



ALLIANCERX WALGREENS PRIME SELECTS THE INOVALON ONE® PLATFORM FOR CLOUD-BASED SPECIALTY PHARMACY CAPABILITIES

Industry-Leading Specialty Pharmacy to Utilize Inovalon to Bring Highly Differentiated, Cloud-Based Capabilities to the Healthcare Marketplace

BOWIE, Md. – June 26, 2018 – [Inovalon](#) (Nasdaq: INOV), a leading technology company providing advanced, cloud-based platforms empowering data-driven healthcare, today announced a five-year engagement with AllianceRx Walgreens Prime to provide highly differentiated, cloud-based capabilities to the healthcare marketplace with the implementation of the industry's most advanced specialty pharmacy platform. AllianceRx Walgreens Prime is the combined central specialty and home delivery pharmacy formed by Walgreens and pharmacy benefit manager Prime Therapeutics LLC (Prime).

Specialty pharmacy is a uniquely high-value segment of the healthcare ecosystem that is of increasing importance to payers, pharmaceutical companies and patients alike. Specialty pharmacy focuses on high-cost and high-complexity pharmacological care. Driven by accelerating discoveries in pharmacological treatments, the rising number of patients with highly complex and chronic disease conditions, and the increasing application of precision medicine, the U.S. specialty pharmacy market has grown from approximately \$98 billion in 2010 to \$178 billion in 2015, and it is expected to continue to expand to an estimated \$282 billion by 2020¹. All segments of the healthcare ecosystem – payers, providers, pharma, patients and the elements of their associated care delivery matrix – rely on the capabilities of specialty pharmacy for their own respective care, quality and economic goals.

The high-complexity and high-cost nature of specialty pharmacy stands to benefit significantly from the capabilities enabled through the Inovalon ONE® Platform. The Platform's capabilities allow for AllianceRx Walgreens Prime to be significantly differentiated in the marketplace, reducing time-to-fill and costs and improving quality assurance, while empowering advanced functionality, greater flexibility, operational efficiency, and a focus on clinical and quality outcomes.

Referred to as ScriptMed™ Cloud, the specialty pharmacy configuration of the Inovalon ONE® Platform leverages a wide array of existing proprietary technology toolsets within the Platform (known as Components) as well as a Module of eight newly developed Components that leverage Creehan specialty pharmacy expertise engineered in cloud native-microservice architecture. The specialized configuration of the Inovalon ONE® Platform brings to the marketplace significant advancements empowering a new generation of specialty pharmacy capabilities.

¹ Barclay's U.S. Health Care Distribution & Technology, Specialty Market Model 2016 Update, January 2016.

Examples of features enabled through the platform include:

- Highly sophisticated clinical protocols powered by patient-specific data and advanced analytics
- Extensive connectivity with EHRs, HIEs, payer systems, and provider sites to speed necessary data capture and authorization processes
- Modular design allowing health plans and provider systems to integrate more easily with in-house capabilities and other third-party pharmacy solutions
- Real-time analytics and data accessibility to timely inform clinical interactions and improve patient experience
- Simultaneous multi-stakeholder coordination enabling parallel processes related to each unique patient's needs, materially accelerating time-to-fill improvements
- Real-time process coordination of patient-level and provider-level data with elements of care management, referral management, order fulfillment, order management, inventory management, revenue cycle management, and relevant contract management supporting payer and pharmaceutical manufacturer requirements
- Highly granular business intelligence tracking and reporting to deliver insights on system, financial, clinical, and operational status and performance in real time

Preparation for ScriptMed™ Cloud began during the summer of 2017, with subsequent expansions of Inovalon's cloud datacenters and cloud-based software design and development. Unique to the project launch is the simultaneous support of enterprise software during the phased delivery of cloud-based functionality. When completed, all of the AllianceRx Walgreens Prime's operations will be run from the Inovalon cloud-based Platform.

"We are committed to bringing the industry's most advanced capabilities to the marketplace for our clients and their patients," said Joel Wright, chief executive officer of AllianceRx Walgreens Prime. "With the rising focus on quality, costs, and patient experience, we are excited about our relationship with Inovalon and the differentiation we will bring to the market together."

"The application of sophisticated data-driven capabilities in specialty pharmacy is critical not only to operating efficiently, but also to delivering the best possible experience and outcome for patients," said Jim Adams, chief information officer of AllianceRx Walgreens Prime. "Inovalon stands out not only in their achievement of truly industry-leading cloud-based capabilities, but also in their appreciation of the patient and the impact that we can achieve together."

In addition to supporting AllianceRx Walgreens Prime's existing portfolio of business, the engagement is also designed as a collaboration to facilitate the identification and joint delivery of specialty pharmacy platform services across the marketplace. As many health plans and provider systems are exploring ways to decrease costs, increase market differentiation, and service their respective patients and members, AllianceRx Walgreens Prime and Inovalon will collaborate to support these potential clients' needs together.

"For years we have worked together with the specialty pharmacy marketplace to deliver solutions that achieve both industry-leading capabilities and patient-focused care," said Sean Creehan, president and general manager of Inovalon's Specialty Pharmacy software business. "The

introduction of ScriptMed™ Cloud elevates this focus to a whole new level, adding tremendous advancements in functionality and performance that accelerate speed-to-value and enables the improvement of patient care, which is at the core of our mission and why we come to work each day.”

“There is arguably no higher impact area of healthcare than specialty pharmacy,” said Keith Dunleavy, M.D., chief executive officer and chairman of the board of Inovalon. “A core component of success in this segment is the ability to leverage data and connectivity to achieve a superior coordination of care experience, as well as meaningful process efficiency improvements. We are very pleased to build upon our relationship with AllianceRx Walgreens Prime, an innovative industry leader, to support their data-driven approach to superior specialty pharmacy care and quality.”

About AllianceRx Walgreens Prime

AllianceRx Walgreens Prime (alliancerxwp.com) is a specialty and home delivery pharmacy that strives to provide exceptional care throughout a patient’s treatment journey with the medications they need every day. Formed in 2017 through a collaboration between Walgreens, one of the nation’s largest chain drug stores, and Prime Therapeutics, a leading pharmacy benefit manager, the company offers tools and resources for patients, providers and health plans to deliver the optimal health outcomes. The company is headquartered in Orlando, Fla. and its pharmacies are accredited by several national pharmacy accreditation services.

About the Inovalon ONE® Platform

The Inovalon ONE® Platform is an integrated cloud-based platform of more than 80 individual proprietary technology toolsets and deep data assets able to be rapidly configured to empower the operationalization of large-scale, data-driven healthcare initiatives. Each proprietary technology toolset is referred to as a Component, which are grouped into Modules, and informed by the data of billions of medical events within Inovalon’s proprietary datasets. Combinations of Components and Modules are configured to empower highly differentiated solutions for client needs quickly and in a highly scalable fashion. The flexibility of the modular design of the Platform enables clients to integrate the capabilities of the Platform with their own internal capabilities or other third-party solutions. The Platform brings to the marketplace a highly extensible, national-scale capability to interconnect with the healthcare ecosystem on a massive scale, aggregate and analyze data in petabyte volumes, arrive at sophisticated insights in real-time, and drive meaningful impact wherever it is analytically identified best to intervene and intuitively visualize data and information to inform business strategy and execution.

About Inovalon

Inovalon is a leading technology company providing cloud-based platforms empowering data-driven healthcare. Through the Inovalon ONE® Platform, Inovalon brings to the marketplace a national-scale capability to interconnect with the healthcare ecosystem, aggregate and analyze data in real-time, and empower the application of resulting insights to drive meaningful impact at the point of care. Leveraging its platform, unparalleled proprietary data sets, and industry-leading

subject matter expertise, Inovalon enables better care, efficiency, and financial performance across the healthcare ecosystem. From health plans and provider organizations, to pharmaceutical, medical device, and diagnostics companies, Inovalon's unique achievement of value is delivered through the effective progression of “Turning Data into Insight, and Insight into Action®.” Providing technology that supports a client base approaching 500 healthcare organizations, Inovalon's platforms and analytics are informed by data pertaining to more than 941,000 physicians, 483,000 clinical facilities, 243 million Americans, and 38 billion medical events. For more information, visit www.inovalon.com.

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Forward Looking Statements

Certain statements contained in this press release constitute forward-looking statements within the meaning of, and are intended to be covered by the safe harbor provisions of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release other than statements of historical fact, including but not limited to statements regarding the roll-out of any product or capability, the timing, performance characteristics and utility of any such product or capability, and the impact of any such product or capability on the healthcare industry, future results of operations and financial position, business strategy and plans, market growth, and objectives for future operations, are forward-looking statements. The words “believe,” “may,” “see,” “will,” “estimate,” “continue,” “anticipate,” “assume,” “intend,” “expect,” “project,” “look forward,” and similar expressions are intended to identify forward-looking statements. Forward-looking statements in this press release include, but are not limited to, expectations about future business plans, prospective performance and opportunities, strategies and business plans, and expectations regarding future results. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, which could cause the future events and trends discussed in this press release not to occur and could cause actual results to differ materially and adversely from those anticipated or implied in the forward-looking statements.

These risks, uncertainties, and assumptions include, among others: the Company’s ability to continue and manage growth; ability to grow the client base, retain and renew the existing client base and maintain or increase the fees and activity with existing clients; the ability to innovate new services and adapt platforms and toolsets; the successful implementation and adoption of new

platforms and solutions; the possibility of technical, logistical or planning issues in connection with the Company's investment in and successful deployment of the Company's products, services and technological advancements; the ability to enter into new agreements with existing or new platforms, products and solutions in the timeframes expected, or at all; the impact of pending M&A activity in the managed care industry, including potential positive or negative impact on existing contracts or the demand for new contracts; the ability to protect the privacy of clients' data and prevent security breaches; the effect of competition on the business; and the efficacy of the Company's platforms and toolsets. Additional information is also set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 21, 2018, included under the heading Item 1A, "Risk Factors," and in subsequent filings with the SEC. The Company is under no duty to, and disclaims any obligation to, update any of these forward-looking statements after the date of this press release or conform these statements to actual results or revised expectations, except as required by law.