

**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): May 18, 2023**

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

**Delaware**  
(State or other jurisdiction of  
incorporation)

**001-36533**  
(Commission File Number)

**90-0772394**  
(I.R.S. Employer  
Identification Number)

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

**+1 (905) 812-0023**  
(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 May 18, 2023, MedAvail Holdings, Inc. ("MedAvail" or the "Company") issued a press release regarding its financial and operational results for the three months ended March 31, 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.**

On May 18, 2023, MedAvail will host a conference call at 1:30 p.m. PT / 4:30 p.m. ET and webcast to discuss the Company's financial and operational results for the three months ended March 31, 2023. The conference call can be accessed live by dialing (877) 704-4453 for domestic callers or (201) 389-0920 for international callers. To access the Call me™ feature, which provides instant phone access to the event, click <https://callme.viavid.com/viavid/?callme=true&passcode=13736400&h=true&info=company-email&r=true&B=6>.

A webcast of the conference call can be accessed at <https://investors.medavail.com>. The webcast will be archived and available for replay for at least 90 days after the event.

Additionally, attached as Exhibit 99.2 to this Current Report on Form 8-K is an investor presentation that the Company may use in presentations to investors beginning May 18, 2023.

The information included in this Item 7.01 and in Exhibit 99.2 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 the Exhibit 99.2.

**Item 9.01 Financial Statement and Exhibits.**

(d) Exhibits

Exhibit No.	Description
99.1	<a href="#">MedAvail Holdings, Inc. Press Release dated May 18, 2023</a>
99.2	<a href="#">MedAvail Holdings, Inc. Investor Presentation</a>
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: May 18, 2023

By: /s/ Ramona Seabaugh  
Ramona Seabaugh  
Chief Financial Officer

**MedAvail Reports First Quarter 2023 Financial Results**

PHOENIX, Ariz. GlobeNewswire – May 18, 2023 – MedAvail Holdings, Inc. (Nasdaq: MDVL) (“MedAvail”), an innovative pharmacy technology company, today reported financial results for the first quarter ended March 31, 2023.

“During the first quarter, we made good progress toward our mission of becoming a leader in the development and manufacture of pharmacy technology solutions in the short time since we announced the sale of certain of our SpotRx assets to CVS in January,” said Mark Doerr, Chief Executive Officer of MedAvail. “Our pipeline continues to grow, representing a mix of both new and existing partners, and we remain on track to achieve our previously stated goal of adding 25 net new dispensing MedCenters to our network this year. At the same time, we have continued to identify cost savings opportunities within our core technology business that will not only reduce our expense run rate and extend our cash runway but should serve to improve the partner experience as well. We will achieve these benefits primarily through faster, more seamless software integrations and the creation of an in-house service organization to replace a legacy third party relationship.

“Importantly, the regulatory landscape continues to evolve in our favor, with Colorado becoming the latest state to enact legislation that is favorable to remote kiosk pharmacy dispensing. Across the country, there are many other states that have yet to embrace the many benefits of kiosk pharmacy dispensing to both the clinic and the patient, which we view as an opportunity to significantly expand our addressable market over the long term. To that end, we continue to work with lawmakers in states where a favorable change is being considered.

“We are well financed, and with our expectation for topline growth and margin expansion, combined with expense efficiencies, we believe we can achieve operating cash flow breakeven without the need for additional dilutive equity financings. We have built a solid foundation from which to drive future growth, and I remain excited about the many opportunities in front of us, not only within our current primary care and urgent care channels, but other channels as well where remote kiosk dispensing can play an important role,” Mr. Doerr concluded.

**First Quarter and Recent Developments**

- Generated first quarter net revenue of \$620,000 and placed four net new dispensing MedCenters.
- Completed a successful \$16 million private placement in March 2023.
- Continued to build a pipeline of MedCenter deployments comprised of a mix of existing and new customers across the primary care and urgent care channels.
- Implemented additional cost savings and efficiency measures, primarily impacting the Development and Quality Assurance functions, intended to further reduce expenses and cash burn while improving the customer experience.

**Financial Outlook**

MedAvail is today reaffirming its prior guidance for the full year 2023. In addition, the Company has substantially completed its 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.

MedAvail further expects full-year 2023 gross margins to be in excess of 60%.

In addition, the company expects to place 25 net new dispensing MedCenters in 2023, which would result in 57 cumulative net dispensing MedCenters generating revenue by the end of 2023.

**Conference Call**

MedAvail will host a conference call at 1:30 p.m. PT / 4:30 p.m. ET on Thursday, May 18, 2023, to discuss its first quarter results. The conference call can be accessed live by dialing (877) 704-4453 for domestic callers or (201) 389-0920 for international callers.

To access the Call me™ feature, which provides instant phone access to the event, click <https://callme.viavid.com/viavid/?callme=true&passcode=13736400&h=true&info=company-email&r=true&B=6>.

A webcast of the conference call can be accessed at <https://investors.medavail.com>. The webcast will be archived and available for replay for at least 90 days after the event.

**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](http://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. 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 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 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](mailto:ir@medavail.com)

SOURCE MedAvail Holdings, Inc.

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

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenue:		
Hardware and subscription revenue	\$ 304	\$ 165
Service revenue	316	100
Total revenue	620	265
Cost of products sold and services:		
Hardware cost of products sold	245	81
Service costs	118	50
Total cost of products sold and services	363	131
Other operating expenses:		
General and administrative	4,960	5,190
Selling and marketing	132	100
Research and development	176	258
Total operating expense	5,268	5,548
Operating loss	(5,011)	(5,414)
Loss on issuance of warrants	(10,424)	—
Gain from change in fair value of warrant liabilities	3,045	—
Interest income	1	1
Interest expense	(169)	(251)
Net loss and comprehensive loss from continued operations	(12,558)	(5,664)
Discontinued operations:		
Loss from discontinued operations	(4,772)	(7,358)
Net loss	<u>\$ (17,330)</u>	<u>\$ (13,022)</u>
Basic and diluted net loss per share:		
Loss from continued operations	\$ (0.16)	\$ (0.17)
Loss from discontinued operations	\$ (0.06)	\$ (0.22)
Weighted average shares outstanding - basic and diluted	80,270,494	32,921,969

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

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 18,796	\$ 11,444
Restricted cash	676	676
Accounts receivable	207	404
Inventories	8,701	3,994
Prepaid expenses and other current assets	2,072	2,569
Current assets from discontinued operations	2,079	4,842
Total current assets	32,531	23,929
Property, plant and equipment, net	789	5,261
Intangible assets, net	425	451
Right-of-use assets	773	624
Other assets	30	30
Long-term assets from discontinued operations	1,166	2,837
Total assets	\$ 35,714	\$ 33,132



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

	March 31, 2023	December 31, 2022
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 898	\$ 818
Accrued liabilities	592	552
Accrued payroll and benefits	1,240	1,379
Deferred revenue	275	152
Current portion of lease obligations	244	246
Current liabilities from discontinued operations	1,885	2,794
Total current liabilities	5,134	5,941
Warrant liabilities	23,378	—
Long-term debt, net	1,428	4,798
Long-term portion of lease obligations	590	441
Long-term liabilities from discontinued operations	1,015	1,128
Total liabilities	31,545	12,308
Commitments and contingencies		
Stockholders' equity:		
Common shares (\$0.001 par value, 300,000,000 shares authorized, 80,480,641 and 80,169,719 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively)	81	81
Warrants	11,205	11,148
Additional paid-in-capital	256,847	256,229
Accumulated other comprehensive loss	(6,928)	(6,928)
Accumulated deficit	(257,036)	(239,706)
Total stockholders' equity	4,169	20,824
Total liabilities and stockholders' equity	\$ 35,714	\$ 33,132

## 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 warrant liabilities, gain from change in fair value of warrants, loss from discontinued operations, and stock-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 March 31,	
	2023	2022
Net loss	\$ (17,330) \$(3,335)	\$ (13,022)
Adjustments to calculate EBITDA:		
Interest income	(1)	(1)
Interest expense	169	254
Income tax expense	—	—
Depreciation and amortization <sup>(1)</sup>	733	432
EBITDA	\$ (16,429)	\$ (12,337)
Adjustments as follows:		
Loss on issuance of warrants	10,424	—
Gain from change in fair value of warrant liabilities	(3,045)	—
Loss from discontinued operations	4,772	7,358
Share-based compensation expense	618	564
Adjusted EBITDA	\$ (3,660)	\$ (4,415)

<sup>(1)</sup> Excludes \$151 thousand and \$166 thousand in operating lease amortization for the three months ended March 31, 2023, and 2022, respectively.



MedAvail<sup>®</sup>

Transforming Today's Pharmacy

Investor Presentation | May 2023

NASDAQ: MDVL

## Forward Looking Statement

MedAvail Holdings, Inc. ("MedAvail") cautions you that the statements in this presentation that are not a description of historical fact are forward-looking statements which may be identified by use of the words such as "anticipate," "believe," "expand," "expect," "grow," "intend," "opportunity," "plan," "potential," "project," "target" and "will" among others. These forward-looking statements are based on MedAvail's current expectations and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of the ability to project future cash utilization and resources need for contingent future liabilities and business operations, the availability of sufficient resources for combined company operations and to conduct or continue planned product development activities, the ability to execute on commercial objectives, regulatory developments and the timing and ability of MedAvail to raise additional capital to fund operations, and other factors, including, but not limited to, those factors discussed in the section entitled "Risk Factors" of our most recent Annual Report on Form 10-K and on our Quarterly Reports Form 10-Q. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. We undertake no obligation to update any of these forward-looking statements for any reason, even if new information becomes available in the future, except as may be required by law. The extent to which the impact of general market and macroeconomic conditions, including the effect of inflationary pressure, including any impact of adverse developments affecting the financial services industry, such as those based on liquidity constraints or concerns and events including the outbreak of war in Ukraine, has on MedAvail's businesses, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous factors, which are unpredictable and how quickly and to what extent normal economic and operating conditions are affected or impacted. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they were made. MedAvail undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made, except as may be required by law.

## **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

**04**

Significant total and serviceable addressable markets

**02**

Demonstrable positive impact on Rx adherence and reimbursement

**05**

Recurring, high-margin predictable revenue stream

**03**

Strategic partnerships to drive future deployments across multiple channels

**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



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.

MedAvail



## MedCenter Deployment Use Cases



Urgent Care/Emergency

In Clinic Dispense

Extended Hours

University

Hard to Staff/Rural Locations

Employer Placement

Broadening Footprint through Partnerships



Urgent Care

Emergency Department

Primary Care / Clinic

Also integrated with industry leading pharmacy management systems:



EnterpriseRx



Willow

## Recurring, High-Margin Revenue Model

Full-year 2023 gross margins ~60%<sup>1</sup>

**One Time**  
**\$65,000<sup>2</sup>**

**Medcenter hardware,  
implementation and integration**

**Recurring**  
**\$25,000/year**

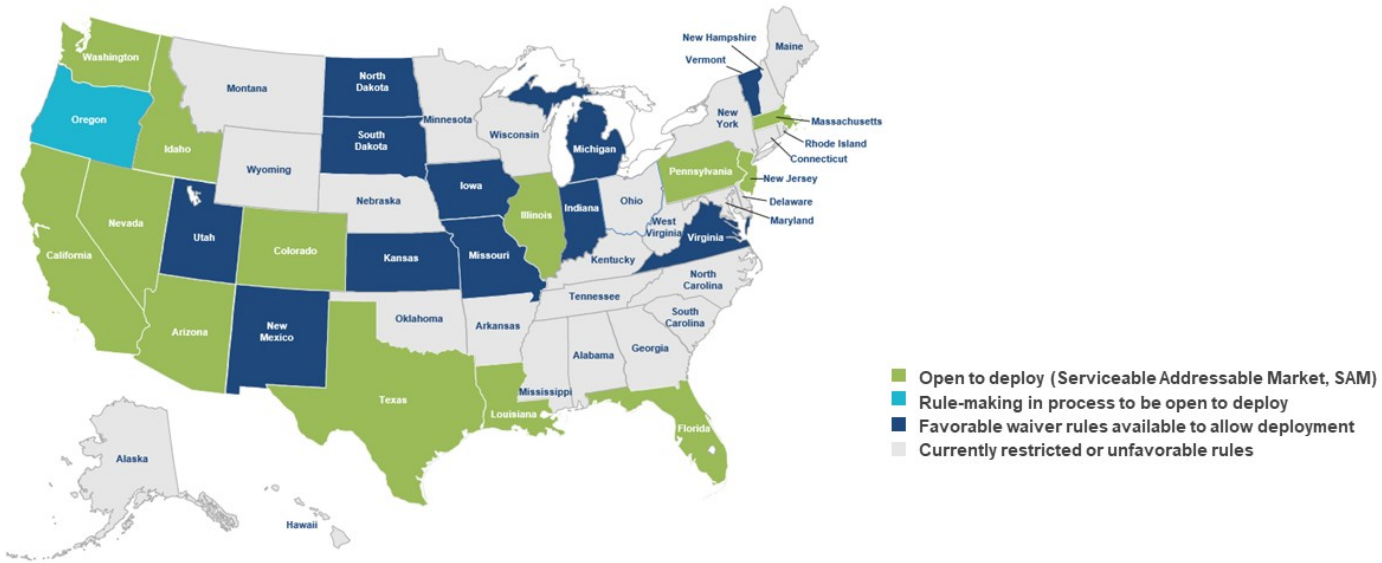
**Kiosk maintenance contract and  
software license**



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

# Favorable Regulatory Environment

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



## Multi-Billion-Dollar Addressable Markets\*\*

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

\*\* 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 <sup>1</sup>		25
Cumulative net dispensing MedCenters (as of Q1 2023) <sup>2</sup>		32

<sup>1</sup> 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.

<sup>2</sup> 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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MedAvail<sup>®</sup>

Thank You

[www.medavail.com](http://www.medavail.com)

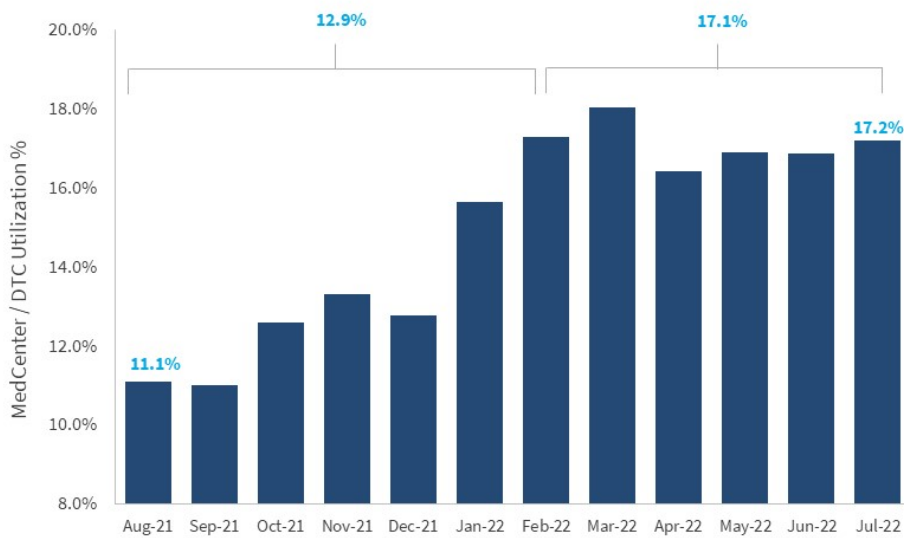
[ir@medavail.com](mailto:ir@medavail.com)

NASDAQ: MDVL

## Appendix

## First Rx Fills Facilitated by the MedCenter

33% increase in MedCenter adoption over time<sup>1</sup>



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

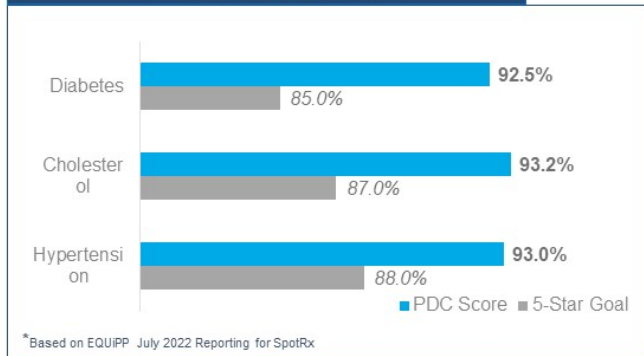
#### Potential for Improved Outcomes

- **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<sup>3</sup>

- 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<sup>4</sup>



### Large, vertically-integrated players embracing embedded pharmacy



Embedded physical pharmacies



Retail pharmacies in medical office buildings



OPTUM<sup>®</sup> Acquires genOa healthcare<sup>®</sup>

Behavioral health retail pharmacy



Health systems integrating pharmacies



Source: L.E.K. interviews and analysis.

<sup>1</sup> Based on CMS, direct includes medication adherence for cholesterol, hypertension, and diabetes medications

<sup>2</sup> Based on CVS Caremark study annual health care savings per member

<sup>3</sup> Source: <https://www.aamac.com/contributor/jason-rose/2019/08/medication-adherence-the-lever-to-improve-medicare-advantage-star-ratings>

<sup>4</sup> 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)