UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 14, 2023

MEDAVAIL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-36533**	**90-0772394**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

4720 East Cotton Gin Loop, Suite 220,
Phoenix, Arizona , 85040
(Address of principal executive offices)(Zip Code)

(877) 830-0826
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.001 per share	MDVL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 14, 2023, MedAvail Holdings, Inc. ("MedAvail" or the "Company") issued a press release regarding its financial and operational results for the three months ended June 30, 2023. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The press release includes a discussion of Operating Results, and EBITDA and Adjusted EBITDA, non-GAAP (generally accepted accounting principles) financial measures. The press release also includes reconciliations of those measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

This information is intended to be furnished under Items 2.02 and 9.01 of this Current Report on Form 8-K, including Exhibit 99.1, and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure.

The Company has attached as Exhibit 99.2, MedAvail Holdings, Inc. - Letter to Shareholders and Exhibit 99.3, MedAvail Holdings, Inc. - Investor Presentation, to this Current Report on Form 8-K. Exhibit 99.3 is an investor presentation the Company may use in presentations to investors beginning August 14, 2023.

The information included in this Item 7.01., Exhibit 99.2 and Exhibit 99.3 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The Company undertakes no duty or obligation to update or revise information included in this Report or in Exhibit 99.2 or Exhibit 99.3.

The letter to shareholders and investor presentation attached as Exhibit 99.2 and Exhibit 99.3, respectively, to this Current Report on Form 8-K includes "safe harbor" language pursuant to the Private Securities Litigation Reform Act of 1995, as amended, indicating that certain statements contained therein are "forward looking" rather than historical.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	MedAvail Holdings, Inc. Press Release dated August 14, 2023
99.2	MedAvail Holdings, Inc. Prepared Remarks Letter
99.3	MedAvail Holdings, Inc. Investor Presentation
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MEDAVAIL HOLDINGS, INC.

Date: August 14, 2023	By:	/s/ Ramona Seabaugh
		Ramona Seabaugh
		Chief Financial Officer

Exhibit 99.1

MedAvail Reports Second Quarter 2023 Financial Results

PHOENIX, Ariz. GlobeNewswire – August 14, 2023 – MedAvail Holdings, Inc. (Nasdaq: MDVL) (“MedAvail”), an innovative pharmacy technology company, today reported financial results for the second quarter ended June 30, 2023.

“During the second quarter, we were able to sustain the positive momentum that we have experienced since we began focusing on the immense market opportunity for our pharmacy technology in January of this year,” said Mark Doerr, Chief Executive Officer of MedAvail. “Of note, we placed an additional two revenue generating MedCenters in the field, bringing our year-to-date total to six, and we reiterate our expectation that we will place 25 net new revenue generating MedCenters in the field during 2023.”

“Our pipeline continues to grow, primarily in the primary care and urgent care channels. In addition, Curant Health represents our first foray into Federally Qualified Health Centers, a new channel for us and one that significantly expands both our addressable and total market opportunities. Curant is also our first partner to be brought live via the Google Cloud, and we remain on track to migrate all partners to the Cloud by the end of the year.

“Our recently announced integration with our largest partner, Texas Health Resources, through a full API integration with the EPIC Willow pharmacy management system is proving to have a significant positive impact on our pipeline.

“Importantly, we are well financed, and with our expectation for topline growth combined with expense efficiencies, we believe we can achieve operating cash flow breakeven in 2025 without the need for additional dilutive equity financings,” Mr. Doerr concluded.

Second Quarter and Recent Developments

- Generated second quarter net revenue of approximately $405,000 and placed two net new dispensing MedCenters.
- Announced successful streamlined API integration with its largest partner, Texas Health Resources, via the EPIC Willow pharmacy management system (PMS), and availability of the API integration in the EPIC Connection Hub through the open.epic download page here. The new API integration has reduced average script dispense times by 36%, driving higher patient satisfaction.
- Announced contract with Curant Health as the company’s first partner in the Federally Qualified Health Center (FQHC) channel and the first to be brought live via the Google Cloud. The Curant contract went live in June 2023.
- Contracted with New Enterprise Ventures to augment internal sales and account management efforts, particularly within the health system and urgent care partner channels.
- Announced new contract with Oak Lawn Pharmacy for ten M4 MedCenters, of which two will be deployed this year and the remaining eight will be deployed within 24 months of contract execution.
- Continued to build a pipeline comprised of a mix of existing and new customers across the primary care and urgent care channels.
- Ended the quarter with $14.4 million of cash and cash equivalents, excluding restricted cash of $676,000. Based on the company’s expectation for topline growth combined

with expense efficiencies, MedAvail believes it can achieve operating cash flow breakeven in 2025 without the need for additional dilutive equity financings.

- Completed a 1-for-50 reverse stock split of its common stock, which the company believes will bring it back into compliance with Nasdaq's listing requirements by mid-August 2023.

Financial Outlook
MedAvail is today reaffirming its prior guidance for the full year 2023. In addition, the Company has substantially completed the disposition of its previous retail pharmacy business as of March 31, 2023. The following comparison excludes discontinued operations.

The company expects total revenue for the pharmacy technology business to be approximately $3 million, which would represent greater than 100% growth over 2022 pharmacy technology revenue of $1.4 million. In addition, the company expects to place 25 net new dispensing MedCenters in 2023.

MedAvail further expects full-year 2023 gross margins to be approximately 60%.

Management Commentary
Beginning this quarter, in lieu of an earnings conference call, the Company plans to provide written commentary regarding its quarterly performance and other business matters. Such commentary will be generally consistent with information typically discussed on the Company's earnings calls and will be provided concurrently with the issuance of the Company's quarterly earnings press release. The earnings press release and additional written commentary will be made available at https://investors.medavail.com/news-events/events.

About MedAvail
MedAvail Holdings, Inc. (NASDAQ: MDVL) is a pharmacy technology company, providing turnkey in-clinic pharmacy services through its proprietary robotic dispensing platform, the MedAvail MedCenter. MedAvail helps patients to optimize drug adherence, resulting in better health outcomes. Learn more at www.medavail.com.

Non-GAAP Financial Measures
MedAvail refers to certain financial measures that are not recognized under U.S. generally accepted accounting principles ("GAAP") in this press release, including adjusted EBITDA. See the schedules to this press release for additional information and reconciliations of such non-GAAP financial measures.

Forward Looking Statements
Certain statements included in this press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," "project," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding MedAvail's business strategy and market opportunity; potential future revenue and cost savings projections and expectations for growth and profitability; margin,

utilization and cost reduction improvements; new MedCenter placements; and Nasdaq listing developments. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of MedAvail's management and are not predictions of actual performance. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including but not limited to our ability to successfully achieve the benefits of a pharmacy technology only business and the efficiencies related to our restructuring and reorganization; the risk that MedAvail will not realize anticipated revenue growth, MedCenter placements or expense reductions; the possible loss of key employees, customers, or suppliers; and other risks discussed under the heading "Risk Factors" in MedAvail's recent Annual Report on Form 10-K and MedAvail's Quarterly Reports on Form 10-Q, and other filings MedAvail makes with the Securities and Exchange Commission in the future. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. These forward-looking statements speak only as of the date hereof and MedAvail specifically disclaims any obligation to update these forward-looking statements.

Contacts:
Investor Relations
Investor Relations
Steven Halper/Caroline Paul
Managing Directors, LifeSci Advisors
ir@medavail.com

SOURCE MedAvail Holdings, Inc.

Exhibit 99.1

MedAvail

MEDAVAIL HOLDINGS, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(*in thousands, except share and per share data*)

	Three Months Ended June 30, 2023	
	2023	**2022**
Revenue:		
Hardware and subscription revenue	$ 127	$ 289
Service revenue	278	254
Total revenue	405	543
Cost of products sold and services:		
Hardware cost of products sold	131	221
Service costs	96	115
Total cost of products sold and services	227	336
Other operating expenses:		
General and administrative	4,365	5,053
Selling and marketing	122	55
Research and development	145	219
Total operating expense	4,632	5,327
Operating loss	(4,454)	(5,120)
Loss from change in fair value of warrant liabilities	(896)	—
Interest expense	(146)	(273)
Loss before income taxes	(5,496)	(5,393)
Income tax expense	—	(24)
Net loss and comprehensive loss from continued operations	(5,496)	(5,417)
Discontinued operations:		
Loss from discontinued operations	(295)	(6,301)
Net loss	$ (5,791)	$ (11,718)
Basic and diluted net loss per share: [1]		
Loss from continued operations	$ (3.06)	$ (3.91)
Loss from discontinued operations	$ (0.16)	$ (4.54)
Weighted average shares outstanding - basic and diluted	1,798,245	1,387,134

[1] Amounts have been adjusted to reflect the one-for-fifty reverse stock split effected July 31, 2023.

MedAvail

MEDAVAIL HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 14,359	$ 11,444
Restricted cash	676	676
Accounts receivable	292	404
Inventories	10,065	8,817
Prepaid expenses and other current assets	711	2,569
Current assets from discontinued operations	946	4,842
Total current assets	27,049	28,752
Property, plant and equipment, net	732	438
Intangible assets, net	657	451
Right-of-use assets	701	624
Other assets	40	30
Long-term assets from discontinued operations	729	2,837
Total assets	$ 29,908	$ 33,132

Exhibit 99.1

MedAvail

MEDAVAIL HOLDINGS, INC.
Condensed Consolidated Balance Sheets (Continued)
(Unaudited)
(in thousands, except share and per share amounts)

	June 30, 2023	December 31, 2022
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 796	$ 818
Accrued liabilities	462	552
Accrued payroll and benefits	832	1,379
Deferred revenue	346	152
Current portion of lease obligations	208	246
Current liabilities from discontinued operations	1,512	2,794
Total current liabilities	4,156	5,941
Long-term debt, net	1,506	4,798
Long-term portion of lease obligations	550	441
Long-term liabilities from discontinued operations	651	1,128
Total liabilities	6,863	12,308
Commitments and contingencies		
Stockholders' equity:		
Common shares ($0.001 par value, 300,000,000 shares authorized, 1,613,870 and 1,603,394 shares issued and outstanding at June 30, 2023 and December 31, 2022, respectively) [1]	2	2
Warrants	35,480	11,148
Additional paid-in-capital	257,318	256,308
Accumulated other comprehensive loss	(6,928)	(6,928)
Accumulated deficit	(262,827)	(239,706)
Total stockholders' equity	23,045	20,824
Total liabilities and stockholders' equity	$ 29,908	$ 33,132

[1] Amounts have been adjusted to reflect the one-for-fifty reverse stock split effected July 31, 2023.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: EBITDA, and adjusted EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We define Adjusted EBITDA for a particular period as net loss (income) before interest, taxes, depreciation and amortization, and as further adjusted for initial loss on issuance of warrants, loss (gain) from change in fair value of warrant liabilities, loss from discontinued operations, and share-based compensation expense.

We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that these non-GAAP financial measures provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our recurring core business operating results, like costs related to our discontinued operations that we believe are not relevant to our continuing pharmacy technology business. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) they are used by our institutional investors and the analyst community to help them analyze the health of our business.

There are a number of limitations related to the use of non-GAAP financial measures. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures and evaluating these non-GAAP financial measures together with their relevant financial measures in accordance with GAAP.

MEDAVAIL HOLDINGS, INC.
Unaudited Reconciliation of GAAP to Non-GAAP Measures
(in thousands)

	Three Months Ended June 30, 2023	
	2023	2022
Net loss	$ (5,791)	$ (11,718)
Adjustments to calculate EBITDA:		
Interest expense	146	273
Income tax expense	—	24
Depreciation and amortization [(1)]	86	485
EBITDA	$ (5,559)	$ (10,936)
Adjustments as follows:		
Loss from change in fair value of warrant liabilities	896	—
Loss from discontinued operations	295	6,301
Share-based compensation expense	381	612
Adjusted EBITDA	$ (3,987)	$ (4,023)

[(1)] Excludes $345 thousand and $169 thousand in operating lease amortization for the three months ended June 30, 2023, and 2022, respectively.

MedAvail®

Q2 2023

Letter to Stockholders

August 14, 2023

Legal Disclaimer

Certain statements included in these prepared remarks that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words `such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," "project," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding MedAvail's business strategy and market opportunity; potential future revenue and cost savings projections and expectations for growth and profitability; margin, utilization and cost reduction improvements; new MedCenter placements; and regulatory developments. These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of MedAvail's management and are not predictions of actual performance. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including but not limited to our ability to successfully achieve the benefits of a pharmacy technology only business and the efficiencies related to our restructuring and reorganization; the risk that MedAvail will not realize anticipated revenue growth, MedCenter placements or expense reductions; the possible loss of key employees, customers, or suppliers; and other risks discussed under the heading "Risk Factors" in MedAvail's recent Annual Report on Form 10-K and MedAvail's Quarterly Reports on Form 10-Q, and other filings MedAvail makes with the Securities and Exchange Commission in the future. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. These forward-looking statements speak only as of the date hereof and MedAvail specifically disclaims any obligation to update these forward-looking statements.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measure: Adjusted EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We define Adjusted EBITDA for a particular period as net loss (income) before interest, taxes, depreciation and amortization, and as further adjusted for initial loss on issuance of warrants, loss (gain) from change in fair value of warrant liabilities, loss from discontinued operations, and share-based compensation expense.

We use this non-GAAP financial measure for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe that this non-GAAP financial measure provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our recurring core business operating results, like costs related to our discontinued operations that we believe are not relevant to our continuing pharmacy technology business. We believe that both management and investors benefit from referring to this non-GAAP financial measure in assessing our performance and when planning, forecasting, and analyzing future periods. This non-GAAP financial measure also facilitates management's internal comparisons to our historical performance and liquidity as well as comparisons to our competitors' operating results. We believe this non-GAAP financial measure is useful to investors both because (1) it allows for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) it is used by our institutional investors and the analyst community to help them analyze the health of our business.

There are a number of limitations related to the use of non-GAAP financial measures. We compensate for these limitations by providing specific information regarding the GAAP amounts excluded from these non-GAAP financial measures and evaluating these non-GAAP financial measures together with their relevant financial measures in accordance with GAAP.

Q2 2023 Business Update

Mark Doerr, CEO, President and Director

During the second quarter, we were able to sustain the positive momentum that we have experienced since pivoting to focus exclusively on our MedCenter Pharmacy Technology business back in January. With the MedCenter, we address significant unmet needs in the pharmacy space by bringing Rx dispensing right to the point of care, predominantly in the acute care and urgent care channels. This is particularly relevant in rural, less populated areas of the country where lack of convenient access to medications can lead to compliance challenges and sub-optimal patient outcomes. We believe there are many untapped opportunities for MedCenter.

Focusing on a few of the highlights from the second quarter:

- We generated total revenue of approximately $405,000 and we remain on track to achieve full-year revenue of $3 million, which would represent greater than 100% growth over 2022 stand-alone pharmacy technology revenue of $1.4 million.
- During the quarter, we placed 2 net new revenue-generating MedCenters in the field, bringing our year-to-date total to six, and we are reiterating our guidance for 25 net new dispensing MedCenters in the field for the full year, which would give us a network of 57 revenue-generating kiosks exiting 2023. Several of these have already been deployed and are in the process of being integrated with pharmacy management systems and brought online.
- We continued to grow our pipeline with new and existing customers. Our successful integration with the Epic Willow pharmacy management system, and the availability of our API integration in Epic's Connection Hub, is providing a substantial tailwind which I will discuss in more detail momentarily.
- We substantially completed the wind-down of the SpotRx business and the retrieval of all associated MedCenter units, and the associated incremental costs are reflected in our second quarter results, as we anticipated. In the back half of the year, we expect to

begin to recognize the benefit of this divestiture on our OpEx run rate and cash burn rate, as we previously communicated.

- We completed the additional cost savings measures that we alluded to on our first quarter call, which included the outsourcing of key development functions. We have made great strides becoming a more nimble organization capable of quickly reacting to opportunities in the marketplace, and we will continue to look for ways to operate more efficiently.
- We successfully brought our first partner live on the Google Cloud and continue to anticipate migrating all existing customers to the cloud by the end of the year, while all new customers will be implemented in the cloud. This will result in additional cost savings for us in 2024 and an improved experience for our clinic and pharmacy partners.
- Finally, we ended the second quarter with $14.4 million of cash and cash equivalents, excluding restricted cash of $676,000. Based on our expectation for topline growth combined with expense efficiencies, we believe we can achieve operating cash flow breakeven in 2025 without the need for additional dilutive equity financings.

Epic integration

At this point, I'd like to cover a few of these developments in more detail, beginning with our successful integration with Epic Willow ambulatory pharmacy management system. Just a few weeks ago, we announced that we had successfully integrated with our largest partner, Texas Health Resources, via a more streamlined API integration with Epic Willow. Additionally, this API integration is now available in Epic's Connection Hub for any partners, existing or new, that utilize the Epic Willow PMS. It is difficult to overstate the significance of this, as this facilitates faster, more seamless integrations, resulting in an improved provider and patient experience. And the benefits are quantifiable - following the successful API integration with THR, we were able to reduce prescription dispense times by approximately 36%, leading to higher patient satisfaction, while increasing MedCenter prescription throughput by approximately 11%.

Google Cloud

During the second quarter, we brought our first net new partner, Curant Health, live on our Google Cloud based software. As we indicated last quarter, we plan to migrate all partners to the Google Cloud by the end of this year. This migration will be minimally disruptive to partners and will facilitate improved kiosk performance. Additionally, it will allow us to accelerate future MedCenter deployments and create additional cost savings for us, which we will begin to realize in 2024.

Federally Qualified Health Centers and Total Addressable Markets

Staying on the topic of Curant Health for a moment, this was a significant addition to our partner roster during the second quarter for multiple reasons. Importantly, Curant Health is a community health center, a Ryan White clinic, which represents an entirely new market segment for us known as Federally Qualified Health Centers ("FQHCs") in addition to the primary care and urgent care clinics that comprise most of our business today.

In terms of our market opportunity across all three channels, looking at all states, this represents approximately $4.5 billion in potential MedCenter sales and leases, with an additional approximately $1.7 billion in annual recurring software license and maintenance contracts. If we look at just our current serviceable market – those states currently open to pharmacy kiosk dispensing – our three channels represent approximately $1.8 billion in potential MedCenter sales and leases, plus an additional approximately $0.7 billion in annual recurring software license and maintenance contracts. Notably, we estimate the FQHC opportunity would add an additional $481 million potential MedCenter sales and leases, plus an additional $0.7 billion in annual recurring software license and maintenance contracts.

Clearly, we have barely scratched the surface of what we believe is an enormous opportunity to bring pharmacy kiosk dispensing to the point of care.

State Regulations

Turning now to an update on state regulations, last quarter we talked about Colorado having passed new regulations essentially opening up the state to remote dispensing. We are now tracking developments in North Carolina, where it appears legislation favorable to remote Rx dispensing is poised to pass later this year. Each legislative change like Colorado and potentially North Carolina further expands our serviceable addressable market.

And while nearly half of all states continue to have regulations in place that we view as unfavorable, we view this as a significant long-term opportunity for our company. We will continue to work with state lawmakers to help them see the value and inherent safety of remote dispensing to both patients and clinics, and we think it's reasonable to expect that additional states will embrace remote dispensing in the future.

Pipeline

In terms of additional pipeline activities, last quarter, we referenced Franciscan Missionaries of Our Lady Health System, or FMOL, in Baton Rouge, Louisiana, had contracted for and initial four MedCenters. This is another partner that leverages the Epic Willow PMS. Today, we are pleased to report that all four have been deployed to their dispensing locations. We anticipate bringing the first online, dispensing prescriptions and generating revenue, in the next few weeks and the rest by the end of the third quarter based on plans with the partner. Importantly, we moved this client from contract to deployment in under four months.

We also announced a contract for ten MedCenters with Oak Lawn Pharmacy with intentions to have at least two of these dispensing before the end of the year. Oak Lawn is located in the Dallas Fort Worth metro area, where we already operate a significant number of MedCenters, so this contract will enable us to expand our presence and offer the many benefits of the MedCenter to additional communities, particularly in rural areas. This contract also has the added benefit of lowering our cost to service these machines given our existing presence in the area. It is also worth noting that Oak Lawn will fund the deployment of these machines in primary or specialty care locations throughout Dallas Ft Worth.

Our current pipeline stands at nineteen contracted MedCenters, with an additional three that have also been committed to in 2023 by an existing partner. This gives us confidence in our prior guidance of 25 net new dispensing MedCenters in the field during 2023.

Contract Sales

We continue to build momentum with our sales and account management team and have a strong pipeline of prospective partners as previously outlined. To assist with lead generation, go to market strategy and pipeline building, we have contracted with New Enterprise Ventures to augment our internal sales capabilities. The NEV team facilitates the strategic assessment of solutions and acceleration of the business development efforts through their extensive network of experts and key opinion leaders. We believe they will be particularly helpful in the health system and urgent care channels.

Nasdaq Listing

I'm also pleased to report that we completed a 1-for-50 reverse stock split of our common stock on July 31st, which brought our share price well above the $1.00 minimum bid price requirement for continued listing on The Nasdaq Capital Market. We expect to be in compliance with all Nasdaq listing requirements within the next few business days.

Financial Results

I'll now cover our financial results for the second quarter. The following comparisons exclude discontinued operations. For the second quarter of 2023, we generated total revenue of approximately $405,000, as compared to Pharmacy Technology revenue $543,000 for the same period in 2022.

Total gross profit margin for the second quarter of 2023 was 44.0%. This was in-line with our expectations. We continue to anticipate a gross margin of approximately 60% for the full year 2023 which would represent a significant improvement from our full-year 2022 gross margin of 47%.

Total Pharmacy Technology operating expenses for the second quarter 2023 were $4.6 million, as compared to $5.3million in the second quarter of 2022. We continue to evaluate the operations of the core Pharmacy Technology business in search of additional efficiencies.

Total Company non-GAAP Adjusted EBITDA for the second quarter was a loss of $(4.0) million consistent with the $(4.0) million loss in the second quarter of 2022.

Guidance

Our 2023 outlook remains unchanged from our first quarter update call. We anticipate adding 25 net new dispensing MedCenters in 2023. We anticipate that full-year revenue will be approximately $3 million, which represents growth of well over 100% as compared to pharmacy technology revenue of $1.4 million for the full year 2022. We further assume a full year gross margin of approximately 60%, well above 45%, which represents a fully-costed margin at current volumes and represents nice expansion relative to our pharmacy technology gross margin of 47% that we reported for full year 2022.

Cash position

In terms of cash, we ended the second quarter with cash and cash equivalents of $15.0 million dollars, including $676,000 of restricted cash. During the second quarter, we used $4.4 million in cash to fund our operations and discontinued operations of SpotRx Pharmacy Services business. Recall that we anticipate full-year cash usage attributable to the divestiture and wind-down of SpotRx to be approximately $6.5 million. Further, we anticipate that a combination of higher revenue and margin, together with lower expenses, will reduce our quarterly cash burn throughout the balance of the year.

With our expectation for topline growth combined with expense efficiencies, we believe we can achieve operating cash flow breakeven in 2025 without the need for additional dilutive equity financings.

At the end of the second quarter 2023, we had approximately 1.8 million weighted average shares outstanding. This includes the impact of the pre-funded and Series A warrants outstanding and is after giving effect to the 1-for-50 reverse stock split that occurred on July 31, 2023.

Conclusion

In closing, I am very pleased with the significant progress we have made in the relatively short time since we announced our focus exclusively on the pharmacy technology side of the business going forward. I believe we can strike a balance between long-term topline growth and profitability. I also believe we are on the right track to be a leader in the field of pharmacy kiosk dispensing, to the benefit of both clinics and patients, while creating enduring value for our stockholders.

Mark Doerr, President & CEO

MedAvail®

Transforming Today's Pharmacy

Investor Presentation I August 2023

NASDAQ: MDVL

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Mission Statement

To improve patients' lives by expanding access to medications through innovative technology where and when they need them

Investment Highlights

Innovative pharmacy technology company with clear roadmap to delivering profitable and sustainable growth

01 Addresses significant unmet needs in the pharmacy space

02 Demonstrable positive impact on Rx adherence and reimbursement

03 Strategic partnerships to drive future deployments across multiple channels

04 Significant total and serviceable addressable markets

05 Recurring, high-margin predictable revenue stream

06 Strengthened financial position with projected 2+ years of cash on-hand

The Current Patient Journey

Demonstrates a significant unmet need in today's pharmacy

Patient prescribed an Rx at a Clinic or Urgent Care

Rx is transmitted to a retail pharmacy

Patient must drive to a retail pharmacy to have the Rx filled

Many patients do not have access to reliable transportation

Shortage of pharmacists/ pharmacy techs causes:

Long wait times (avg. 30 minutes)

Limited pharmacy hours

Improved access increase outcomes and satisfaction while simplifying provider's practice and increasing reimbursement

Our Solution: The MedCenter Kiosk

Confers meaningful benefits to multiple stakeholders

To the Patient	To the Clinic / Urgent Care	To the Pharmacy
One stop shop and immediate access to the most common medications	Provision of full pharmacy service at the point of care & better care coordination	Expanded "reach" into point of prescribing locations increasing market share
Contactless for when the patient is ill with access to pharmacists via telepharmacy	Seamless incorporation into practice workflow with small footprint (~13 sq ft)	Workflow friendly; Integrated with Rx management systems
Dispense time of just 5-7 minutes versus ~30 minutes at the retail pharmacy	Fully regulatory compliant w/ branding & customized inventory to provider's practice	Customizable and flexible inventory management and patient journey
Convenient access & enhanced Rx experience leading to improved outcomes	Happier more adherent patients & potential for increased revenue	Increased prescription volume & customer satisfaction

Evolving. Innovative. Automated Pharmacy.

Remote Dispensing – New Prescriptions
Works with your current workflow, pharmacy system, and pharmacy staff to fill new and refill prescriptions.

Automated Will Call – Refill Prescriptions
Improve access and patient satisfaction by extending your reach both in hours and locations. Pick up location for both patients & employees. Great for rural locations.

Telepharmacy – Telehealth & Counseling
The MedCenter provides private, confidential, real-time patient interactions via a robust audio/video link.

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MedCenter Deployment Use Cases





- Urgent Care/Emergency
- In Clinic Dispense
- Extended Hours
- University
- Hard to Staff/Rural Locations
- Employer Placement

Broadening Footprint through Partnerships

Texas Health Resources — Healing Hands. Caring Hearts.

UF Health — University of Florida Health

Kaiser Permanente

Urgent Care | **Emergency Department** | **Primary Care / Clinic**

Also integrated with industry leading pharmacy management systems:

McKesson — EnterpriseRx

Epic — Willow

Recurring, High-Margin Revenue Model

Full-year 2023 gross margins ~60%[1]

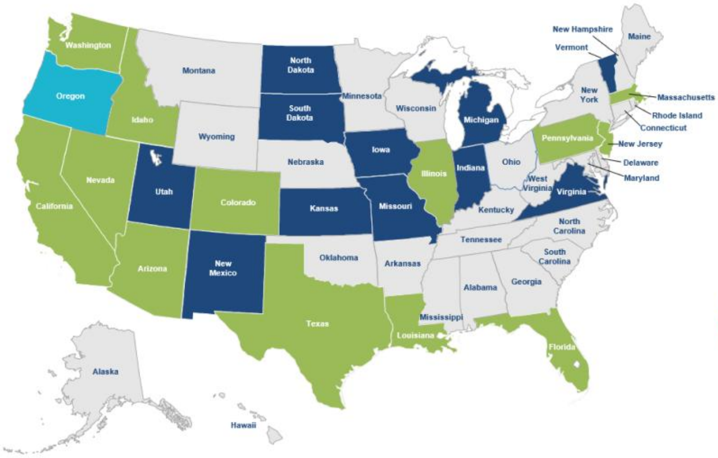
One Time $65,000[2]	**Medcenter hardware, implementation and integration**
Recurring $25,000/year	**Kiosk maintenance contract and software license**

Partners use their own back-end pharmacy operations, including pharmacists and inventory
The Medcenter kiosk can be branded as requested

[1] MedCenter technology segment only, excluding SpotRx
[2] Assumes $65,000 blended average cost per M4 to reflect business mix between sales and operating leases and assumes $25,000 per year for software license and maintenance

Favorable Regulatory Environment

Current regulatory open to deploy & favorable waiver rules for MedCenter kiosks cover > 72% of the US population



- Open to deploy (Serviceable Addressable Market, SAM)
- Rule-making in process to be open to deploy
- Favorable waiver rules available to allow deployment
- Currently restricted or unfavorable rules

Multi-Billion-Dollar Addressable Markets**

	Urgent care ($ in millions)	Primary care ($ in millions)	Total ($ in millions)
Total Addressable Market			
Sites	12,565	39,817	52,382
MedCenter Technology	$817	$2,588	$3,405
Maintenance / license	$314	$995	$1,309
Total	**$1,131**[1]	**$3,583**[2]	**$4,714**
Serviceable Addressable Market			
Sites	6,166	14,414	20,580
MedCenter technology	$400	$936	$1,336
Maintenance / license	$154	$360	$514
Total	**$554**[3]	**$1,297**[4]	**$1,850**

** Assumes $65,000 blended average cost per M4 to reflect business mix between sales and operating leases and assumes $25,000 per year for software license and maintenance.

TAM = total US market; SAM = representative of states currently open to deploy

Source: Definitive Healthcare, February 2023
1 Total US market; clinics only
2 Total US market; general practices, family practices, internal medicine and "primary care" in group name
3 Clinics only; states that are open to pharmacy kiosk dispensing
4 States open to kiosk pharmacy dispensing in primary care offices with 15+ locations participating in Medicare MIPS program

CVS Transaction & Restructuring

On January 26, 2023, MedAvail announced the sale of its SpotRx pharmacy services assets to CVS

Divestiture allows MedAvail to focus on its MedCenter technology business to shorten the company's path to profitability

Projected to drive operating expense savings of $35 million to $37 million in 2023 as compared to full-year 2022

Current Leadership Introduces New Strategy

Mark Doerr, Chief Executive Officer
Experience: CEO, eRx Network; SVP GM, Pharmacy, Change Healthcare; SVP Pharmacy, Giant Eagle

Ramona Seabaugh, Chief Financial Officer
Experience: VP, Vixxo; VP, Ascension; CFO Banner Health Pharmacy Services

- Led restructuring and divestiture of SpotRx business
- Exclusive focus on pharmacy technology business going forward
- Significant reduction in OpEx and cash burn; improved margin profile
- Addressing significant unmet needs in today's pharmacy industry

2023 Guidance

Existing inventory of more than 100 pre-built MedCenter kiosks – not included in the SpotRx divestiture – are ready to be deployed and will drive higher near-term company margins

	2022 Pro-Forma	2023E
Revenue	$1.4 million	~$3 million
Full-year net gross margins	47%	~60%
Net new dispensing MedCenters[1]		25
Cumulative net dispensing MedCenters (as of Q1 2023)[2]		32

[1] **Net new dispensing MedCenters:** Units recorded after completion of shipment and training such that the MedCenter is ready to dispense and generating revenue for MedAvail, which were not previously included in Cumulative Net Dispensing MedCenters.
[2] **Cumulative net dispensing MedCenters:** Cumulative units recorded after completion of shipment and training such that the MedCenter is ready to dispense and generating revenue for MedAvail, but excluding decommissioned units and demo units.

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Thank You

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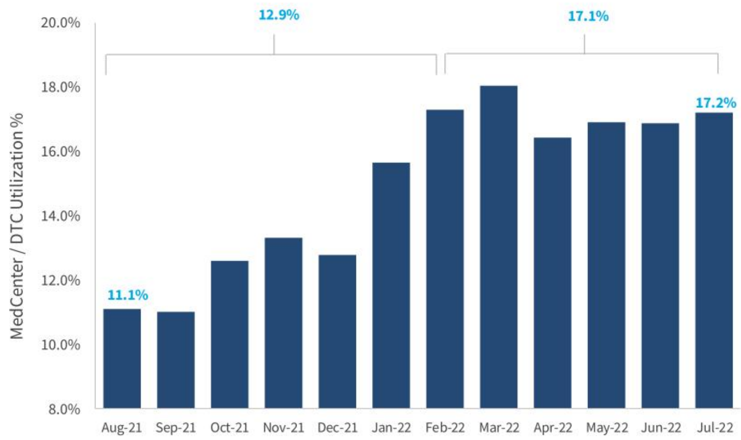
Appendix

First Rx Fills Facilitated by the MedCenter

33% increase in MedCenter adoption over time[1]



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[1] SpotRx data from MedCenters at primary care clinics focused on Medicare patients

Utilization of the MedCenter increased from 12.9% from August '21 to January '22 to 17.1% for the six months ending July '22

Medication Adherence Impact on Star Rating & Reimbursement

EMBEDDED PHARMACY OPPORTUNITY

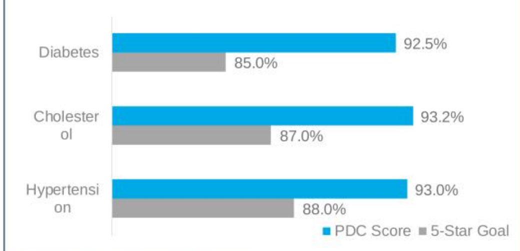
Potential for Improved Outcomes

- 3.4x better adherence at employer-sponsored sites with Embedded Pharmacy(Aguilar et al, 2015)
- Higher medication adherence resulted in cost savings of $58 per member per month (Wright &Gorman 2016)

Improved Reimbursement/ Less Risk for Providers and Plans[3]

- Medicare directly ties physician reimbursement to medication adherence: 4- & 5-star MA plans receive pay for performance bonuses of ~$500/member/year
- Improving from a 3- to a 4-Star Rating can increase annual health plan revenues by 13.4 % to 17.6%

SpotRx PDC Scores[4]



*Based on EQUIPP July 2022 Reporting for SpotRx

Large, vertically-integrated players embracing embedded pharmacy

Cigna	Humana	OPTUM Acquires genoa healthcare	Walgreens Boots Alliance Acquires SHIELDS
Embedded physical pharmacies	Retail pharmacies in medical office buildings	Behavioral health retail pharmacy	Health systems integrating pharmacies

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Source: L.E.K. interviews and analysis.
1 Based on CMS; direct includes medication adherence for cholesterol, hypertension, and diabetes medications
2 Based on CVS Caremark study annual health care savings per member
3 Source: https://www.ajmc.com/contributor/jason-rose/2019/08/medication-adherence-the-lever-to-improve-medicare-advantage-star-ratings
4 PDC is calculated based on the number of days supply a drug is dispensed for, divided by the number of days the prescription is in the patient's possession. For example, a 90-day supply of a drug refilled after 100 days (90÷100) yields a PDC Score of 85% (Proportion of Days Covered)