iRHYTHM®

2022 Analyst & Investor Day

September 21, 2022

Welcome



DAN WILSON
Executive Vice President,
Corporate Strategy

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Safe Harbor

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These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" in our most recent 10-K and 10-Q filed with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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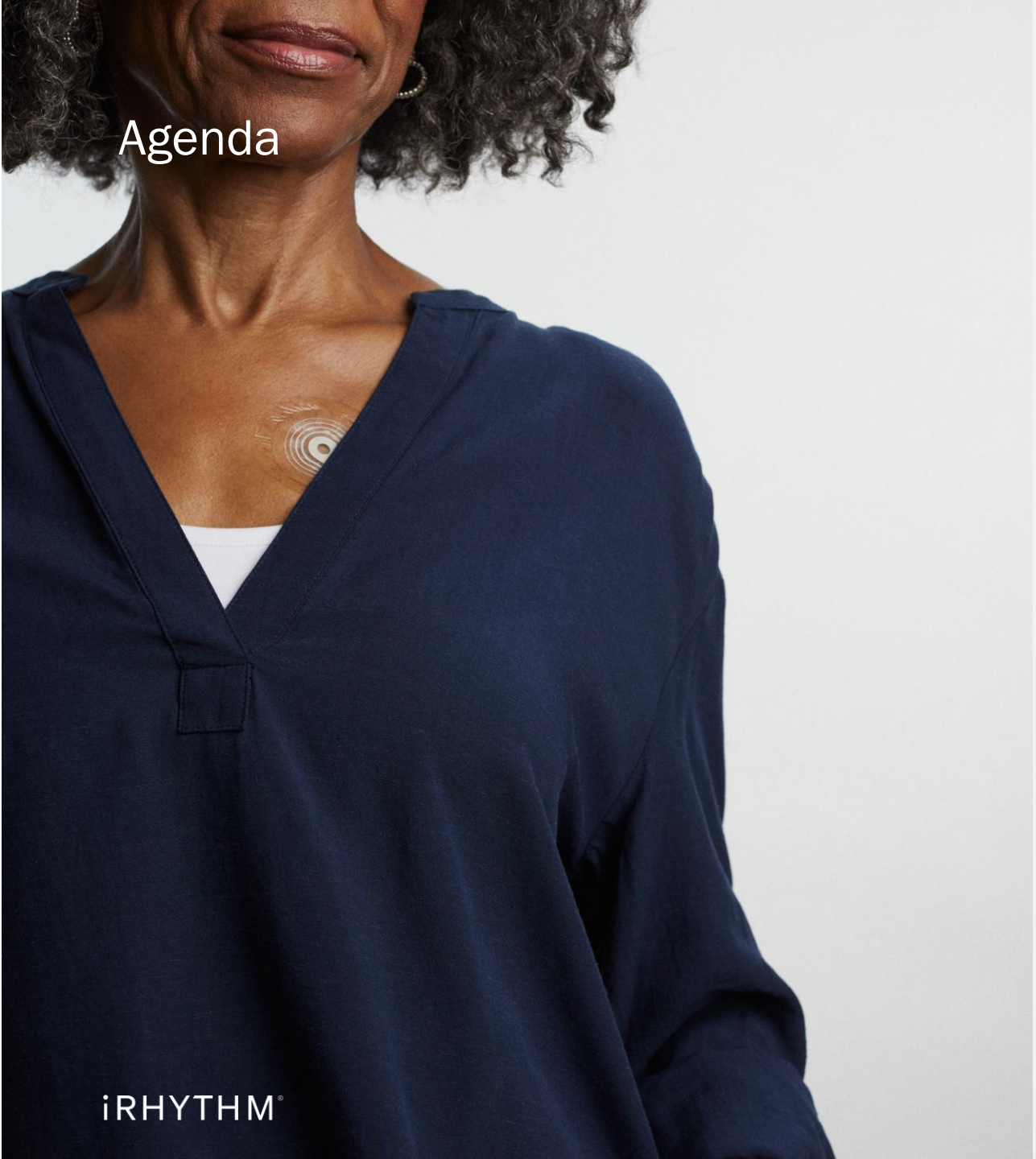

Agenda

Strategy for Stakeholder Value Creation	Quentin Blackford
Clinical Innovation	Mintu Turakhia, MD, MAS
A Foundation for Growth: Core U.S. Business	Chad Patterson
Expansion into International Markets	Sandrine Moirez
Q&A	
15-minute break	
Introducing: Know Your Rhythm	Sara Bender
A Look Forward: Building Technology for the Future	Mark Day, PhD
Building Operational Excellence	Doug Devine
Financial Outlook	Brice Bobzien
Q&A	

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Presenters



QUENTIN BLACKFORD
President & CEO



MINTU TURAKHIA, MD, MAS
Chief Medical Officer &
Chief Scientific Officer



CHAD PATTERSON
Chief Commercial
Officer



SANDRINE MOIREZ
International
General Manager



SARA BENDER
Chief of Staff



MARK DAY
Chief Technology Officer



DOUG DEVINE
Chief Operating Officer



BRICE BOBZIEN
Chief Financial Officer

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Strategy for Stakeholder Value Creation



QUENTIN BLACKFORD
President and
Chief Executive Officer

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5+ Million
Patients served

~25%
Penetration in core U.S. ambulatory cardiac monitoring market



>30%
Five-year revenue CAGR

~1.5 Million
Patients served annually and growing





35+
Peer-reviewed publications

1 Billion
Hours of curated ECG data



66
Countries and states where we have employees

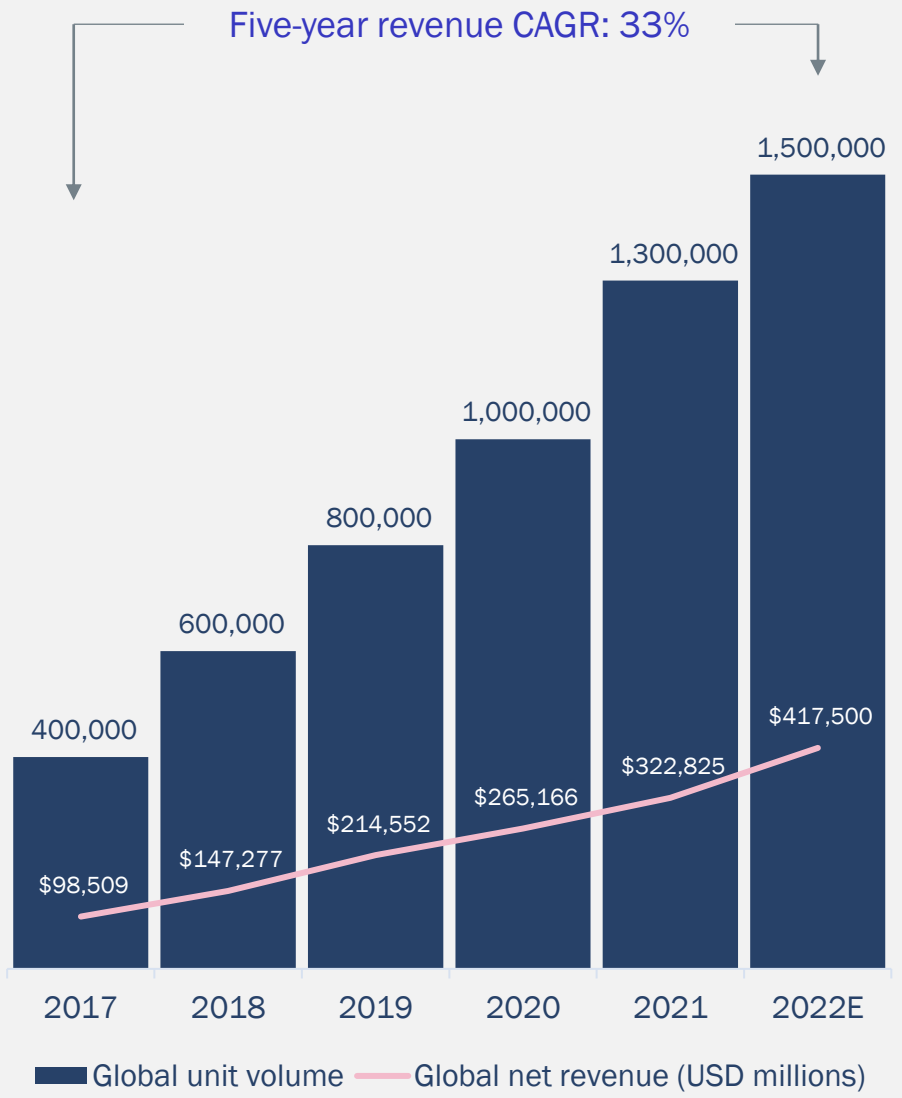
1,600+
Global employees

Data on file, September 2022.

iRhythm's track record of success

Proven ability to commercially launch innovative products and services as well as repeatedly grow market share

Consistent, steady volume growth has enabled high-growth revenue generation



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Addressing the future focus of healthcare

Expanding existing markets while extending into adjacent markets

Out-paced revenue growth from massive underpenetrated markets on a global scale

Delivering meaningful improvements in financial profile

Compelling investment thesis for value creation

MARKET EXPANSION OPPORTUNITIES

Core US market penetration

Greenfield specialist growth

Primary care physician growth

Channel expansion

International expansion

Adjacent market development

INNOVATION

Relentless patient focus

Insight generation

AI and prediction capabilities

Connected care

OPERATIONAL EFFICIENCY FOCUS

Commitment to quality, safety and regulatory compliance

Supply chain resilience

Unit cost economics

Digital transformation

Continuous process improvement

IMPROVING FINANCIAL PROFILE

Focus on generating leverage

Disciplined opportunity prioritization

Balanced reinvestments

Strategic portfolio management

Investments for opening adjacent markets

Strategy to deliver enhanced value to all stakeholders

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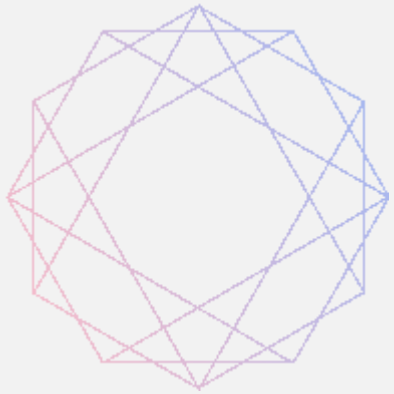
The Zio platform enables us to address the challenges of tomorrow



1

PATENTED WEARABLE BIOSENSORS

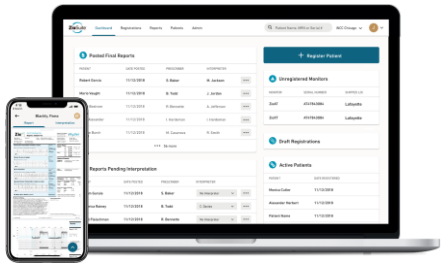
Single-use monitor that patients prefer



2

AI PLATFORM (34-LAYER DEEP NEURAL NET)

2nd Generation, FDA-cleared, deep-learned ECG detection algorithm



3

ACTIONABLE AND SCALABLE DIGITAL PLATFORM

High-quality digital report delivered via desktop, mobile or EHR

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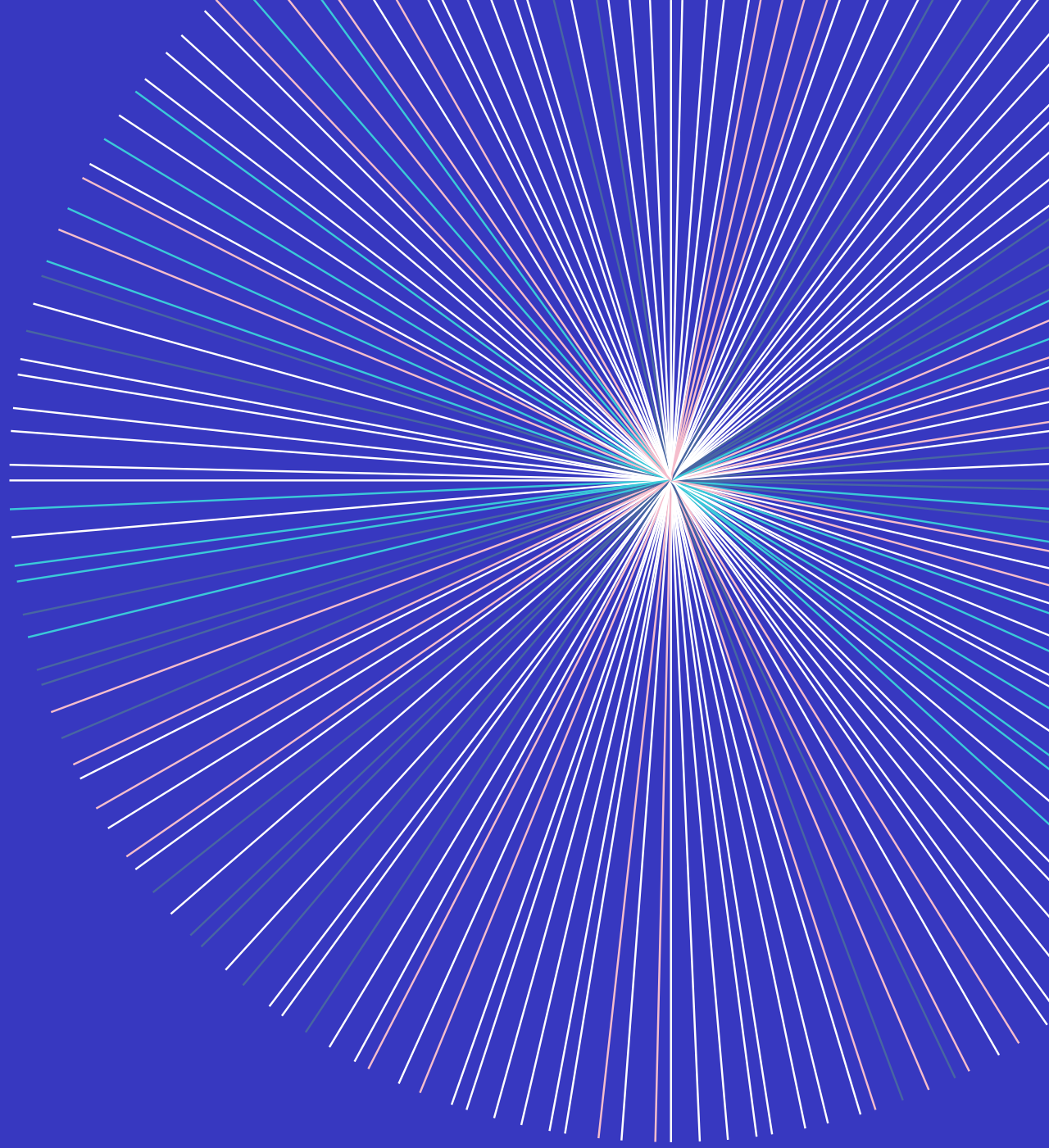
Vision

Better Data,
Better Insights,
Better Health for All.

Mission

Boldy innovating to create trusted solutions that detect, predict and prevent disease.



Substantial and growing market potential

Massive TAM today....

....With significant market expansion



See appendix for sources

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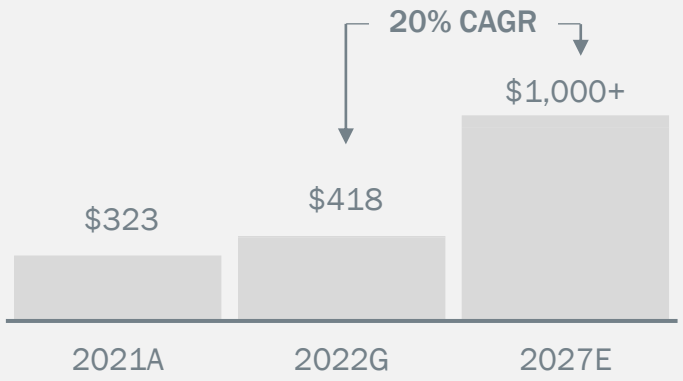
Significant market opportunity will lead to meaningful value creation over the next five years

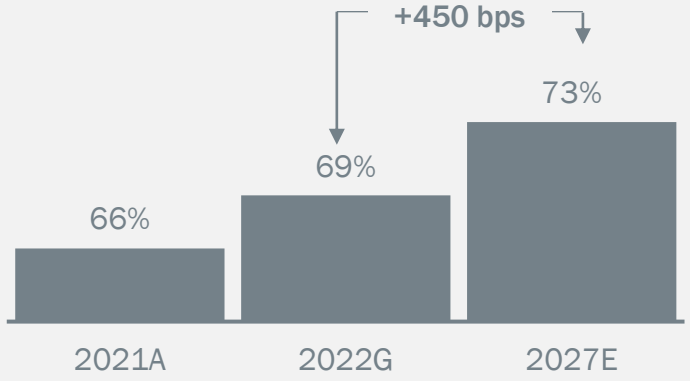
GLOBAL NET REVENUE (USD, MILLIONS)



20%+ CAGR over next five years

~$600 million total revenue growth

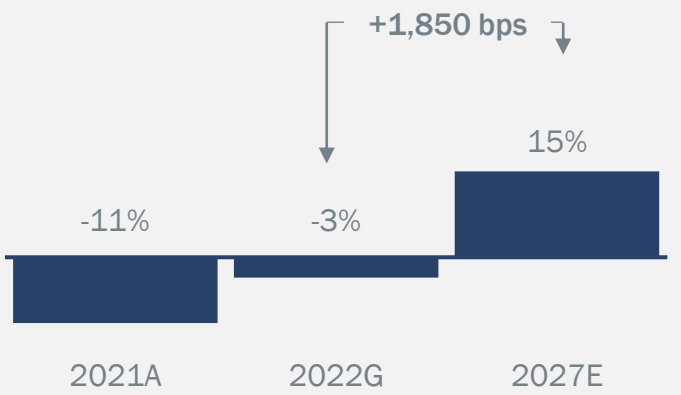
GROSS PROFIT MARGIN



~450 bps margin expansion with opportunities to offset pricing pressures

Driven by improving economies of scale and automation initiatives

ADJUSTED EBITDA MARGIN



~1,850 bps expansion inclusive of continued R&D and S&M investments

Improvement in operating leverage particularly in G&A

Adjusted EBITDA calculated as earnings excluding interest, taxes, depreciation and amortization, stock compensation expense and restructuring costs

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Significant adjacent market opportunities



UNDIAGNOSED ARRYTHMIAS

2022 estimated at-risk[1]: 12M

Estimated 20% of Medicare-eligible population based on mSToPs inclusion criteria

Higher risk of comorbidities like sleep apnea, heart failure, hypertension, stroke



SLEEP APNEA

Prevalence: ~30M

Up to 80% of AFib patients have sleep apnea

Large prevalence of undiagnosed sleep apnea with poor convenient diagnostic pathway at PCP



HEART FAILURE

Prevalence: ~6M

25% of heart failure patients have AFib

AFib begets heart failure, causing high readmission



HYPERTENSION

Prevalence: ~130M

Up to 90% of AFib patients have hypertension and there is a large comorbid hypertension population

Initial investments being made to explore feasibility in massive market opportunities

See appendix for sources

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INTRODUCING

know your rhythm

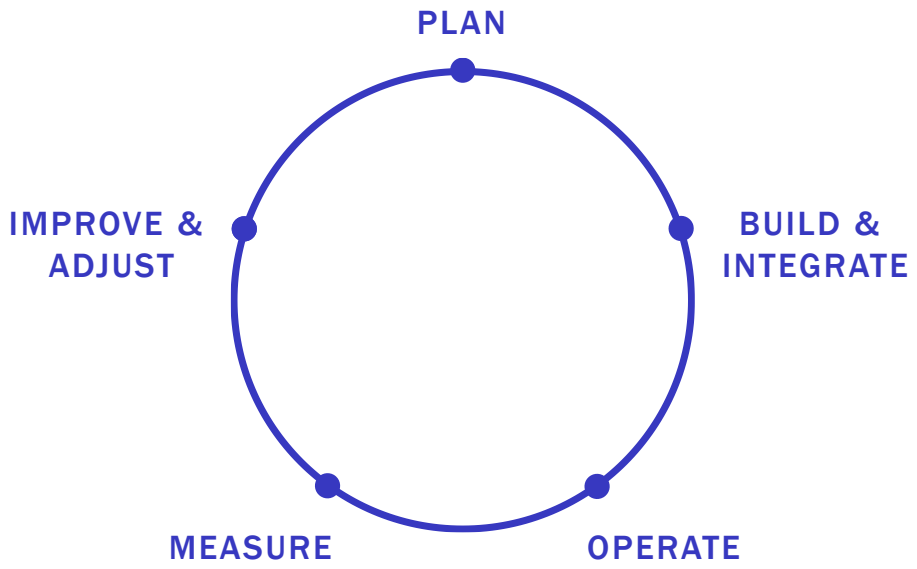
BY ZIO®

The ground-breaking program for early detection of heart arrhythmias.

know your rhythm BY ZIO®



Driving efficiencies through operational discipline



Improving unit cost economics

G&A efficiencies and leverage

Globalization

Automation and digital transformation

~$250 million[1] in anticipated gross annual savings by 2027

1. Net of non-cash operating leverage

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Strategic portfolio management will fuel future growth opportunities

1. Investments will be prioritized that accelerate growth in alignment with strategic vision

2. Opportunities will be evaluated based on their ability to complement or supplement core competencies

3. Disciplined evaluation will contemplate strategic, operational and financial measures

Partnership and business development themes

- COMMERCIAL PARTNERSHIPS
- DATA ACQUISITIONS OR LICENSING
- INTERNATIONAL TARGETS
- COMPANY/ PRODUCT ACQUISITIONS

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Committed to sustainable and responsible growth

ENVIRONMENTAL RESPONSIBILITY

Key environmental approaches include reuse and recycling

Innovative design enables safe and effective reuse of circuit boards

Sustainability & Climate Taskforce

Efforts to minimize environmental impact

PATIENT AND COMMUNITY SUPPORT

Patient safety

Customers' access to quality healthcare

Established ethics and integrity programs

Establishment of Privacy Council

ROBUST GOVERNANCE STRUCTURE

Executive Leader with oversight of ESG, ERM and DEI

2022 ESG priority assessment completed

Board governance on ESG topics

Establishment of ESG Steering Committee

Focus on ESG opportunities and risk mitigation important for delivering long-term value

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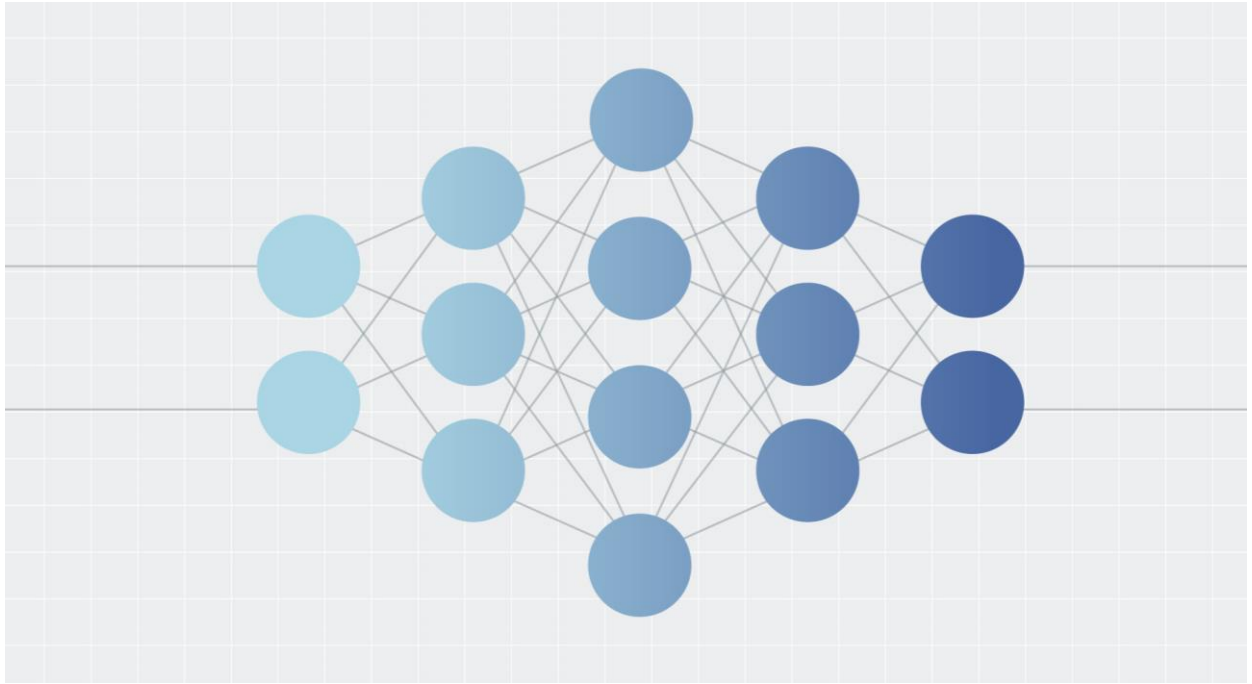


Clinical Distinction

First-to-market leader with best-in-class report and clinical evidence

Building a healthcare company of the future through physician- and patient-centered innovation

Operational Excellence

Advancing profitable core business with focused investments in growth

Building infrastructure to support next phase of growth

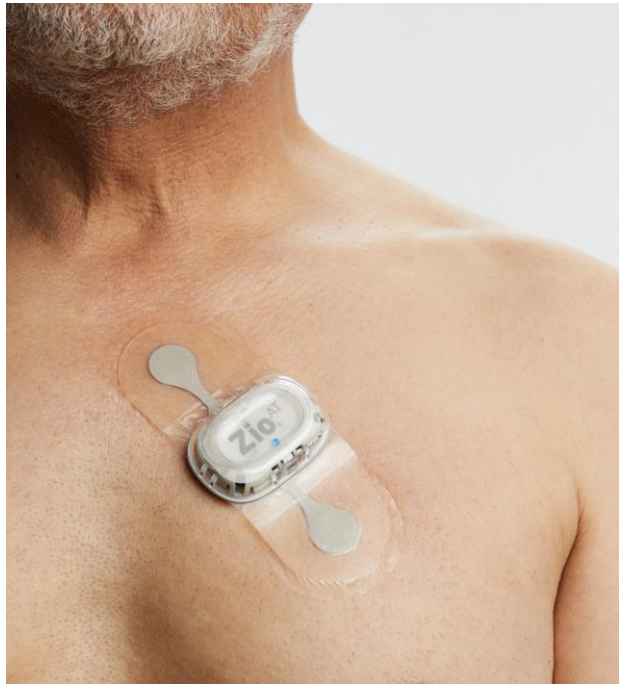
Differentiated Data Sets

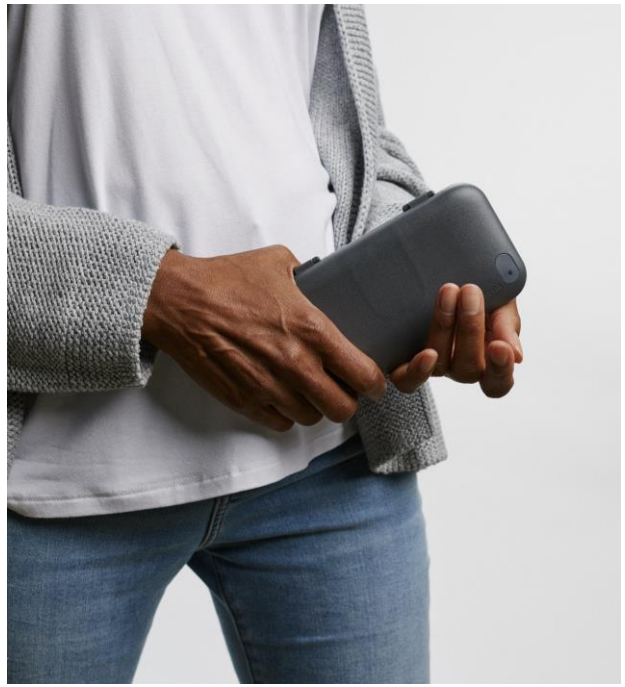
Competitive advantage driven by AI and data insights capabilities

Proven Leadership Team

Expanded leadership team with new and complementary core competencies

Experienced and focused within respective disciplines





Clinical Innovation



MINTU TURAKHIA, MD, MAS

Chief Medical Officer and
Chief Scientific Officer

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Better Insights,
Better Health for All.

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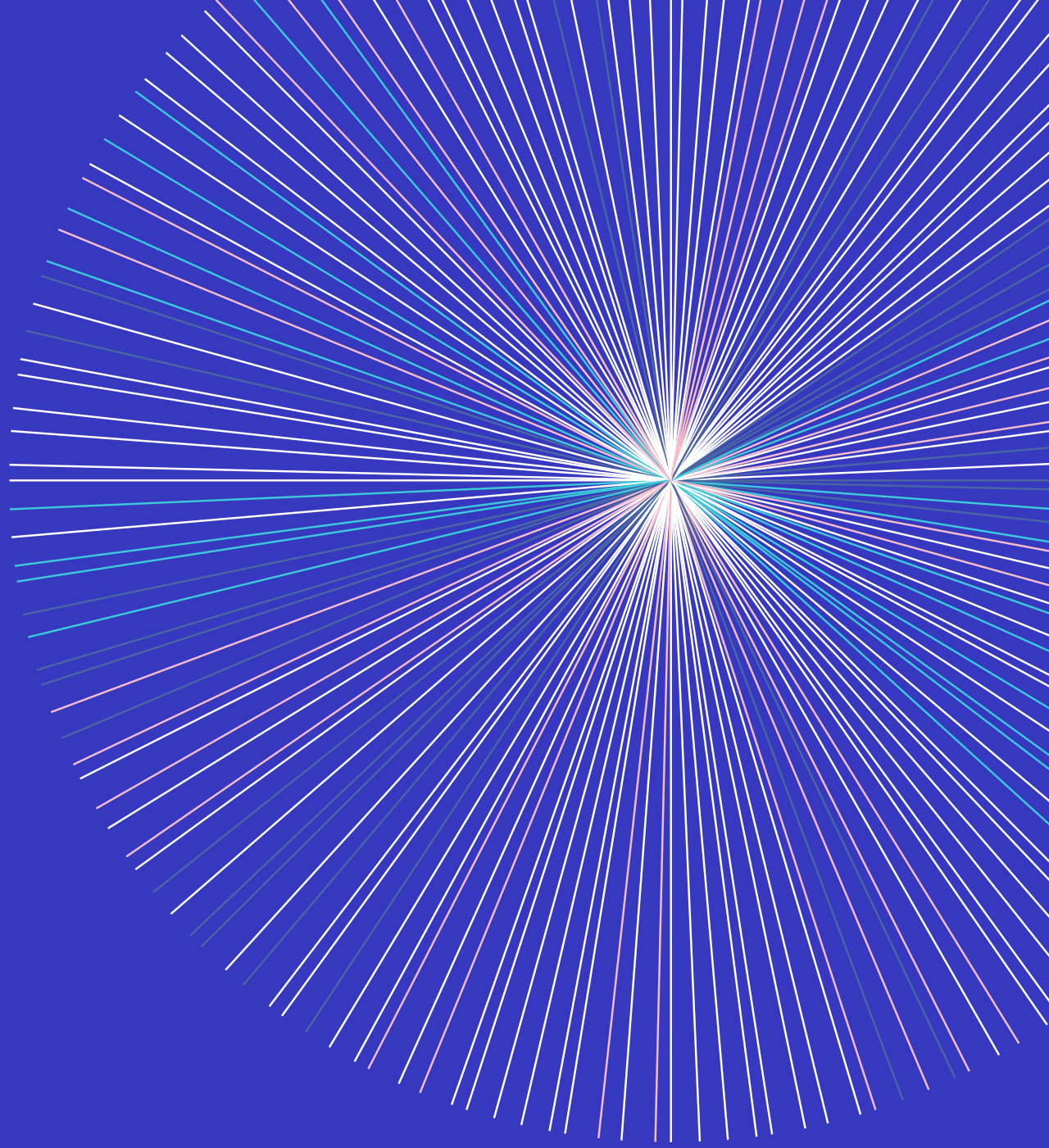


iRhythm's first mover advantage

PAST

FIRST-TO-MARKET IN ADDRESSING UNMET CLINICAL NEED

- Hardware
- IDTF Services
- Software

PRESENT

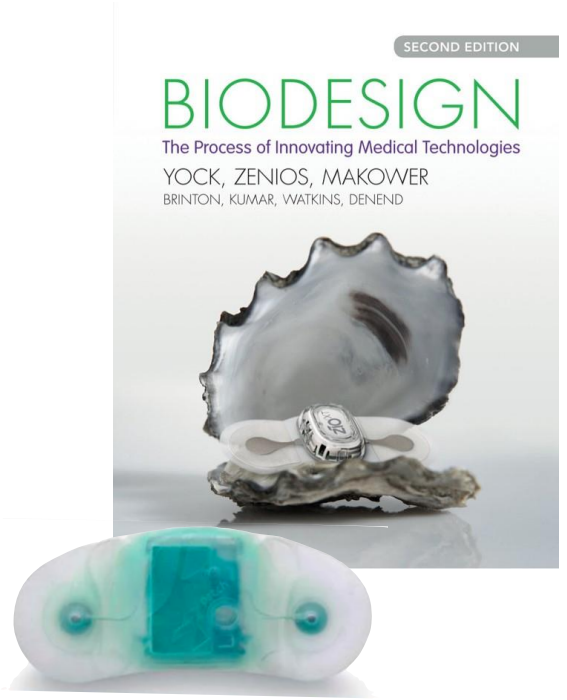
SCALE AND ADAPT TO LEAD THE LONG-TERM CONTINUOUS MARKET

- Hardware
- IDTF Services
- Software
- Platform
- Algorithms
- Data

FUTURE

LEVERAGE DATA AND AI TO REDEFINE THE MARKET

- Artificial Intelligence (AI)
- Analytics
- Clinical Decision Support
- Disease Management
- SaaS
- Research
- Data Services



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iRhythm's clinical priorities are aligned to proactively address fundamental shifts towards an evolved model of care delivery

MARKETPLACE TODAY	CLINICAL INNOVATION PRIORITIES
Many fast followers (most are small)	Enhance core products
Crowded, noisy, landscape	Augment clinical evidence
Health care delivery of diagnostics has changed	Explore and enter adjacencies
Consumer pre-diagnostics augment the market	Leverage data and EHR integration to platformize ZioSuite
Physician practices seeking more passive revenue (Remote patient monitoring, Disease management, Specialty-adjacent areas)	

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Priorities for scientific and clinical innovation to unlock long-term value

ENHANCE CORE PRODUCTS

Iterate on Zio set or products to remain best in class

New analytics and insights based on clinical needs

Design not only for new diagnosis but for long-term care management — create more value for repeat testing

AUGMENT CLINICAL EVIDENCE

Continue generating high-value, differentiating clinical evidence for core products and services

Deepen alliances with societies and key opinion leaders

Reinforce clinical value of Zio XT and Zio AT in marketplace

Maintain relentless patient and physician focus

EXPLORE AND ENTER ADJACENCIES

Further differentiate core products

Explore the intersection of technology-adjacent and clinically-adjacent areas

LEVERAGE DATA SCIENCE AND AI

Leverage our data and capabilities to address where we believe the marketplace is going

Focus on disease classification, prediction, and augmented intelligence

Innovation is driven by unmet clinical needs and opportunity

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The Zio Service delivers superior clinical accuracy while reducing the cost of care

PATIENT EXPERIENCE

98% patient compliance[1,2]

Continuous, uninterrupted monitoring

No battery charge required

81% of patients prefer wearing Zio for 14 days vs Holter for 24hrs[3]

99% usable recording[4]

Patient app MyZio

PHYSICIAN & STAFF SATISFACTION

83% diagnostic yield within fourteen days of monitoring[1,5]

Deep-learned AI

99% physician agreement with the Zio report[1,7]

Workflow efficiencies from comprehensive platform

Reading app ZioSuite

CLINICAL OUTCOMES

2.6X greater detection of AFib vs usual care (mSToPS)[8]

3x greater diagnostic yield than Holter and Event monitors[1,5]

Minimized noise or artifact

Faster time to diagnosis[6]

COST OF CARE

Expedited patient care while reducing operational costs[6]

Automated data and charge capture with EHR integration

Reduction in hospital admissions

See appendix for sources

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Clinical Evidence Generation

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iRhythm's approach to clinical science

ZIO CLINICAL INNOVATION

EARLY CLINICAL EVIDENCE	Gain early data for commercial path and FDA clearance that are aligned to use cases and workflow
DEMONSTRATE VALUE	Pre- and post-market efforts to show clinical superiority and value, including health outcomes and cost
REINFORCE FEATURES AND USE CASES	Demonstrate superiority across a spectrum of clinical conditions and use cases, extending themes of diagnostic yield, quality, utility, actionability
LEVERAGE DATA	• 5 million reports and 1+ billion hours of labeled/curated ECG data • Nationwide medical claims data and electronic health record data • Data from other diagnostic devices
ALIGN WITH PROFESSIONAL SOCIETIES AND KOLS	Influence from papers, podium, programs, and guidelines

American Heart Association. · AMERICAN COLLEGE of CARDIOLOGY · Heart Rhythm Society℠ · ESC European Society of Cardiology · EHRA European Heart Rhythm Association (European Society of Cardiology)

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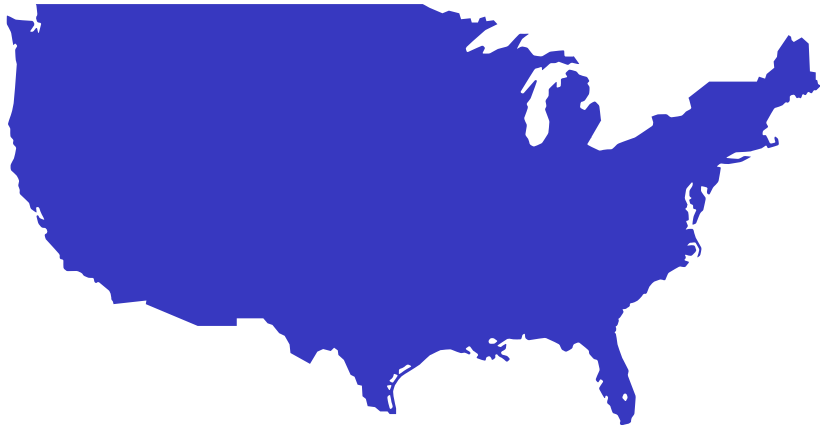
iRhythm engages with top academic centers and KOLs globally



Population Health Research Institute
HEALTH THROUGH KNOWLEDGE

University of California San Francisco

UTHealth Houston McGovern Medical School

McMaster University

University of Colorado Denver

The University of Oklahoma Health Sciences Center

The Scripps Research Institute

UNITED STATES

University of Rochester

Maine Medical Center MaineHealth

Tufts University

Cardiovascular Research Foundation®

Beth Israel Lahey Health
Beth Israel Deaconess Medical Center

Columbia University Medical Center

Rutgers Robert Wood Johnson Medical School

Penn University of Pennsylvania

Johns Hopkins University

Duke University

Northwestern University

UNITED KINGDOM

NHS Sheffield Teaching Hospitals NHS Foundation Trust

NHS University College London Hospitals NHS Foundation Trust

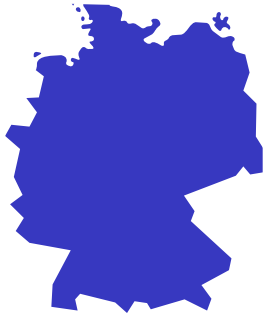
University of Oxford

biobank uk



GERMANY

Universitätsmedizin Göttingen : UMG



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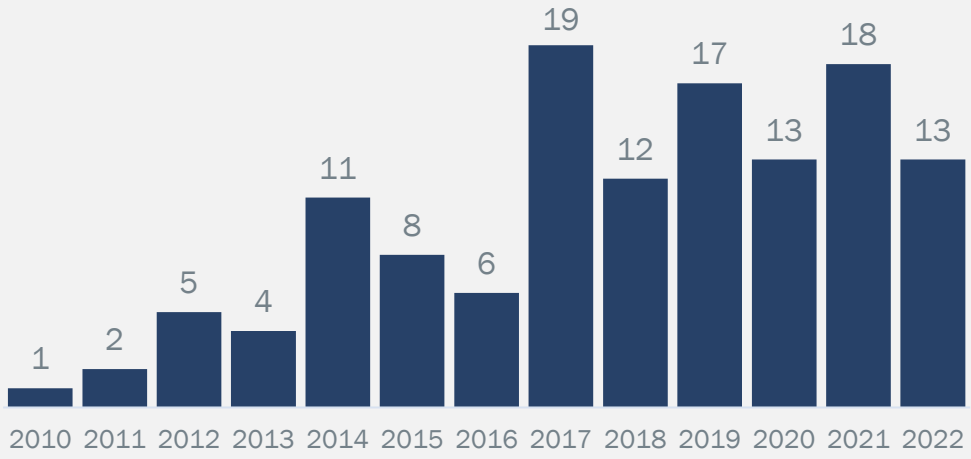
Robust and growing body of clinical evidence

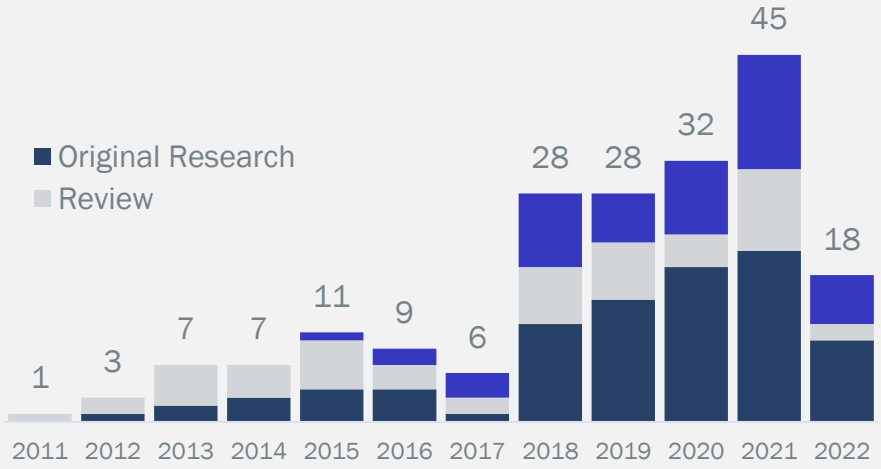
ABSTRACTS PRESENTED AT GLOBAL CONGRESSES



129 abstracts presented at 32 unique conferences since 2010

ACC, AHA, and HRS account for 54% of abstract presentations

MANUSCRIPTS PUBLISHED IN GLOBAL JOURNALS



195 publications in 110 unique journals since 2011, including:

92 original research manuscripts representing >280,000 patients and accounting for >1,200 citations

16 case reports, 53 reviews and 34 other types

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Key 2022 congresses displayed diverse and impactful data

CONFERENCE	INTERNATIONAL STROKE CONFERENCE (ICS)	AMERICAN COLLEGE OF CARDIOLOGY (ACC)	HEART RHYTHM SOCIETY (HRS)	JAPANESE HEART RHYTHM SOCIETY (JHRS)	EUROPEAN SOCIETY OF CARDIOLOGY (ESC)	HEART RHYTHM SOCIETY – DIGITAL HEALTH (HRX)	AMERICAN HEART ASSOCIATION (AHA)
	February 9-11, 2022 New Orleans, LA + Virtual	April 2-4, 2022 Washington, DC	April 29 – May 1, 2022 San Francisco, CA	July 7-10, 2022 Yokohama, Japan	August 26-29, 2022 Barcelona, Spain	September 8-10, 2022 San Diego, CA	November 5-7, 2022 Chicago, IL + Virtual
KEY STUDIES PRESENTED		• Syncope pathways at the ED (Zio AT) • Rutgers-TAVR retrospective (Zio AT) • GUARD-AF	• Zio Watch (Verily prospective study) • University of Maryland/PVC		• Liverpool Experience • Barts Heart Centre Experience	• AI and Zio AT	• Zio AT National Experience • Ascension Health System Experience • mSToPS • PVC National Database • SMASH • CRIC • CARE COVID

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Recent peer-reviewed publications

STUDY	MANUSCRIPT	INSTITUTION	AUTHORS	JOURNAL	STATUS	SIGNIFICANCE
GUARD-AF	Reducing stroke by screening for Undiagnosed atrial fibrillation in elderly inDividuals (GUARD-AF): Rationale and Design of the GUARD-AF Randomized Trial of Screening for Atrial Fibrillation with a 14-day Patch-Based Continuous ECG Monitor	BMS / Pfizer	Daniel Singer MD	*Am Heart J*	Published July 2022	Trial Design and Preliminary Detection Results
UCSF COVID-19 STUDY	Prospective Arrhythmia Surveillance After a COVID-19 Diagnosis	UCSF	Thomas Dewland MD Gregory M. Marcus MD	*Open Heart*	Published January 2022	COVID-19 Study
MONTEFIORE ZIO AT	Arrhythmia Patterns During and After Hospitalization for COVID-19 Infection Detected via Patch-Based Mobile Cardiac Telemetry.	Montefiore	Drs. Reynbakh/ Ferrick	*Am Heart J Plus*	Published January 2022	COVID-19 Study In-hospital and Discharge
KP-RHYTHM STUDY (AIMS 2/3)	Diagnostic Yield, Safety, Therapeutic Impact and Medical Resource Utilization of Different Ambulatory Electrocardiographic Monitoring Strategies	Kaiser Permanente Northern California	Nigel Gupta MD Alan S. Go MD	*Am J Cardiol*	Published January 2022	Zio XT Compared to Holter & Event
TAVR STUDY	Ambulatory Electrocardiographic Monitoring Following Minimalist Transcatheter Aortic Valve Replacement	Quebec Heart & Lung Institute / RWJ University Medical School	Guillem Muntané-Carol MD Alexis Okoh MD	*JACC Cardiovasc Interv*	Published December 2021	Zio AT in TAVR population
CCF TAVR	Bradyarrhythmias Detected by Extended Rhythm Recording in Patients Undergoing Transcatheter Aortic Valve Replacement (BRADY-TAVR Study)	Cleveland Clinic	Khaldoun Tarakji MD	*Heart Rhythm*	Published November 2021	Zio XT in TAVR Population, Pacemakers
ARIC	Differences in Left Atrial Size and Function and Supraventricular Ectopy between Blacks and Whites in the Atherosclerosis Risk in Communities (ARIC) Study: Implications for Atrial Fibrillation Risk	University of Minnesota	Wendy Wang MD Lin Chen MD PhD	*JAHA (Spotlight issue on Disparities)*	Published November 2021	Racial Disparities Study

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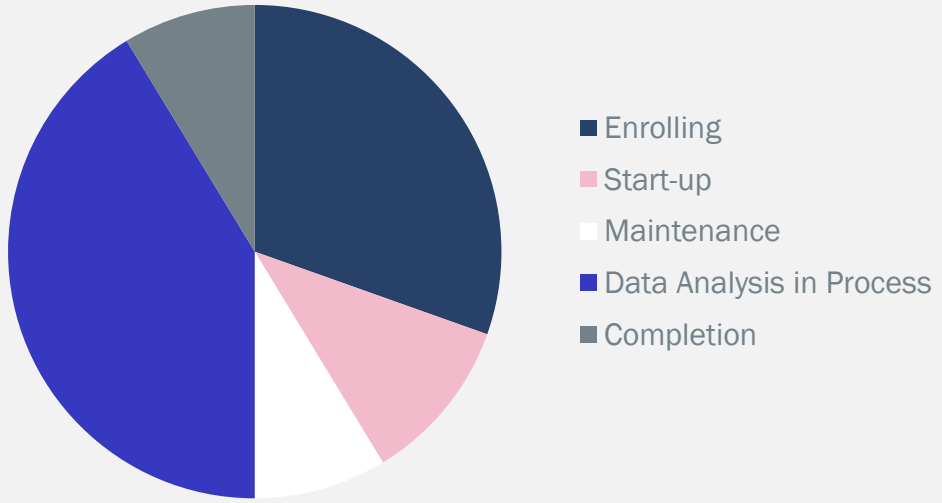
Active pipeline of studies and research proposals

KEY STUDY AREAS	# OF ACTIVE STUDIES
Arrhythmia Research At Risk Population	7
Atrial Fibrillation	6
Covid	6
New Technology/R&D	5
Silent Atrial Fibrillation	4
Heart failure / Hypertrophic cardiomyopathy	4
PAC/PVC	2
Health Economics in Atrial Fibrillation	2
Oncology	2
AI Detection of Heart Disease	1
Cardiac Arrhythmias in Obstructive Sleep Apnea	1
Right Ventricular Arrhythmias	1
Stroke	1
Other	4
Total	**46**

STUDIES WELL DISTRIBUTED ACROSS PIPELINE



Strong inbound interest: 88 proposals received from 2020-2022

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Pursuing New Indications

Primary Target: Undiagnosed Atrial Fibrillation (AFib)

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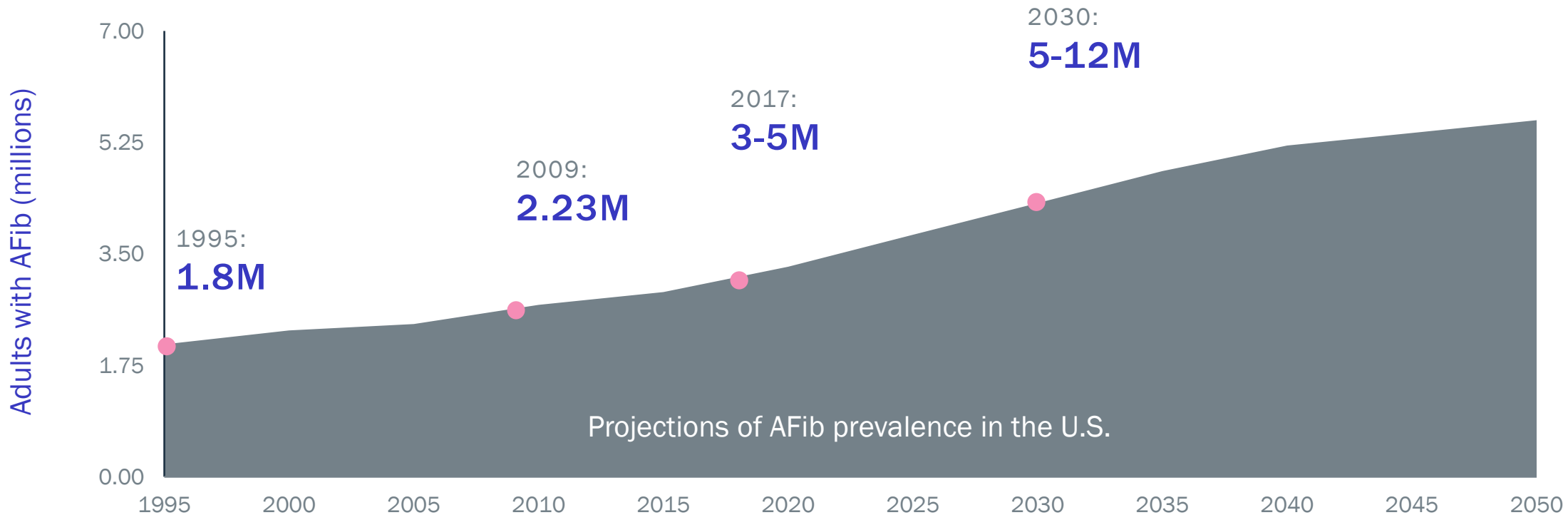
Growth of Atrial Fibrillation Prevalence



1. Go AS. JAMA. 2001 2. Miyasaka Y. Circulation 2006 3. Naccarelli GV. Am J Cardiol. 2009

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Direct medical costs for patients with undiagnosed AFib are significant

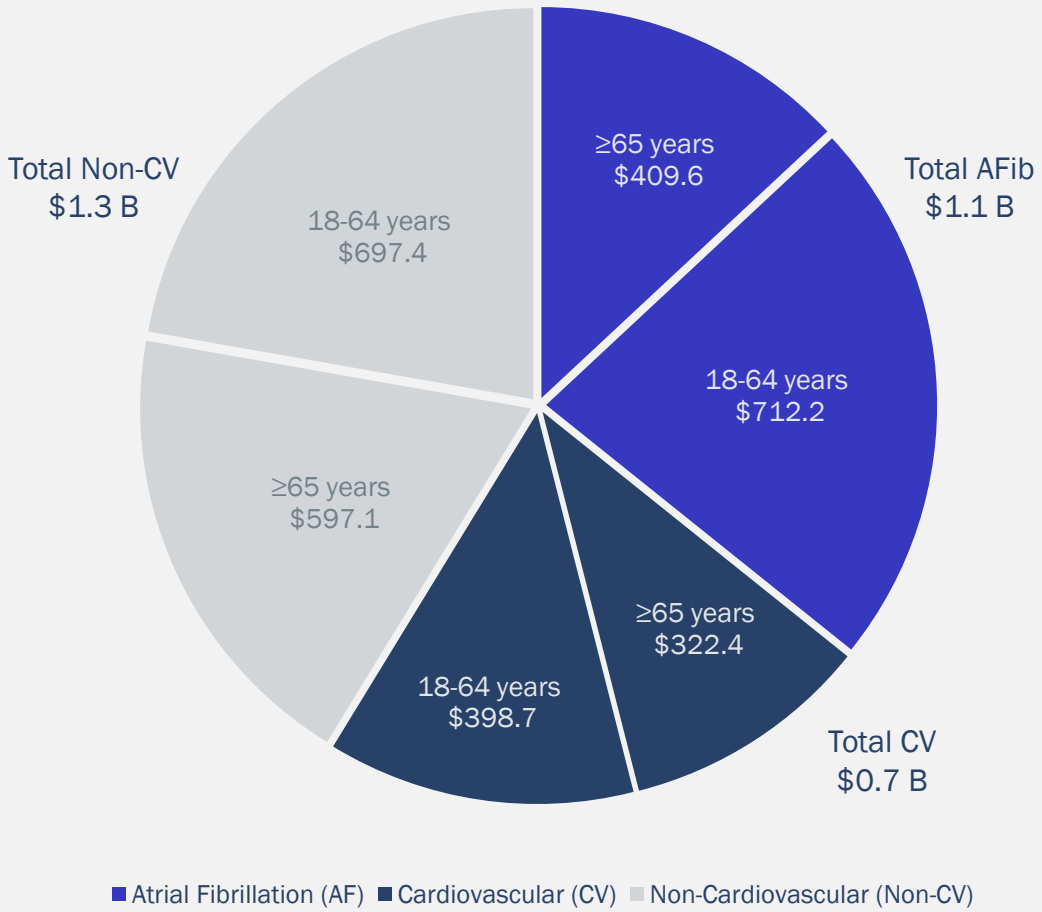
Undiagnosed AFib estimates
from five pooled claims datasets:

CONSERVATIVE
591,000 undiagnosed
(11% of total AFib 5M)

LOOSER ASSUMPTIONS
1.5M undiagnosed
(23% of total AFib 6.5M)

1. Turakhia M, et al. Am J Cardiol. 2015. 2. Turakhia M, et al, PloS One, 2018

Total incremental cost burden from undiagnosed AFib in the U.S.: $3.1 B (in 2014 dollars)



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If you look for Afib, you will find it….especially in the ≥65 population

JAMA | Original Investigation

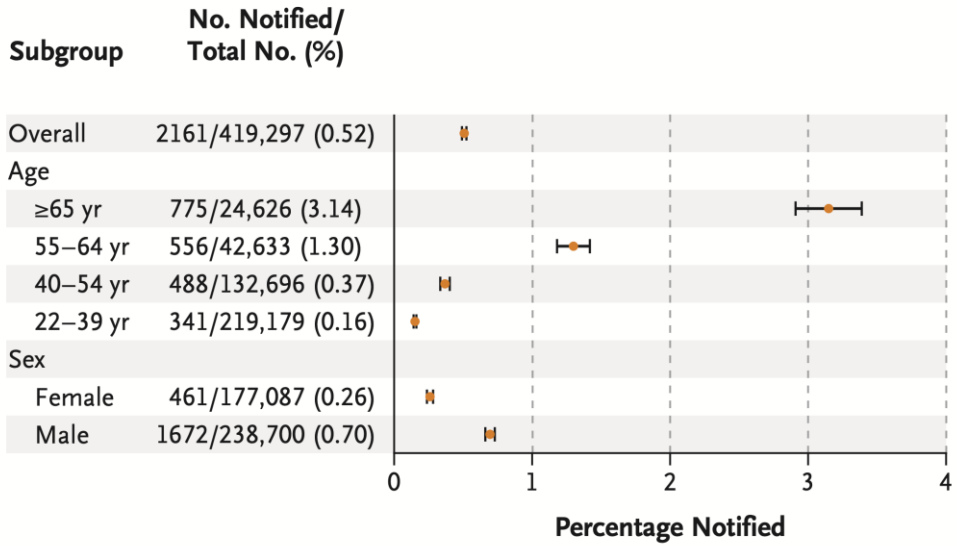
Effect of a Home-Based Wearable Continuous ECG Monitoring Patch on Detection of Undiagnosed Atrial Fibrillation
The mSToPS Randomized Clinical Trial

n=2,100

AFib incidence at one year:
- 6.3% of monitored
- 2.3% of controls

Now powered for difference in outcomes

Irregular pulse notifications, according to age and sex: of 419,000 patients enrolled, 0.5% received notification[2,3]



1. Steinhubl SR, JAMA, 2018. 2. Perez MV/Turakhia M. et al. NEJM 2019. 3. Adapted from ACC Scientific Sessions, 2019

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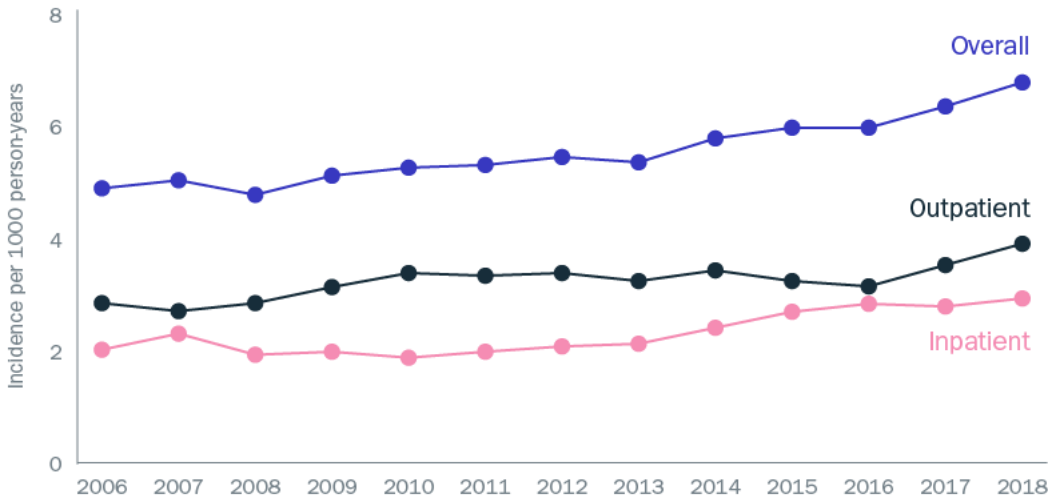
Prevalence of atrial fibrillation will only increase in the future with aging population and lifestyle-related comorbidities

Incidence of AFib rapidly rising (2006-2018)[1]

Standardized Atrial Fibrillation Incidence Rates From 2006 to 2018, Overall and Stratified by Diagnostic Setting



Millennials are less healthy than age-matched Gen Xers[2]

CONDITION	GEN XERS (2014) (RATE PER 100)	MILLENIALS (2017) (RATE PER 100)	DIFFERENCE IN PREVALENCE
Major depression	4.7	5.6	18%
Substance use disorder	1.6	1.8	12%
Alcohol use disorder	1.5	1.5	0%
Hypertension	12.5	13.7	10%
Hyperactivity	3.6	4.9	37%
Psychotic conditions	0.6	0.5	–3%
Crohn's disease/ Ulcerative colitis	1.2	1.3	15%
High cholesterol	10.8	11.6	7%
Tobacco use disorder	6.5	7.2	11%
Type II diabetes	3.4	4.1	19%

Between millennials and Gen Xers: Data show higher prevalence rates among millennials for 8 of the top 10 conditions

1. Williams BA, et al. JAMA Network Open. 2020. 2. Blue Cross Blue Shield, 2018 (bcbs.com)

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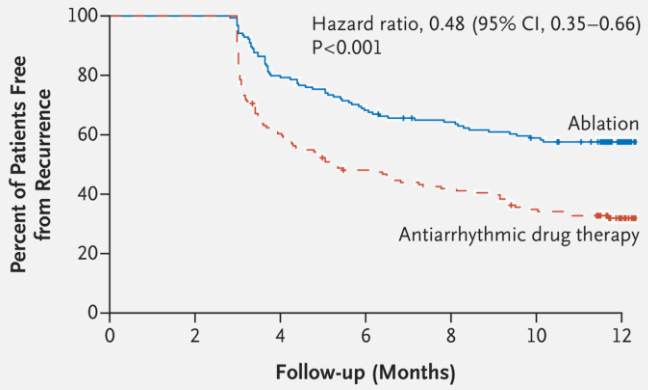
Identifying and treating AFib early is critical to achieving better outcomes for patients, providers and payers

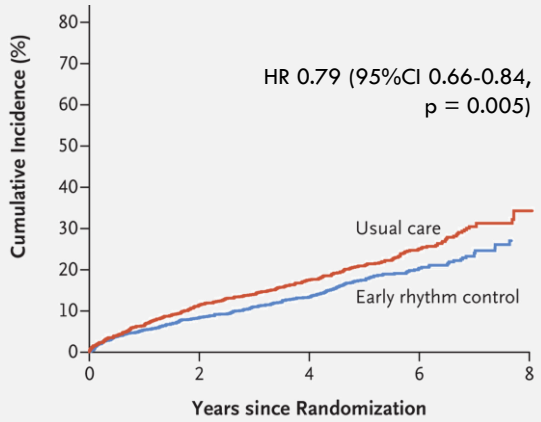
EARLY-AF

Early rhythm-control therapy associated with a lower risk of adverse cardiovascular outcomes[1]



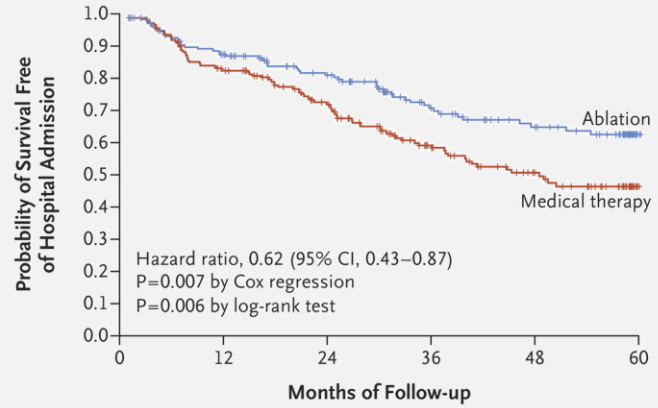
The EAST-AFNET 4 Trial

Incidence of death from cardiovascular causes, stroke, or hospitalization reduced with early rhythm control[2]



CASTLE-AF

Death or hospitalization for worsening heart failure reduced with catheter ablation for AFib[3]



1. Andrade J, NEJM 2021. 2. Kirchhoff P, NEJM 2021. 3. Marrouche NF, NEJM 2018

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Silent AFib market development will move forward via risk-sharing model

Clinical evidence continues to build supporting payor value proposition and clinical guidelines

SCREENING TRIALS

STOPS

Cost-Effectiveness Of AF Screening With 2-Week Patch Monitors: The mHealth Screening To Prevent Strokes Study

- Matthew Reynolds MD, Steven Steinhubl MD, David Cohen MD, et al.
- Accepted for presentation at American Heart Association (November, 2022)

GUARD-AF

Reducing stroke by screening for undiagnosed atrial fibrillation in elderly individuals[1]

- 12,000 patients with randomized 1:1 to Zio patch AFib screening
- Primary outcome: stroke

Bristol Myers Squibb | Pfizer

CLINICAL GUIDELINES

EUROPEAN SOCIETY OF CARDIOLOGY

2020: Opportunistic screening for AFib is recommended in patients ≥65 years old, hypertensive patients, and in patients with obstructive sleep apnea. Systematic ECG screening should be considered to detect AFib in patients aged ≥75 years, or those at high risk of stroke.

U.S. PREVENTIVE SERVICES TASK FORCE

2022: Given a grade of "I" (inconclusive); further clinical trials encouraged

1. Singer DE, et al. Am Heart J. 2022.

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A Spotlight on Zio Watch

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Most consumer devices are “over-the-counter” pre-diagnostics and are not approved for AFib diagnosis or management

Consumer wearables popularity has driven increasing public awareness around atrial fibrillation

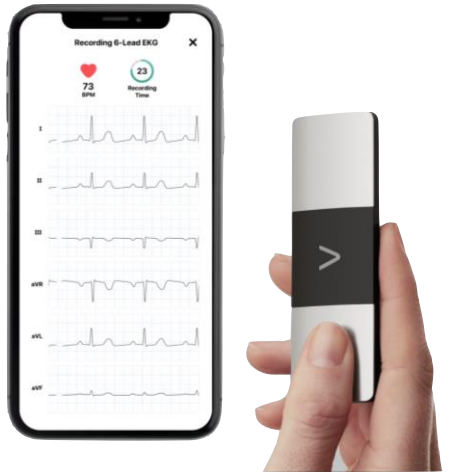
Uptake of consumer devices should continue to provide tailwind, driving more patients to seek diagnosis and care from the health care system











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Landscape of AFib and syncope monitoring solutions

	CONSUMER WEARABLES	LONG TERM CONTINUOUS MONITORS	TRANSMITS WEAR TIME DATA	BACKGROUND AFIB MONITORING WITH CONFIRMATION	IMPLANTABLE DEVICES
					
DATA	1. Irregular rhythm notification (not sensitive); 2. ECG; 3. AFib “History”	Full, continuous ECG		PPG with background AFib detection ECG capability	Event-recording. Non-continuous. Can be insensitive and non-specific depending on how programmed
DURATION	Daily charging, >30 day wear Usually not worn at night	14 days continuous		Multi-day battery, >30 day wear May be worn at night if prescribed	Up to 3 years
FDA CLEARANCE FOR CLINICAL USE	“Over the counter” Not for clinical use or medical decision making	Yes		Yes	Yes
REIMBURSEMENT	None. RPM rare.	Yes		Yes + opportunity to create new pathways	Monthly physician reimbursement state-by-state and being challenged

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Clinically-focused ZEUS System well-positioned to address unmet needs for long-term and noninvasive monitoring solution

POTENTIAL MID- TO LONG-TERM MONITORING USE CASES UNDER CONSIDERATION

AFib indications

> New AFib, established AFib for a care management strategy of rate control or rhythm control
>
> Specific clinical use cases:
> - Post-ablation
> - Cryptogenic stroke
> - Post-operative (e.g. cardiac surgery)

Asymptomatic/Undiagnosed AFib

Syncope



TIMING AND NEXT STEPS

Ongoing evaluation of use cases, business models and reimbursement pathways

Clinical evidence generation beginning in mid-2023, continuing into 2024

Revenue contribution no earlier than 2025

1. A Photoplethysmography-based Approach to Atrial Fibrillation-burden Estimation in High-Risk Patients. Athill, C. et al. Heart Rhythm 2022

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Data Science, AI, and New Technologies

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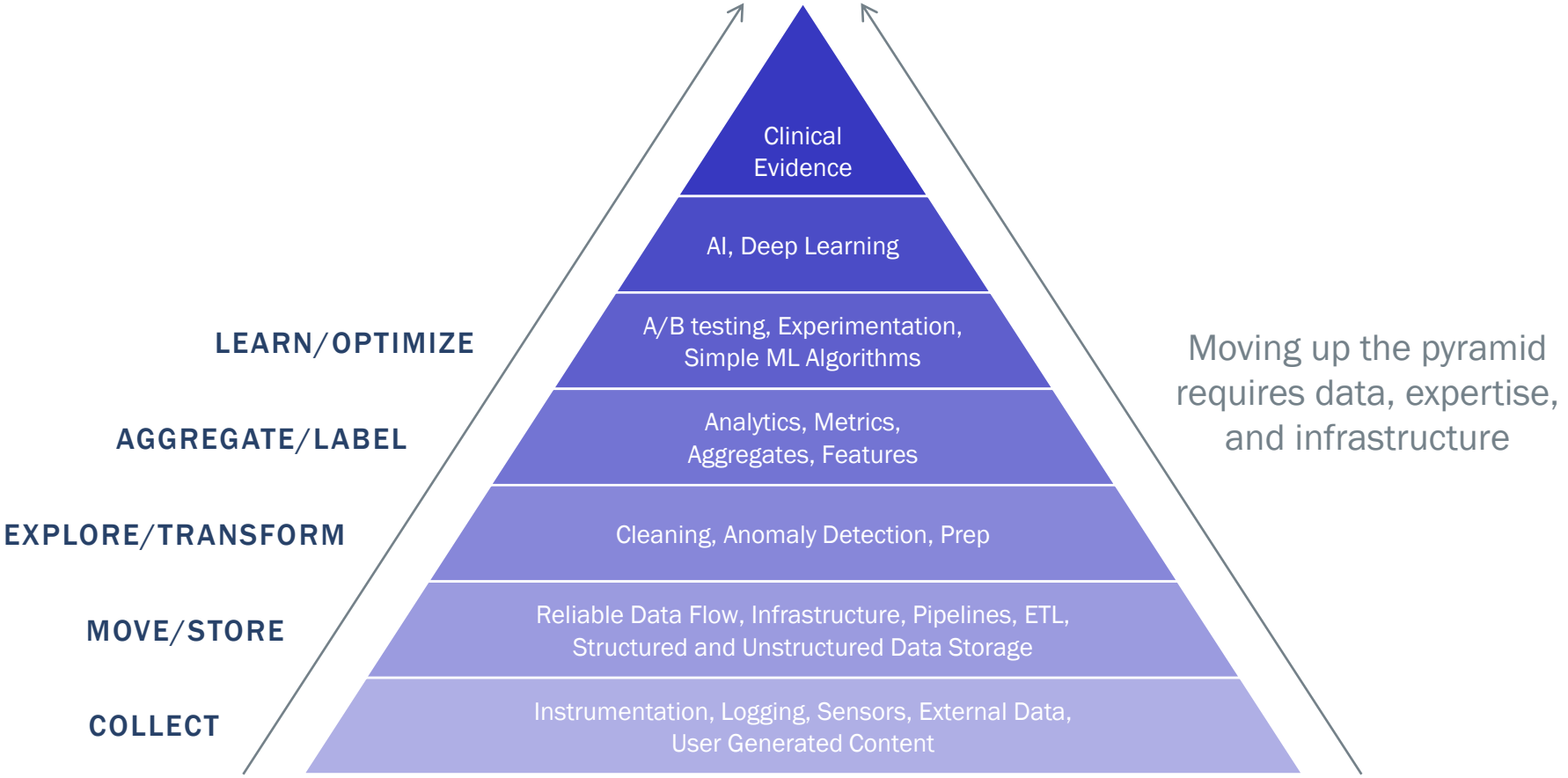
iRhythm has all aspects of the data science hierarchy needed to leverage AI for core product enhancement and future product iterations



Moving up the pyramid requires data, expertise, and infrastructure

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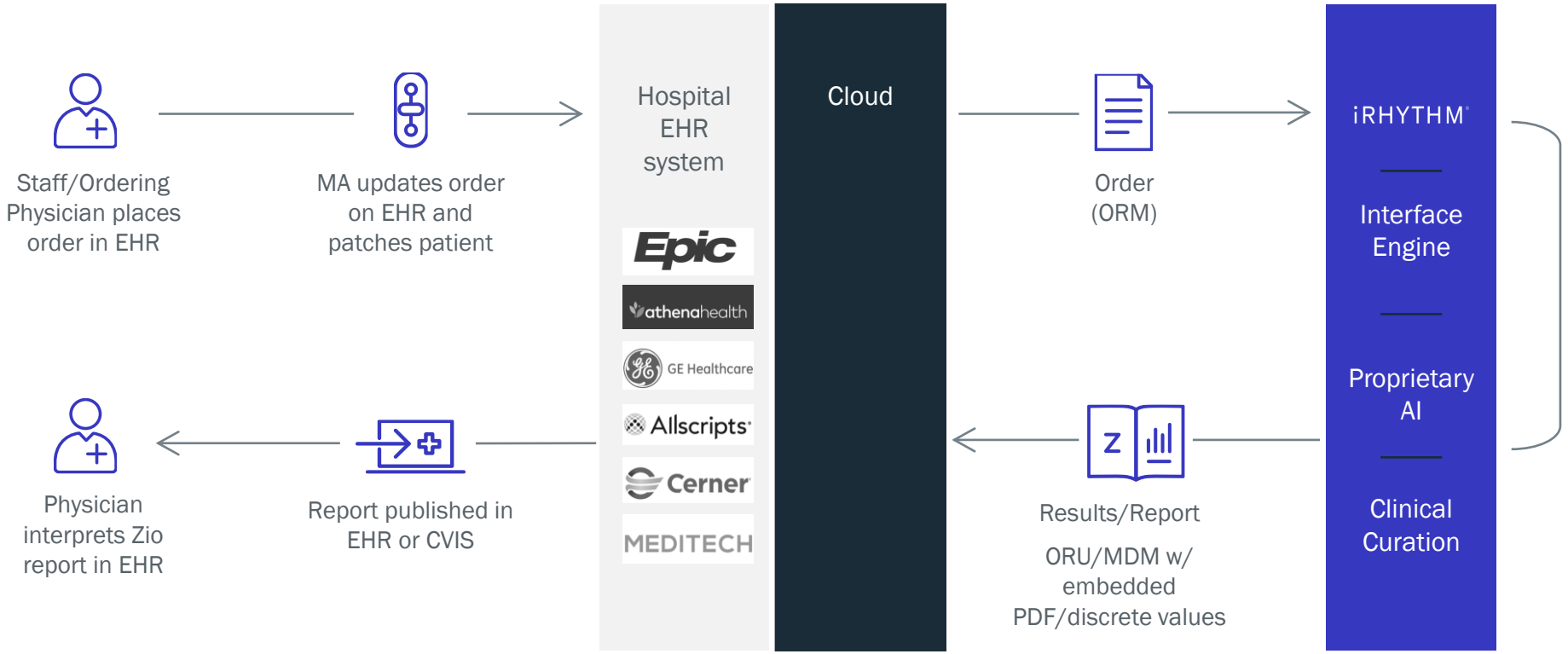
Comprehensive EHR integration with bidirectional data flow enhances physician workflow efficiency



1. System requirements: HL7 version 2.3 or higher; secure communication interface (e.g. VPN, HTTPs, SFTP)
2. Integration Service are also available with the option for physicians to interpret Zio Patient Reports in ZioSuite.com. Physician interpreted reports can then be posted to the EHR/CVIS system.

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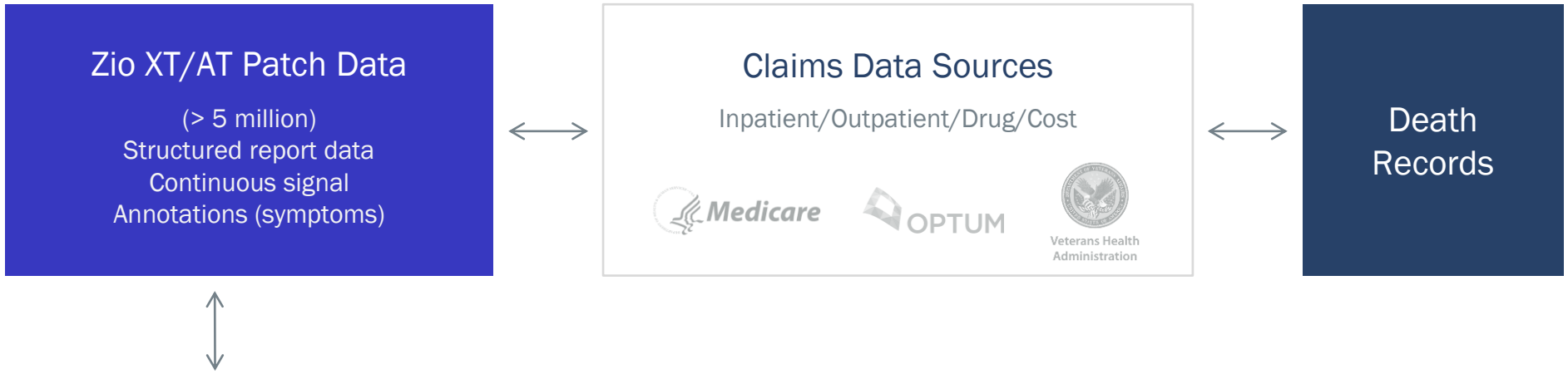
Data linkages create opportunities to develop prediction and prevention



Scripps Research · Duke Clinical Research Institute · VA PAHCS Veterans Affairs Palo Alto Health Care System · Stanford MEDICINE · Perelman School of Medicine University of Pennsylvania

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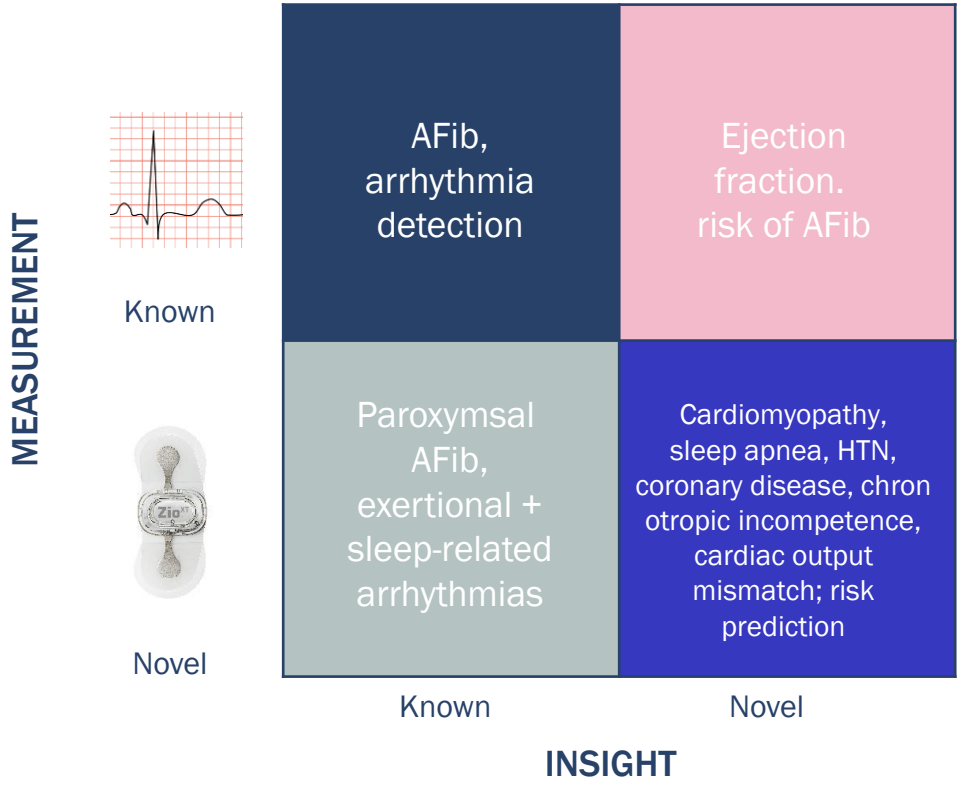
Data and EHR integration can enable augmentation of existing products as well as new technologies



1. The emerging influence of digital biomarkers on healthcare. January 31, 2016. Rock Health. https://rockhealth.com/insights/the-emerging-influence-of-digital-biomarkers-on-healthcare/

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Adjacent market opportunities: discovering the possible for value creation

SLEEP APNEA

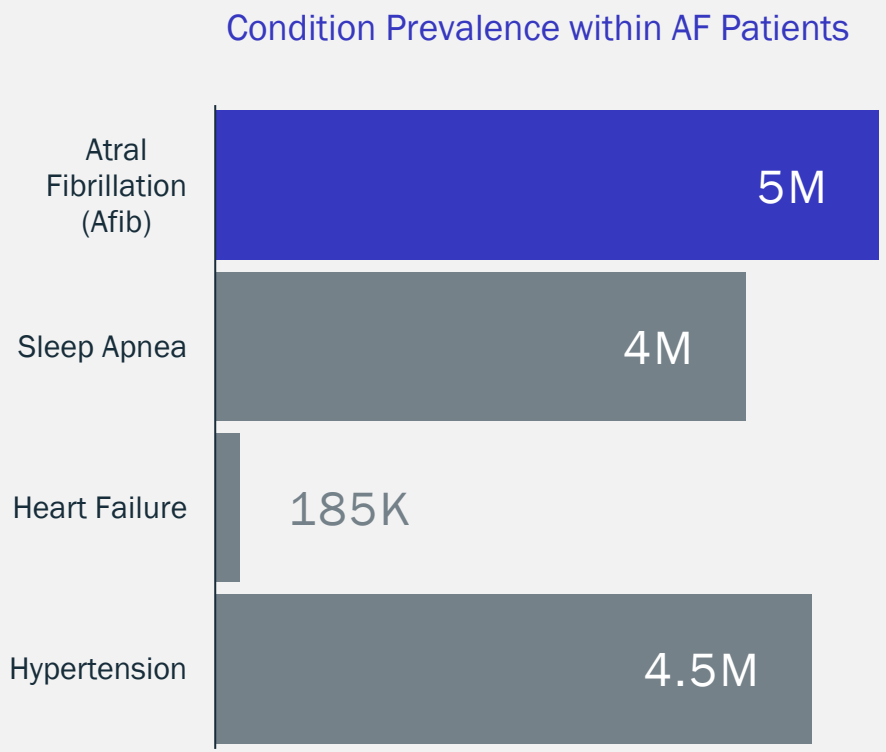
- Estimated U.S. prevalence of 30 million
- Up to 80% of AFib patients have sleep apnea
- Large prevalence of undiagnosed sleep apnea with poor convenient diagnostic pathway at PCP

HEART FAILURE

- Estimated U.S. prevalence of 6 million
- 25% of heart failure patients have AFib
- AFib begets heart failure, causing high readmission

HYPERTENSION

- Estimated U.S. prevalence of 130 million
- Up to 90% of AFib patients have hypertension and there is a large comorbid hypertension population



1. Go AS. JAMA. 2001 2. Miyasaka Y. Circulation 2006 3. Naccarelli GV. Am J Cardiol. 2009. See appendix for additional sources

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Clinical innovation summary

1. Exciting time for iRhythm

2. Clinical innovation driven by unmet clinical needs and opportunity

3. Robust pipeline of evidence and ability to leverage data science and AI

4. Competitive advantages in our favor



A Foundation for Growth: Our Core US Business



CHAD PATTERSON
Chief Commercial Officer

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Real-life Patient Experience

37-year-old male experiencing palpitations, fatigue, and headaches. Zio XT recommended by his primary care physician

Physician received results back within a week after prescribed wear time. Arrhythmias detected and referred to a cardiologist

The cardiologist, upon reviewing Zio report, ordered stress and echocardiogram testing, revealing low ejection fraction

Patient underwent heart catheterization revealing two blocked arteries and received multiple stents to fix the blockages

“Had my provider not mentioned Zio to me, I may not be here . . . Don’t hesitate to ask your doctor, it could save your life too!”

Data on file. Real-life patient experienced gathered from partnering health system, 2022.

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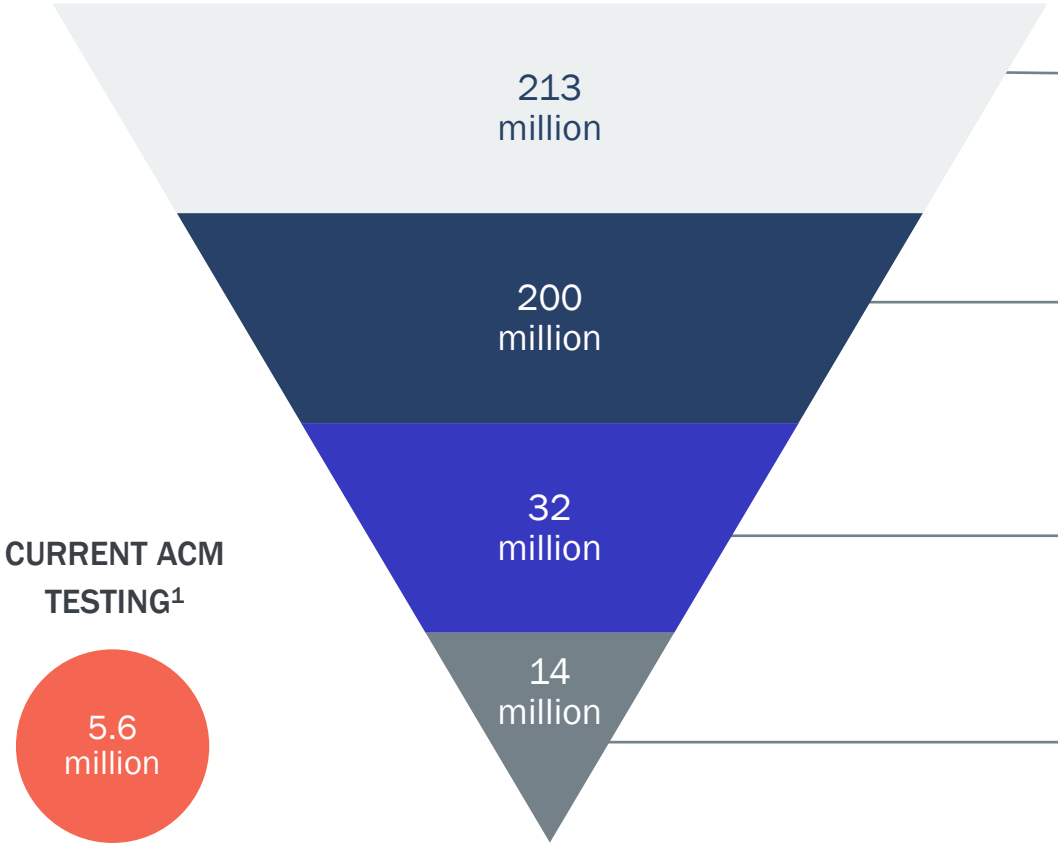
Zio market opportunity in the U.S. is significant and growing



US PATIENT POPULATION
- >20 years old (excludes non-insured population)
- Source: US Census Bureau[2]

UNIQUE PCP VISITS
- Average ~2.8 physician visits annually
- 51% are PCP visits
- IRTC estimates ~200M unique patients[3]
- Source: CDC Medical Care Survey 2018[4,5]

PATIENTS WITH PALPITATIONS (SYMPTOMATIC)
- 16% palpitation prevalence in PCP setting
- Source: Am Fam Physician 2017[6]

PCP PALPITATIONS – CARDIAC RELATED
- 43% of palpitations were cardiac related
- Non-cardiac related examples: medication, anxiety, caffeine, pregnancy
- Source: The American Journal of Medicine[7]

See appendix for sources

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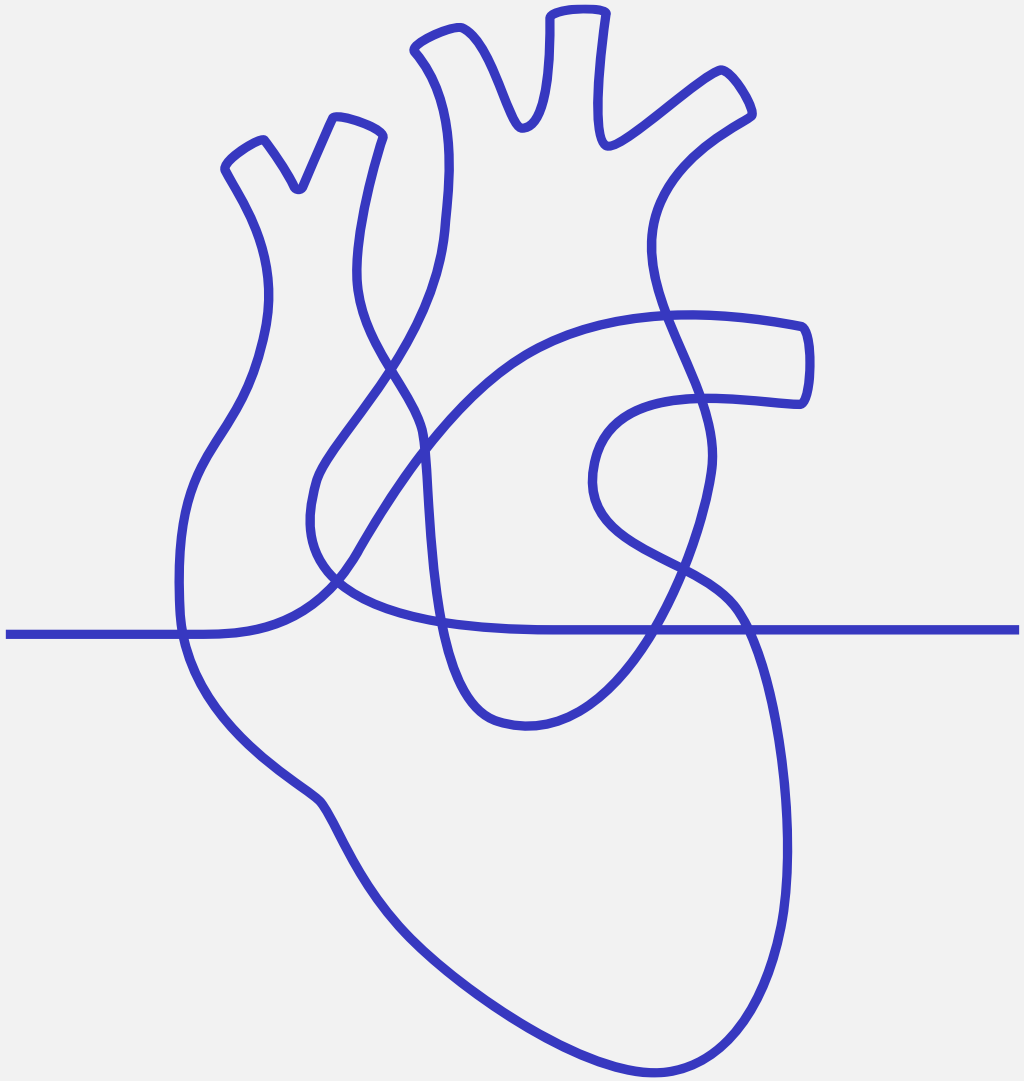
US cardiology growth continues to represent a large opportunity for Zio

Cardiology penetration of Zio is 30% and growing

Zio penetration within cardiology at top 50 health systems is nearly 42% and their annual prescription rate is 26% higher than average cardiologists

Annual Zio prescriptions per cardiologist has grown 31% since 2019



Data on file, September 2022.

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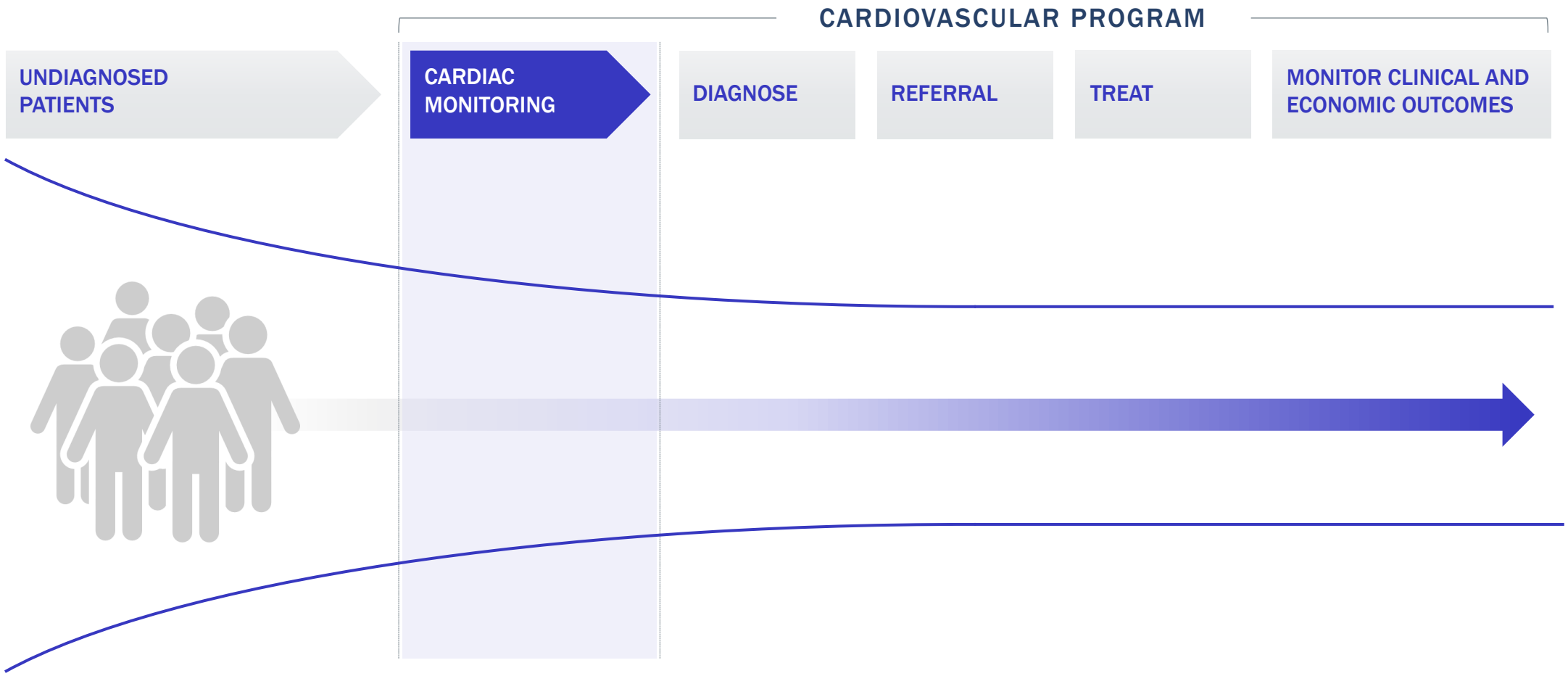
Cardiac monitoring is the gateway to a cardiovascular program



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Zio provides monitoring solutions across the spectrum of care

Zio XT
Long-term, continuous ambulatory cardiac monitor

The right test the first time

Comprehensive final patient report



- **98%** Patient compliance[1,2]
- **3x** Greater diagnostic yield than Holter and Event monitors[1,3]
- **99%** Matching to pacemaker for AFib burden detection[4]
- **99%** Physician agreement with the Zio report[1,5]

Zio AT
Mobile cardiac telemetry with continuous recording

Actionable transmission reports

Comprehensive final patient report



- **98%** Patient compliance[1,2]
- **5 days** Detection up to 5 days sooner[1,6]
- Answers **83%** Diagnostic yield in only 14 days of monitoring[6]
- **99%** Physician agreement with the Zio report[1,5]

See appendix for sources

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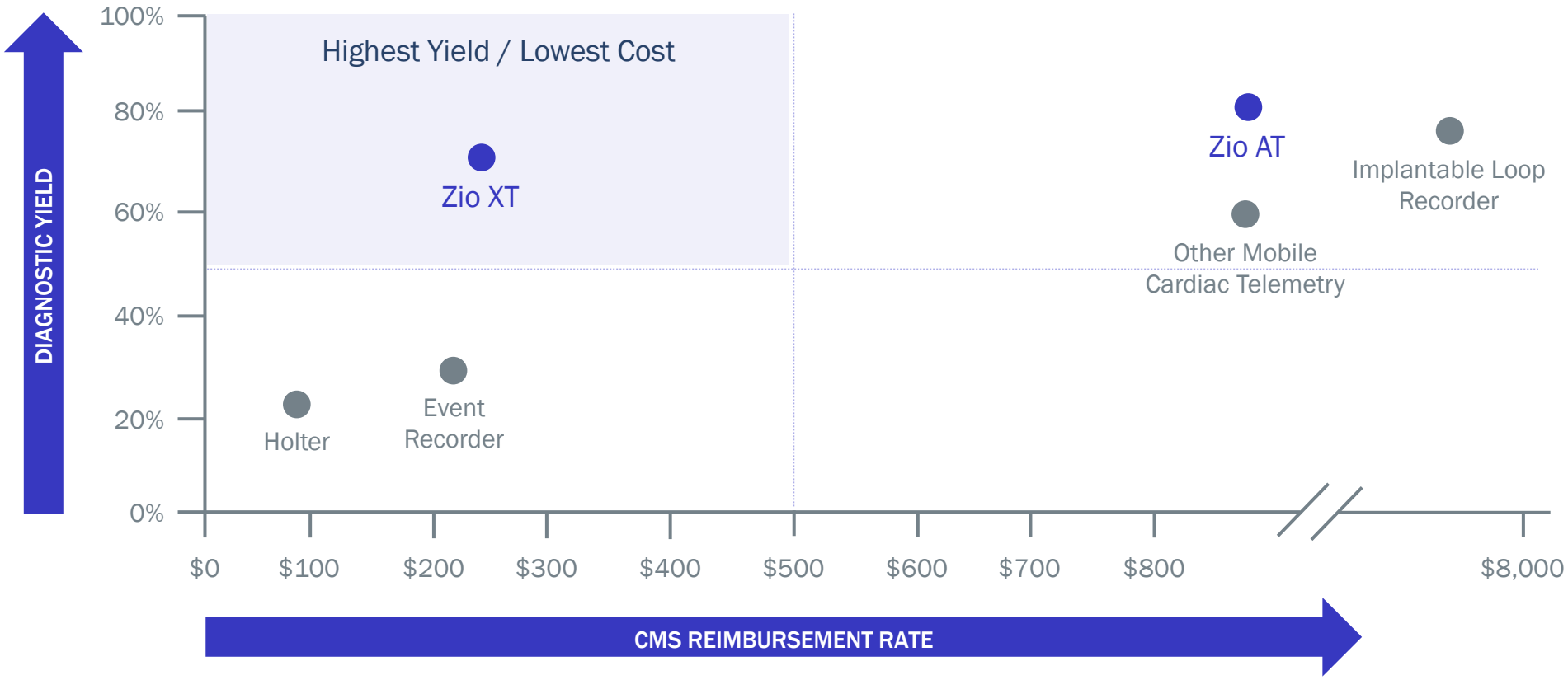
Zio Service: the high yield, low-cost solution



1. 2022 Medicare Proposed Physician Fee schedule used to estimate Medicare payment. 2. Diagnostic yields derived from Giada et al. (2007), Zio Service Data, Rothman et al. (2007); Tsang et al. (2014) and Reiffel et al. (2005)

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Clinical evidence from over 35 peer-reviewed publications[1]



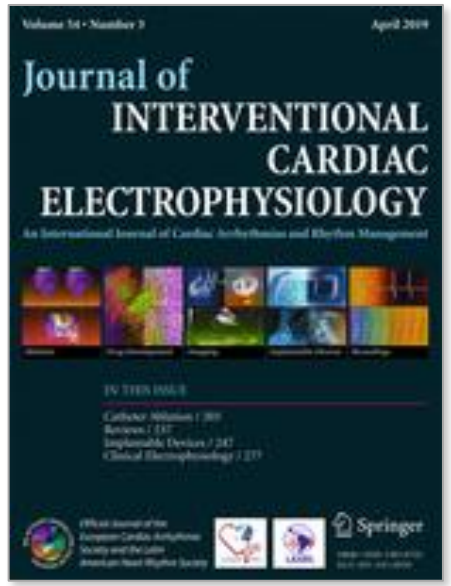
Nature Medicine



JAMA Cardiology



JAMA



Journal of Interventional Cardiac Electrophysiology

1. Data on file. iRhythm Technologies, 2022.

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Broad access achieved through commercial and government payers

1.

Most major commercial plans cover Zio XT and AT[1]

2.

Medicare coverage available for Zio XT and Zio AT nationwide[2]

1. Includes Medicare Advantage. Third-party payor and Medicare Advantage criteria apply.
2. Medicare criteria applies. Current regional MAC reimbursement and proposed national rate.

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Customer experience and comprehensive EHR integration are competitive differentiators for the Zio brand

THE ZIO CUSTOMER EXPERIENCE IS A DIFFERENTIATOR AND CORE VALUE DRIVER FOR IRHYTHM . . .

- Standardization
- Clinical Optimization
- Referral Network Expansion
- Workflow Optimization
- Integration

. . . WITH A CURRENT FOCUS ON EHR INTEGRATION TO DRIVE NEW ACCOUNT AND REGISTRATION GROWTH

- More than 1.5 million registrations received via EHR integration
- Same-store registrations grew 17.5% on average six months post-integration
- Workflow efficiency allows for >15 minutes per patient saved

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Accelerating growth in PCP channels key to capturing U.S. opportunity

Number of PCP prescribers increased by 28% YOY in 2021, with 2022 forecasted to again grow by double digits

PCP prescriber penetration is estimated at 11% in 2022, plans to expand to 20% by 2027

PCP volume grew 43% YTD vs YAG

PCP Zio volume contribution increased from 16% in 2019 to 24% in 2022

Data on file, September 2022.



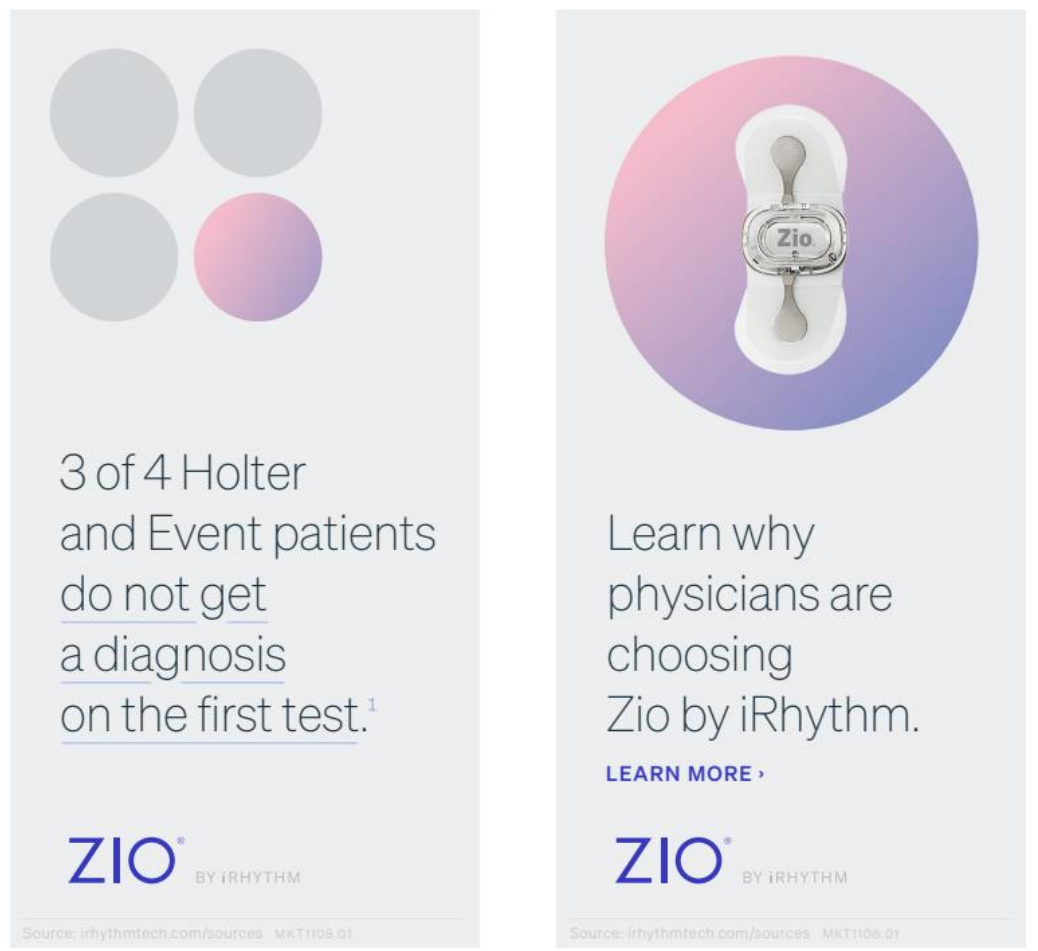
iRHYTHM®

Building a world-class brand

Thoughtful investments in marketing intended to create meaningful awareness across all three customer segments

Enabling our marketing engine to scale will drive effectiveness beyond our call targets and increase iRhythm's share of voice

Evaluating paths for direct-to-consumer (DTC) marketing to drive patient awareness and demand



1. Tsang, et al., Benefits of monitoring patients with mobile cardiac telemetry (MCT) compared with the Event or Holter monitors. *Medical Devices: Evidence and Research*, 2013.

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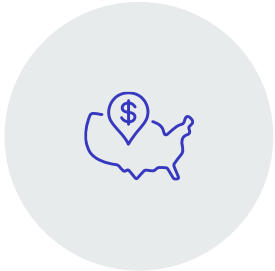
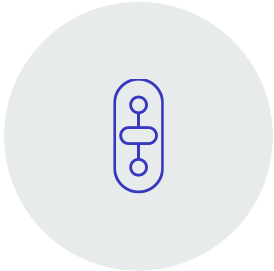
Zio is well-positioned for continued growth in the US

EXPANDING ADDRESSABLE AUDIENCE



Significant TAM expansion opportunity

MONITORING ACROSS THE SPECTRUM OF PATIENT NEEDS



Single-use, long-term & continuous

PEER-REVIEWED CLINICAL EVIDENCE



35+ published peer-reviewed clinical studies

MARKET ACCESS COVERAGE



Broad access achieved through commercial and government payers

WINNING CUTOMER EXPERIENCE



Customer experience yields incremental growth and improving prescriber engagement

PRESCRIBER EXPANSION



Successfully growing the PCP market

WORLD CLASS BRAND BUILDING



Accelerating and expanding efforts in marketing

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Expansion Into International Markets



SANDRINE MOIREZ

International General Manager

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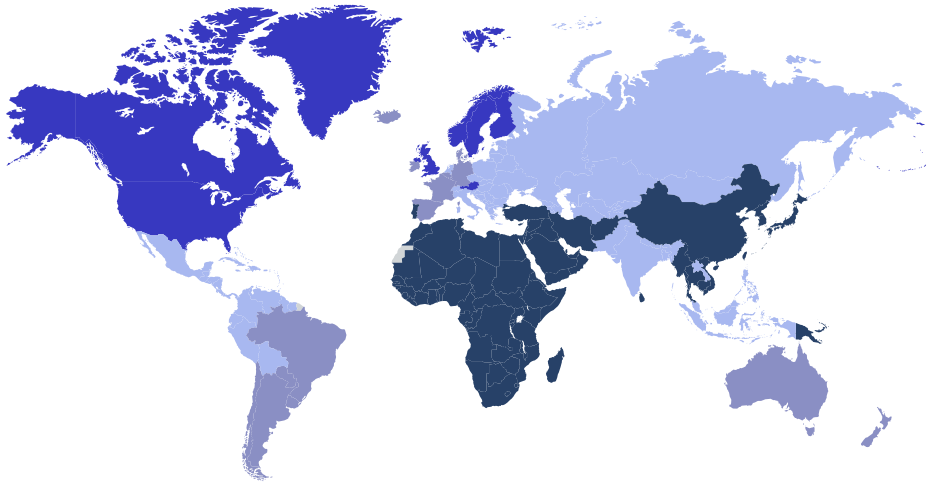
Commitment to accelerated expansion through investment in global markets

GLOBAL PREVALENCE OF AFIB



Age-standardized global prevalence rates of atrial fibrillation per 100,000

- <600
- 600 – 699
- 700 – 899
- >900

1. 2020 ESC Guidelines for the diagnosis and management of atrial fibrillation



Our mission is to create global, equitable access to accurate arrhythmia diagnostics

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Meaningful contribution to topline revenue in next 5 years

International opportunity is more than $1 billion with 5+ million TAM in prioritized countries across EMEA and Asia Pacific

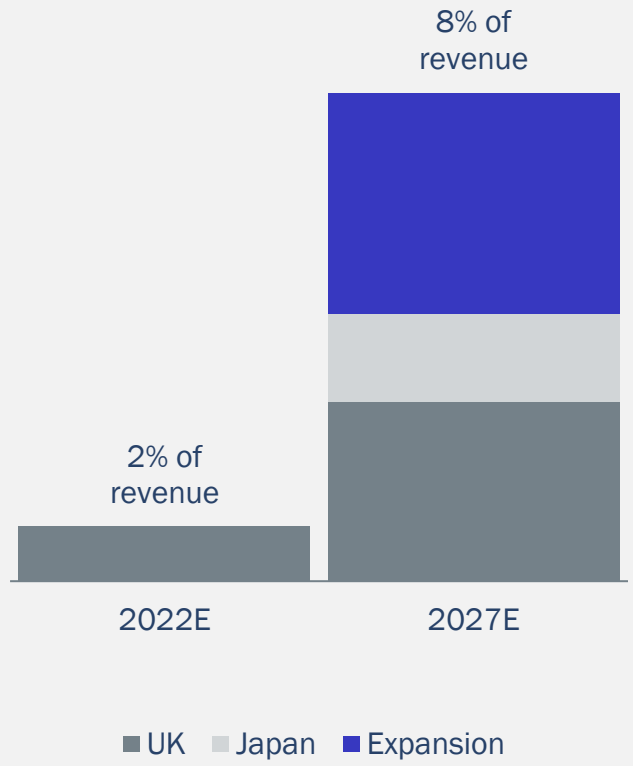
Revenue growth accelerates when long-term reimbursement achieved

Anticipate growth to 8% of revenue by 2027, with plan for international business to reach ~25% of revenue in time

Near-term investment in target countries to build brand, infrastructure, and operational efficiency in reference markets to set the foundation for scale

See appendix for sources

International revenue contribution
(USD millions)



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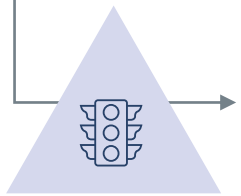
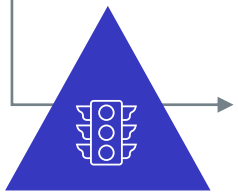
Phased market entry will mitigate risks, shorten timelines to launch and increase chances of success

1. MARKET DISCOVERY: *0.5-1.5 years, Lighter investment*
Business case validation, KOL engagement,
Reimbursement and funding pathways definition



2. MARKET PRIMING: *~2-3 years, Mid-level investment*
Operations, Early revenue generation

2. MARKET ACCESS: *~4-5 years, Mid-level investment*
Secure sustainable reimbursement



3. COMMERCIAL LAUNCH: *High investment*
Go to Market, Build team, Build trust to promote adoption

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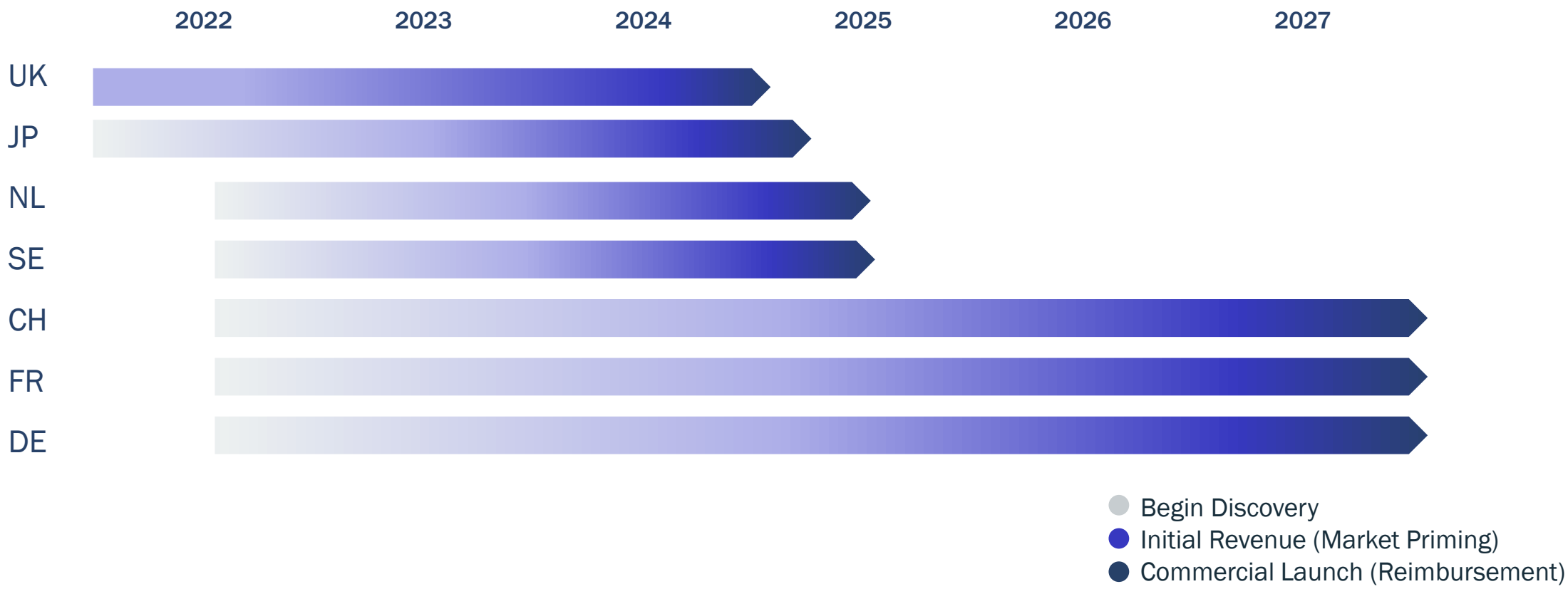
International Expansion Roadmap



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UNITED KINGDOM

500,000

Ambulatory cardiac monitoring tests annually



See appendix for sources

Clinical Need – Patient backlog, Inefficiencies, Focus on AFib detection and stroke prevention

NICE

Only long-term continuous ACM with positive NICE recommendation
Winner of Artificial Intelligence in Health and Care Award

NHS

Public (NHS)

- Pathway transformation demonstrated in 7 AI Award Trusts – securing the business continuity – continued RWE generation
- Healthy pipeline of new NHS accounts
- Pursue short- and long- term funding mechanisms

Private sector

- Strong growth and penetration
- Top 2 Private hospital groups secured
- Established reimbursement code for Private Insurance

Dynamic competitive landscape

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PRIORITIZED EU COUNTRIES

Initiating market access efforts in 2023 and 2024

Sweden, the Netherlands, Switzerland, Germany and France

1,800,000+

Ambulatory cardiac monitoring tests annually



Clinical Need - Arrhythmia detection for Symptomatic and Stroke patients with a focus on AFib

Creating Market Awareness through KOL engagement
Initial priming opportunity in the Private market

Netherlands, Sweden, Switzerland

- Easier market access
- Open to innovation
- Value based-risk sharing contract
- Favourable pricing

France, Germany

- Largest markets
- Longer route to reimbursement
- Evidence requirement
- Operational complexity

Country	TAM
The Netherlands	260K
Sweden	50K
Switzerland	100K
Germany	800K
France	600K

See appendix for sources

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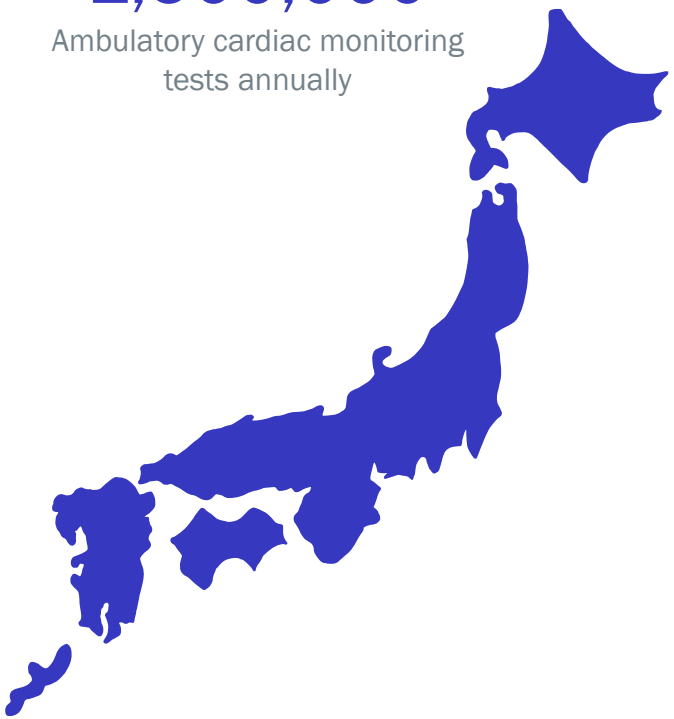
JAPAN
Pursuing regulatory approval

1,500,000
Ambulatory cardiac monitoring tests annually



Clinical Need - Significant burden of heart disease and stroke in the rapidly aging Japanese population

Limited innovation in ACM - Holter is golden standard
Significant resources are used to analyse Holter (~100,000 beats for 24h)

Targeted Regulatory and Reimbursement

- Regulatory approval by PMDA
  Target: Late 2023
- Reimbursement listing by MHLW
  Target: 2024

Build Brand, Awareness and Advocacy with Japan Heart Rhythm Society
Significant engagement with KOLs

Development of the Commercial strategy

See appendix for sources

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Gaining confidence in global expansion

MARKET AWARENESS

Strong Zio awareness across International physician community

Market demand for Zio

High quality AFib diagnostic solution needed

NICE GUIDANCE

Only long-term continuous ACM with positive NICE recommendation

Strong recognition of NICE in international markets

Facilitate regulatory submission and adoption

GO TO MARKET STRATEGY

Recruitment of international experts in market access, business development and regulatory

Direct/indirect commercialization

Omnichannel strategy driving speed to market and sales force effectiveness

PARTNERSHIPS TO ACCELERATE

Inorganic opportunities to gain early foothold

MedTech sales channel partnership

Co-marketing with industry partners focused on undiagnosed AFib

Aiming for ~25% of total revenue through global expansion efforts in time

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Question & Answer Session

Fifteen-minute Break

Introducing:
Know Your Rhythm



SARA BENDER

Chief of Staff

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US cardiac arrhythmia burden

1 in 4
Lifetime risk of AFib

3x/11x
Increased risk of heart failure

30%
AFib underlying cause of strokes

500,000
Hospitalizations per year due to AFib

$35B
Annual cost of stroke

5x
Increased risk of stroke

1/3
Asymptomatic at time of diagnosis

See appendix for sources

know your rhythm BY ZIO®



Early detection and diagnosis can prompt earlier treatment

Contemporary treatments evolving to more than oral anticoagulation therapy

Trials show restoration of sinus rhythm can decrease the risk of heart failure, stroke, hospitalization and death

CASTLE-AF CLINICAL TRIAL RESULTS

EARLY-AF

east
early treatment of atrial fibrillation for stroke prevention trial

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Active monitoring with Zio XT detects dramatically more AFib in a moderately at-risk population

2.6x

Greater detection of AFib vs. usual care as published in the mSToPS clinical trial [1]

Sponsor

Scripps Research Translational Institute

Collaborators

janssen aetna iRHYTHM

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Active monitoring for AFib relative to usual care[1,2]

ED visits	↓ 24%
Hospitalizations	↓ 23%
Combined 39% lower cardiac event rate (stroke, MI, systemic embolism, death)	↓ 39%

1 Steinhubl et. al. AHA Scientific Sessions. Nov, 2020.

2 Waalen, et al. Healthcare resource utilization following ECG sensor patch screening for atrial fibrillation. *Heart Rhythm* O2, 2020.

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Building clinical evidence to inform clinical guidelines

AFIB SCREENING TRIALS

STOPS

GUARD-AF

SAFER study

AMALFI

SCREEN-AF

Karolinska Trial Alliance

Heartline™

CLINICAL GUIDELINES

ESC European Society of Cardiology

2020: Opportunistic screening for AFib is recommended in patients ≥65 years old, hypertensive patients, and in patients with obstructive sleep apnea. Systematic ECG screening should be considered to detect AFib in patients aged ≥75 years, or those at high risk of stroke.

U.S. Preventive Services TASK FORCE

2022: Given a grade of "I" (inconclusive); further clinical trials encouraged

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INTRODUCING

know your rhythm

BY ZIO®

The ground-breaking program for early detection of heart arrhythmias.

know your rhythm BY ZIO®



Know Your Rhythm Member Experience

Know Your Rhythm early detection program helps plan members understand their risk of AFib or other heart arrhythmias. They get the answers they need, from the comfort of their own home.

1

Eligible participants simply enroll online and if appropriate, receive a Zio XT patch shipped directly to their home at no cost to the participant

2

Participants apply the monitor and wear it for 14 days. After wear period, mail it back using the prepaid shipping box and a Zio report will be generated from the patch data.

3

Expert cardiologists will analyze and interpret participant reports and share results and guidance with participants and their providers

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Innovative partnership with Heartbeat Health

Heartbeat is a virtual-first cardiology provider that leverages real-time clinical data & device connectivity to diagnose and deliver proactive heart care.

Heartbeat™



Member Experience

Same-day diagnostic reads & care



Data & Diagnostics

The new virtual heart care experience

Backed by our strategic partnership with AMERICAN COLLEGE of CARDIOLOGY



Nationwide Cardiologist Network

Expertise & Quality

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Zio XT is the industry leader for long-term continuous monitoring.

Designed to optimize the patient experience. Minimal disruption to patient for high compliance and longer wear times.

Patients shower, sleep, and exercise with Zio.

98%[1,2]
Patient compliance

99%[3]
Usable recording



1. Data on file. iRhythm Technologies, 2019.
2. Tung, et al. Diagnostic yield of extended cardiac patch monitoring in patients with stroke or Tia. *Frontiers in Neurology*, 2015.
3. Turakhia, M. et al. Diagnostic Utility of a Novel Leadless Arrhythmia Monitoring Device. *The American Journal of Cardiology*, 2013.

know your rhythm BY ZIO®

Early detection opportunity begins with Medicare Advantage

INITIAL OPPORTUNITY

Medicare Advantage

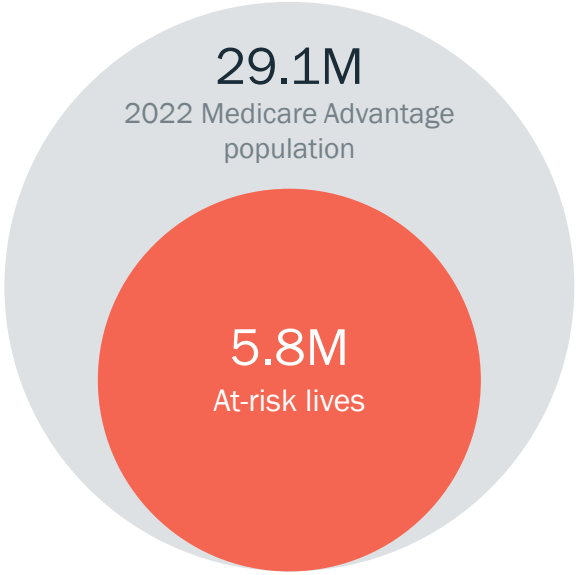
EXPANDING INTO TRADITIONAL REIMBURSEMENT

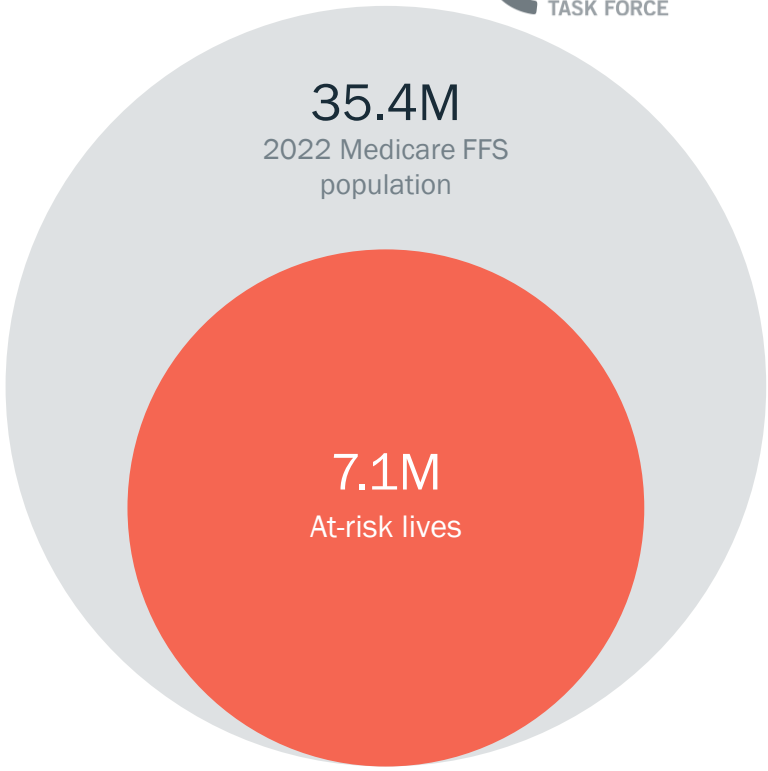
Medicare Fee-For-Service (FFS)

U.S. Preventive Services TASK FORCE

8%

Annual increase YOY as more FFS patients move to Medicare Advantage





know your rhythm BY ZIO®

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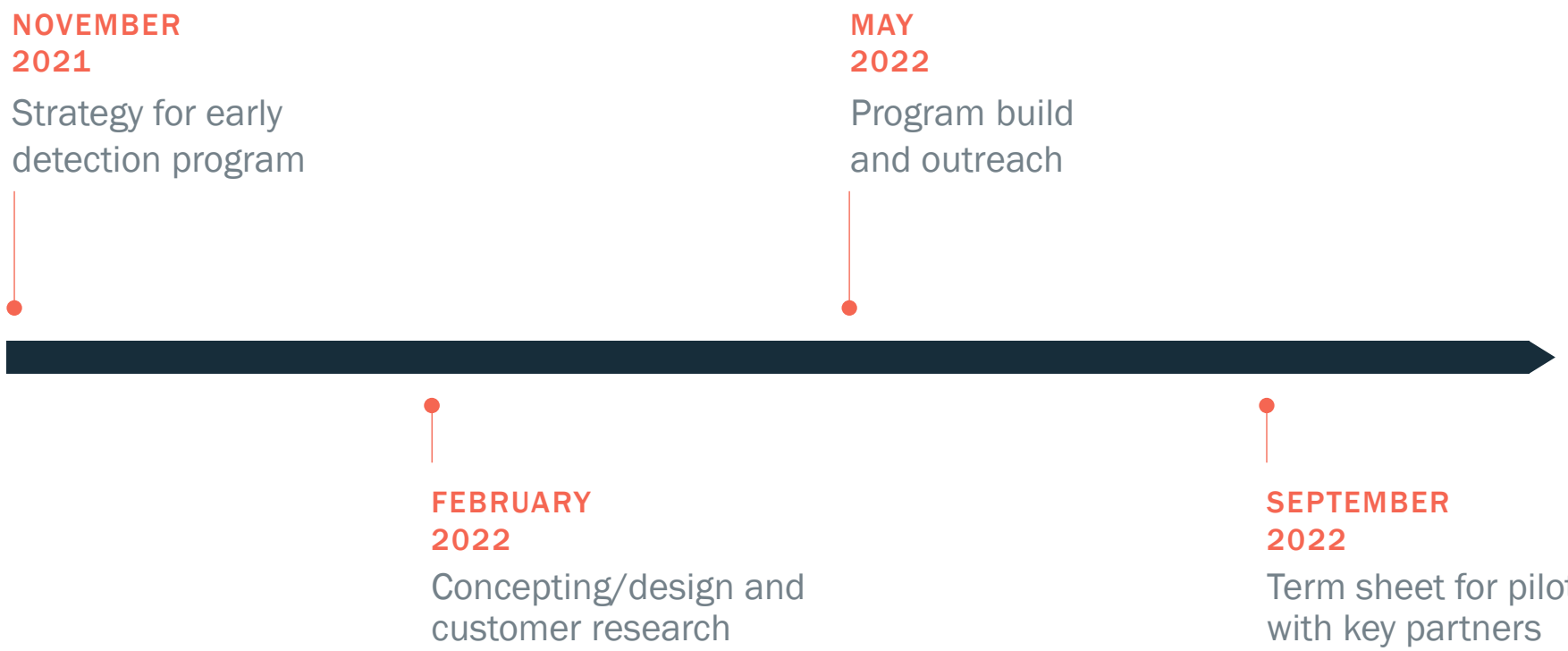
Development Timeline for Know Your Rhythm by Zio



know your rhythm BY ZIO®

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Announcing pilot launch with Physician Care Centers (PCC)

PHYSICIAN CARE CENTERS

High-touch primary care provider group, with 76 locations throughout the Southeast U.S.

Value-based care model that has been serving the Medicare population for 10+ years

know your rhythm BY ZIO®



Preparing for the future of Know Your Rhythm

2023 PILOT PROGRAM WITH PHYSICIAN CARE CENTERS (PCC) WILL:



Validate end-to-end product and experience



Measure member engagement and satisfaction



Demonstrate health outcomes

know your rhythm BY ZIO®

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A Look Forward: Building Products and Technology for the Future



MARK DAY, PHD

Chief Technology Officer

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iRhythm's approach to innovation

ZIO INNOVATION STACK

CLINICAL EVIDENCE	iRhythm has – and will continue to – leverage the power of evidence to unlock new markets, driving reimbursement and adoption
BIOSENSOR TECHNOLOGY	iRhythm created the category of patch-based ECG monitoring in 2010, and we continue to innovate around patient comfort & performance
INFORMATION SYSTEM & WORKFLOW TOOLS	As a Digital Health company, iRhythm is a data business that strives to create customer delight through secure, efficient & user-centric solutions
PROPRIETARY DATA SCIENCE	Trusted algorithms have been the core of our business from the start; now with AI, the future can add prediction to retrospective analysis
PATIENT DATABASE	The performance and insight AI delivers is based cloud computing power (common) and our 1+ billion hours of *curated* ECG (uncommon)

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Extending our biosensor lead



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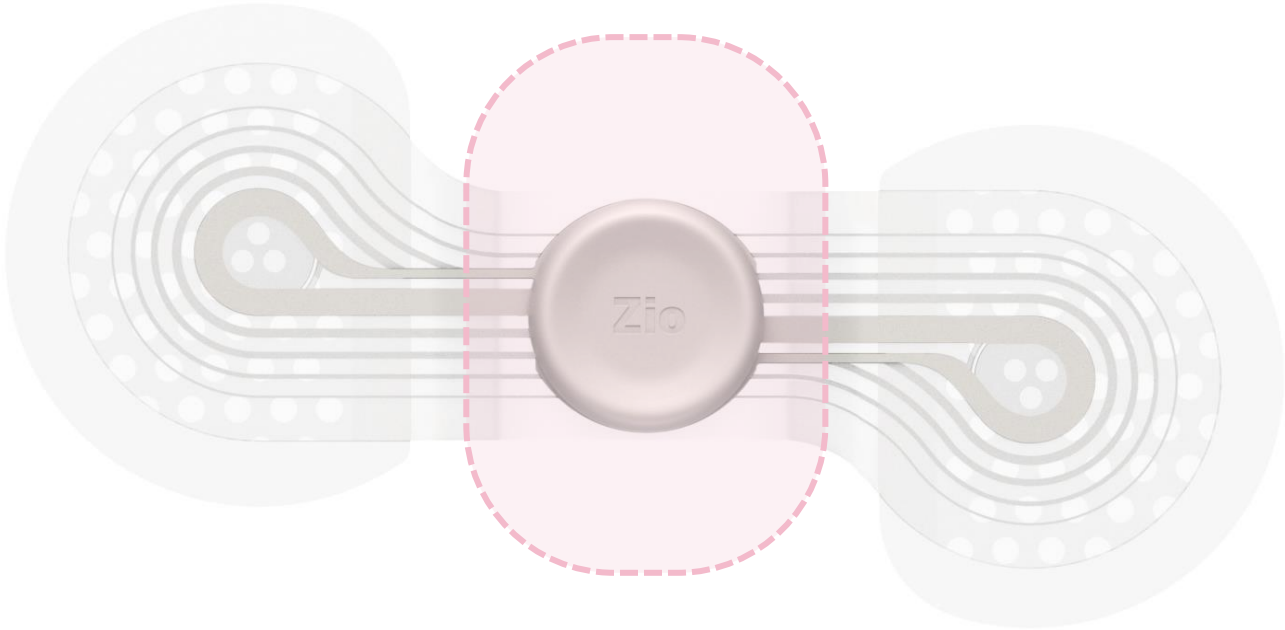
Introducing the Zio monitor

FDA cleared



Market evaluation underway, with strong initial performance

1. Design verification data on file. iRhythm Technologies, 2021.

55% lighter housing and **20%** thinner than the current generation.[1]
New breathable and waterproof outer layer.[1]

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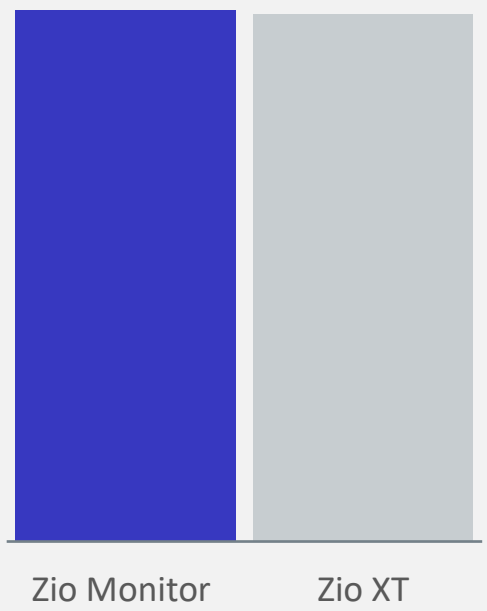
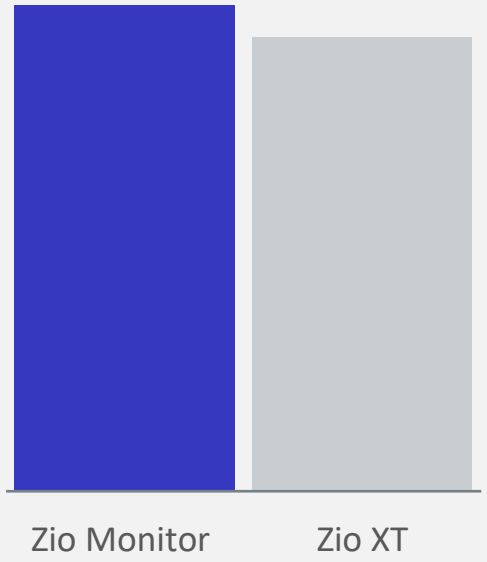
Raising the bar on our own biosensor technology

Compared to Zio XT (Q3 ’22) for Rx=14 Days[1]



Median wear time largely unchanged



Mean Wear Time improved

Driven by:



Further minimization of short-term wear

1. Data on file, September 2022.

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Biosensor innovation leading to platform evolution

CURRENT PLATFORM



Common form factor for clinicians, but different under the hood

FUTURE PORTFOLIO



Single biosensor is capable of both paradigms[1]

1. Zio Monitor is FDA cleared; other product clearances pending

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Deep Learning

A Journey into the Deep

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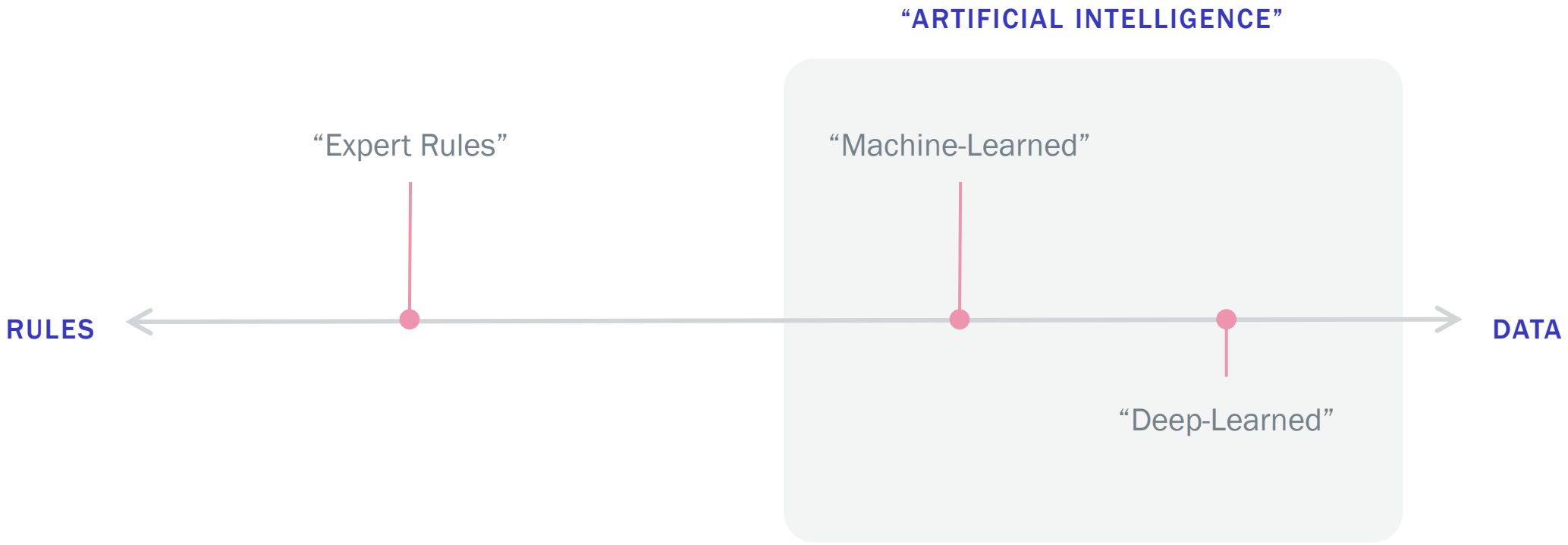
Concept: Algorithm development methods



ANALOGY: We don’t teach our children to talk with grammar (Rules), we just talk to them (Data)

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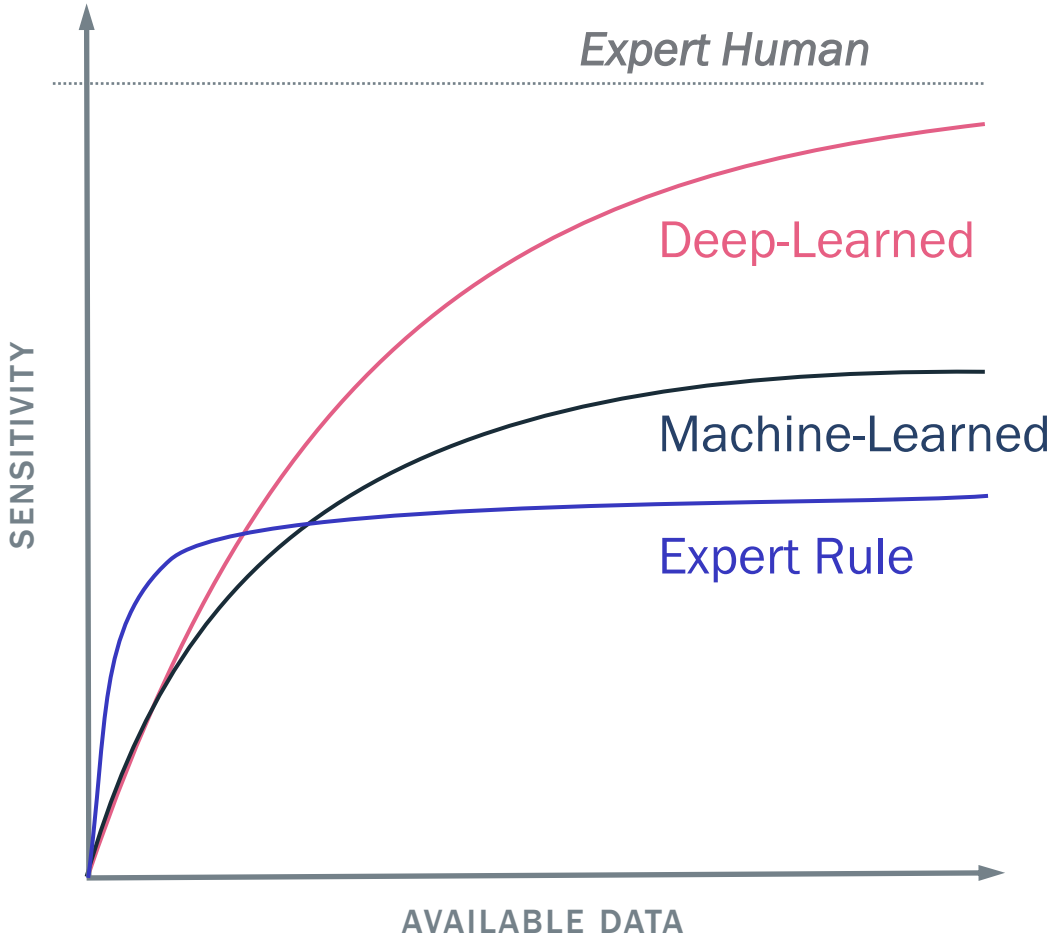
How can deep learning be so great?



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Cardiologist-level arrhythmia detection and classification in ambulatory electrocardiograms using a deep neural network

BACKGROUND

Existing commercial ECG interpretation algorithms still show significant rates of misdiagnosis. Substantial advances in algorithm development have been made in recent years, driven largely by deep neural networks (DNNs).

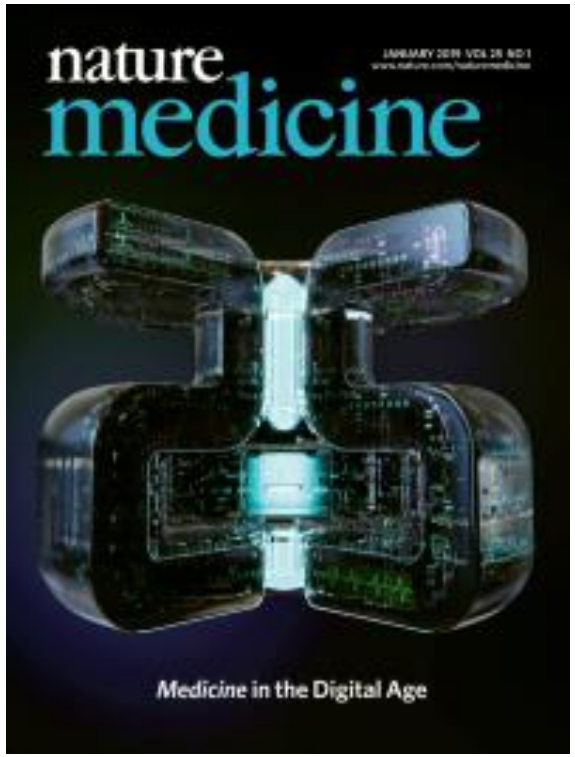
RESULTS

The DNN model met or exceeded the performance of the cardiology consensus committee for all rhythm classes and even restated the misclassifications made by individual cardiologists.

CONCLUSIONS

A deep learning approach can classify a broad range of distinct arrhythmias with high diagnostic performance similar to that of cardiologists.

In clinical settings, this approach could reduce the amount of misdiagnosed computerized ECG interpretations and improve the efficiency of expert human ECG interpretation by accurately triaging or prioritizing the most urgent conditions.



1. Hannun, AY. et al. Cardiologist-level arrhythmia detection and classification in ambulatory electrocardiograms using a deep neural network. *Nature Medicine*, 2019.

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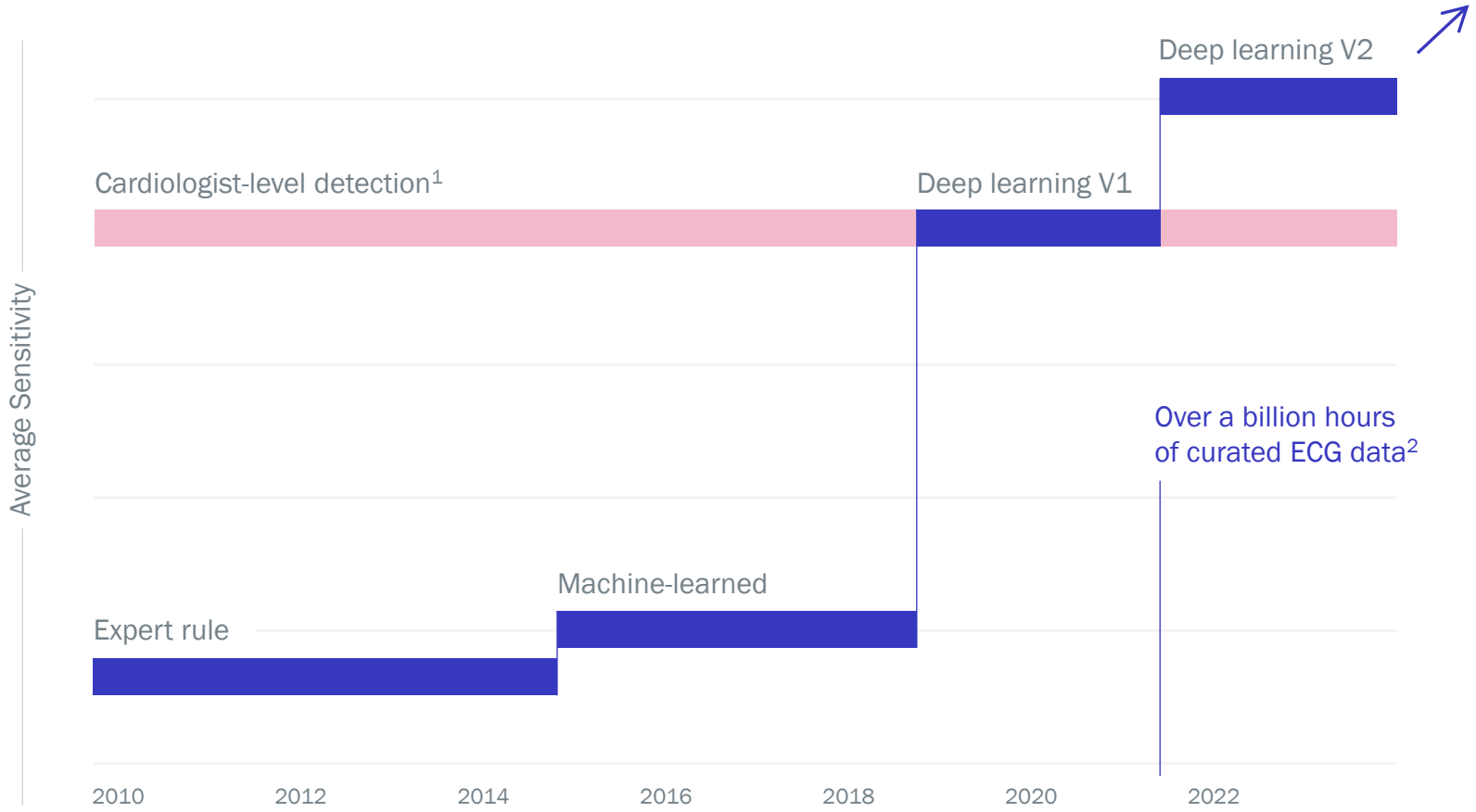
How did it work out for Zio?



DEEP LEARNING DELIVERED A STEP-FUNCTION IMPROVEMENT

1. Hannun, AY. et al. Cardiologist-level arrhythmia detection and classification in ambulatory electrocardiograms using a deep neural network. *Nature Medicine,* 2019.
2. iRhythm Technologies, 2021. Form 10-K 2021. Retrieved from https://investors.irhythmtech.com/static-files/9718967c-7104-4ab0-952f-598d41b07682

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Our approach - not all AI is equal

APPROACH TO AI

Partnered with world-renowned AI experts at Stanford University in 2017.

CLINICAL EVIDENCE

Demonstrated expert-level rhythm classification accuracy in *Nature Medicine, 2019*.[1]

FDA CLEARANCE

Deep-learned v1 cleared by FDA in 2018 and v2 in 2021.[2,3]

COMMERCIAL USE

>4 million records analyzed to date.[4]

1. Hannun, AY. et al. Cardiologist-level arrhythmia detection and classification in ambulatory electrocardiograms using a deep neural network. *Nature Medicine,* 2019.
2. FDA 510(k) clearance for Software as Medical Device.
3. Deep-learned algorithm is only available in the United States.
4. iRhythm Technologies, 2021. Form 10-K 2021. Retrieved from https://investors.irhythmtech.com/static-files/9718967c-7104-4ab0-952f-598d41b07682

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Expanding Our Portfolio

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ZIO® WATCH

AFIB MONITORING UNMET NEED:

Long-term,
Patient-compliant,
Non-invasive,
Low-cost

and

Clinical-grade
AFib monitoring service



ENABLED BY:

AI-based approach to AFib detection & burden, leveraging Zio Service infrastructure

Developed in partnership with with verily

ZEUS - Zio Watch Service, FDA 510(k) cleared in July 2022
Zio Watch, FDA 510(k) cleared in July 2022

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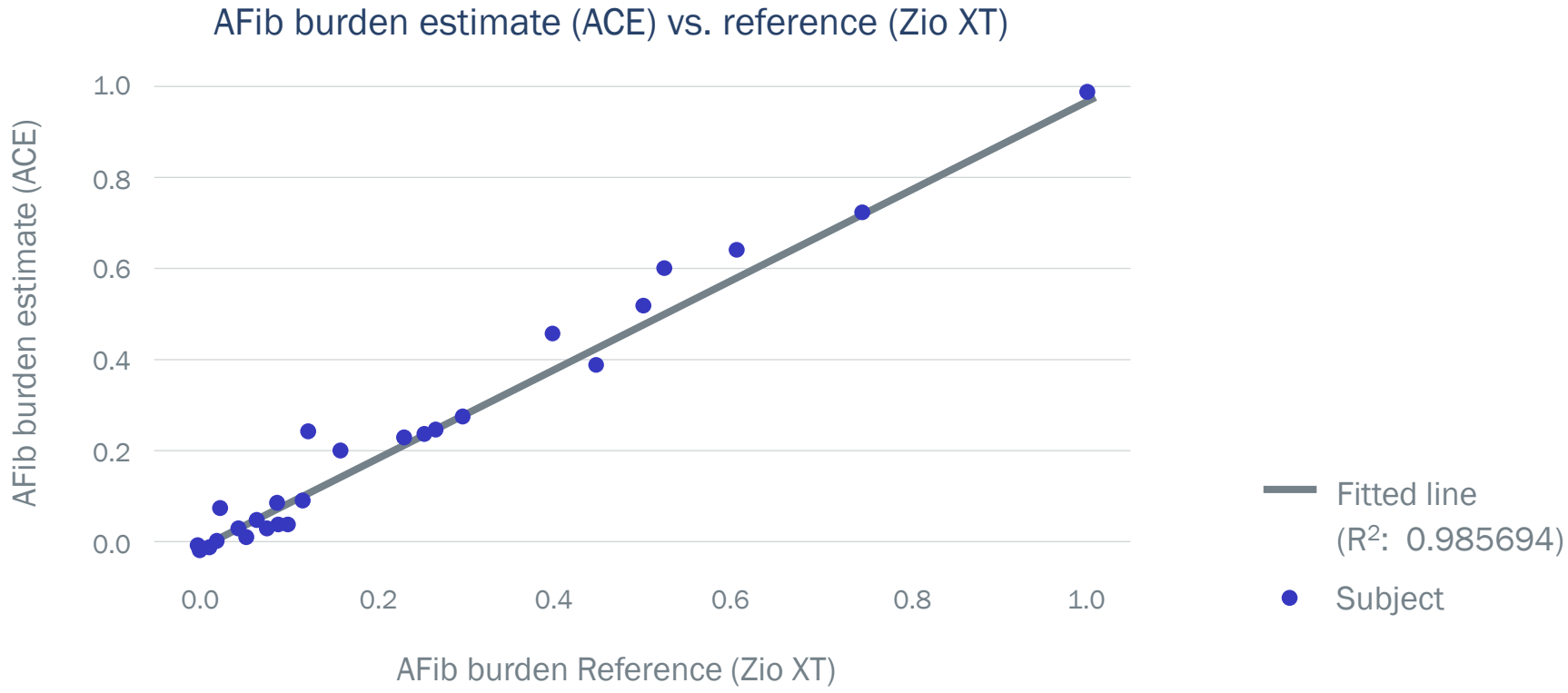
Performance comparison: the impact of data & innovation

117-PATIENT PPG AMBULATORY STUDY



1. Athill et al. A photoplethysmography-based approach to atrial fibrillation-burden estimation in high-risk patients. Presented at Heart Rhythm 2022 on April 30, 2022 at 2 p.m.
2. Zio Watch Service, FDA 510(k) cleared in July 2022 | Zio Watch, FDA 510(k) cleared in July 2022

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Outcomes & Prediction

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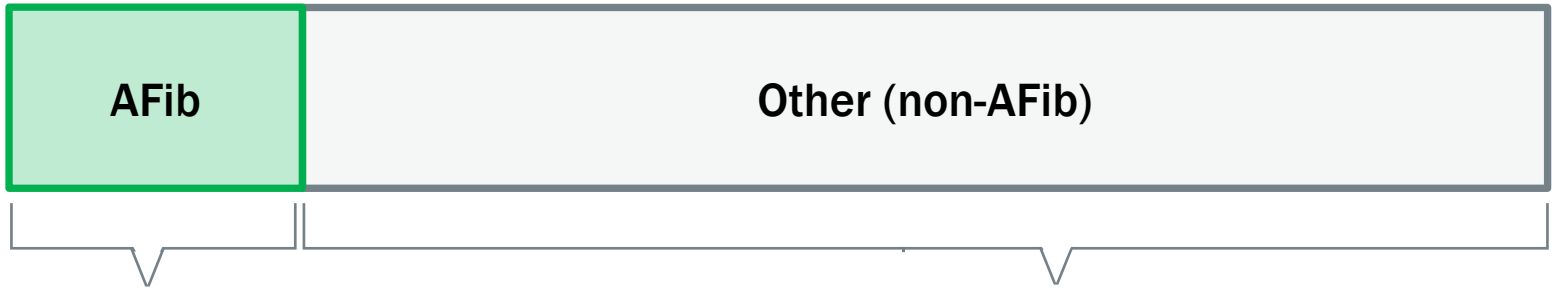
ZIO®



>200,000 Zio patients match in payer database

⋁

>45,000 patients w/AFib and ~1,800 strokes

⋁

Validated models providing customized risk scores[1]

Can AI predict likelihood of future AFib[2]?

⋁



1,2 AI–based prediction and risk scoring models are not FDA cleared

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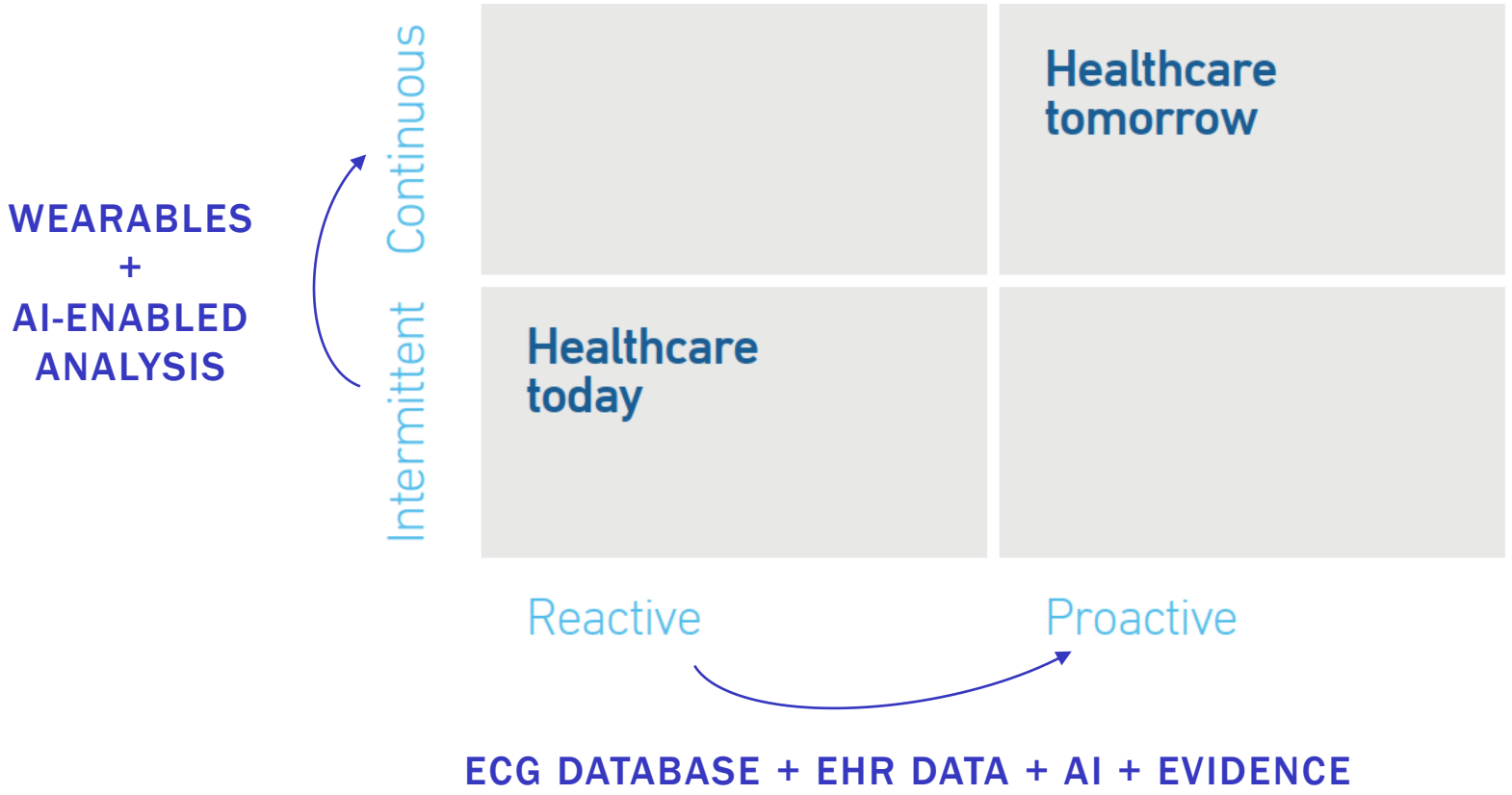
A future with risk stratification and predictive healthcare



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Building Operational Excellence



DOUG DEVINE

Chief Operating Officer

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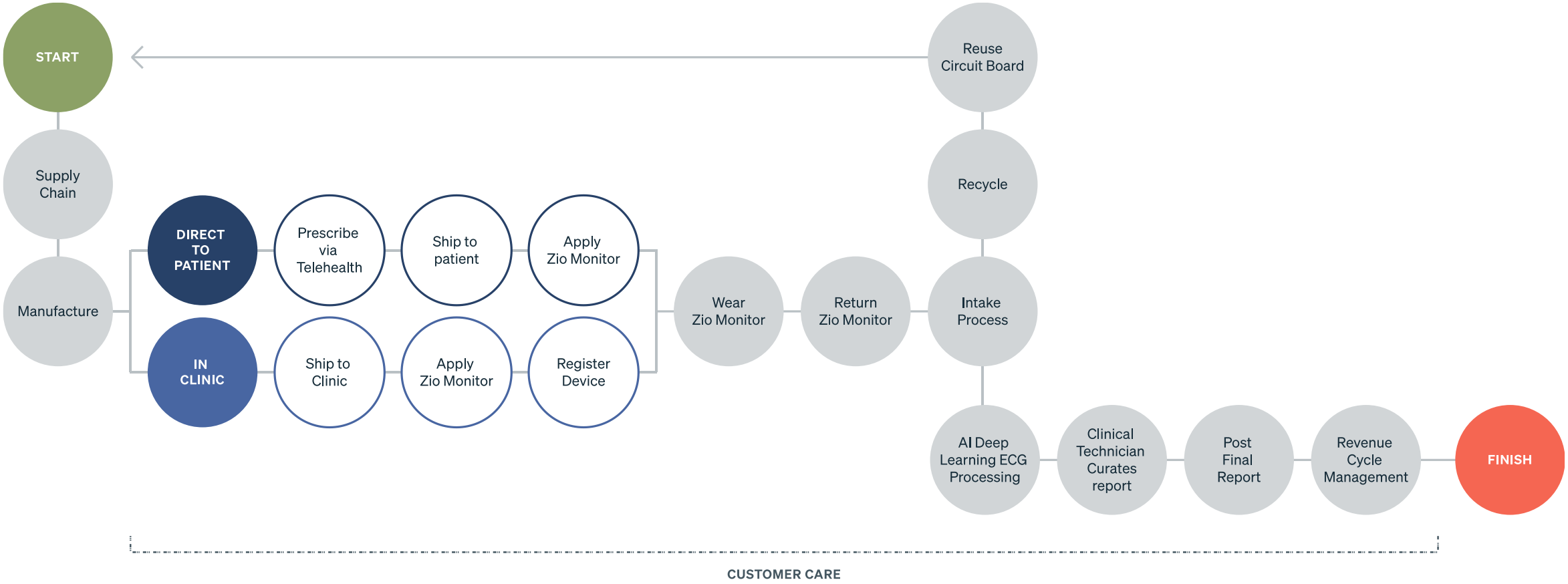
Zio Monitor Journey



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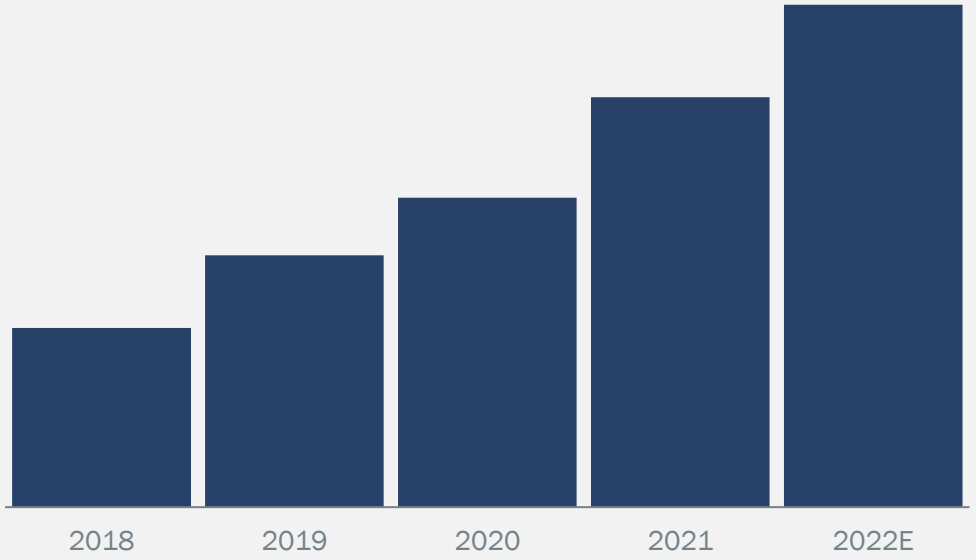
Grown capacity quickly to meet demand

Tripled unit volumes from 2018 to 2022

Growth to date has been supported primarily by adding resources to manual processes

Significant opportunities identified to scale more efficiently, thereby improving operationally and reducing cost profile

Shipped Volume



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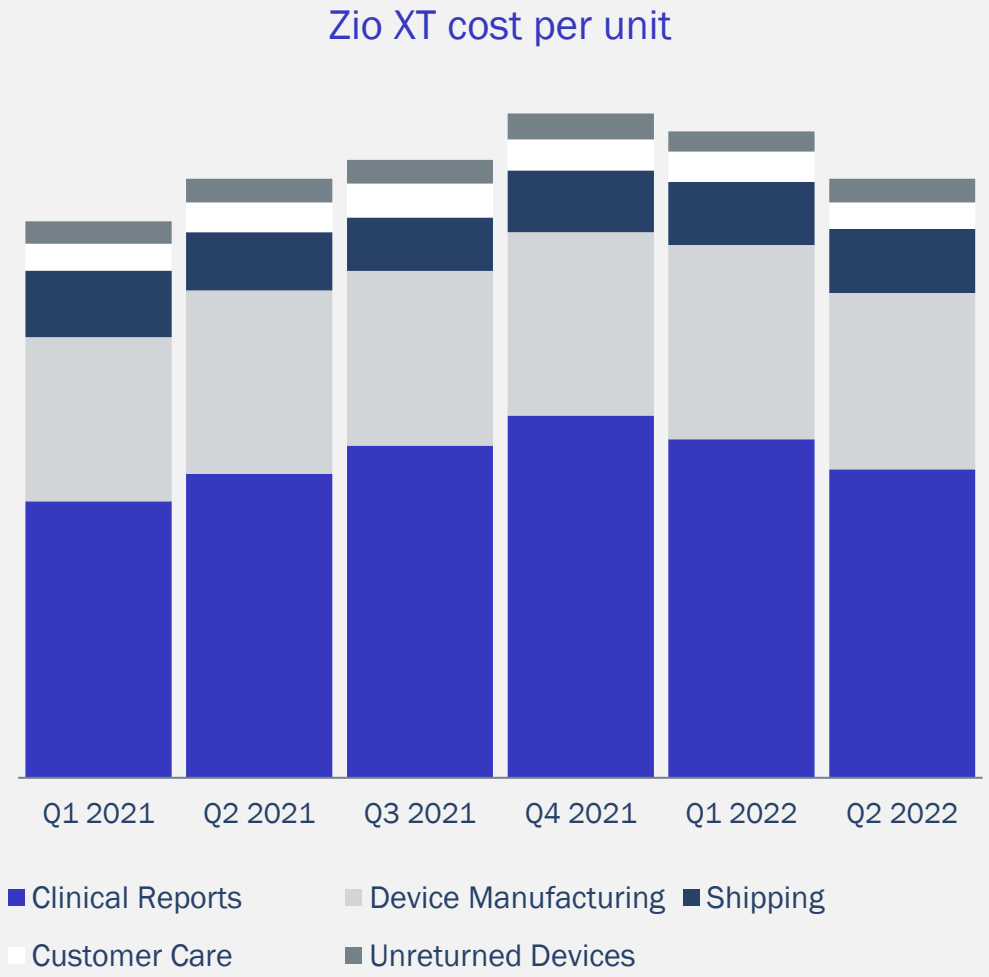
Zio XT cost per unit for prior six quarters

Zio service costs per revenue unit include manufacturing costs as well as costs related to the Zio service

Through productivity gains and digital transformation beginning in 2021, have started to see reductions in cost to serve through Q2 2022



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Operational excellence focused on three pillars

1. **CONTINUE TO SCALE & IMPROVE BUSINESS CONTINUITY**

2. **IMPROVE PATIENT & PROVIDER EXPERIENCE**

3. **LOWER COST STRUCTURE**

Shifting focus towards scaling efficiently and effectively in anticipation of significant growth

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Recent wins to enhance operational foundation and prepare for the future

LAUNCHED NEW MANUFACTURING FACILITY

3X more annual capacity or 5M+ units

INTRODUCED NEXT GEN ZIO PLATFORM

Scaled and enabled supply chain continuity

UPGRADED CLINICAL OPS CAPACITY, TOOLS & PLANNING

95% of reports in last 12 months completed within 3 days

UPGRADED LEGACY PHONE TO CLOUD TECH

50% productivity jump for customer care outbound calls

IMPLEMENTED ENHANCED MEASURABILITY & TRACKING

Leading signals tracking green for prior four quarters

RESTRUCTURED OPS TEAMS WITHIN NEW COO ROLE

Driving discipline and accountability

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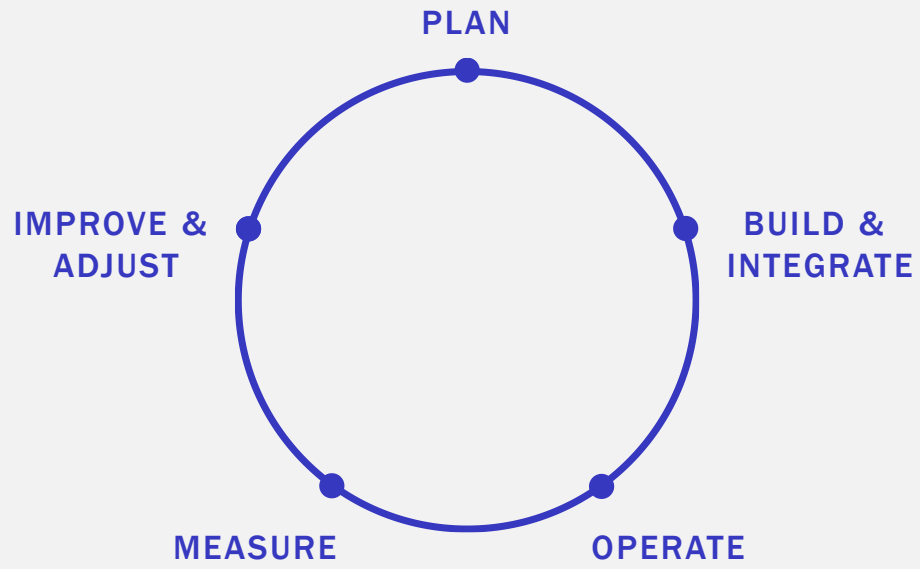
Hyper-focused on driving efficiencies in every area of operations

Strategic investments in last 12 months have bolstered the foundation on which we will scale our operations for the future

Committed to quality excellence at all levels, reflective of our consistent focus on our patients and customers

Dedicated to continuous process improvement across all areas of operations



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Big initiatives in the next 1-3 years

MANUFACTURING & PACKAGING AUTOMATION

Reduce labor cost by ~$1+/unit while increasing capacity to 10m+ units annually

CLINICAL EFFICIENCY THROUGH APPLICATION OF AI

Increase clinical technician productivity by ~25%+

EXPANDED LOGISTICS NETWORK

3 inbound and outbound sites to reduce turn around time by ~1 day

REVENUE CYCLE AUTOMATION

Reduction in cost to collect and improved time to collect

CONSOLIDATE MCT IN NEXT GEN ZIO PLATFORM

Improve efficiencies and simplify supply chain management

CALL CENTER PROCESS AUTOMATION

Implement chat/text to reduce patient/ account calls while increasing device return rates

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Case study: manufacturing and packaging automation

1. Scale to 10m+ units annually

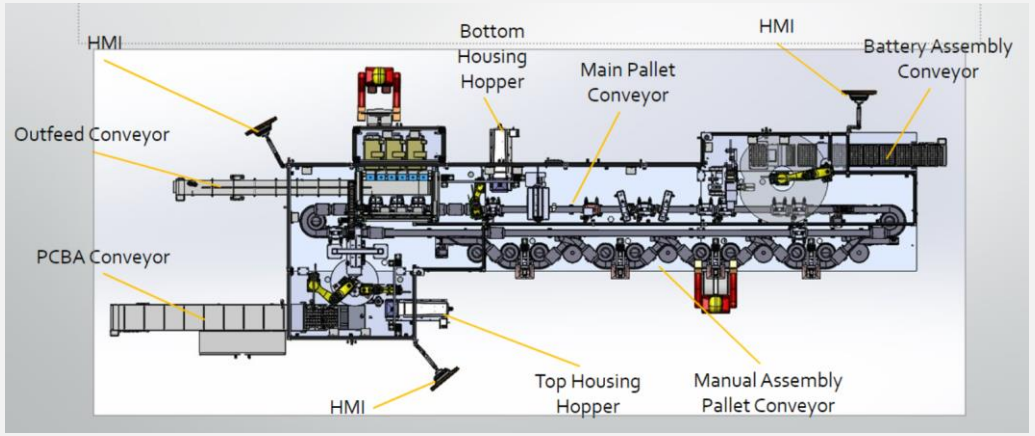
2. Reduce cost by $1 per unit

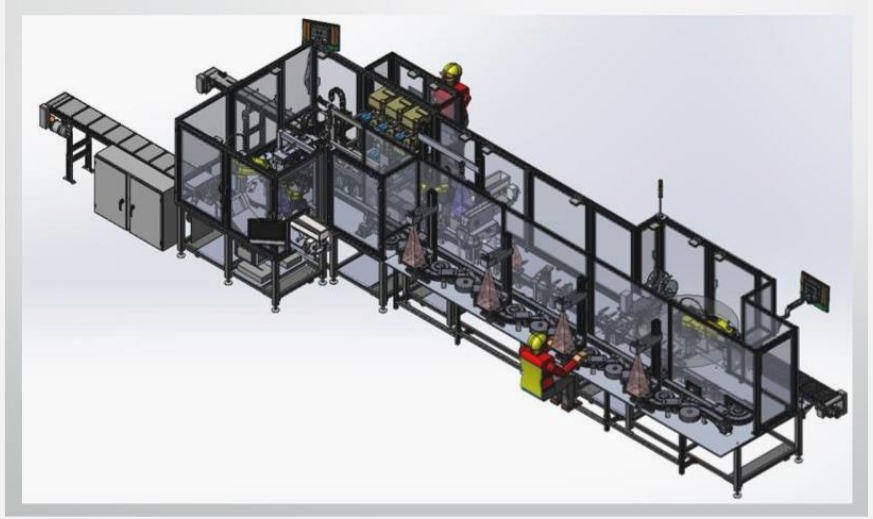
3. Labor touch reduced by 50%

4. Quality & yield Improvements

5. Manufacturing capability scalable to multiple locations

Future Automation Process





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Case study: improving clinical quality and efficiency through application of AI

ENHANCE QUALITY OF REPORTS

Reduce variability

Improve algorithm results

Expand insights

IMPROVE EFFICIENCY

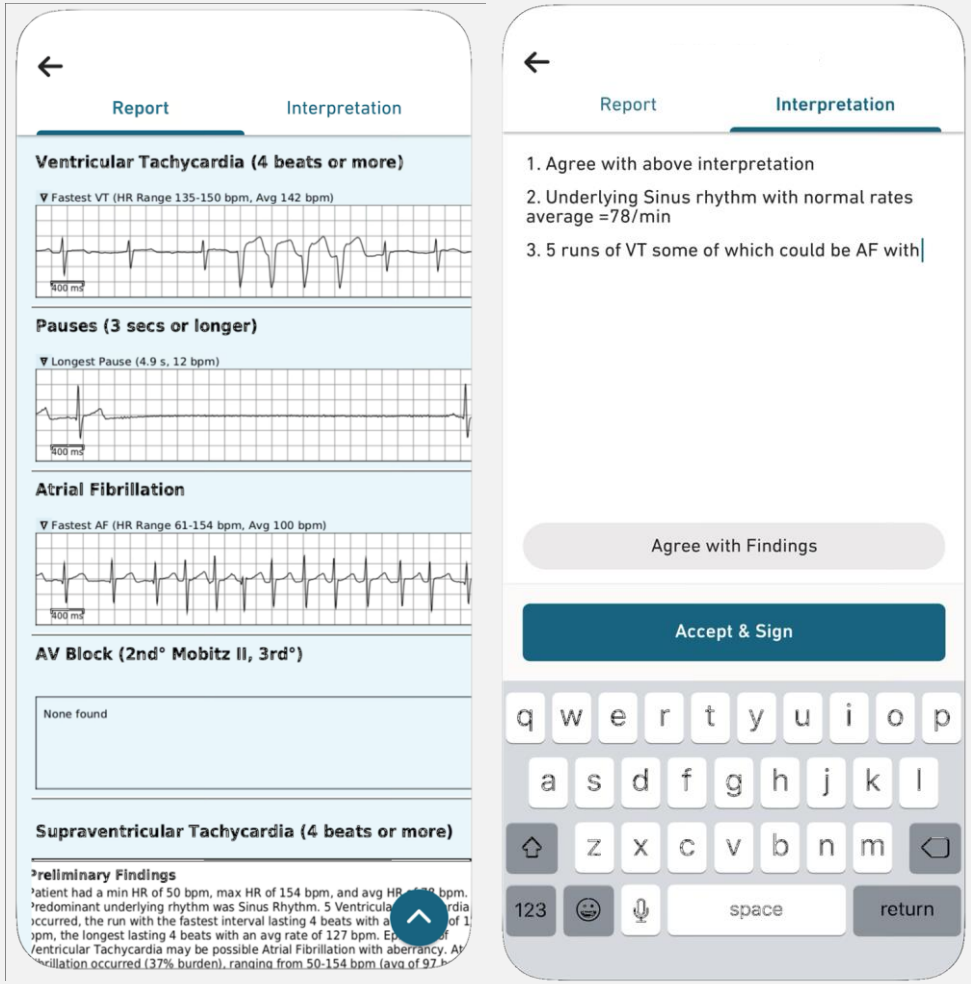
Improve routing/air traffic control

Reduce activity

Consolidate multiple systems

GLOBALIZE CLINICAL OPERATIONS

Deliver more value to prescribers, patients and payers while increasing clinical technician productivity ~25%



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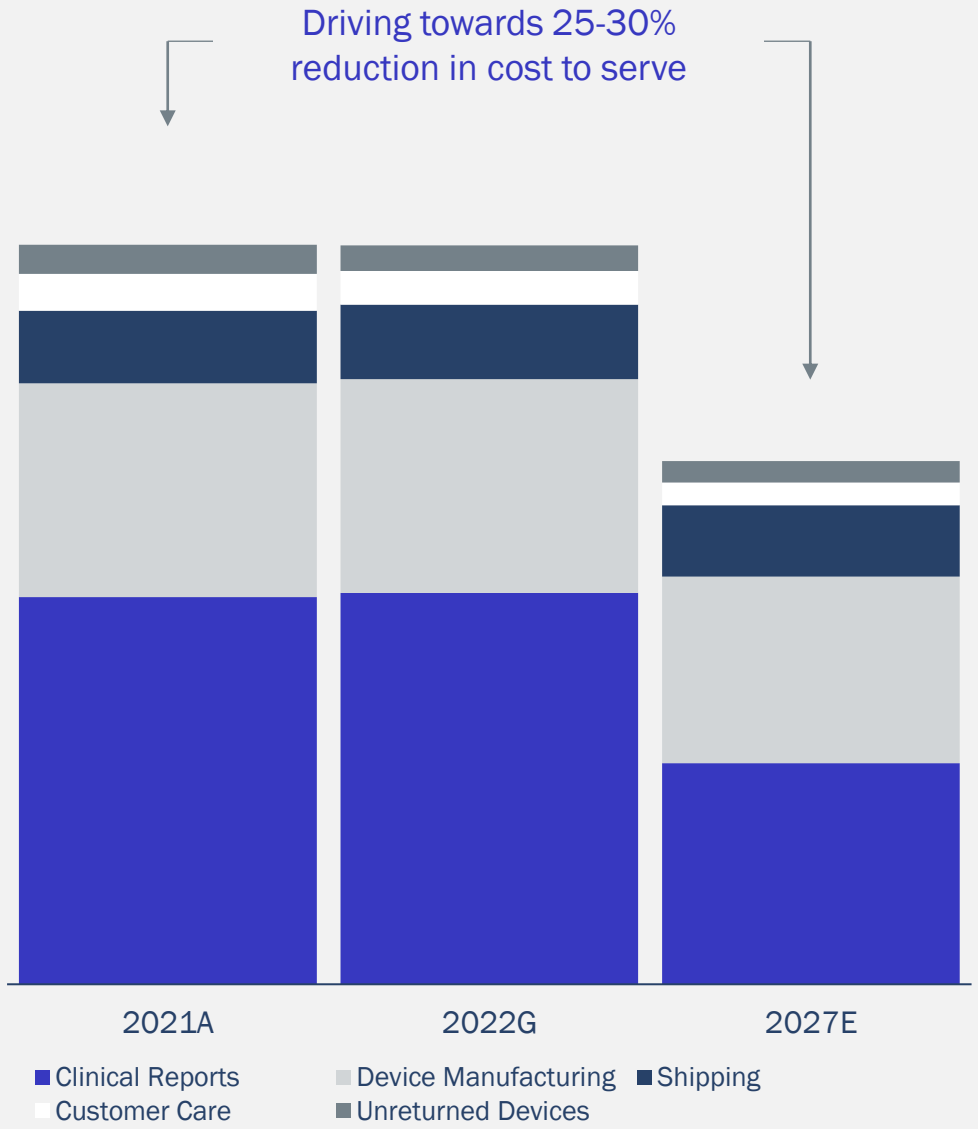
Zio XT cost per unit over five years

Anticipate 25-30% reduction in XT cost per unit by 2027

Reductions driven by unit cost economics as well as initiatives to scale, automate and improve service costs



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Financial Outlook



BRICE BOBZIEN

Chief Financial Officer

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Poised to deliver strong financial performance over the next five years

	2021 ACTUALS	2022 GUIDANCE	2027 ESTIMATE	TRAJECTORY
REVENUE	$322.8 million	$415 – 420 million	>$1 billion	~20% CAGR
GROSS MARGIN	66%	68 – 69%	73%	~450 bps
ADJUSTED EBITDA	(11.1)% of revenue	~(3.5)% of revenue	15% of revenue	~1,850 bps
BLENDED ASP	$258	$279	$286	~$7 uplift

Significant growth in core business with leverage to drive long-term market expansion opportunities

Adjusted EBITDA calculated as earnings excluding interest, taxes, depreciation and amortization, stock compensation expense and restructuring costs

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Creating financial flexibility to capitalize on opportunity

REVENUE GROWTH

- Continued penetration into core U.S. market with Zio XT and Zio AT
- International expansion into new markets
- Disciplined evaluation of partnerships and business development opportunities
- Upside through new technologies and adjacent markets

PRODUCT EFFICIENCIES

- Manufacturing automation
- Design for manufacturability and usability to increase cost efficiencies
- Full scale utilization of existing equipment and facilities
- Robotic process automation (RPA)
- Globalized workforce

LONG-TERM PROFITABILITY

- Optimize efficiencies in back office with scale and process development
- Redirect a portion of the G&A leverage to drive future growth through thoughtful investments in R&D and S&M
- Robotic process automation (RPA)
- Globalized workforce

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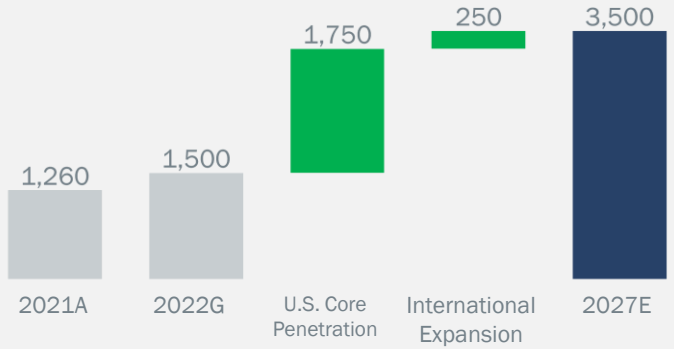
Five-year revenue trajectory reflective of significant market potential

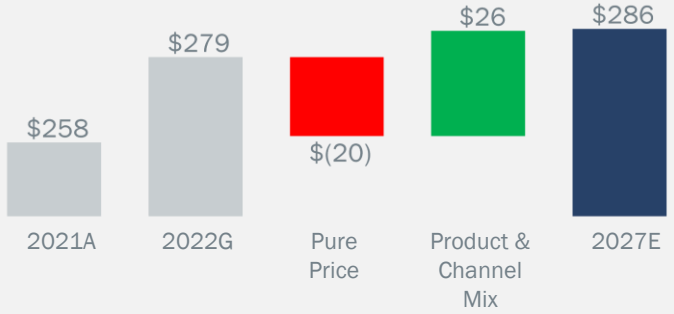
GLOBAL VOLUME (UNITS, THOUSANDS)



2022 YOY growth of ~20%

Growth driven by commercial momentum in U.S. core and expansion internationally

GLOBAL AVERAGE SALES PRICE (USD)

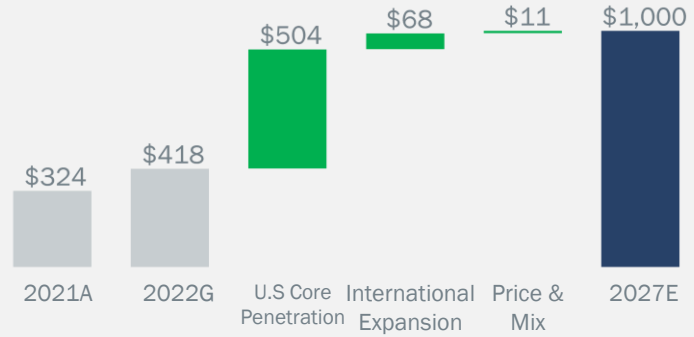


Commercial pricing stability and further clarity on CMS rate YOY 2021 and 2022

Will be strategic around commercial pricing agreements where there is ability to increase volume levels versus current ASP

Product mix and channel mix become a lever for pricing improvement in the future

GLOBAL NET REVENUE (USD, MILLIONS)



2022 YOY growth of 29%

Growth driven by commercial momentum in U.S. core and expansion internationally

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Opportunities for net ASP improvement

EXPANSION OF COVERAGE

Medicaid contracting

Conversion of non-contracted commercial payers

IMPROVED PATIENT EXPERIENCE

Billing for Home Enrollment

Revenue cycle management improvements

Increasing wear-times to >48 hours and >7 days

Volume distribution for >48 hours of Zio XT in the U.S.[1]

PAYER TYPE	% OF VOLUME
CMS	~21%
Commercial	~55%
Non-Contracted	~13%

1. Volume mix does not foot to 100% due to <48-hour monitoring, UK products and Zio AT

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Unlocking value and enabling scalability with operational discipline

Key efficiency initiatives targeted to deliver ~$250 million[1] in gross annual savings by 2027

Scalability and productivity gains can enable capabilities to service expanded patient populations

Savings can be used for reinvestment into innovation opportunities and future growth vectors



1. Net of non-cash operating leverage

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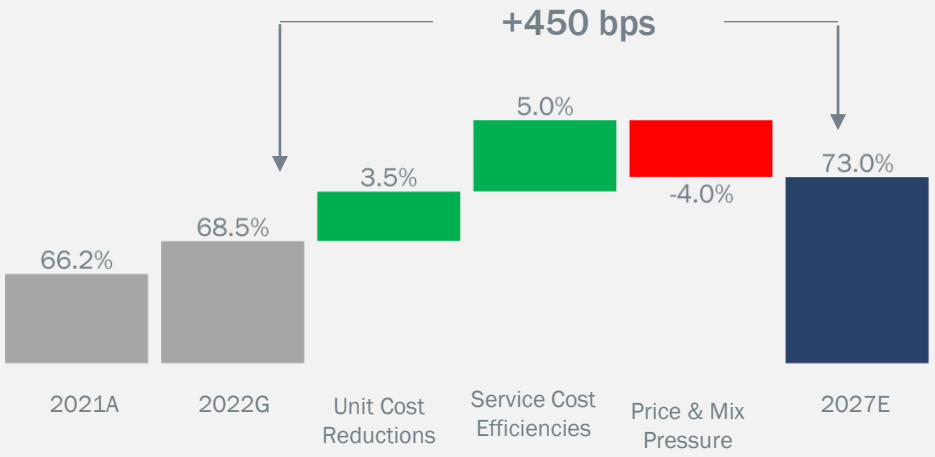
Accelerating value creation through operational efficiencies

GROSS PROFIT MARGIN



2022 YOY growth of +230 bps driven by clin ops scale

Expected unit cost reductions of +350 bps and service cost efficiencies of +500 bps

Gains offset by pricing and mix pressure of -400 bps

UNIT COST REDUCTIONS

- Driving manufacturing automation, design for manufacturability, scale through facility leverage, and supply chain excellence

SERVICE COST EFFICIENCIES

- Efficiency gains from AI incorporation into clinical report generation and clinical operations globalization
- Freight and shipping efficiencies

PRICE AND MIX PRESSURE

- Low-single digit % Zio XT commercial pricing pressure
- Zio AT – with lower gross margin profile – becomes larger mix of business

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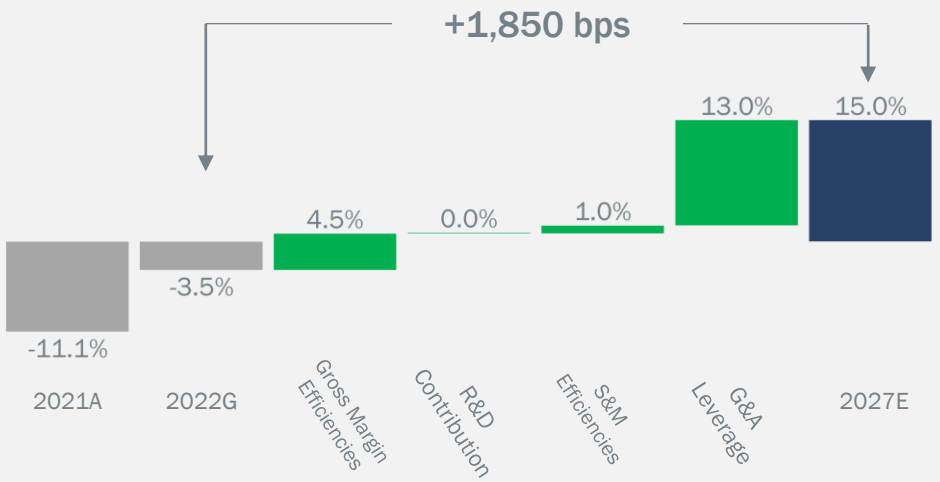
Focus on generating leverage and disciplined opportunity prioritization

ADJUSTED EBITDA MARGIN



2022 YOY adjusted EBITDA improvement of +760 bps

2022 YOY SG&A leverage of +500 bps driven by scale

Anticipated gross margin leverage and spend discipline will lead to long-term profitability improvements

RESEARCH & DEVELOPMENT

- Anticipate R&D will remain ~12% of revenue long-term
- Disciplined portfolio prioritization will allow for adjacent market research & development investments

SALES & MARKETING

- Net efficiency gains over the planning horizon allow for reinvestments to support revenue growth
- Planning for incremental investments in marketing

GENERAL & ADMINISTRATIVE

- Expect long-term G&A will be ~30% of revenue
- Long-term leverage driven by digital transformation, continuous process improvement and globalization

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Financial outlook summary

Aggressive but high-confidence 5-year plan

Targeted to deliver ~20% revenue CAGR over next five years, driven by core U.S. and International

Expansion into adjacent markets can be potential upside

Significant leverage from gross margin and G&A cost savings

Targeted 15% adjusted EBITDA margin in 2027

Current cash >$200M and anticipated positive cash flow in the medium term enables investment into future growth



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Question & Answer Session

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Substantial and growing market potential

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Significant adjacent market opportunities

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The Zio Service delivers superior clinical accuracy while reducing the cost of care

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Zio provides monitoring solutions across the spectrum of care

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International opportunity with 5+ million TAM in prioritized countries

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