

FORIAN

DATA

DRIVEN

Corporate Overview

June 2023 – Sidoti Virtual Conference

BUYER

CENTRIC

FOCUSED

OUTCOMES



Cautionary Statement Regarding Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address expected future business and financial performance and financial condition, which may include GAAP and non-GAAP financial measures, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” “target,” similar expressions and variations or negatives of these words. Forward-looking statements by their nature address matters that involve risks and uncertainties, many of which are beyond our control and are not guarantees of future results, such as statements about future financial and operating results, company strategy and intended product offerings and market positioning. These and other forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statements. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements and caution must be exercised in relying on forward-looking statements. Factors that could cause actual results to differ include, but are not limited to, those risks and uncertainties associated with our operations, strategy and goals, our ability to execute on our strategy and the additional risks and uncertainties set forth more fully under the caption “Risk Factors” in Forian’s Annual Report on Form 10-K for the year ended December 31, 2022, filed with the United States Securities and Exchange Commission (“SEC”) on March 30, 2023, and elsewhere in Forian’s filings and reports with the SEC. Forward-looking statements contained in this presentation are made as of the date hereof, and we undertake no duty to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law.




Mission

Improve health outcomes and business performance through data science driven information and analytic solutions



We apply sophisticated data management and data science capabilities to our comprehensive clinical data lake to identify unique relationships, create distinctive information assets and generate proprietary insights that drive clinical and commercial outperformance.





Investment Highlights

1. **Strong team** with extensive healthcare data management, analytics and delivery experience
2. One of the **largest** integrated, HIPAA-compliant, longitudinal, deidentified patient-level **data lakes** in the market **and scalable technology**
3. Significant and rapidly **growing** healthcare analytics and RWE **market**
4. High **recurring revenue** base supported by multi-year contracts
 - 2023E Revenue of \$20.5-22.5 million, up from \$0.5 million in 2020
 - Committed contracted backlog of \$38.5 million at Dec-2022, \$16.2 million to be recognized in 2023
5. Flexible, cost-effective **customer-centric partnership approach** winning competitive business
6. With **strong insider ownership and balance sheet**, Forian is well positioned to capitalize on the long-term business opportunities



Proven Leadership



Max Wygod
*Co-Founder, CEO and
Executive Chairman*



Adam Dublin
*Co-Founder, Chief Strategy
Officer and Director*



Michael Vesey
Chief Financial Officer



Edward Spaniel, Jr.
*Executive Vice President,
General Counsel & Secretary*



Jason Holden
VP, Corporate Development



Rebecca Adams
VP, Human Resources



Paul Reuscher
VP, Product Innovation



Anita Murrell
Executive Director, Engineering





Robust Clinical Data Lake

HIPAA-compliant, deidentified patient/customer-level longitudinal data asset covering **305M+ patients**

Data Product

Key Insights and Data Inputs



~2B Annual Medical Claims

1.1M+ Monthly Physicians
2/3 of submitted claims
National / Subnational
Age, gender, ZIP3
ICD-10 diagnosis
CPT procedure
HCPCS products
Date of service
Location of care
Reported cost of service
Provider NPI / Specialty
Paid cost for service
Payer, payer type, payment



~300M Annual Hospital Claims

5,100+ Hospitals
National / Subnational
Age, gender, ZIP3
ICD-10 diagnosis
ICD/CPT procedures
HCPCS products
DRG coding
Admit date
Discharge date
Locations of care
Facility type
Payer, payer type, payment



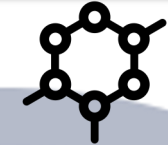
~3B Annual Pharmacy Claims

Retail & non-retail
Mail order, Specialty, Long Term Care
Prescriber ID
NDC-level Drug Coding
Age, gender, ZIP3
Rx date written
Rx date filled
Quantity dispensed
Days supply
Refill, new, switch
Cost information
Payer, payer type, payment
All payment types



Social Determinants of Health

Age, gender, ZIP3
Ethnicity/Race
Socioeconomic Status
Income/Wealth
Net worth
Financial risk
Education
Behavioral/lifestyle
Marital status/children
Household size
Occupation
Media, TV, Internet, print usage
Interests & activities



Payor Sourced Closed Claims

85M+ Patient Complete History
National Coverage
Medical & Pharmacy Claims
Age, gender, ZIP3
ICD-10 diagnosis
CPT procedure
HCPCS products
Date of service
Location of care
Provider NPI / Specialty
Retail, non-retail, & Specialty
Prescriber ID
NDC-level Drug Coding
Refill, new, switch

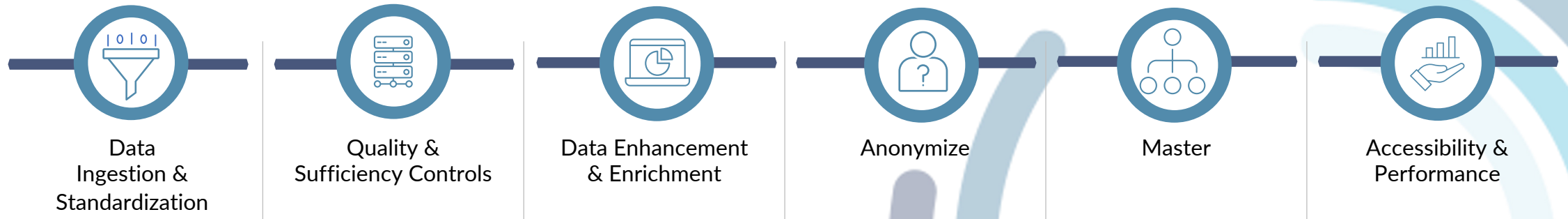
Common HIPAA-Compliant, Private Forian-Specific Patient ID



Best-in-Class Data Management & Data Science

Our cutting-edge data science technology efficiently organizes, normalizes, standardizes, validates and integrates complex structured and unstructured transactional data in a timely and cost-efficient manner, while increasing quality and utility

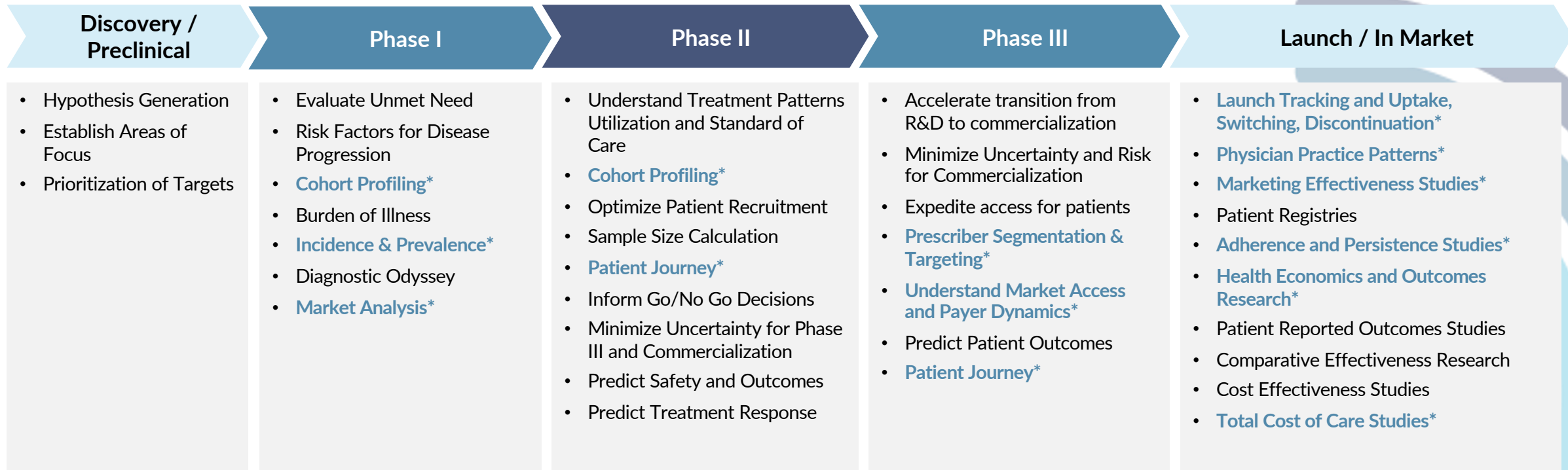
Unparalleled Experience in Large-Scale Transactional Data Management and Analytics



- Leverage state-of-the-art technology to reduce the time and cost of managing complex structured and unstructured data and increase accuracy, timeliness, and utility
- Efficiently process hundreds of terabytes of data in minutes
- Create data structures and analytic environments to enable targeted, unique and actionable insights

Customer Use Cases: Span the Healthcare Lifecycle

Forian collaborates with healthcare and life sciences companies, from early stages of R&D through commercialization, and provides integrated data products, real world evidence and insights, and advanced analytics to help identify opportunities, accelerate product development, answer critical questions, mitigate risk, expedite access for patients, and demonstrate value



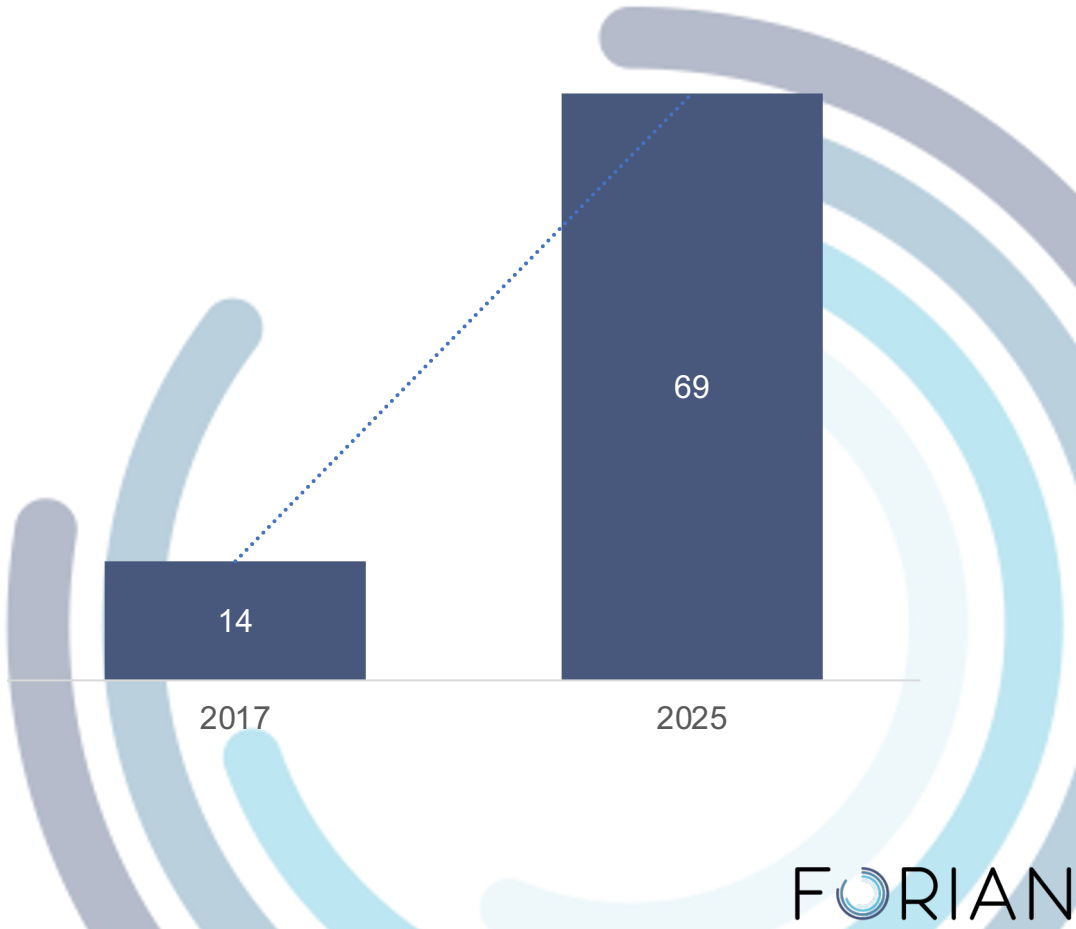
*Key Forian Analytic Capabilities



Multiple Tailwinds Driving Massive Addressable Market

Healthcare Spend Increasing Healthcare spend in the US will grow by 5% in the next 7 years and is expected to be \$6.8 Trillion (19.6% of the US GDP)	Necessity of Data-Driven Insights Companies are accessing more and more unique and novel data types	Adoption of Value-Based Care Patient outcomes are becoming critical for healthcare provider reimbursement and network contracting
Changes in Care Delivery Newer alternative models of healthcare delivery will require sharing and insight to optimize patient care	Increased Regulation Increased regulatory requirements arising across all facets of the healthcare ecosystem	Genetic-Driven Therapies Personalized medicine and therapeutic complexity will drive demand for more robust information and sophisticated analytics

Estimated Global Healthcare Analytics Market (\$B) – 22% CAGR



Source: BIS Research: Global Big Data in Healthcare Market; Analysis and Forecast, 2017-2025



Growth Opportunities

- Organic
 - Sales and marketing investments will drive continued new pharma client acquisition.
 - Leverage positive client experience to upsell/cross-sell additional information products and analytics solutions
 - Source incremental data to expand the potential use cases for our platform
 - Lab data | EMR data | Genomics data | Patient Reported Outcome data | Additional claims data
- Inorganic
 - Potential strategic acquisitions or investments to broaden product portfolio enhance value proposition and increase market share





Financials

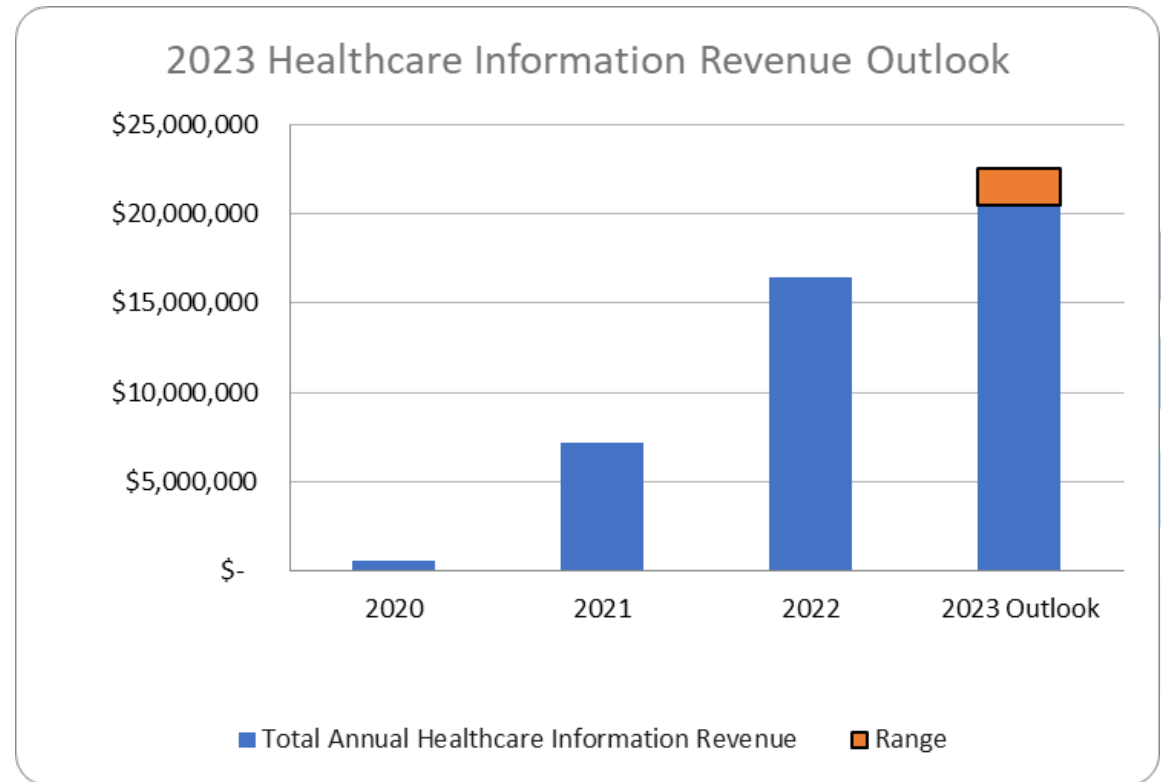




Full Year 2023 Outlook

Expect 2023 Healthcare Information Revenue growth of 25% to 37% resulting in revenue in the range of \$20.5 to \$22.5 million

Continued Improvement in Adjusted EBITDA⁽¹⁾, reaching positive Adjusted EBITDA contribution in the second half of 2023



The outlook provided above constitutes forward-looking information within the meaning of applicable securities laws and is based on a number of assumptions and subject to a number of risks. See slide 2.

1. See reconciliation and related information in Appendix



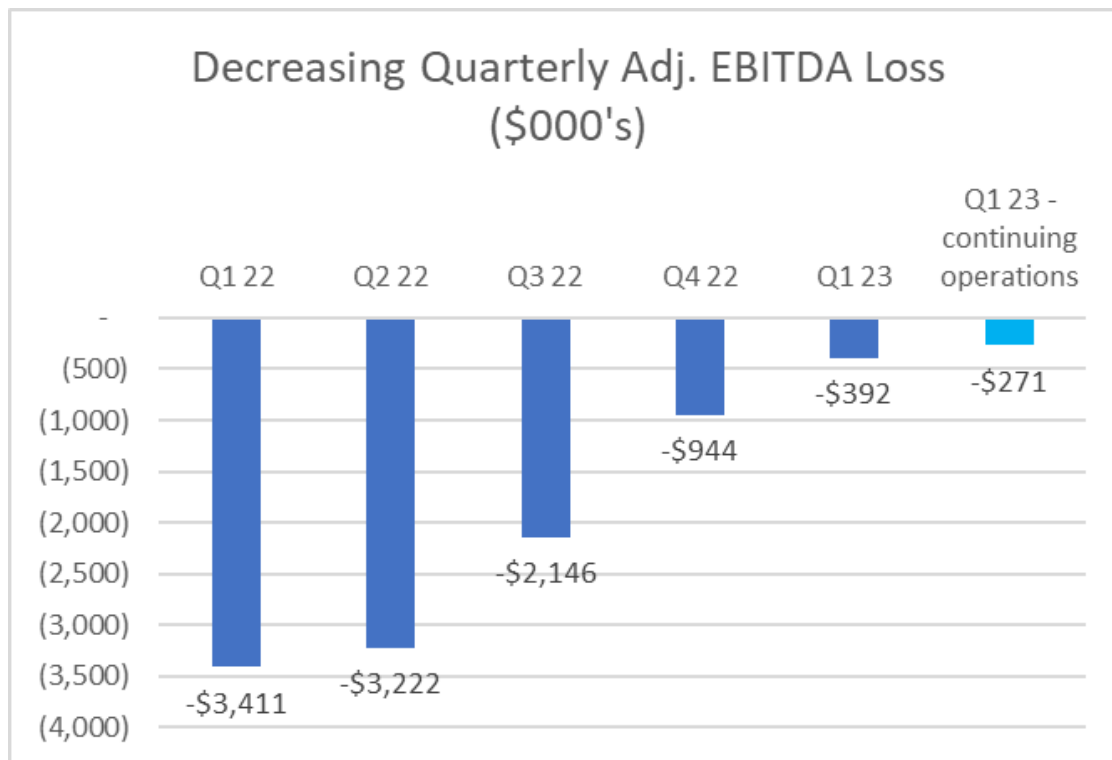
Revenue and Adjusted EBITDA

	Three Months Ended March 31,		Period-over- Period % Change
	2023 <u>Unaudited</u>	2022 <u>Unaudited</u>	
Total revenue	\$ 4,870	\$ 3,535	38%
Loss from continuing operations, net of tax	\$ (2,073)	\$ (10,318)	80%
Income (loss) from discontinued operations, net of tax	\$ 8,934	\$ (1,536)	682%
Net income (loss)	\$ 6,862	\$ (11,854)	158%
Adjusted EBITDA	\$ (271)	\$ (2,696)	90%

Organic revenue growth, 38% over the same quarter last year



Adjusted EBITDA Trend



Continued improvement in Adjusted EBITDA loss driven by revenue growth and cost management



Summary Balance Sheet Data

	<u>March 31, 2023</u>
Cash and equivalents	\$40,004
Proceeds receivable – sale of discontinued operations	\$ 8,812
Net Working Capital	\$45,770
Convertible note and accrued interest (due 9/2025)	\$25,315
Shares outstanding	32,419



Appendix



Non-U.S. GAAP Reconciliations

Reported Net Income to Adjusted EBITDA

\$000's	Q1 2023	Q1 2022	Explanation
Net Income	\$ (2,249)	\$ (10,318)	
Adjustments			
Depreciation & amortization	38	15	
Stock based compensation	1,828	7,614	includes accelerated vesting related to separation agreements
Change in fair value of warrant liability	6	(220)	GAAP required mark to market adjustments on liability classified warrants
Interest Income	(383)	(4)	
Interest expense	208	211	PIK interest on convertible notes
Severance expense	250	-	non- recurring executive severance
Provision for income taxes	30	5	
Adjusted EBITDA- continuing operations	\$ (271)	\$ (2,696)	
Discontinued operations	(121)	(716)	
Adjusted EBITDA	\$ (392)	\$ (3,411)	

- Decrease in Adjusted EBITDA Loss reflects continued Healthcare Information Revenue growth and reduced product development spending

1. Adjusted EBITDA is a non-U.S. GAAP measure. See Appendix for further information.



Reconciliation of U.S. GAAP to Non-GAAP Financial Measures

This presentation includes a non-GAAP measure, which we define as financial information that has not been prepared in accordance with U.S. GAAP. The non-U.S. GAAP financial measure provided herein is earnings before interest, taxes, non-cash and other items (“**Adjusted EBITDA**”), which should be viewed as supplemental to, and not as an alternative for, net income or loss calculated in accordance with U.S. GAAP (referred to below as “**Net loss**”).

Adjusted EBITDA is used by our management as an additional measure of our Company’s performance for purposes of business decision-making, including developing budgets, managing expenditures and evaluating potential acquisitions or divestitures. Period-to-period comparisons of Adjusted EBITDA help our management identify additional trends in our Company’s financial results that may not be shown solely by period-to-period comparisons of net income. In addition, we may use Adjusted EBITDA in the incentive compensation programs applicable to some of our employees in order to evaluate our Company’s performance. Our management recognizes that Adjusted EBITDA has inherent limitations because of the excluded items, particularly those items that are recurring in nature. In order to compensate for those limitations, management also reviews the specific items that are excluded from Adjusted EBITDA, but included in net income, as well as trends in those items.

We believe that the presentation of Adjusted EBITDA is useful to investors in their analysis of our results for reasons similar to the reasons why our management finds it useful and because it helps facilitate investor understanding of decisions made by management in light of the performance metrics used in making those decisions. In addition, we believe that providing Adjusted EBITDA, together with a reconciliation of Net loss to Adjusted EBITDA, helps investors make comparisons between our Company and other companies that may have different capital structures, different effective income tax rates and tax attributes, different capitalized asset values and/or different forms of employee compensation. However, Adjusted EBITDA is not intended as a substitute for comparisons based on Net loss. In making any comparisons to other companies, investors need to be aware that companies use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measures and the corresponding U.S. GAAP measures provided by each company under applicable SEC rules.

Non-U.S. GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure to evaluate our business and to view our non-GAAP financial measures in conjunction with the most directly comparable U.S. GAAP financial measures.