To our shareholders:

LifeMD has passed many milestones in the past year. As of November 10, we have served more than 300,000 patients, seen 127% revenue growth, and expanded our market position and offerings despite an intensely competitive landscape. We are on track to meet our revenue guidance of $90-$100 million this year, and as previously communicated expect our business to reach adjusted EBITDA profitability by the end of 2022.

As proud as we are of these accomplishments, they have positioned us for an even greater year in 2022. That is why I am truly excited about our next step – the launch of LifeMD’s virtual care platform – in what amounts to a quantum leap not just for our company but for the healthcare system in the United States.

Healthcare in the U.S. is irretrievably broken. Patients wait months for doctors’ appointments, spend hours in waiting rooms, and worry about being able to pay their medical bills. We have a chronic shortage of physicians. Telehealth, which came into its own during the Covid-19 pandemic, shows the path forward. And LifeMD’s virtual primary care platform addresses this full-blown crisis – while offering a solution.

This virtual care platform is transformational, combining best-in-class technology with top-quality doctors and physicians across all 50 states in one seamless offering. Its launch goes to the heart of our mission – to empower people to live healthier lives by making healthcare honest, accessible and affordable.

If the last two years have taught us anything, they have taught us that too many people in this country lack access to healthcare and feel disconnected from the health care system. Our vision for direct-to-patient telehealth entails making it easier for people to have access to high-quality doctors.

This step will usher in what is sure to be our next major stage of growth as a company. Patients get a primary care physician and an exceptional, end-to-end telehealth experience. This includes consultations, prescriptions and prescription delivery in a highly personalized healthcare package that is tailored to the individual patient.

It’s All About the Long Term

We believe a fundamental measure of our success will be the shareholder value we create over the long term. The launch of our virtual care platform positions us to create that upside – and then some.

Today’s primary care market is about $300 billion. Less than one percent of that comes from telehealth. Does anyone really think that number will remain at one percent? Healthcare is one of the last major economic sectors not to have been digitized. Remember Blockbuster Video stores? Ask the folks at Netflix and Hulu if they remember. Remember Toys R Us and the corner bookstore? Ask the folks at Amazon if they remember.

As in those industries and in many others, healthcare has gross structural inefficiencies that can be addressed and rectified via technology. We can help patients – and the system as a whole – wean away from trips to Urgent Care or the ER. We can help patients who wait months for doctor’s appointments find a doctor immediately. We can tap this essentially untapped $300 billion market.
We can do it because we are already here. We are experienced in telehealth and have been investing in and iterating on our platform for four years. For the last nine months, we have spent millions of dollars and hundreds of hours of labor and deep market study to develop our technology and platform.

The pressure will be on us to execute. But if we execute well, we can become the next case study in which technological innovation fully disrupted an entire industry.

**Focus on Patients**

Through our virtual care platform, patients will create long-term relationships with their primary care physicians, resulting in greater patient satisfaction.

Moreover, our platform will weave in our offering of discounted prescriptions conveniently delivered to the patient's home and discounted diagnostics that can be collected in the patient's home in most major metro areas. Finally, we are working on incorporating other in-home tools and continuous monitoring devices that will truly revolutionize the relationships our patients have with their doctors.

All of these steps are geared toward one objective: Creating better health outcomes for patients.

**By any measure, we have come a long way**

In the quarter just ended, we achieved record revenue and began to achieve operating and marketing expense leverage ahead of our expectations, resulting in a 24% sequential improvement in Adjusted EBITDA compared to the prior quarter. We also successfully closed the largest financing in company history, raising $55 million of net proceeds led by a Preferred Stock offering supplemented by an institutionally-led Common Stock offering.

In the wake of this financing, LifeMD is sufficiently capitalized to support both investment in our aggressive growth objectives and attaining Adjusted EBITDA profitability. Revenue in the third quarter of 2021 reached a record $24.9 million, up 127% compared to the same quarter a year ago. Fully 93% of total revenues in the third quarter came from recurring subscriptions, compared to 61% in the same year-ago period.

Telehealth net revenues grew more than 97% to $18.5 million and 17% sequentially versus the prior quarter. Telehealth order volume grew 153% versus the year-ago period to 232,293 orders.

Our LegalSimpli subsidiary contributed net revenue of $6.4 million, up 309% from the year-ago quarter. I remain extremely confident that we'll be able to continue growing aggressively while achieving our goal of achieving Adjusted EBITDA break-even by the fourth quarter of 2022.

When you couple these milestones with infrastructure advances like our strategic partnerships with industry leaders in diagnostics, pharmacy, and medical services — you begin to see what an important year we’ve had. We have also deepened our talent pool, adding 155 employees and 18 medical staff. On our board of directors, we have added Naveen Bhatia, a highly accomplished investor and private equity professional who has had an extensive career in the investing world, most notably with ten years of experience as a senior member of Blackstone’s Tactical Opportunities team.
Outlook for 2022

Going forward, we will have to wage a battle for the mindshare of our customers. Until now, we’ve focused on lifestyle concerns, such as ED, hair loss, and skin care, which are all great businesses with strong unit economics. They should be seen as a case study for what we can do in direct-to-consumer healthcare. We’ve already crushed it in incredibly competitive markets, with much less capital than our competitors. And now, LifeMD is evolving and growing.

We now have a platform that allows us to go after the entire U.S. healthcare system. It’s been a very busy fall, and there’s more exciting news on the way. We’ve been working on some significant new partnerships in the pharma and technology sectors. We plan to hold an investor day early in the new year to showcase our technology platform, introduce the leaders of our physician team and of our partner companies, and much, much more.

So stay tuned. We are just getting started, and 2022 is looking to be our greatest year yet.

To better healthcare,

Justin Schreiber,
Chairman & Chief Executive Officer

Stefan Galluppi,
Chief Technology Officer
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