

MedAvail[®]

Corporate Presentation



Safe Harbor Statements

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Pharmacy and Technology Businesses Powered by the MedCenter

TECHNOLOGY

Solution for pharmacy providers

- Selling MedCenter and Software Licenses
- ▶ Helps address labor market challenges
 - ▶ Economically expands pharmacy hours
 - ▶ Establishes pharmacy self-checkout



SPOTRX

Solution for Value-Based Medicare Providers

- Embedding Pharmacy Services in Clinics
- ▶ Helps address patient adherence
 - ▶ Quicker, more ready access to pharmacy
 - ▶ Direct provider access to pharmacy

Automated Will Call
Bin – Refills

Telepharmacy &
Telehealth

Remote Dispensing –
New Prescriptions



Improves patient access and satisfaction



Enhances provider satisfaction



Increases medication adherence



Augments reimbursement for value-based care providers

SpotRx: Rapid Scaling through Hub and Spoke Model



- ✓ Rapid in-clinic, embedded deployment through proprietary MedCenter technology
- ✓ Cost-effective for providers with a small physical footprint
- ✓ On-site SpotRx account support for patients and clinic staff
- ✓ Helps improve provider engagement and reduce burnout

Open **Centralized Pharmacy Hubs** in Each SpotRx Service Area



8 pharmacy hubs in 4 states

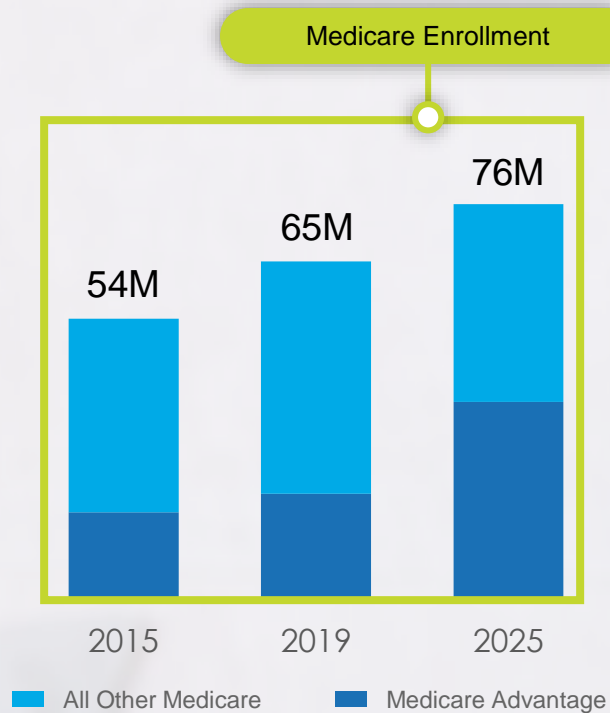
103 MedCenter net dispensing deployments¹

Unique embedded pharmacy model results in improved patient medication adherence and satisfaction

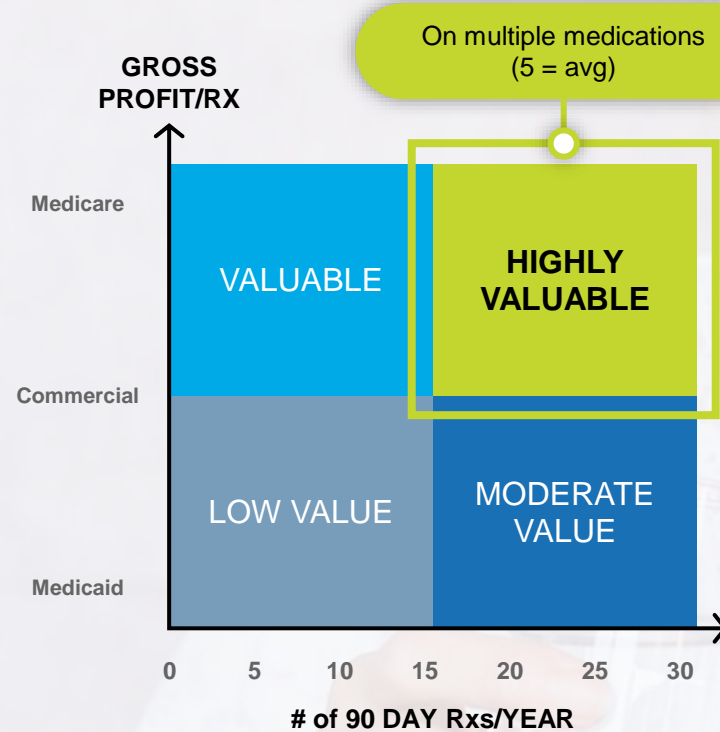
¹ MedAvail Third Quarter 2022 Financial Results released November 10, 2022

Meeting the Needs of Medicare Patients and Clinic Providers

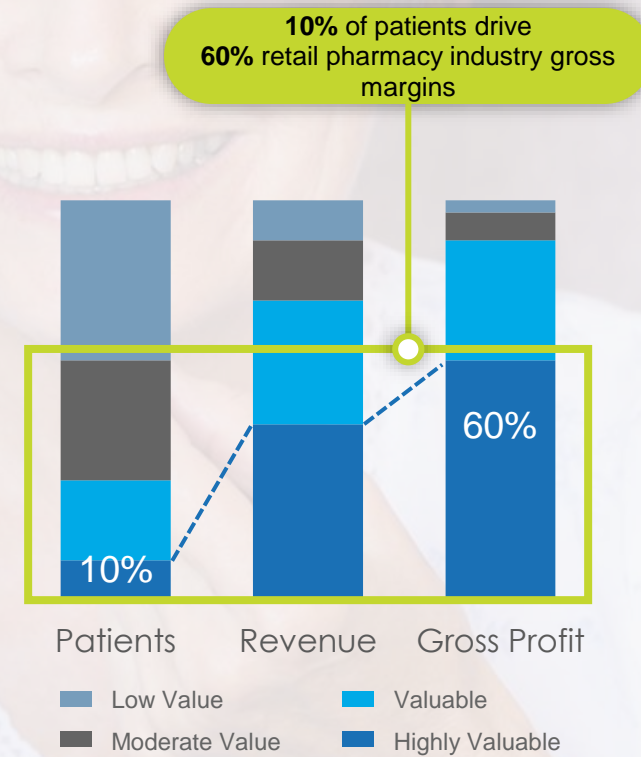
Large, Growing MARKET



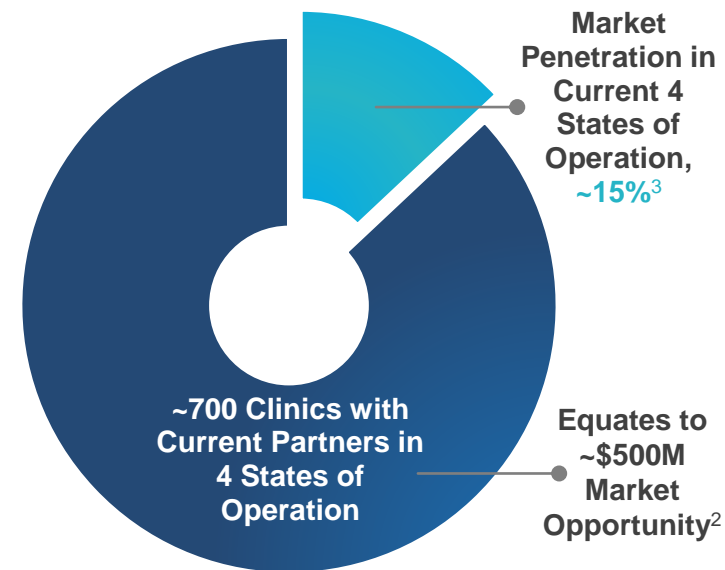
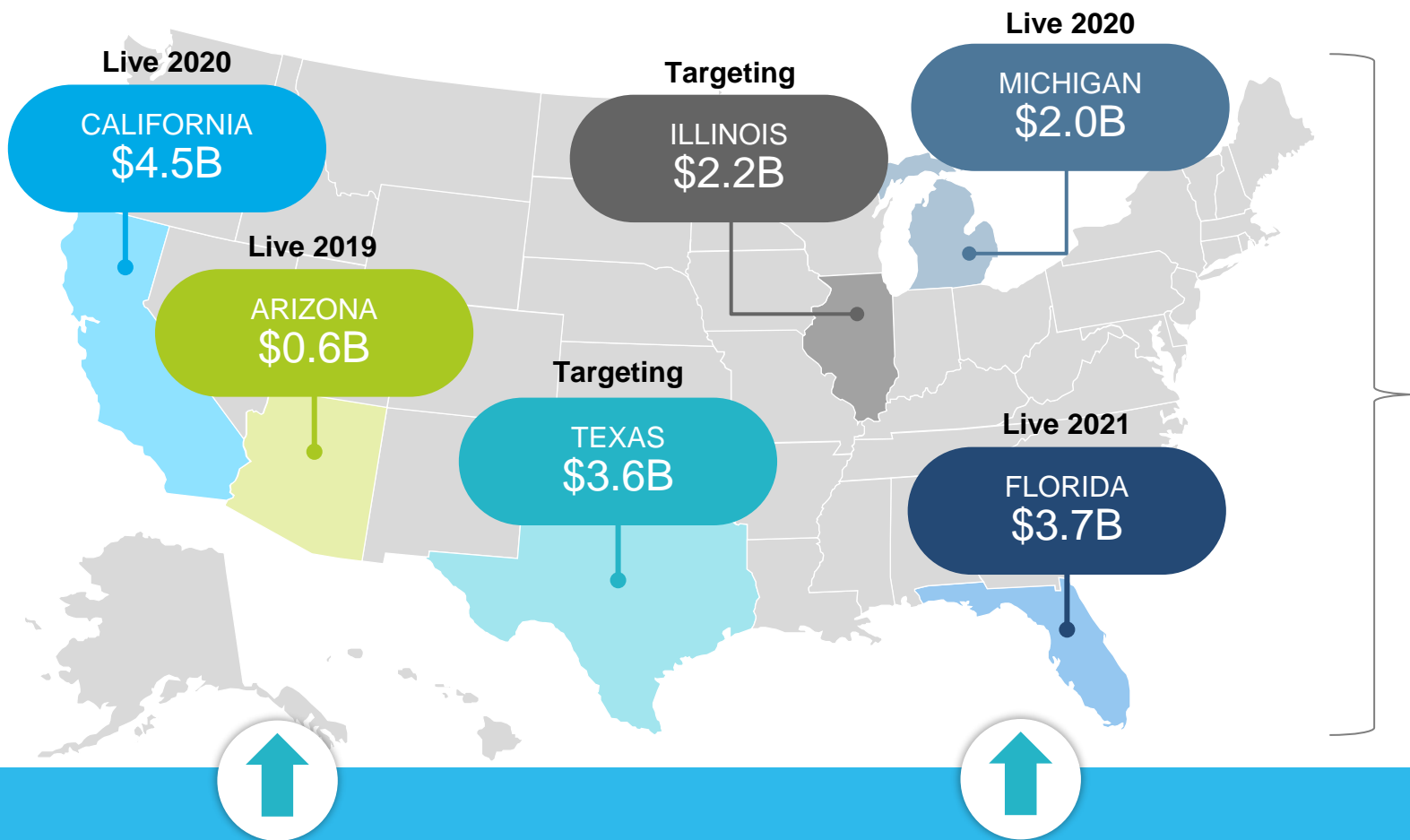
Significant VALUE



Concentrated VALUE



Initial Target Markets – Estimated \$16.5B¹ of Annual Prescription Revenue



Increasing Medicare population and prescription utilization

Growing with expanding clinic partners while propelling new partnerships

Meeting rising demand with proven model and scalable infrastructure for key markets

¹ Internal estimates based on 2017 CMS Medicare Provider Utilization and Payment Data: Part D Prescriber

² Internal estimates based on clinic qualification model and projected patient adoption rate

³ The ~15% is calculated as 103 dispensing MedCenters as of 9/30/22 divided by the ~700 clinics referenced

Medication Adherence Impact on Star Rating & Reimbursement

EMBEDDED PHARMACY OPPORTUNITY

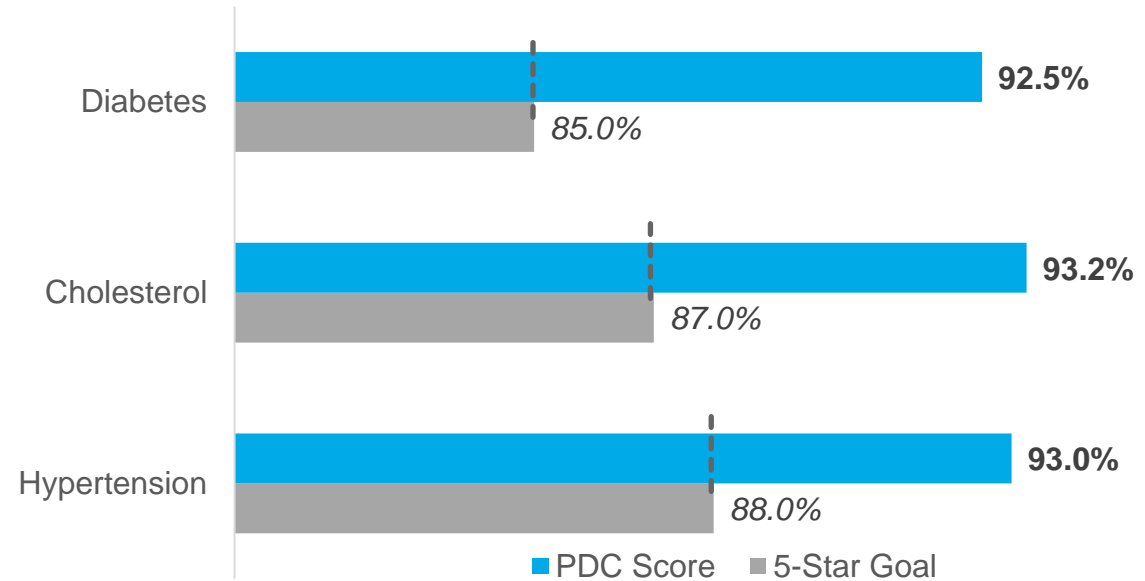
Potential for Improved Outcomes

- **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 Plans³

- 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 Scores⁴



*Based on EQUIPP July 2022 Reporting for SpotRx

Large, vertically-integrated players embracing embedded pharmacy



Embedded physical pharmacies



Retail pharmacies in medical office buildings



OPTUM[®] Acquires genoa healthcare[®]

Behavioral health retail pharmacy



Walgreens Boots Alliance

Acquires



SHIELDS HEALTH SOLUTIONS

Health systems integrating pharmacies

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>

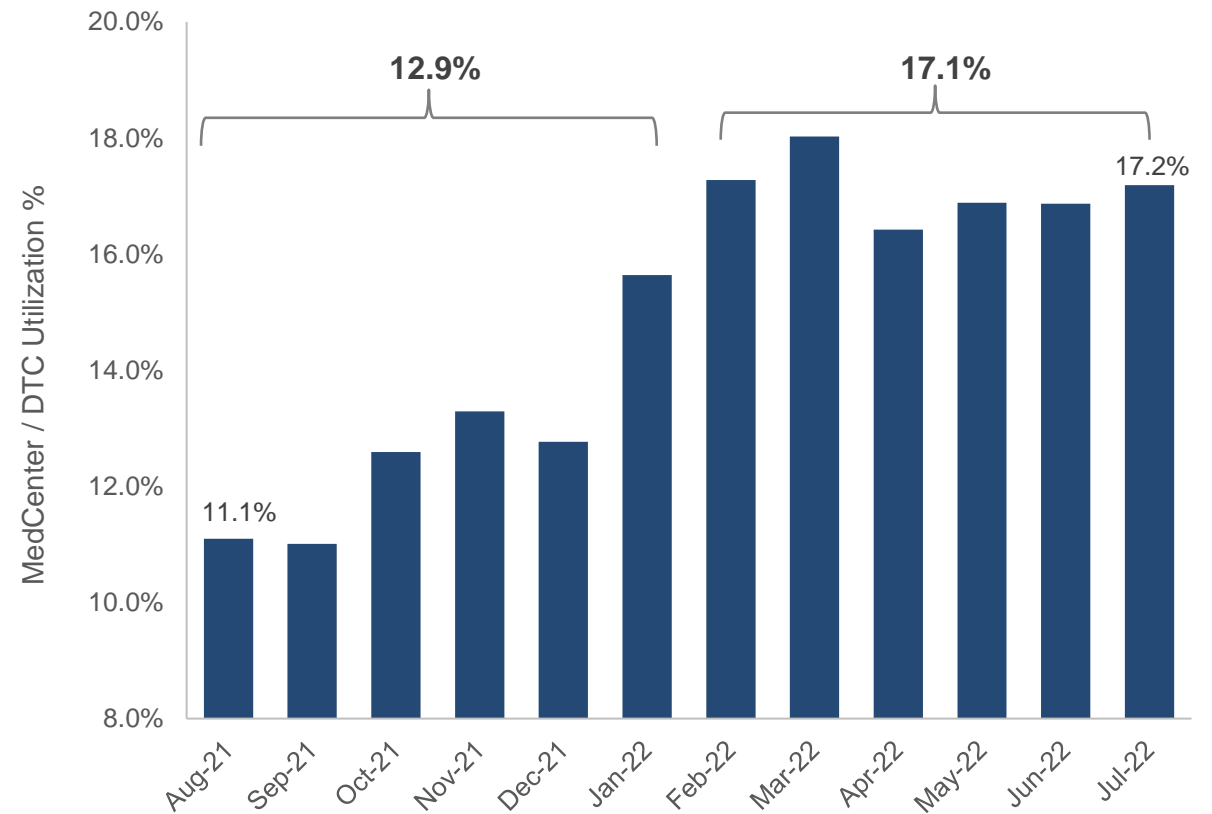
⁴ PDC is calculated based on the number of days supply a drug is dispensed for, divided by the number of days the prescription is in the patient's possession. For example, a 90-day supply of a drug refilled after 100 days (90 ÷ 100) yields a PDC Score of 85% (Proportion of Days Covered)

First Fills Facilitated by Increasing MedCenter Utilization



33% INCREASE in MedCenter Utilization

Utilization of the MedCenter increased from 12.9% from August '21 to January '22 to 17.1% for the 6 months ending July '22



Broadening Footprint with Strong Partnerships



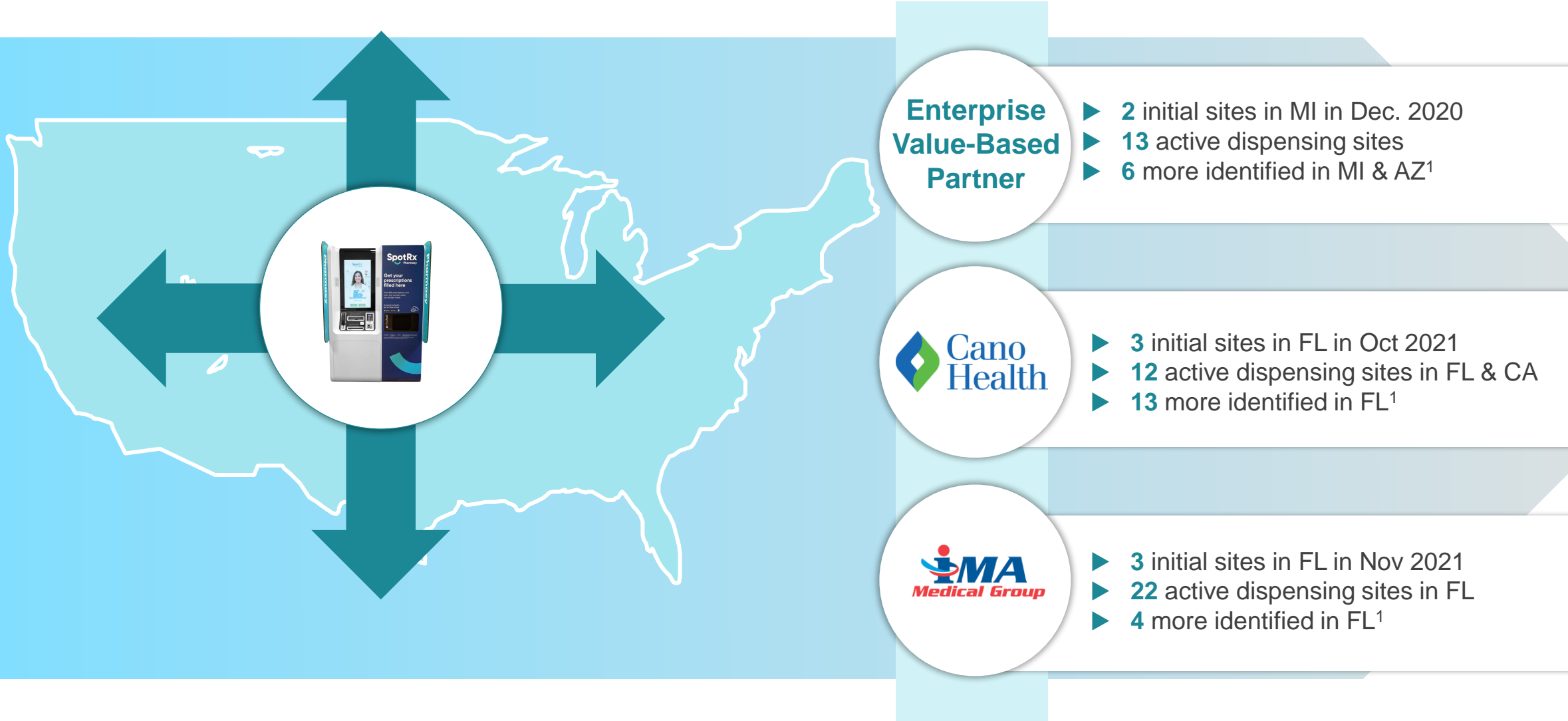
1 Simple to embed integrated pharmacy solution

2 Delivering high patient & provider satisfaction

3 Driving improved patient outcomes: adherence

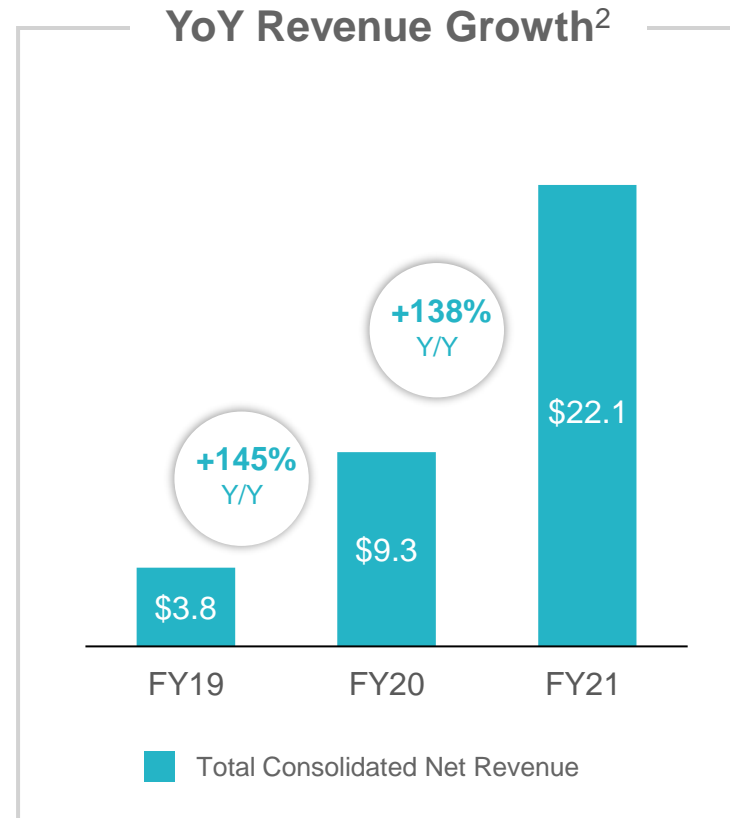
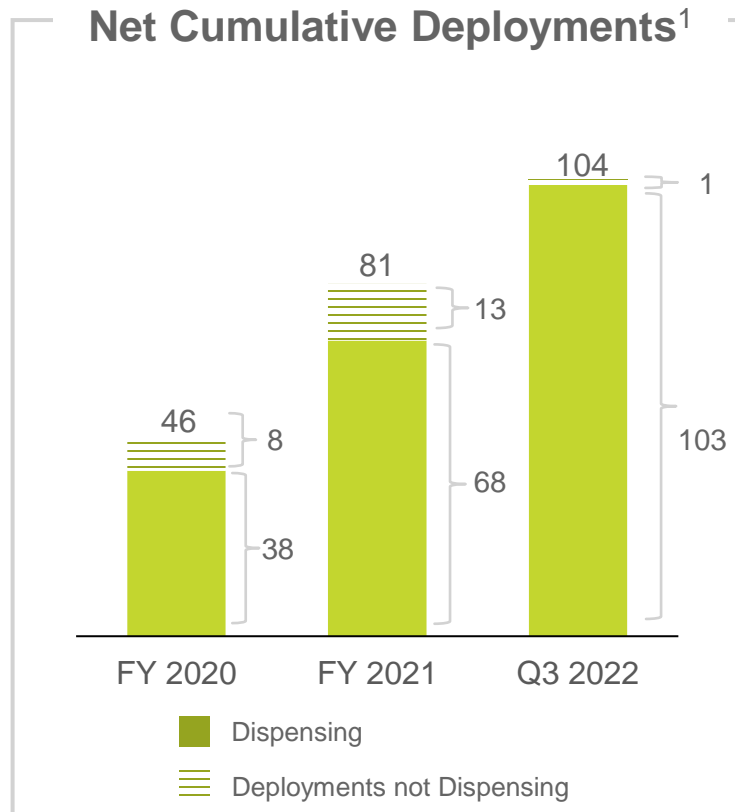
4 Leading to better clinic reimbursement

Expanding with Strategic Partners into New Clinics and Markets



¹ Identified signifies contracted or contracted plus deployed.

Deployment Momentum Drives Strong Revenue Growth



FY 2022 Outlook

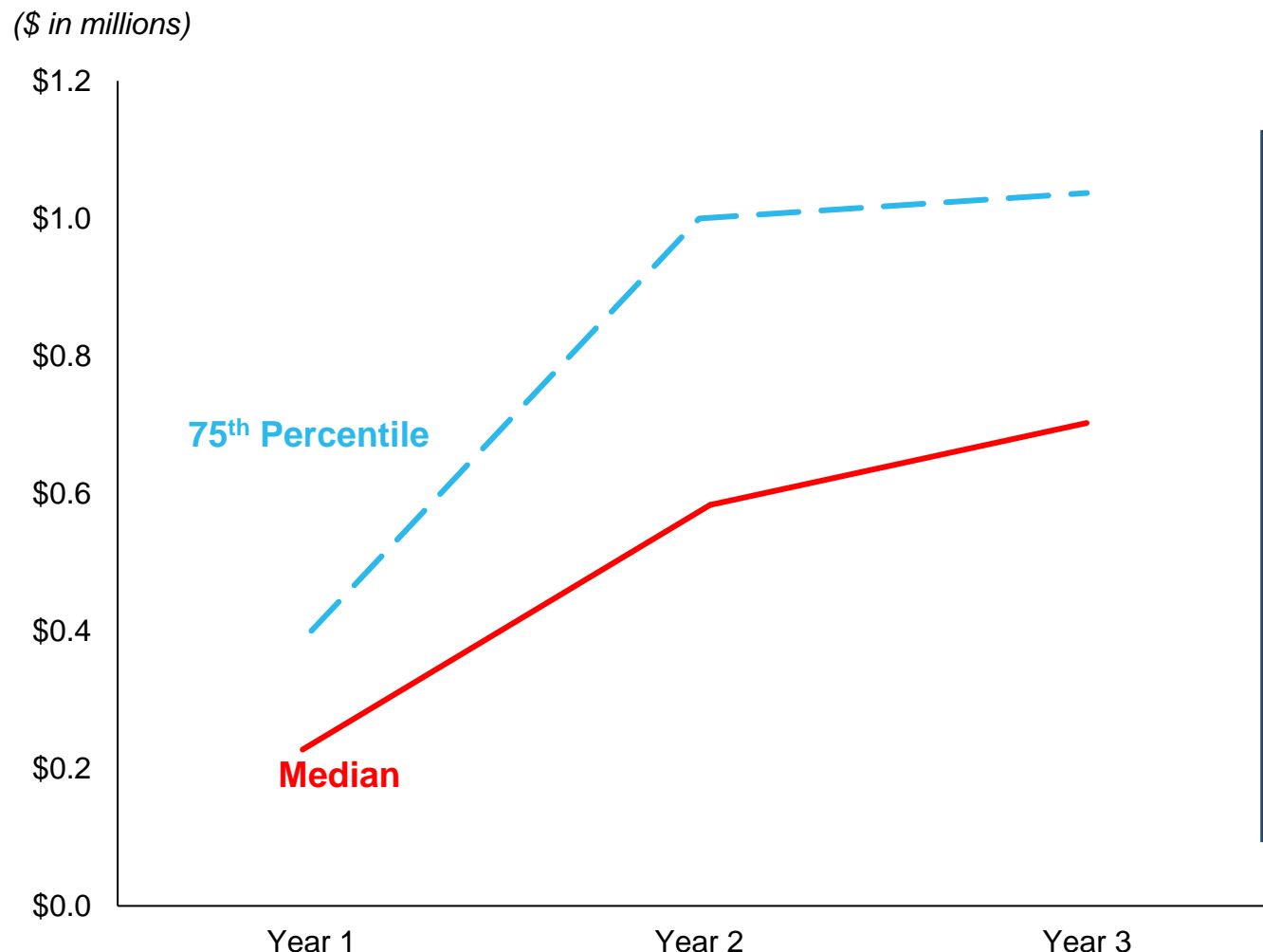
- 2022 full year total revenue to be at least \$42M
- Net New Dispensing Units: At least 40³

¹ Net cumulative deployments excludes decommissioned clinics, pilot and demo sites.

² Net revenue in 2020 excludes a non-recurring benefit recognized in conjunction with a commercial agreement from 2018.

³ Net Dispensing Units are defined as sites that are live, meaning that such sites have payer network acceptance, pharmacy board approvals and trained clinical staff or clinical account managers.

Historical Site Revenue Ramp



KEY DRIVERS IMPACTING REVENUE RAMP

Timing

- New or existing clinic
- New or existing market

Volume Drivers

- Clinic staffing
- Patient penetration rates

Average Sales Price Drivers

- Payer mix
- Prescription type (days supply, brand, generic, specialty)

Notes

1. Sites included have been dispensing for continuous 18 months or longer, total sites as of 12/31/21 is 13.
2. Revenue ramp rates based on historical actuals for at least 18 months. Sites with less than three years of actuals, used most recent two-month average straight-lined for remaining months.

Driving Targeted Key Milestones

Exceeded in Q3 2022

- **50%** Growth in dispensing MedCenters to over **100** in existing markets
- **20%** Reduction in quarterly cash burn
- **8-9%** Gross margin target by Q1 2023

Continued traction

- Planned **20%** reduction in quarterly cash burn by:
 - Gross margin expansion
 - Greater hub pharmacy utilization as clinics onboard and mature
 - Optimization of clinic and pharmacy labor
 - G&A leverage: existing team able to support increase in scale
- Targeting **mid-teens**¹ long-term gross margin
- Technology business segment building a pipeline for 2023², leveraging EPIC integration

¹ Target based on industry average (Drug Channels Institute, Adam Fine, 2021)

² Based on Second Quarter Earnings Call commentary on August 11, 2022

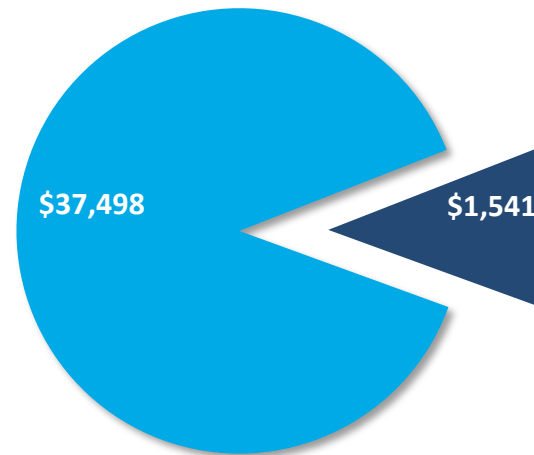
Complementary Deployment Models Drive Expansion

Pharmacy Revenue

- ✓ Full-service retail pharmacy platform where a centralized pharmacy supports and operates a network of MedCenters
- ✓ Revenue from prescription & OTC product dispensing out of MedCenter and delivered to patients' homes
- ✓ Segment focuses on the Medicare market (65+ year old) and at-risk providers



Segmented LTM Revenue¹ (USD in thousands)



Technology Revenue

- ✓ MedCenter kiosk and software & maintenance for customers that operate their own pharmacies
- ✓ Revenues comprise of initial lump sum payments upon integration and monthly payments for software & maintenance
- ✓ Customer branded and customized patient workflow utilizing integration with customer pharmacy management system



¹ For the twelve months ended September 30, 2022

Investment Highlights



Proprietary technology platform enables on-site pharmacy integral to medication adherence



Highly scalable hub & spoke model enables margin expansion & operating leverage



Large \$16B TAM in current states of operation with ~\$500M from ~700 clinics existing SpotRx partners



Near-term technology market expansion opportunities with pharmacy management integrations

Appendix

Supplemental Financial Information

Consolidated Statement of Operations (Unaudited)

<i>(In thousands)</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Revenue:							
Pharmacy and hardware revenue	\$ 3,781	\$ 4,725	\$ 5,659	\$ 6,954	\$ 9,014	\$ 10,930	\$ 11,266
Service revenue	246	305	133	326	100	254	195
Total revenue	4,027	5,030	5,792	7,280	9,114	11,184	11,461
Cost of products sold and services:							
Pharmacy and hardware cost of sales	3,526	4,679	5,539	7,562	8,563	10,151	10,113
Service cost of sales	181	178	67	80	50	115	56
Total cost of products sold and services	3,707	4,857	5,606	7,642	8,613	10,266	10,169
Operating Expense: (1)							
Pharmacy operations	2,593	3,085	3,750	4,068	3,929	3,648	4,392
General and administrative	5,676	5,737	5,320	5,544	6,535	6,100	6,087
Selling and marketing	1,534	1,613	1,909	2,148	2,313	2,307	2,126
Research and development	168	201	232	248	493	281	178
Merger expenses	-	-	-	-	-	-	-
Total operating expense	9,971	10,636	11,211	12,008	13,270	12,336	12,783
Operating loss	(9,651)	(10,463)	(11,025)	(12,370)	(12,769)	(11,418)	(11,491)
Other gain (loss), net	161	38	7	-	-	-	-
Interest income	40	27	7	5	1	-	-
Interest expense	(2)	(66)	(260)	(261)	(254)	(276)	(315)
Loss before income taxes	(9,452)	(10,464)	(11,271)	(12,626)	(13,022)	(11,694)	(11,806)
Income tax expense	-	-	(2)	-	-	(24)	-
Net loss	\$ (9,452)	\$ (10,464)	\$ (11,273)	\$ (12,626)	\$ (13,022)	\$ (11,718)	\$ (11,806)

(1) Certain operating expense activity was reclassified to be consistent with the presentation in Q4 2021. See comparative table that follows.

Supplemental Financial Information

Operating Expense Reclassifications (Unaudited)

(In thousands)	Q1 2021		
	Current Presentation	As Previously Reported	Change
Pharmacy operations	\$ 2,593	\$ 1,911	\$ 682
General and administrative	5,676	6,515	(839)
Selling and marketing	1,534	1,377	157
Research and development	168	168	-
	<u>\$ 9,971</u>	<u>\$ 9,971</u>	<u>\$ -</u>

(In thousands)	Q2 2021		
	Current Presentation	As Previously Reported	Change
Pharmacy operations	\$ 3,085	\$ 2,292	\$ 793
General and administrative	5,737	6,646	(909)
Selling and marketing	1,613	1,497	116
Research and development	201	201	-
	<u>\$ 10,636</u>	<u>\$ 10,636</u>	<u>\$ -</u>

(In thousands)	Q3 2021		
	Current Presentation	As Previously Reported	Change
Pharmacy operations	\$ 3,750	\$ 2,395	\$ 1,355
General and administrative	5,320	6,805	(1,485)
Selling and marketing	1,909	1,779	130
Research and development	232	232	-
	<u>\$ 11,211</u>	<u>\$ 11,211</u>	<u>\$ -</u>

Supplemental Financial Information

Revenue and Cost of Products Sold and Services (Unaudited)

	Q1 2021			Q2 2021			Q3 2021			Q4 2021		
	Retail Pharmacy Services	Pharmacy Technology	Total	Retail Pharmacy Services	Pharmacy Technology	Total	Retail Pharmacy Services	Pharmacy Technology	Total	Retail Pharmacy Services	Pharmacy Technology	Total
(In thousands)												
Revenue:												
Pharmacy and hardware revenue:												
Retail pharmacy revenue	\$ 3,418	\$ -	\$ 3,418	\$ 4,494	\$ -	\$ 4,494	\$ 5,445	\$ -	\$ 5,445	\$ 6,846	\$ -	\$ 6,846
Hardware (1)	-	241	241	-	123	123	-	106	106	-	-	-
Subscription	-	122	122	-	108	108	-	108	108	-	108	108
Total pharmacy and hardware revenue	3,418	363	3,781	4,494	231	4,725	5,445	214	5,659	6,846	108	6,954
Service revenue:												
Software integration (1)	-	-	-	-	-	-	-	-	-	-	-	-
Software	-	33	33	-	41	41	-	51	51	-	134	134
Maintenance and support	-	31	31	-	40	40	-	44	44	-	47	47
Installation	-	16	16	-	12	12	-	11	11	-	-	-
Professional services and other	-	166	166	-	212	212	-	27	27	-	145	145
Total service revenue	-	246	246	-	305	305	-	133	133	-	326	326
Total revenue	3,418	609	4,027	4,494	536	5,030	5,445	347	5,792	6,846	434	7,280
Cost of products sold and services	3,329	378	3,707	4,435	422	4,857	5,366	240	5,606	6,901	741	7,642
Segment gross profit (loss)	\$ 89	\$ 231	\$ 320	\$ 59	\$ 114	\$ 173	\$ 79	\$ 107	\$ 186	\$ (55)	\$ (307)	\$ (362)

Supplemental Financial Information

Revenue and Cost of Products Sold and Services (Unaudited)

	Q1 2022			Q2 2022			Q3 2022		
	Retail Pharmacy Services	Pharmacy Technology	Total	Retail Pharmacy Services	Pharmacy Technology	Total	Retail Pharmacy Services	Pharmacy Technology	Total
<i>(In thousands)</i>									
Revenue:									
Pharmacy and hardware Revenue:									
Retail pharmacy revenue	\$ 8,849	\$ -	\$ 8,849	\$ 10,641	\$ -	\$ 10,641	\$ 11,162	\$ -	\$ 11,162
Hardware	-	56	56	-	180	180	-	-	-
Subscription	-	109	109	-	109	109	-	104	104
Total pharmacy and hardware revenue	8,849	165	9,014	10,641	289	10,930	11,162	104	11,266
Service revenue:									
Software integration	-	-	-	-	-	-	-	-	-
Software	-	48	48	-	86	86	-	94	94
Maintenance and support	-	32	32	-	47	47	-	48	48
Installation	-	6	6	-	71	71	-	-	-
Professional services and other	-	14	14	-	50	50	-	53	53
Total service revenue	-	100	100	-	254	254	-	195	195
Total revenue	8,849	265	9,114	10,641	543	11,184	11,162	299	11,461
Cost of products sold and services	8,482	131	8,613	9,930	336	10,266	10,047	122	10,169
Segment gross profit (loss)	\$ 367	\$ 134	\$ 501	\$ 711	\$ 207	\$ 918	\$ 1,115	\$ 177	\$ 1,292

Supplemental Financial Information

Adjusted EBITDA – Non-GAAP Reconciliation (Unaudited)

<i>(In thousands)</i>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>
Net loss	\$ (9,452)	\$ (10,464)	\$ (11,273)	\$ (12,626)	\$ (13,022)	\$ (11,718)	\$ (11,806)
Adjustments to calculate EBITDA:							
Interest expense, net	(38)	39	253	256	253	276	315
Income tax expense	-	-	2	-	-	24	-
Depreciation and amortization	340	392	526	569	432	485	1,616
EBITDA	(9,150)	(10,033)	(10,492)	(11,801)	(12,337)	(10,933)	(9,875)
Adjustments as follows:							
Share-based compensation expense	260	323	365	257	564	612	565
Inventory adjustment	-	-	-	626	-	-	-
Adjusted EBITDA	<u>\$ (8,890)</u>	<u>\$ (9,710)</u>	<u>\$ (10,127)</u>	<u>\$ (10,918)</u>	<u>\$ (11,773)</u>	<u>\$ (10,321)</u>	<u>\$ (9,310)</u>

Supplemental Financial Information

Non-GAAP Measures

To supplement our 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, share-based compensation expense, and non-recurring inventory impairment charges.

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.