

**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): April 13, 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 April 13th, 2023, MedAvail Holdings, Inc. ("MedAvail" or the "Company") issued a press release regarding its financial and operational results for the year and three months ended December 31st, 2022. 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 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 April 13th, 2023, MedAvail hosted a conference call and webcast to discuss the Company's financial and operational results for the year and three months ended December 31st, 2022.

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 April 13, 2023.

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 the Exhibit 99.1.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	MedAvail Holdings, Inc. Press Release dated April 13, 2023
99.2	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: April 13, 2023

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

MedAvail Reports Fourth Quarter and Full-Year 2022 Financial Results

PHOENIX, Ariz. GlobeNewswire – April 13, 2023 – MedAvail Holdings, Inc. (Nasdaq: MDVL) (“MedAvail”), an innovative pharmacy technology company, today reported financial results for the three months and full-year ended December 31, 2022.

“Since assuming the role of CEO in January 2022, I have been impressed by the many growth opportunities addressable by both our pharmacy services and pharmacy technology solutions,” said Mark Doerr, Chief Executive Officer of MedAvail. “However, I believe it is in the best interest of our company to balance topline growth with an alternative path that targets accelerated profitability. As such, we made the difficult decision earlier this year to restructure and sell a majority of our SpotRx pharmacy services assets to CVS. This action will reduce our operating expense run rate by \$35 million to \$37 million this year, and our annual cash usage by approximately 65%.”

“As we progress through 2023, we will be focused exclusively on our MedCenter pharmacy technology business as a lean and nimble organization capable of responding quickly to new opportunities as they emerge, primarily within the primary care and urgent care channels where we currently have a majority of our dispensing MedCenters. Longer term, we see opportunities in additional channels and states where we think automated prescription dispensing can play an important role in the future pharmacy landscape.”

“With our recently completed financing, we have a strengthened balance sheet that we believe will support our pharmacy technology growth initiatives, intended to allow us to progress toward profitability without the need for an additional equity capital raise. I am optimistic for what we can achieve as a company this year, and I believe we have created a foundation from which to drive strong, profitable growth over the long-term, to the benefit of our partners, patients and shareholders.”

Recent Highlights

- Completed a successful \$16 million private placement in March 2023.
- Announced a strategic restructuring which included the sale of certain assets of the company’s SpotRx pharmacy services business to CVS.
- Post the restructuring, the company currently operates 32 net cumulative dispensing MedCenters in our continuing technology focused business.

Fourth Quarter and Full-year 2022 Highlights

- Full year revenue exceeded \$43 million, approximately a 95% increase over 2022.
- Achieved a significant milestone with the successful completion of the Epic Willow integration and the availability of the MedCenter platform in the Epic App Orchard Gallery.
- Completed a successful \$50 million private placement by July 2022.
- Completed a rewrite of the MedDispense software intended to enable greater flexibility and faster deployment of MedCenters.

Financial Outlook

MedAvail expects stand-alone technology revenue for 2023 to be approximately \$3 million, which would represent greater than 100% growth over 2022 stand-alone technology revenue of \$1.4 million (excluding revenue attributed to SpotRx).

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

In addition, the company expects to place an additional 25 net new dispensing MedCenters, 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, April 13, 2023, to discuss its fourth quarter and full-year 2022 financial results. The conference call can be accessed live by dialing (877) 704-4453 for domestic callers or (201) 389-0920 for international callers and referring to Conference ID: 13737951. 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.

Non-GAAP Financial Measures

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

Forward Looking Statements

Certain statements included in this press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "predict," "potential," "seem," "seek," "future," "outlook," "project," and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding MedAvail's business strategy and market opportunity; preliminary estimates of selected financial results, potential future revenue and cost savings projections and expectations for growth and profitability; restructuring and reorganization targets, customer demand and expansion plans; margin, utilization and cost reduction improvements; customer partnerships and potential financing transactions. These statements are based on various assumptions, whether or not identified in this press release, and on the current

expectations of MedAvail's management and are not predictions of actual performance. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including but not limited to our ability to successfully achieve the benefits of a pharmacy technology only business and the efficiencies related to a restructuring and reorganization, and risks relating to our ability to successfully consummate potential strategic, financing and restructuring transactions, as well as 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 ("SEC") in the future. Any preliminary estimates regarding selected 2022 financial results are further subject to the completion of management's and the audit committee's final reviews and MedAvail's other financial closing procedures and are therefore subject to change. You should not place undue reliance on such preliminary information and estimates because they may prove to be materially inaccurate. While we believe that such preliminary information and estimates are based on reasonable assumptions, actual results may vary, and such variations may be material. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. These forward-looking statements speak only as of the date hereof and MedAvail specifically disclaims any obligation to update these forward-looking statements.

Contacts:**Investor Relations**

Investor Relations

Steven Halper/Caroline Paul

Managing Directors, LifeSci Advisors

ir@medavail.com

SOURCE MedAvail Holdings, Inc.

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

	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Revenue:				
Pharmacy and hardware revenue	\$ 11,258	\$ 6,954	\$ 42,468	\$ 21,119
Service revenue	92	326	641	1,010
Total revenue	11,350	7,280	43,109	22,129
Cost of products sold and services:				
Pharmacy and hardware cost of products sold	11,432	7,562	40,259	21,306
Service costs	44	80	265	506
Total cost of products sold and services	11,476	7,642	40,524	21,812
Operating expense:				
Pharmacy operations	3,937	4,068	15,907	13,496
General and administrative	4,770	5,544	23,499	22,277
Selling and marketing	1,748	2,148	8,486	7,204
Research and development	163	248	1,115	849
Total operating expense	10,618	12,008	49,007	43,826
Operating loss	(10,744)	(12,370)	(46,422)	(43,509)
Other gain (loss), net	—	—	—	206
Interest income	1	5	2	79
Interest expense	(327)	(261)	(1,172)	(589)
Loss before income taxes	(11,070)	(12,626)	(47,592)	(43,813)
Income tax expense	—	—	(24)	(2)
Net loss and comprehensive loss	\$ (11,070)	\$ (12,626)	\$ (47,616)	\$ (43,815)
Net loss per share - basic and diluted	\$ (0.14)	\$ (0.38)	\$ (0.72)	\$ (1.34)
Weighted average shares outstanding - basic and diluted	80,105,540	32,851,997	65,776,384	32,656,325

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

	December 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,444	\$ 19,689
Restricted cash	676	400
Accounts receivable (net of allowance for doubtful accounts of \$239 thousand for 2022 and \$66 thousand for 2021)	2,209	1,189
Inventories	6,937	3,916
Prepaid expenses and other current assets	2,663	2,191
Total current assets	23,929	27,385
Property, plant and equipment, net	6,455	5,692
Intangible assets, net	465	2,300
Right-of-use assets	2,085	2,538
Other assets	198	228
Total assets	<u>\$ 33,132</u>	<u>\$ 38,143</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,675	\$ 2,477
Accrued liabilities	1,193	1,530
Accrued payroll and benefits	2,213	2,733
Deferred revenue	152	83
Current portion of lease obligations	708	682
Total current liabilities	5,941	7,505
Long-term debt, net	4,798	9,538
Long-term portion of lease obligations	1,569	2,027
Total liabilities	12,308	19,070
Commitments and contingencies		
Stockholders' equity:		
Common shares (\$0.001 par value, 300,000,000 and 100,000,000 shares authorized, 81,169,719 and 32,902,048 shares issued and outstanding at December 31, 2022 and 2021, respectively)	81	33
Warrants	11,148	1,373
Additional paid-in-capital	256,229	216,685
Accumulated other comprehensive loss	(6,928)	(6,928)
Accumulated deficit	(239,706)	(192,090)
Total shareholders' equity	20,824	19,073
Total liabilities and shareholders' equity	<u>\$ 33,132</u>	<u>\$ 38,143</u>

MEDAVAIL HOLDINGS, INC.
Supplemental Financial Information - Segments
(in thousands)
(Unaudited)

	Retail Pharmacy Services	Pharmacy Technology	Total
Three Months Ended December 31, 2022			
Revenue:			
Pharmacy and hardware revenue:			
Retail pharmacy revenue	\$ 11,095	\$ —	\$ 11,095
Hardware	—	61	61
Subscription	—	102	102
Total pharmacy and hardware revenue	11,095	163	11,258
Service revenue:			
Software integration	—	—	—
Software	—	(17)	(17)
Maintenance and support	—	43	43
Installation	—	55	55
Professional services and other	—	11	11
Total service revenue	—	92	92
Total revenue	11,095	255	11,350
Cost of products sold and services	11,343	133	11,476
Segment gross profit	\$ (248)	\$ 122	\$ (126)

	Retail Pharmacy Services	Pharmacy Technology	Total
Three Months Ended December 31, 2021			
Revenue:			
Pharmacy and hardware revenue:			
Retail pharmacy revenue	\$ 6,846	\$ —	\$ 6,846
Hardware	—	—	—
Subscription	—	108	108
Total pharmacy and hardware revenue	6,846	108	6,954
Service revenue:			
Software integration	—	—	—
Software	—	134	134
Maintenance and support	—	47	47
Installation	—	—	—
Professional services and other	—	145	145
Total service revenue	—	326	326
Total revenue	6,846	434	7,280
Cost of products sold and services	6,901	741	7,642
Segment gross profit	\$ (55)	\$ (307)	\$ (362)

MEDAVAIL HOLDINGS, INC.
Supplemental Financial Information - Segments
(in thousands)
(Unaudited)

	Retail Pharmacy Services	Pharmacy Technology	Total
Year Ended December 31, 2022			
Revenue:			
Pharmacy and hardware revenue:			
Retail pharmacy revenue	\$ 41,747	\$ —	\$ 41,747
Hardware	—	297	297
Subscription	—	424	424
Total pharmacy and hardware revenue	41,747	721	42,468
Service revenue:			
Software	—	210	210
Maintenance and support	—	170	170
Installation	—	132	132
Professional services and other	—	129	129
Total service revenue	—	641	641
Total revenue	41,747	1,362	43,109
Cost of products sold and services	39,803	721	40,524
Segment gross profit	\$ 1,944	\$ 641	\$ 2,585

	Retail Pharmacy Services	Pharmacy Technology	Total
Year Ended December 31, 2021			
Revenue:			
Pharmacy and hardware revenue:			
Retail pharmacy revenue	\$ 20,203	\$ —	\$ 20,203
Hardware	—	470	470
Subscription	—	446	446
Total pharmacy and hardware revenue	20,203	916	21,119
Service revenue:			
Software	—	259	259
Maintenance and support	—	161	161
Installation	—	39	39
Professional services and other	—	551	551
Total service revenue	—	1,010	1,010
Total revenue	20,203	1,926	22,129
Cost of products sold and services	20,031	1,781	21,812
Segment gross profit	\$ 172	\$ 145	\$ 317

Non-GAAP Financial Measures

To supplement our consolidated condensed 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 non-recurring revenue from 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. 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 December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Net loss	\$ (11,070)	\$ (12,626)	\$ (47,616)	\$ (43,815)
Adjustments to calculate EBITDA:				
Interest income	(1)	(5)	(2)	(79)
Interest expense	327	261	1,172	589
Income tax expense	—	—	24	2
Depreciation and amortization ⁽¹⁾	1,465	569	3,998	1,827
EBITDA	\$ (9,279)	\$ (11,801)	\$ (42,424)	\$ (41,476)
Adjustments as follows:				
Inventory cost adjustment	—	626	—	626
Share-based compensation expense	555	257	2,296	1,205
Adjusted EBITDA	\$ (8,724)	\$ (10,918)	\$ (40,128)	\$ (39,645)

⁽¹⁾ Excludes \$158 thousand and \$203 thousand in operating lease amortization for the three months ended December 31, 2022, and 2021, respectively. Excludes \$657 thousand and \$750 thousand in operating lease amortization for the years ended December 31, 2022, and 2021, respectively.



MedAvail®

Transforming Today's Pharmacy

Investor Presentation | April 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



Patient prescribed an Rx at a clinic
Rx is transmitted to a retail
pharmacy



Patient must drive to a retail pharmacy
to have the Rx filled
Many patients do not have access to
reliable transportation



Shortage of pharmacists/
pharmacy techs causes:
Long wait times (avg. 30 minutes)
Limited pharmacy hours

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

Our Solution: The MedCenter Kiosk

Confers meaningful benefits to multiple stakeholders



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

Evolving. Innovative. Automated Pharmacy.

Remote Dispensing – New Prescriptions

Works with your current workflow, pharmacy system, and pharmacy staff to fill new and refill prescriptions.

Automated Will Call – Refill Prescriptions

Improve access and patient satisfaction by extending your reach both in hours and locations. Pick up location for both patients & employees. Great for rural locations.

Telepharmacy – Telehealth & Counseling

The MedCenter provides private, confidential, real-time patient interactions via a robust audio/video link.



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%¹

One Time
\$65,000²

**Medcenter hardware,
implementation and integration**

Recurring
\$25,000/year

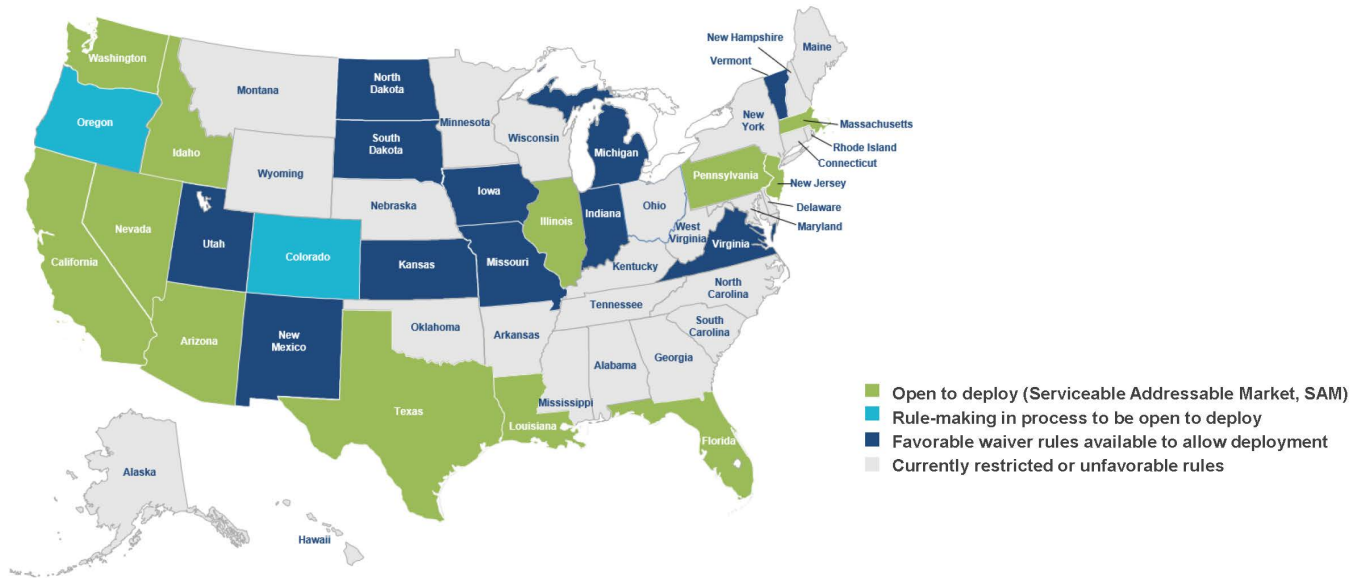
**Kiosk maintenance contract and
software license**



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)
Total Addressable Market			
Sites	12,565	39,817	52,382
MedCenter Technology	\$817	\$2,588	\$3,405
Maintenance / license	\$314	\$995	\$1,309
Total	\$1,131¹	\$3,583²	\$4,714
Serviceable Addressable Market			
Sites	5,963	14,364	20,327
MedCenter technology	\$388	\$934	\$1,322
Maintenance / license	\$149	\$359	\$508
Total	\$537³	\$1,293⁴	\$1,830

** 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 | ✓ Significant reduction in OpEx and cash burn; improved margin profile |
| ✓ Exclusive focus on pharmacy technology business going forward | ✓ Addressing significant unmet needs in today's pharmacy industry |

2023 Guidance

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

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

¹ Net new dispensing MedCenters: Units recorded after completion of shipment and training such that the MedCenter is ready to dispense and generating revenue for MedAvail, which were not previously included in Cumulative Net Dispensing MedCenters.

² Cumulative net dispensing MedCenters: Cumulative units recorded after completion of shipment and training such that the MedCenter is ready to dispense and generating revenue for MedAvail, but excluding decommissioned units and demo units.

Investment Highlights

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



MedAvail[®]

Thank You

www.medavail.com

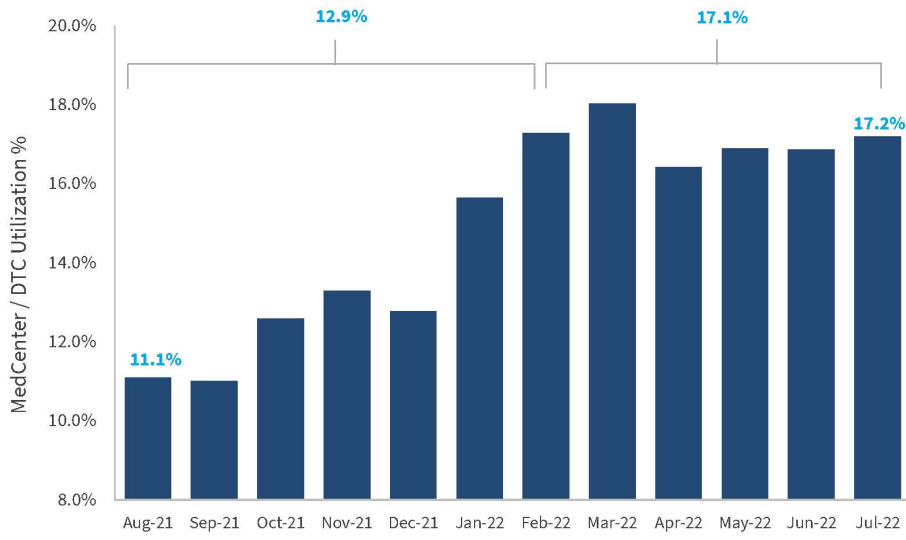
ir@medavail.com

NASDAQ: MDVL

Appendix

First Rx Fills Facilitated by the MedCenter

33% increase in MedCenter adoption over time¹



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

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

Medication Adherence Impact on Star Rating & Reimbursement

EMBEDDED PHARMACY OPPORTUNITY

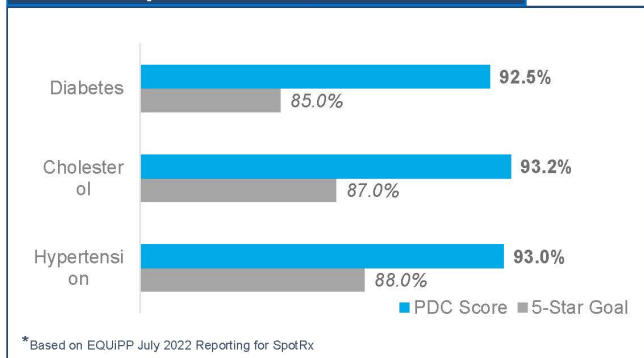
Potential for Improved Outcomes

- **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



Large, vertically-integrated players embracing embedded pharmacy



Embedded physical pharmacies



Retail pharmacies in medical office buildings



OPTUM[®] Acquires **genOa** healthcare[®]

Behavioral health retail pharmacy



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.aime.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)