ... with TAM Expansion



# Track Record of Growth with Increasing Operating Leverage

Revenue (\$M)



GM%	2014	2015	2016	2017	2018	2019	1H 20
GM%	51%	59%	67%	72%	74%	76%	72%

## Recent Accomplishments

### Financial

- 46% y/o/y revenue growth in 2019
- Gross margins of 76% in 2019
- 6-point improvement in operating margin in 2019

### Markets and Technology

- Fully launched Zio<sup>AT</sup> in October 2019
- Development collaboration with Verily
- Launched new information system, ZioSuite
- Transition to CAT 1 CPT code expected to start Jan 2021

# COVID-19: Impact and Response

## COVID Impact

- Signs of stabilization, but could see suppressed demand for the duration of the pandemic
- Continued progress in recovery of patient registrations in June and July
- Home enrollment service adopted widely and digital platform crucial for continuity of service and patient care

## Q2 2020

- 3% y-o-y revenue decline; 20% sequential
- Steady pace of recovery throughout the quarter
- Bolstered by home enrollment utilization and market share gains
- Adjusted operating plan limited cash burn to ~\$7M

## Account Observations

- Focus on patient and provider safety will create near-term capacity constraints
- TeleHealth visits will be part of new workflows
- Patient engagement and patient comfort are more critical than ever
- Financial pressures put a renewed focus on efficiencies

# Reimbursement Update: Transition to Category I CPT code

## Key events

- In early August, CMS released “Calendar Year 2021 Medicare Physician Fee Schedule Proposed Rule”
- Two new Category I CPT code sets (93XX0 – 93XX7) to replace temporary CPT code sets (0295T – 0298T)
  - Additional codes were established to define the associated time and work to monitor, detect and identify cardiac disease over longer periods of time which has been shown to lead to higher detection rates
- Public comment period before finalizing in early December for expected implementation on January 1, 2021

## Implications

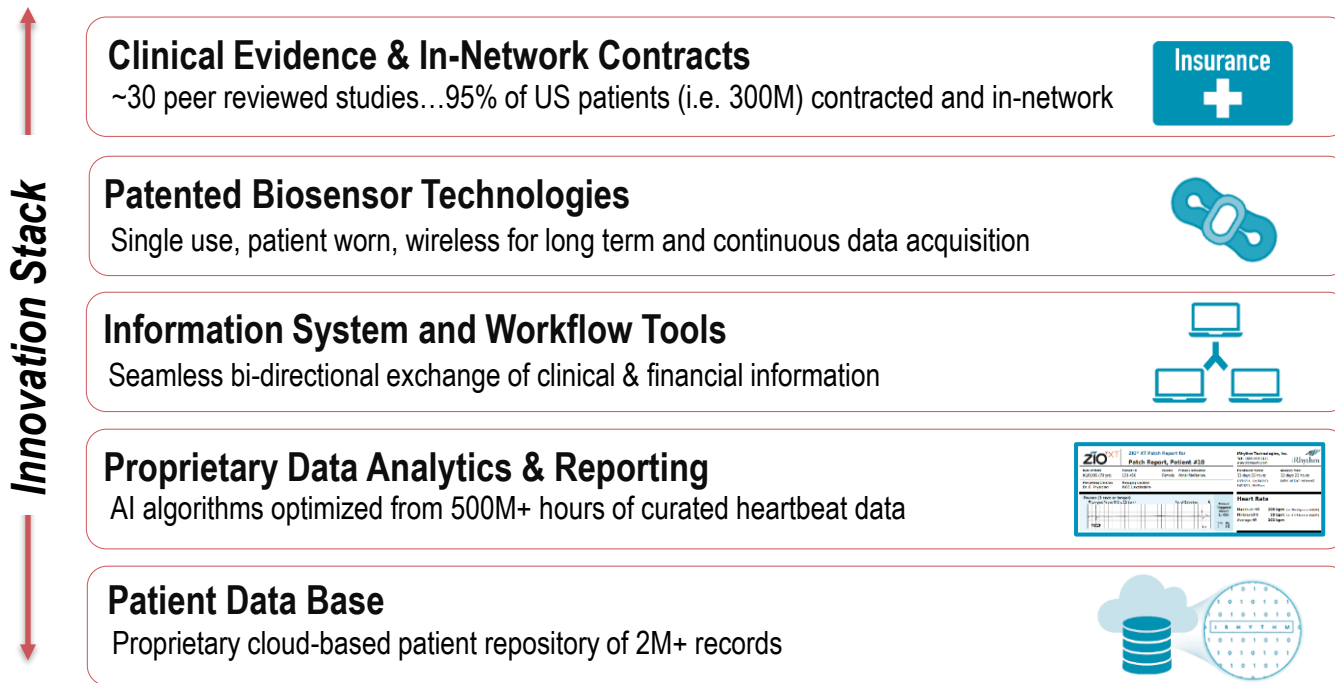
- Validates clinical importance of continuous long-term ECG monitoring
- Strengthens foundation to continue changing standard of care
- Initial analysis of impact to IRTC is high single-digit positive to total revenue\*
- Additional potential tailwinds and opportunities available with new national pricing and CPT I coding

\* based on full year 2019 revenue and Zio XT volume, prescription/wear-time and payor mix



# Single Highly Differentiated & Proprietary Digital Platform

Platform facilitates delivery of care independent of patient and physician locations

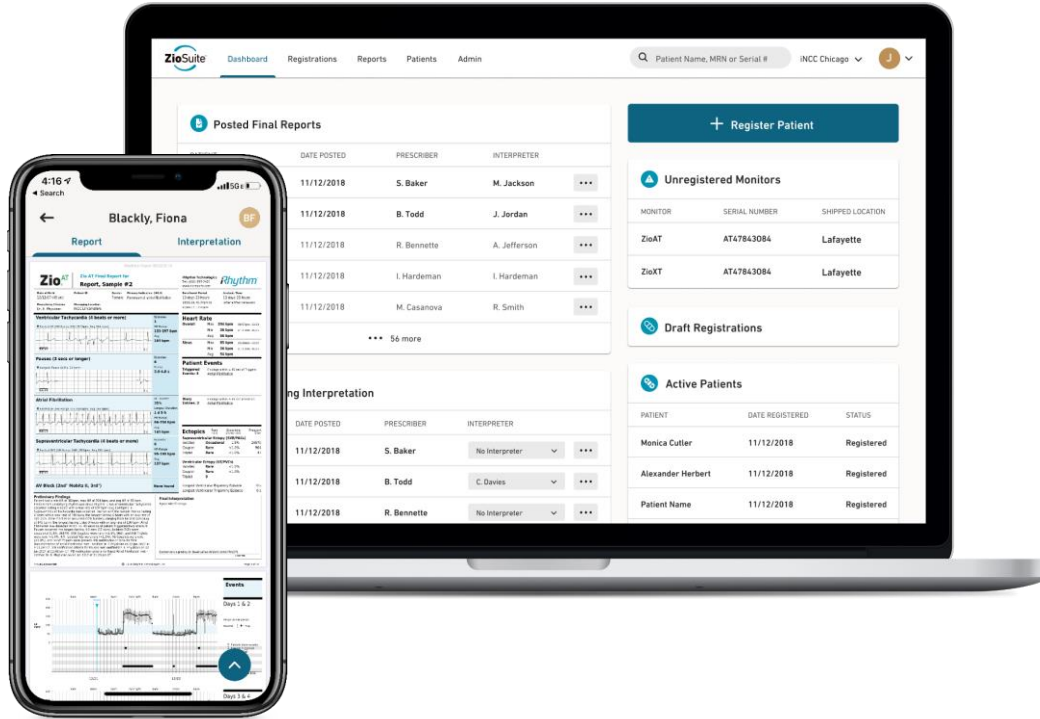


# High Physician Confidence in Zio Enabled by Proven AI Algorithms



- iRhythm's deep neural network (DNN) exceeded Board-certified cardiologist ECG sensitivity for all 12 rhythm classes
- Optimization built on a proprietary database of 10+ years and hundreds of millions of hours of curated data
- Improves the accuracy and scalability of ECG analysis, reducing the rate of misinterpretations to improve patient management

# ZioSuite: Proprietary New Digital Information System for Clinicians



- ✓ Streamlines clinical workflows
- ✓ Desktop and mobile platform
- ✓ Easier online report interpretation
- ✓ Mobile access to reports on-the-go
- ✓ Device and patient tracking from registration to report delivery
- ✓ Ability to contact patients directly from mobile app with one tap

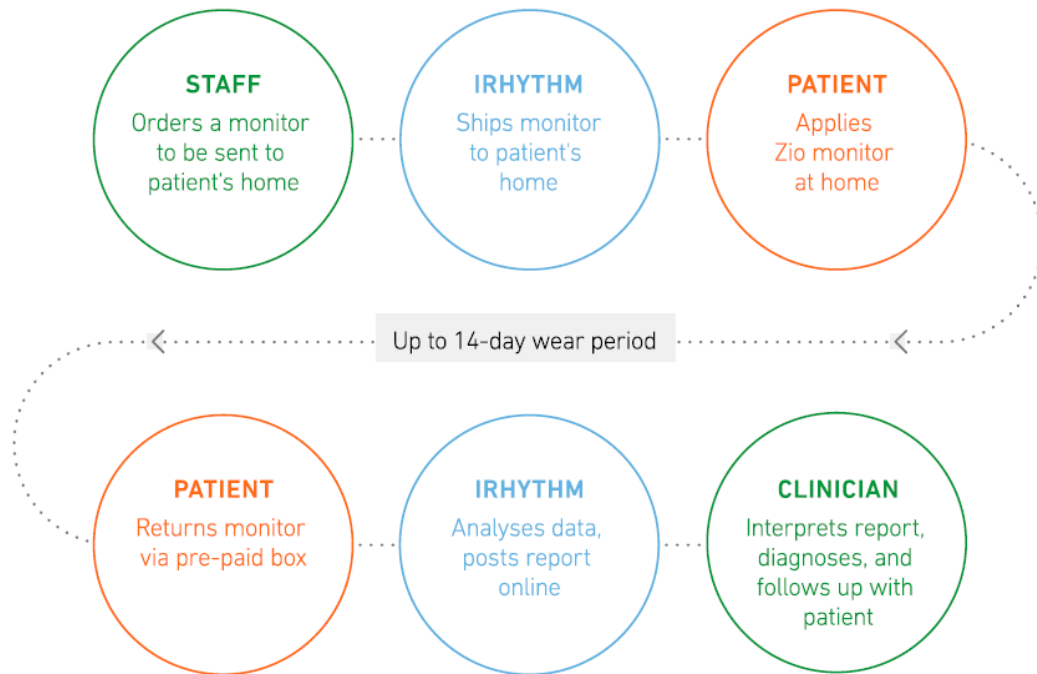
Faster & more intuitive experience for physicians and clinical staff

# Home Enrollment Enables Virtual Care

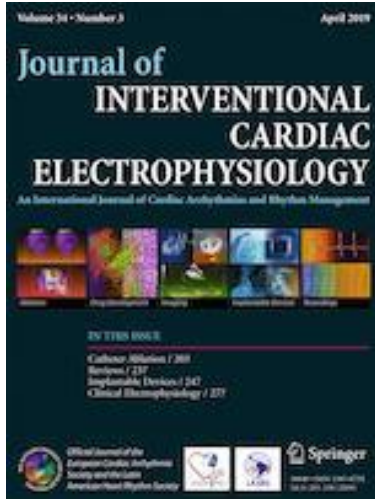
## Benefits

- Reduces patient and staff exposure
- Eliminates need for cleaning or re-using monitors
- Allows for patients' continued access to necessary cardiac monitoring

## Process



# The “New Gold Standard” of Cardiac Monitoring



Zio<sup>XT</sup> as accurate as an implanted pacemaker in detecting AF burden and outperforms other external cardiac monitors

Monitor Type		% Failure to Detect Clinically Relevant AF
Zio <sup>XT</sup>	.....	0.0%
CAM	.....	9.5%
Nuubo Vest	.....	23.8%
Event Monitor		38.1%

# Zio<sup>AT</sup> Superior Diagnostic Yield + Single Platform Advantage

## Clinically Superior to Traditional MCTs:

**98%**

Patient  
Compliance

Patient-Friendly  
Design Enables  
High Compliance

**5 Days**

Detection up to  
5 Days Sooner

Faster Time  
to Diagnosis

Answers

**83%**

Diagnostic Yield  
in only 14 Days  
of Monitoring

Answers in  
Less Time

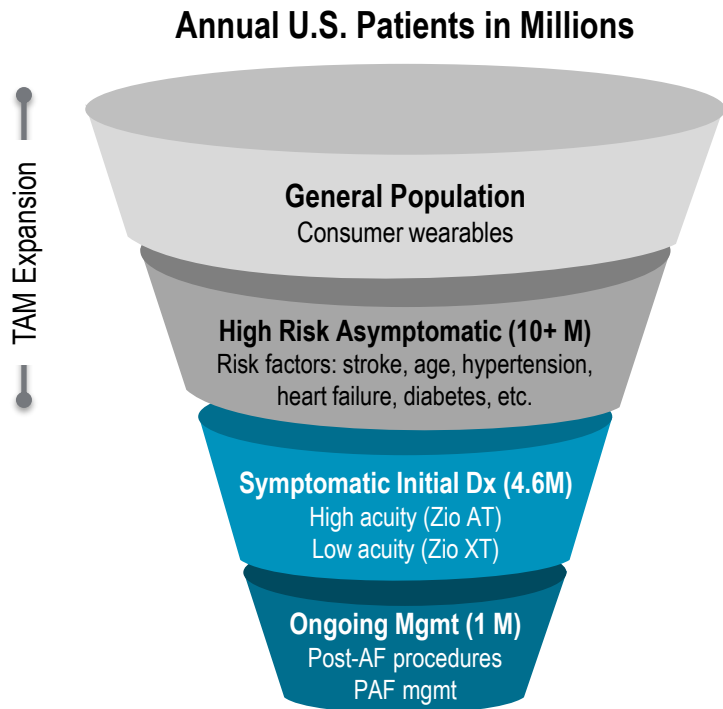
**99.6%**

Physician  
Agreement

Greater Time  
Savings & Efficiency

Single Platform Enabling Zio AT adoption and Zio XT pull-through

# TAM Expansion: High Risk Asymptomatic AF Population



- Large & growing population of “high-risk” asymptomatic patients with silent AF
- If present & left undiagnosed ... individuals have a 5x increase in the risk of stroke
- ~20% of individuals who experience a stroke due to AF are undiagnosed at the time of their stroke
- 80% of strokes suffered by people with AF are preventable with early detection and proper treatment

# Evidence Supporting the Silent AF Market is Building

## Ongoing Studies Utilizing Zio for Detection of Asymptomatic AF

### SCREEN-AF

Incidence of newly diagnosed AF/Afl at 6 mos

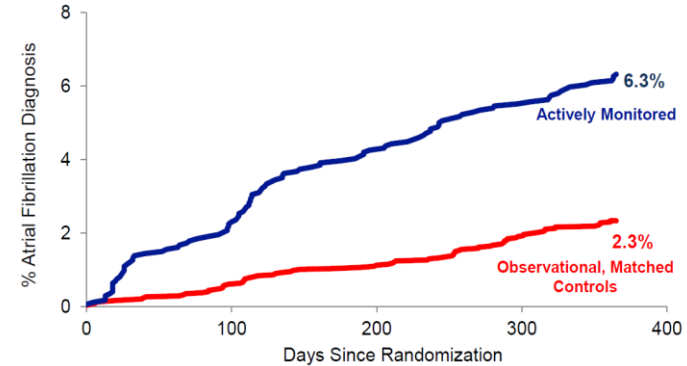
### mSToPS

Incidence of Stroke and healthcare utilization at 3 yrs

### GUARD-AF

Incidence of stroke at 24 months

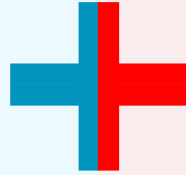
One year results from mSToPS show positive outcomes



- Active monitoring with Zio improved detection of AF by ~3x
- Fewer emergency department visits and hospitalizations in patients with newly diagnosed AF



# A Modern Digital Health Collaboration

The logo for iRhythm, featuring the word "iRhythm" in a blue, italicized sans-serif font with a trademark symbol.The logo for Verily, featuring the word "verily" in a red, lowercase sans-serif font with a horizontal line under the letter "v".

iRhythm is redefining the way cardiac arrhythmias are clinically diagnosed by combining our wearable biosensing technology with cloud-based data analytics and artificial intelligence (AI) capabilities.

Verily lives at the intersection of technology, data science and healthcare. Mission is to make the world's health data useful so that people enjoy healthier lives.

# Investment Highlights

- ✓ iRhythm is redefining the way cardiac arrhythmias are diagnosed
- ✓ Zio service is proven to create clinical, operational and financial value for our customers
- ✓ Our single scalable technology platform is highly differentiated
- ✓ Demonstrated TAM expansion with further growth strategies ongoing
- ✓ Strong track record of revenue growth and gross margin expansion

*iRhythm*<sup>TM</sup>

irhythmtech.com

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Evidence Supporting the Silent AF Market is Building	Steinhubl, S.R. et al. Effect of a Home-Based Wearable Continuous ECG Monitoring Patch on Detection of Undiagnosed Atrial Fibrillation. <i>JAMA</i> 2018; Steinhubl S.R. et al, Healthcare Resource Utilization Associated with ECG Sensor Patch Screening for Atrial Fibrillation: Results from the mStoPS Trial, presented at the American College of Cardiology Scientific Session, 2019.