
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 19, 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	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 19, 2021, MedAvail Holdings, Inc. ("MedAvail" or the "Company") began using an investor presentation containing supplemental financial information for each quarter of 2020 and the first quarter of 2021.

The presentation is attached as Exhibit 99.1 to this Form 8-K and the information contained herein, including the presentation, 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.

Attached as Exhibit 99.1 to this Current Report on Form 8-K is an investor presentation that the Company may use in presentations to investors from time to time.

The investor presentation attached as Exhibit 99.1 to this Report includes "safe harbor" language pursuant to the Private Securities Litigation Reform Act of 1995, as amended, indicating that certain statements contained in the slide presentation are "forward looking" rather than historical.

The information included in this Item 7.01 and in Exhibit 99.1 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 any of the Exhibit.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	MedAvail Holdings, Inc. Investor Presentation

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 19, 2021

By:

/s/ Ed Kilroy

Ed Kilroy

Chief Executive Officer

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 10-Q filed May 17, 2021. 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.

Investment Highlights



\$16B TAM - Medicare Part D revenues across 7,000 clinics in six initial states



Track record of delivering higher medication adherence and 5 star ratings



Highly scalable hub & spoke model; low capital cost



Embedded pharmacy model delivers unique value proposition



Proprietary technology platform provides additional growth opportunities

MedAvail: Transforming Full Service Pharmacy

Legacy Pharmacy

Brick and mortar retail location

Proliferation of superfluous
non-pharma products

Pharmacy wait-times;
confusing mail order delivery

High capital (~\$500K)
and operating costs

No proactive data
sharing with care providers

LOCATION

FOCUS

SERVICE

COST

FEEDBACK/DATA

MedAvail

Embedded at
point-of-care

Therapeutics

High touch in-clinic
and delivery service

Low capital (~\$50K)
and operating costs

Medication adherence
data to providers

Better Health
OUTCOMES



Outstanding Patient
EXPERIENCE

MedAvail

*(Aguilar et al, 2015)

MedAvail – Our Business Model



Pharmacy

Telehealth Pharmacy Platform, Medicare Focused

- 80% of revenue¹
- 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 revenue¹
- Sell and license our technology to a select list of large enterprise customers
- Customers use their back-end pharmacy operations (pharmacists, inventory)

¹ Long-term target

Our Proprietary technology the MedCenter

6



Live audio-visual access to central pharmacy team. Meets all regulatory requirements to act as a full retail pharmacy



Capacity of ~ 1,000 packages, multiple shapes and sizes. Customized inventory to the specific clinic. Dispenses first fills and refills



Remote pharmacist in control of MedCenter, medication is dispensed upon command from pharmacist

MedAvail Technology Offers Pharmacy Efficiencies to Third Parties

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



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



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



- 16 sites deployed
- 350 points of care, 27 hospitals

SpotRx Achieves Scale Through Technology and Centralized Hubs



2 SPOTRX DEPLOYMENTS at Each Clinic Site

- ✓ Live A/V connection to Hub pharmacist
- ✓ Localized inventory replenishment
- ✓ Access to first fill and refills through on-site SpotRx MedCenter or home delivery
- ✓ On-site SpotRx account manager for patients and clinic staff
- ✓ Opportunities to drive adherence and satisfaction among clinic patients

Unique Pharmacy Model Results in Superior Medication Adherence and Satisfaction

SpotRx Pharmacy Model Provides Differentiated Value Proposition



On-site support with clinic account manager results in pharmacy as **part of care team and customer acquisition**



Customized medication inventory by clinic with on-site dispensing and access to pharmacy team via MedCenter **helps improve adherence**



Proactive adherence programs **driving 5 Star performance**



Multiple avenues to receive medication, including **free courier delivery**



Patient level data sharing and **reporting for providers**

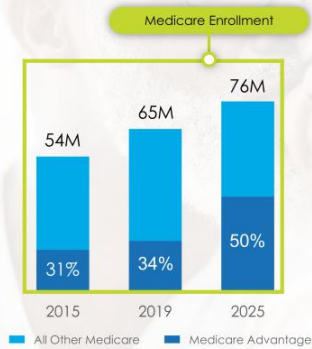
SpotRx Value Proposition Resonates with Executives & Physicians

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		

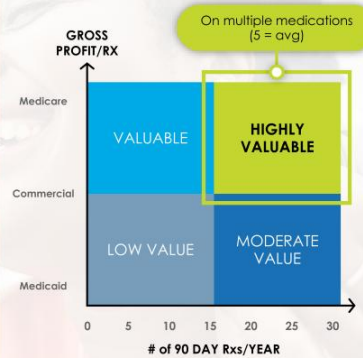
Source: L.E.K. interviews and analysis. * Importance varies somewhat by size / geographic reach of organization

Focused on High Value Patient Customer: Medicare Population

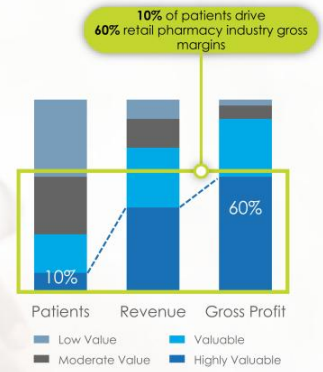
Large, Growing MARKET



Significant VALUE



Concentrated VALUE



Source: Kaiser Family Foundation; LEK Insights

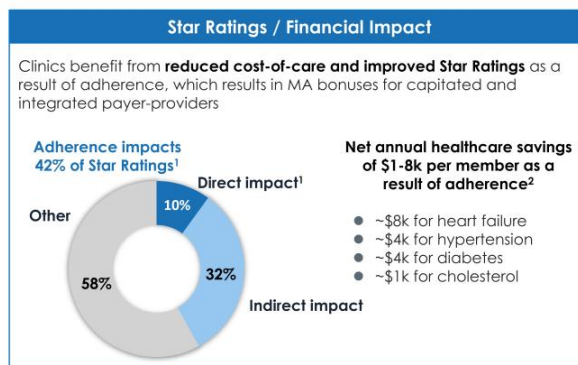
Medication adherence impact on Star rating and PMPY cost

"... 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



Behavioral health retail pharmacy

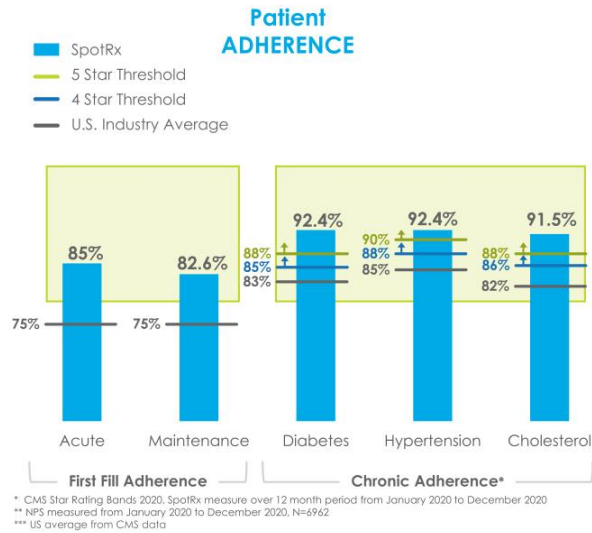
Source: L.E.K. interviews and analysis.

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

Patients **



"... 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

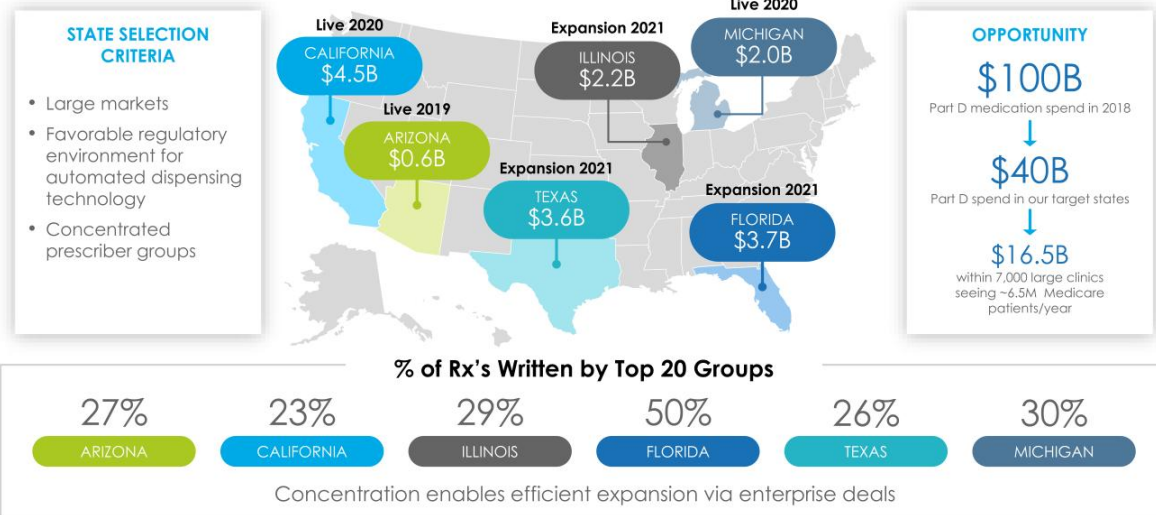
"... The feedback from customers is that they are so satisfied with the product and the level of service provided. Overall, we have had a really good experience ..."

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

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



Enterprise Focused Business Development Strategy



Business Development Process

Lead with large group
enterprise deals

multiple initial clinic
deployments/group

Expand within groups
and add groups

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 FY21 guidance based on first quarter earnings results announcement on May 12, 2021. Excluding one-time non-cash accounting entry for contract revenue recognized in 3Q20, full year 2020 revenue grew approximately 142% in full year 2020

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
CFO



Will Misloski
CMO



David Rawlins
CCO



Ryan Ferguson
CFO



ADVISOR



David Feinberg
Advisor



INVESTORS

Redmile Group



Walgreens



Adage Capital Management, L.P.

DEERFIELD

MedAvail

Appendix

Supplemental Financial Summary

Consolidated Statement of Operations (Unaudited)

<i>(In thousands)</i>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Sales:					
Pharmacy and hardware sales	\$ 1,402	\$ 2,259	\$ 3,926	\$ 3,009	\$ 3,781
Service sales (1)	10	52	3,219	91	246
Total sales	1,412	2,311	7,145	3,100	4,027
Cost of sales:					
Pharmacy and hardware cost of sales (1)	1,385	1,826	2,132	3,250	3,526
Service cost of sales	47	39	30	96	181
Total cost of sales	1,432	1,865	2,162	3,346	3,707
Gross profit	(20)	446	4,983	(246)	320
Pharmacy operations	1,089	1,116	1,450	2,032	1,911
General and administrative	3,500	3,572	3,464	6,026	6,515
Selling and marketing	703	570	624	1,146	1,377
Research and development	215	163	154	150	168
Merger expenses	-	1,283	1,324	2,084	-
Operating loss	(5,527)	(6,258)	(2,033)	(11,684)	(9,651)
Other gain (loss), net	8	(8)	-	(110)	161
Interest income	8	7	2	26	40
Interest expense	(179)	(277)	(457)	(328)	(2)
Loss before income taxes	(5,690)	(6,536)	(2,488)	(12,096)	(9,452)
Income tax	-	-	-	-	-
Net loss	\$ (5,690)	\$ (6,536)	\$ (2,488)	\$ (12,096)	\$ (9,452)

(1) Includes aggregate one-time contract revenue of \$4.7 million recognized in Q3 2020.

Supplemental Financial Summary

Sales and Cost of Sales by Segment (Unaudited)

(in thousands)	Q1 2020			Q2 2020			Q3 2020			Q4 2020			Q1 2021		
	Pharmacy Services	Pharmacy Technology	Total	Pharmacy Services	Pharmacy Technology	Total	Pharmacy Services	Pharmacy Technology	Total	Pharmacy Services	Pharmacy Technology	Total	Pharmacy Services	Pharmacy Technology	Total
Sales:															
Pharmacy and hardware sales:															
Retail pharmacy revenue	\$ 1,297	\$ -	\$ 1,297	\$ 1,713	\$ -	\$ 1,713	\$ 2,186	\$ -	\$ 2,186	\$ 2,532	\$ -	\$ 2,532	\$ 3,418	\$ -	\$ 3,418
Hardware (1)	-	-	-	-	422	422	-	1,626	1,626	-	353	353	-	241	241
Subscription revenue	-	105	105	-	124	124	-	114	114	-	124	124	-	122	122
Total pharmacy and hardware sales	1,297	105	1,402	1,713	546	2,259	2,186	1,740	3,926	2,532	477	3,009	3,418	363	3,781
Service sales:															
Software integration (1)	-	-	-	-	-	-	-	3,168	3,168	-	-	-	-	-	-
Software	-	-	-	-	10	10	-	14	14	-	20	20	-	33	33
Maintenance and support	-	10	10	-	13	13	-	17	17	-	18	18	-	31	31
Installation	-	-	-	-	28	28	-	-	-	-	27	27	-	16	16
Professional services and other	-	-	-	-	1	1	-	20	20	-	26	26	-	166	166
Total service sales	-	10	10	-	52	52	-	3,219	3,219	-	91	91	-	246	246
Total sales	1,297	115	1,412	1,713	598	2,311	2,186	4,959	7,145	2,532	568	3,100	3,418	609	4,027
Cost of sales	1,338	94	1,432	1,679	186	1,865	2,042	120	2,162	2,685	661	3,346	3,329	378	3,707
Gross profit (loss)	\$ (41)	\$ 21	\$ (20)	\$ 34	\$ 412	\$ 446	\$ 144	\$ 4,839	\$ 4,983	\$ (153)	\$ (93)	\$ (246)	\$ 89	\$ 231	\$ 320

(1) Includes aggregate one-time contract revenue of \$4.7 million recognized in Q3 2020.

Supplemental Financial Summary

Adjusted EBITDA – Non-GAAP Reconciliation (Unaudited)

<i>(In thousands)</i>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2020
Net loss	\$ (5,690)	\$ (6,536)	\$ (2,488)	\$ (12,096)	\$ (9,452)
Adjustments to calculate EBITDA:					
Interest expense, net	171	270	455	302	(38)
Income tax	-	-	-	-	-
Depreciation and amortization	243	285	286	298	340
EBITDA	(5,276)	(5,981)	(1,747)	(11,496)	(9,150)
Adjustments as follows:					
Bad debt & service fees	-	-	-	75	-
Share-based compensation expense	84	86	65	145	260
Merger related expense	-	1,283	1,324	2,084	-
Other (income) loss, net	(8)	8	-	110	(161)
Inventory impairment charges	-	-	-	352	-
One-time contract revenue (1)	-	-	(4,729)	-	-
Adjusted EBITDA	\$ (5,200)	\$ (4,604)	\$ (5,087)	\$ (8,730)	\$ (9,051)

(1) One-time contract revenue of \$4.7 million recognized in Q3 2020.

Supplemental Financial Summary

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, and as further adjusted for bad debt and service fees, share-based compensation expense, merger related expenses, other (income) loss, net, non-recurring inventory impairment charges, and one-time contract revenue.

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.

