

## APPENDIX 1

**Redwood Scientific.** “[N]umerous LFMD insiders were intimately involved in varying aspects of Redwood [Scientific]’s ‘wide-ranging fraud.’” Compl. ¶43; Report at 2. “Life MD CEO Justin Schreiber . . . was a significant shareholder [in Redwood Scientific].” *Id.* “CFO Juan Manual Pinero Dagnery and former CFO Robert Kalkstein were also significant Redwood shareholders.” *Id.* “LifeMD executives have not disclosed their involvement in material fraud, namely in Redwood Scientific, prior to joining LifeMD.” Compl. ¶43; Report at 3. “Apparently, unbeknownst to LifeMD investors, at least 4 current and past LifeMD executives were intricately involved in Redwood.” Compl. ¶43; Report at 4. “LifeMD’s corporate presentation . . . omits Schreiber and Galluppi’s involvement in the Redwood Scientific Fraud.” *Id.* “LifeMD Practices Mirror the Redwood Scientific Fraud” Compl. ¶44; Report at 5.

**Unlicensed Doctors.** LifeMD could be “liable as an instrument to felony distribution of controlled substances.” Compl. ¶43; Report at 2. “LifeMD appears to use unlicensed doctors to dispense OTC medications.” *Id.* “LifeMD now apparently sells OTC ED pills relying on unlicensed doctors.” Compl. ¶43; Report at 3. “This suggests, in our view, that LifeMD is either willfully ignorant of its doctors, or complicit in felonious acts.” Compl. ¶43; Report at 7.

**Insider Transactions.** “LifeMD paid CEO Schreiber 900,000 shares in 2019—an exorbitant sum—merely for credit card processing services.” Compl. ¶43; Report at 3. “[I]nsiders have enriched themselves via related-party transactions.” Compl. ¶43; Report at 15. “That said, this torrential cash burn hasn’t stopped LFMD insiders from using the Company as a personal piggy bank.” Compl. ¶44; Report at 2. “[I]nsiders have collected healthy paychecks” and “insider enrichment concerns us, given Schreiber’s propensity to participate in stock promotion schemes in which common shareholders are left holding the bag.” Compl. ¶44; Report at 15. “At LifeMD, Insiders Win While Common Shareholders Lose.” *Id.*

**Cover-Up & Lies.** “Importantly, LifeMD executives—including CEO Justin Schreiber, CTO Stefan Galluppi, and the Company’s two former CFOs—have apparently covered up their involved [sic] in Redwood Scientific’s ‘wide ranging fraud,’ which we think LifeMD now mirrors.” Compl. ¶44; Report at 2. “LifeMD Executives Omit ‘Wide Ranging’ Redwood Scientific Fraud from Their Resumes.” Compl. ¶44; Report at 3. “However, in the Company’s 2017 Form 10-K, the Company has removed all references to Redwood, suggesting, in our view, a cover-up attempt.” Compl. ¶44; Report at 5. “In light of the Company’s apparent cover-up of involvement in the ‘wide-ranging fraud’ at Redwood (per the FTC), we are particularly concerned by LifeMD practices which we think mirror those at Redwood.” *Id.* “LifeMD Has Hidden Past Involvement in Redwood Scientific.” *Id.* at 16.

**Deceptive Business.** LifeMD “has implemented an autoshipping/autobilling scheme, failed to honor guarantees, and put in place abusive telemarketing practices.” Compl. ¶43; Report at 2. “Instead, we think LifeMD is a cash-burning direct marketing response business. Compl. ¶43; Report at 8. “The core driver of Rex MD . . . is a paid search and web marketing operation which only incinerates more shareholder cash over time.” *Id.* LifeMD’s statements in a December 2020 press release regarding its launch of its “Veritas MD Telehealth Platform” are “filled with hot air” and show “management’s willingness to trumpet promotional material while at the same time sweeping uncomfortable truths under the rug.” *Id.* “We think that a business whose core strength is built upon customer deception is unsustainable.” Compl. ¶44; Report at 12.