

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): March 30, 2021

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

Delaware
(State or other jurisdiction of
incorporation)

000-53298
(Commission File Number)

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

6665 Millcreek Dr. Unit 1,
Mississauga ON Canada
L5N 5M4
(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
Common Stock, par value \$0.001 per share

Trading Symbol
MDVL

Name of each exchange on which registered
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 March 30, 2021, MedAvail Holdings, Inc. ("MedAvail" or the "Company") issued a press release regarding its financial and operational results for the fourth quarter and full year ended December 31, 2020. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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 March 30, 2021, MedAvail hosted a conference call and webcast to discuss the Company's financial and operational results for the fourth quarter and full year ended December 31, 2020. The slide presentation posted to MedAvail's website at <https://investors.medavail.com/> in connection with the conference call is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

This information is intended to be furnished under Items 7.01 and 9.01 of this Current Report on Form 8-K, including Exhibit 99.2, and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|-------------|---|
| 99.1 | MedAvail Holdings, Inc. Press Release dated March 30, 2021. |
| 99.2 | MedAvail Holdings, Inc. Investor Presentation dated March 30, 2021. |

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: March 30, 2021

By: /s/ Ed Kilroy
Ed Kilroy
Chief Executive Officer

MedAvail Reports Fourth Quarter and Full Year 2020 Financial Results

MISSISSAUGA, Ontario and PHOENIX, Ariz. – March 30, 2021 – MedAvail Holdings, Inc. (Nasdaq: MDVL) (“MedAvail”) a technology-enabled pharmacy company, today reported financial results for the three months and full year ended December 31, 2020.

MedAvail drives best-in-class medication adherence by embedding its pharmacy services directly into Medicare-focused clinics using its proprietary MedCenter solution across a growing network of locations throughout the US.

“We finished 2020 with strong fourth quarter results as we expanded in California, entered the Michigan market, and deployed 14 MedCenters. During the quarter, we also completed our reverse merger and have since begun trading on the Nasdaq,” said Ed Kilroy, Chief Executive Officer of MedAvail.

Mr. Kilroy continued, “We remain excited about our enormous opportunity to transform the pharmacy experience for Medicare-focused clinics, in addition to our opportunity to partner with customers looking to enhance pharmacy productivity. We are well positioned for growth in 2021 and beyond, with continued momentum in our pipeline as we expand into new markets and deepen our existing customer relationships.”

Fourth Quarter 2020 Financial and Operational Highlights

All comparisons, unless otherwise noted, are to the three months ended December 31, 2019.

- Total net revenue was \$3.1 million, an increase of 112%
- Total net revenue by segment
 - Retail Pharmacy Services revenue increased 92% to \$2.5 million
 - Pharmacy Technology revenue increased 292% to \$0.6 million
- Total MedCenter deployments was 14, representing growth of 75%
- Net Loss was \$12.1 million compared to \$5.7 million
- Adjusted EBITDA losses increased 79% to \$8.7 million from \$4.9 million
- Cash, cash equivalents, and restricted cash totaled \$58.0 million as of quarter-end

Full Year 2020 Financial and Operational Highlights

All comparisons, unless otherwise noted, are to the twelve months ended December 31, 2019.

- Total net revenue was \$14.0 million, an increase of 270% compared to \$3.8 million
- Total net revenue by segment
 - Retail Pharmacy Services revenue increased 139% to \$7.7 million
 - Pharmacy Technology revenue, including one-time deferred contract revenue of \$4.7 million, increased 1047% to \$6.2 million
- Total cumulative MedCenter deployments was 57, representing an increase of 185%
- Net Loss was \$26.8 million compared to \$21.5 million
- Adjusted EBITDA losses increased 27% to \$23.6 million from \$18.8 million

Full Year 2021 Financial Outlook

MedAvail projects total net revenue for 2021 to be in the range of \$27.0 million to \$34.0 million, which represents growth of 93% to 143% over 2020 revenue of \$14.0 million.

About MedAvail

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

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 the Company's business strategy and market opportunity; potential future revenue projections and growth; expansion plans; and customer partnerships. 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 general economic, financial, legal, political and business conditions and changes in domestic and foreign markets; the potential effects of COVID-19; the outcome of judicial proceedings to which MedAvail is, or may become a party; changes in competitive conditions prevailing in the healthcare sector; the availability of capital; and the other risks discussed under the heading "Risk Factors" in our Current Report on Form 8-K, filed with the Securities and Exchange Commission ("SEC") on November 18, 2020, and other documents MedAvail files with the SEC 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

Caroline Paul
Gilmartin Group
ir@medavail.com

SOURCE MedAvail Holdings, Inc.

MEDAVAIL HOLDINGS, INC.
Condensed Consolidated Statements of Operations
(US Dollars in thousands, except share and per share data)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|------------|----------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| Sales: | | | | |
| Retail Pharmacy Services | \$ 2,532 | \$ 1,317 | \$ 7,728 | \$ 3,227 |
| Pharmacy Technology | 569 | 145 | 6,240 | 544 |
| Total sales | 3,101 | 1,462 | 13,968 | 3,771 |
| Cost of sales: | | | | |
| Retail Pharmacy Services | 2,685 | 1,113 | 7,744 | 2,674 |
| Pharmacy Technology | 661 | 89 | 1,061 | 149 |
| Total cost of sales | 3,346 | 1,202 | 8,805 | 2,823 |
| Gross profit | (245) | 260 | 5,163 | 948 |
| Pharmacy operations | 2,033 | 1,134 | 5,687 | 3,988 |
| General and administrative | 6,019 | 3,305 | 16,562 | 13,285 |
| Selling and marketing | 1,147 | 939 | 3,043 | 3,276 |
| Research and development | 149 | 297 | 682 | 1,106 |
| Merger expenses | 2,083 | - | 4,691 | - |
| Goodwill write-off | — | 137 | — | 137 |
| Operating loss | (11,676) | (5,552) | (25,502) | (20,844) |
| Other loss, net | (110) | - | (110) | - |
| Interest income | 29 | 17 | 43 | 45 |
| Interest expense | (328) | (178) | (1,241) | (734) |
| Loss before income taxes | (12,085) | (5,713) | (26,810) | (21,533) |
| Income tax | - | - | - | - |
| Net loss | \$ (12,085) | \$ (5,713) | \$ (26,810) | \$ (21,533) |
| Net loss per share - basic and diluted | \$ (0.71) | \$ (3.52) | \$ (4.69) | \$ (13.37) |
| Weighted average shares outstanding - basic and diluted | 17,003 | 1,622 | 5,722 | 1,611 |

MEDAVAIL HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(US Dollars in thousands, except share amounts)

| | December 31, | |
|---|--------------|-----------|
| | 2020 | 2019 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 57,936 | \$ 8,791 |
| Restricted cash | 60 | 58 |
| Accounts receivable (net of allowance for doubtful accounts) | 1,520 | 416 |
| Inventories | 2,817 | 4,594 |
| Prepaid expenses and other current assets | 1,534 | 229 |
| Total current assets | 63,867 | 14,088 |
| Property, plant and equipment, net | 3,795 | 2,703 |
| Right-of-use assets | 1,239 | 1,050 |
| Other assets | 203 | 92 |
| Goodwill and other intangible assets | 227 | 70 |
| Total assets | \$ 69,331 | \$ 18,003 |
| Liabilities, Temporary Equity and Shareholders' Deficit | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 4,512 | \$ 2,345 |
| Short-term debt | 2,161 | — |
| Contract liability | 275 | 4,804 |
| Current portion of lease obligations | 665 | 526 |
| Total current liabilities | 7,613 | 7,675 |
| Long-term debt | — | 12,476 |
| Long-term portion of lease obligations | 651 | 565 |
| Other liabilities | — | 448 |
| Total liabilities | 8,264 | 21,164 |
| Commitments and contingencies | | |
| Redeemable preferred shares (\$0.001 par value, 10,000,000 shares authorized, and no shares issued and outstanding at December 31, 2020, 14,539,330 shares authorized, and 10,500,440 shares issued and outstanding at December 31, 2019) | - | 93,484 |
| Stockholders' equity (deficit): | | |
| Common shares (\$0.001 par value, 100,000,000 shares authorized, 31,816,020 and 1,504,251 shares issued and outstanding at December 31, 2020 and 2019, respectively) | 32 | 8 |
| Warrants | 2,614 | 698 |
| Additional paid-in-capital | 213,624 | 30,829 |
| Accumulated other comprehensive loss | (6,928) | (6,950) |
| Accumulated deficit | (148,275) | (121,230) |
| Total shareholders' equity (deficit) | 61,067 | (96,645) |
| Total liabilities, temporary equity and shareholders' equity (deficit) | \$ 69,331 | \$ 18,003 |

Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use the following non-GAAP financial measures: adjusted sales, adjusted operating expenses, 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 Sales for a particular period as Sales excluding certain items that may not be indicative of our recurring core business operating results, such as adjustments to bad debt reserve or year end accrual adjustments.

We define Adjusted EBITDA for a particular period as net (loss) income before interest, taxes, depreciation and amortization, and as further adjusted for merger-related expenses, stock-based compensation expense, payroll tax expense related to stock-based compensation, loss on extinguishment of debt, financing related expenses, loss on abandonment and impairment of operating lease assets, non-recurring inventory adjustments and other (income) expense, net.

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 one-time transaction costs related to the reverse merger. 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
(US Dollars in thousands)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|----------------------------------|------------------------------------|-----------------|----------------------------|-----------------|
| | 2020 | 2019 | 2020 | 2019 |
| Sales: | \$ 3,101 | \$ 1,462 | \$ 13,968 | \$ 3,771 |
| Adjustments as follows: | | | | |
| Contract revenue recognition (1) | - | - | (4,729) | - |
| Bad debt & Service Fees | 75 | - | 75 | - |
| Adjusted Sales | <u>\$ 3,176</u> | <u>\$ 1,462</u> | <u>\$ 9,314</u> | <u>\$ 3,771</u> |

1) During 2020, the Company and its significant customer agreed that there was no further obligation to the customer and the Company recognized the remaining contract balance as revenue.

| | Three Months Ended December 31, | | Year Ended December 31, | |
|----------------------------------|------------------------------------|---------------|----------------------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| Gross Profit | \$ (245) | \$ 260 | \$ 5,163 | \$ 948 |
| Contract revenue recognition (1) | - | - | (4,729) | - |
| Bad debt & Service Fees | 75 | - | 75 | - |
| Inventory impairment charges (2) | 352 | - | 429 | - |
| Adjusted Gross Profit | <u>\$ 182</u> | <u>\$ 260</u> | <u>\$ 938</u> | <u>\$ 948</u> |

1) During 2020, the Company and its significant customer agreed that there was no further obligation to the customer and the Company recognized the remaining contract balance as revenue.

2) Inventory impairment consisted of second half write downs for MedCenter inventory to lower cost or market of approximately \$179,000, and medication inventory write downs of \$250,000.

| | Three Months Ended December 31, | | Year Ended December 31, | |
|----------------------------------|------------------------------------|-----------------|----------------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Operating Expenses | \$ 11,431 | \$ 5,812 | \$ 30,665 | \$ 21,792 |
| Depreciation and amortization | (251) | 569 | 895 | 1,672 |
| Stock-based compensation expense | (155) | (71) | (380) | (354) |
| Merger related expense (1) | (2,083) | - | (4,691) | - |
| Adjusted Operating Expenses | <u>\$ 8,942</u> | <u>\$ 6,310</u> | <u>\$ 26,489</u> | <u>\$ 23,110</u> |

1) Merger-related expenses were incurred for costs related to MedAvail's merger with MYOS which was consummated in the 13 weeks ended December 31, 2020.

| | Three Months Ended December 31, | | Year Ended December 31, | |
|---|------------------------------------|------------|----------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| Net loss | \$ (12,085) | \$ (5,713) | \$ (26,810) | \$ (21,533) |
| Adjustments to calculate EBITDA: | | | | |
| Interest expense, net | 299 | 161 | 1,198 | 689 |
| Income tax | - | - | - | - |
| Depreciation and amortization | 298 | 469 | 1,089 | 1,672 |
| EBITDA | (11,488) | (4,983) | (24,523) | (19,172) |
| Adjustments as follows: | | | | |
| Bad debt & Service Fees | 75 | - | 75 | - |
| Stock-based compensation expense | 155 | 71 | 380 | 354 |
| Merger related expense (1) | 2,083 | - | 4,691 | - |
| Other (income) loss, net | 110 | - | 110 | - |
| Inventory impairment charges (2) | 352 | - | 429 | - |
| Loss on impairment of lease related to unused leased property | - | 13 | - | 27 |
| Contract revenue recognition (3) | - | - | (4,729) | - |
| Adjusted EBITDA | \$ (8,713) | \$ (4,899) | \$ (23,567) | \$ (18,791) |

1) Merger-related expenses were incurred for costs related to MedAvail's merger with MYOS, which was consummated in the 13 weeks ended December 31, 2020.

2) Inventory impairment consisted of second half write-downs for MedCenter inventory to lower cost or market of approximately \$179,000, and medication inventory write-downs of \$250,000.

3) During 2020, the Company and its significant customer agreed that there was no further obligation to the customer and the Company recognized the remaining contract balance as revenue.

MedAvail®

Corporate Presentation



Safe Harbor Statements

Forward-Looking Statements

MedAvail, 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 Current Report on Form 8-K filed November 18, 2020. 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 risks and uncertainties may be amplified by the COVID-19 pandemic, which has caused significant economic uncertainty. The extent to which the COVID-19 pandemic impacts MedAvail's businesses, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous factors, which are unpredictable, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. 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.

Transforming Pharmacy



Healthcare is being transformed by technology, consumer demands and the essential need to drive down cost while increasing access



New entrants are disrupting major markets with breakthrough 'blank slate' offerings – Teladoc, Oak Street Health, One Medical, Livongo, Invitae...

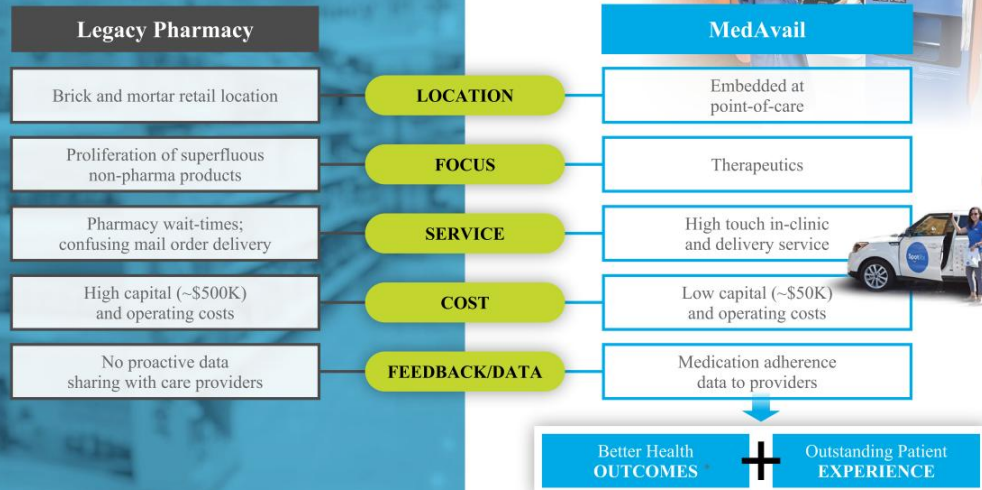


MedAvail is transforming the \$300B U.S. pharmacy market with a full-stack technology-enabled solution utilizing robotics, telemedicine backed up with localized home delivery providing exceptional service



Initially, MedAvail is focused on high value Medicare members, which is a \$16.5B market

MedAvail: Transforming Full Service Pharmacy



*(Aguilar et al, 2015)

MedAvail

MedAvail – Our Business Model



Pharmacy

Telehealth Pharmacy Platform, Medicare Focused

- 80% of revenue
- Turnkey full-stack pharmacy offering
- Telehealth platform delivering remote pharmacist consultation through onsite dispensing kiosk, supplemented with home delivery capability



Technology Vendor

Sell/License Technology

- 20% of revenue
- Sell and license our technology to a select list of large enterprise customers
- Customers use their back-end pharmacy operations (pharmacists, inventory)

MedAvail – Technology Vendor

We license and sell our proprietary hardware and software to health systems, retailers and other industry players



- Integrated into back-end pharmacy systems
- Customized patient workflow
- 24/7 help desk support
- On-site maintenance support
- Customer branding
- Manufactured in the USA



- 8 Initial sites in 3 states
- Sam's Club: 600 stores



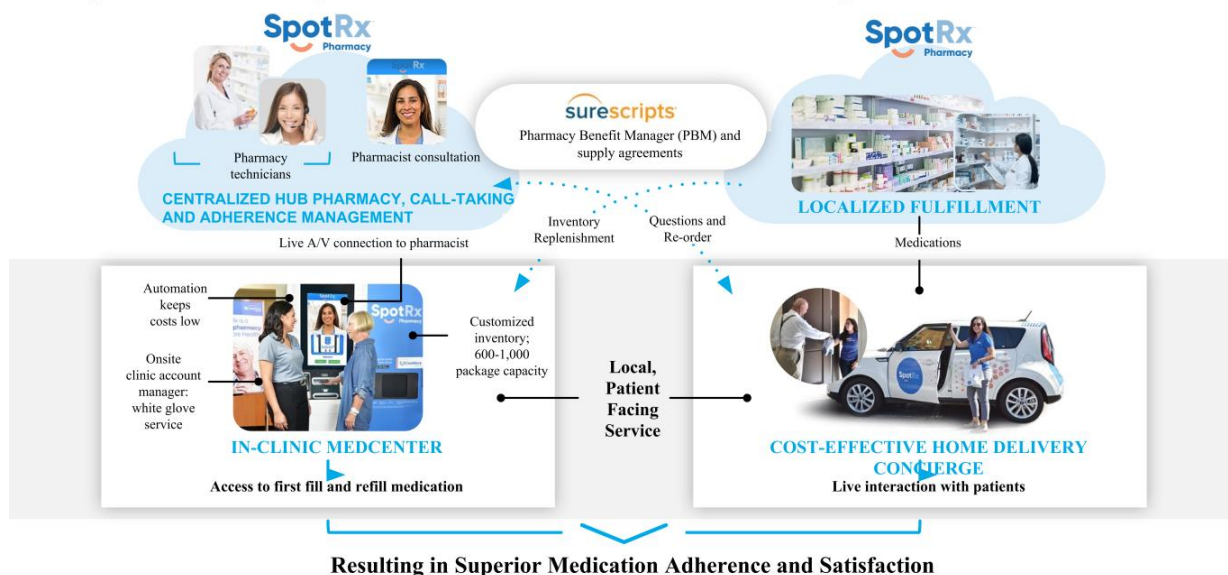
- 3 hospitals deployed,
- 150+ hospitals,
1,800 sites of care



- 11 sites deployed in 2020
- 350 points of care, 27 hospitals

MedAvail

SpotRx Pharmacy is a Full-Stack Telehealth Pharmacy Platform



High-touch pharmacy model

In-clinic presence providing patient and staff support

New prescription follow-up 3 days post-dispense

Onsite access to live pharmacist via MedCenter

Patient education on our offering

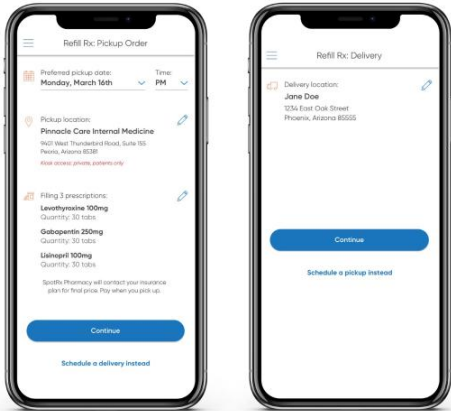
Prior Authorization and refill management

Refill follow-up to ensure compliance

In-clinic flu vaccinations

Web and app enabled patient self-service

Home delivery or pickup at local MedCenter

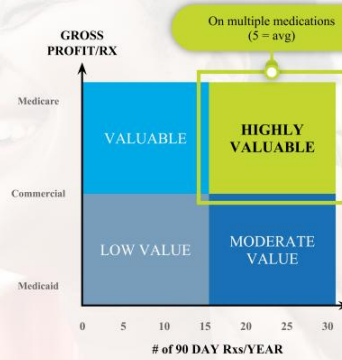


Focused on High Value Patient Customer: Medicare Population

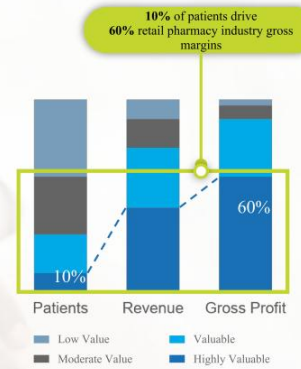
Large, Growing MARKET



Significant VALUE



Concentrated VALUE



Source: Kaiser Family Foundation; LEK Insights

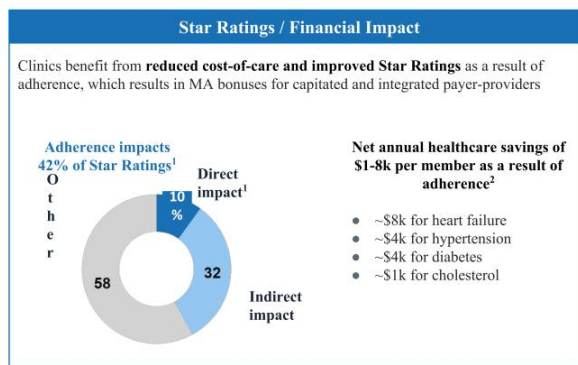
Medication adherence impact on Star rating and PMPY cost

"... Physicians in particular want medication compliance as high as possible because they are really interested most in clinical outcomes and ensuring a patient is getting what they need to get better ..."

-VP of Medical Group Operations, CA clinic client

"... From a corporate standpoint, increased medication adherence is beneficial because it directly improves the ratings that payers use to determine reimbursements and decreases costs by reducing hospitalizations of patients not taking their medications ..."

-Medical Director, MI clinic client



Large, vertically-integrated players embracing embedded pharmacy



Embedded physical pharmacies

Humana.

Retail pharmacies in MOB



Acquires **genOa** healthcare

Behavioral health retail pharmacy

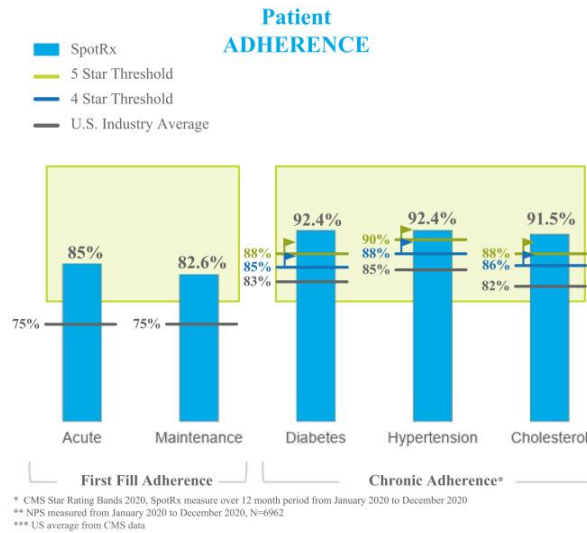
Source: L.E.K. interviews and analysis.

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

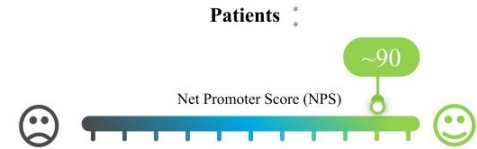
MedAvail

Our Solution is Driving Better Adherence



Our Customers are Happy

Patient / Provider / Payor SATISFACTION



"... I think SpotRx is fantastic. I am so glad they are here. I think a lot of patients that use it benefit from this service. I constantly recommend their product because I see the patient satisfaction ..."

Practice Manager, AZ clinic client

"... The feedback from customers is that they are so satisfied with the product and the level of service provided. Overall, we have had a really good experience ..."

Practice Manager, CA clinic client

"... I have only had good experiences with SpotRx, and I know our patients feel the same. There is no request that is not met with a solution or plan. They are a great partner ..."

Director of Clinical Operations, CA clinic client

SpotRx Value Proposition resonates with executives and physicians

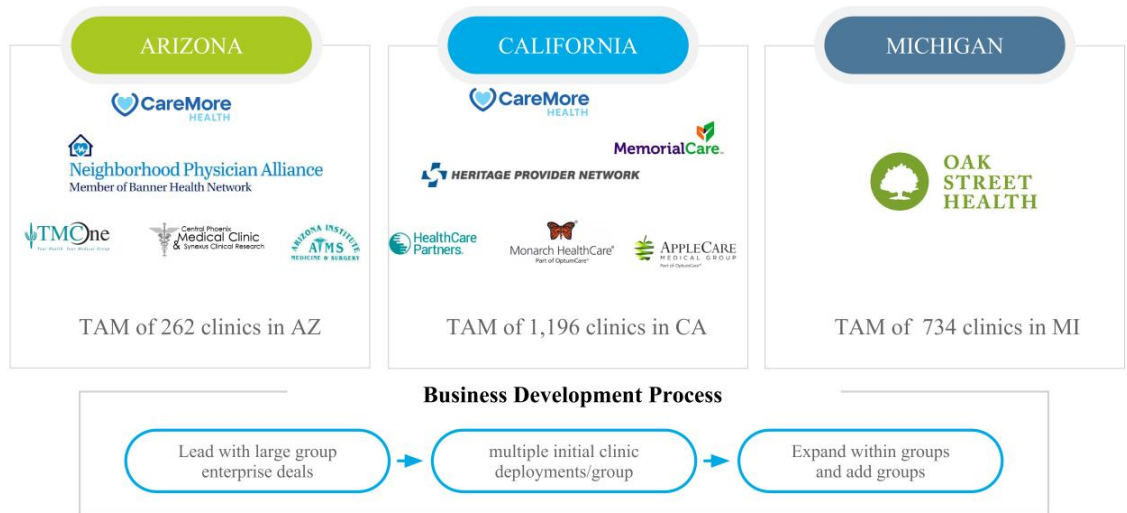
| Value proposition | Level of importance* | |
|---------------------------------------|--|---|
| | Executives | Physicians |
| Improved medication adherence |  |  |
| Improved Star Ratings |  |  |
| Patient satisfaction |  |  |
| Administrative savings |  |  |
| Ease of implementation and operations |  |  |
| Quality reporting |  |  |
| Scalability |  |  |
| No cost to customer organizations |  |  |

Source: L.E.K. interviews and analysis. * Importance varies somewhat by size / geographic reach of organization

Initial Target Markets – \$16.5B of Annual Prescription Revenue



Enterprise Focused Business Development Strategy



Example of Single Site Economics

Target Model at Scale (ex. COVID 19 impact)

| | Install | Year 1 | Year 2-5+ | 5 Year Total |
|------------------------|--------------------|--------------------|------------------|-------------------|
| Rx Volume - per Day | | 20 | 40 | |
| Revenue | | \$ 450,000 | \$ 1,050,000 | \$ 4,650,000 |
| Total Gross Profit | | \$ 65,000 | \$ 180,000 | \$ 785,000 |
| (-) Initial Investment | \$ (50,000) | \$ - | \$ - | \$ (50,000) |
| CASH FLOW | \$ (50,000) | \$ (30,000) | \$ 60,000 | \$ 160,000 |

Key Metrics

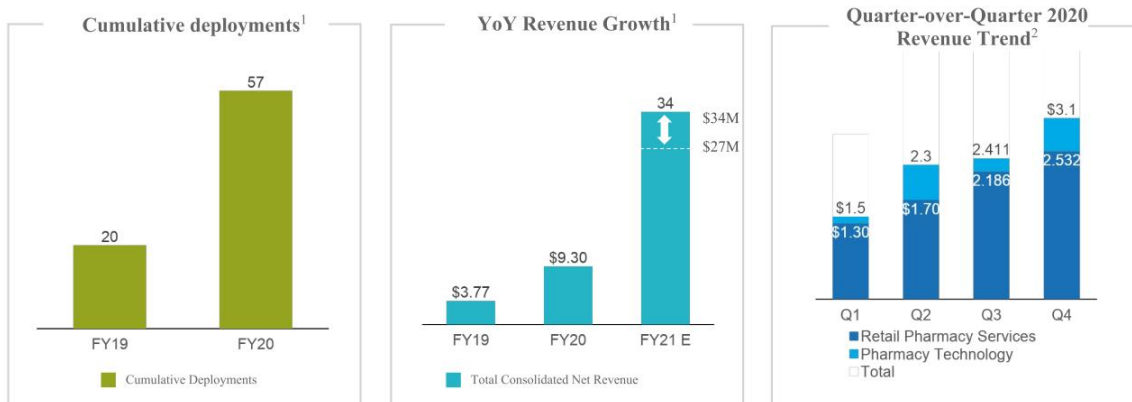
- IRR of 45%
- 5-year ROI of >3x
- Initial investment of \$50K
- Rx volume/day of 40 at scale
- Average target customer drives \$1,700 rev and \$340 gross margin per year
- In-clinic CAC \$130*
- Average target customer fills 17 Rx's per year

*CAC based on analysis from January 2020 to February 2020



MedAvail

Strong Revenue Growth Driven by New Deployments



*2020 revenue figures are unaudited

¹ Based on fourth quarter and full year results announced March 30, 2021. Excluding one-time contract revenue recognized in 3Q20, full year 2020 revenue grew approximately 142% in full year 2020

² 3Q20 revenue excludes one-time contract revenue of \$4.7M

Target Business Model

| | Target |
|---------------------------|--------------------|
| Pharmacy Revenue (SpotRx) | 80%-85% of revenue |
| HW/SW Revenue | 15%-20% of revenue |
| Gross Margin | 20-25% |
| EBITDA | ~12-14% |

Proven Team, Advisors and Investors

MANAGEMENT TEAM



Ed Kilroy
CEO



Neil Prezioso
CPO



Will Misloski
CMO



David Rawlins
CCO



Ryan Ferguson
CFO



ADVISOR



David Feinberg
Advisor



INVESTORS

Redmile Group



Walgreens



Adage Capital Management, L.P.

DEERFIELD

MedAvail



Thank you

