

## Research Note

*Investors should consider this report as only a single factor in making their investment decision.*

### TRxADE Health, Inc.

Howard Halpern

**MEDS \$10.56 — (NASDAQ)**

September 12, 2023

	2021 A*	2022 A	1H23A
Revenue (in millions)	\$9.9	\$11.4	\$8.9
Earnings (loss) per share	(\$9.75)	(\$6.15)	(\$0.07)
52-Week range	\$22.50– \$3.77	Fiscal year ends:	December
Shares outstanding a/o 8/10/23	1.2 million	Revenue/shares (ttm)	\$14.96
Approximate float	0.9 million	Price/Sales (ttm)	0.7X
Market Capitalization	\$12.7 million	Price/Sales (2024) E	N/A
Tangible Book value/shr	(\$2.76)	Price/Earnings (ttm)	NMF
Price/Book	NMF	Price/Earnings (2024) E	N/A

All per-share figures reflect a 1 for 15 reverse stock split effective June 2023 \* Includes (\$0.15) per share loss on inventory investment write-down

Trxade Health Inc., headquartered in Tampa, Florida, designs, owns, and operates a business-to-business Web-based market technology platform and Prime offering. The technology platform brings together US independent pharmacies with national pharmaceutical suppliers by providing an accurate, efficient, and transparent buying and selling process for branded and generic pharmaceuticals, as well as other products used by pharmacies.

#### Key Investment Considerations:

*We are removing are rating and price target on shares of TRxADE Health, Inc. due to merger related activities that occurred subsequent to June 30, 2023 that is intended to transform the company to diversified food company.*

*On July 31, 2023, MEDS completed the acquisition of Superlatus, pursuant to which that company was acquired by way of a merger of a merge sub with Superlatus being a wholly owned subsidiary and the surviving entity.*

*Once the stock swap part of the merger transaction is completed, the remaining operations within TRxADE will only consist of legacy Superlatus operations. Management has determined that Superlatus will be the accounting acquirer in the merger.*

*A primarily reason for removing are rating and price target is that the historic financial information related to the legacy food operations of Superlatus have yet to be made public. We believe once all the moving parts of the merger transaction is completed the company will file documents that includes the legacy financial information for the company.*

*Superlatus is a diversified food technology company with distribution capabilities that is building an organization to scale food innovation and transform food systems to optimize food security and population health via innovative consumer packaged goods products, agritech, foodtech, plant-based proteins and alternative proteins. Superlatus believes is provides industry-leading processing and forming technologies that create high nutrition, high taste, and textured foods.*

**Please view our Disclosures on pages 4 - 6**

## ***Recent Developments***

**In June 2023**, Superlatus, Inc., a US-based holding company of food products and distribution capabilities, announced it has signed a definitive agreement to be acquired by TRxADE Health, Inc., a pharmaceutical exchange platform provider. The focus of the new organization will be on a business strategy utilizing the competitive advantages of each of the separate businesses to create an innovative global consolidation platform for the food and healthy snack industry with the latest generation of delicious, high nutrition, high taste and texture plant-based foods and snacks. Additional products that could be launch in the future include plant-based meats and plant-based meat snacks, plant-based dairy milks and yogurts, and pulse-based "puffed/twisted" snack foods, prioritizing high protein and low fat, for both humans and pets.

As a condition and inducement to Superlatus' willingness to enter into the merger agreement, Suren Aijarapu and Prashant Patel entered into an agreement with TRxADE, pursuant to which, TRxADE will transfer all of the shares or membership interest of a variety of operating subsidiaries currently own by TRxADE to principal stockholders, in exchange for Suran Aijarapu to surrender 85,000 share of common stock of TRxADE and Prashant Patel to surrender 81,666 shares of the common stock of TRxADE. The closing of the stock swap transaction shall take place simultaneously with the approval of TRxADE stockholders (in early September 2023) of the conversion of the Series B preferred Stock into common stock.

**On July 31, 2023**, it was announced the Superlatus merger was completed.

**On August 3, 2023**, the company announced the appointments of Forbes Fisher as its Chief Operating Officer and Dr. Eugenio Bortone as its President and Chief Technology officer.

Mr. Fisher is a 15-year veteran of the consumer-packaged goods, food, and beverage industry, and has served in a variety of leadership roles in manufacturing, engineering, supply chain strategy and planning, human resources, and enterprise shared services. He most recently served as COO of MOKU Foods and previously served as CEO of Canopy Food. Attended Columbia University, where he studied Philosophy and Environmental Science.

Dr. Bortone has held several positions in PepsiCo that included Senior Global Technical Extrusion Leader, and Senior Scientist for the Global Nutrition Group. At PepsiCo, he developed and launched several multimillion-dollar products such as Twisted Cheetos. During his tenure at Frito Lay North America he had 20 authored patents. In 2017, he applied for 7 patents, and in December 2018 the USPTO awarded the first three. Dr. Bortone a Certified Food Scientist, and has a Ph.D. in Grain Science, a MS in Nutrition, and a BS all from Kansas State University.

On August 22, 2023, the company entered into a binding agreement to acquire The Urgent Company, Inc. and its Coolhaus, Brave Robot, Modern Kitchen and California Performance Co. consumer brands from Perfect Day, Inc. The acquisition, if completed, is intended to strengthen Superlatus' leadership in the production of sustainable and equitable food products and enable the combined company to more readily enter new markets and expand market share. The Urgent Company, Inc.'s, brand product offerings are sold in more than 6,000 stores nationwide including Whole Foods, Thrive Market, Kroger, and Costco, as well as independent markets across the country.

## ***Risks***

In our view, these are the principal risks underlying the stock.

### New Operations

We have no publicly available information as to the financial standing for the operations of Superlatus'. Depending on its financial history and success of its product offerings with consumers the company it is yet to be determined if it can generate operating profits and positive cash flow. It is unknown at this time if the company has enough financial resources to grow its operations or if it will need to raise capital or secure debt funding to support future operations.

Proxy Vote

TRxADE Health, Inc., has scheduled a virtual special meeting of stockholders for September 4, 2023. The special meeting will ask stockholders to adopt the proposals described in the August 2023 proxy statement to complete the combination with Superlatus, which includes a name change to Superlatus from TRxADE Health, Inc.

Regulation

As a food company it will face federal and state regulations that it must expend financial resources on in order to be in compliance.

Internal Controls

As of June 3, 2023, material weaknesses in internal controls were identified due to the formative stage of the company's development. MEDS has committed to improving its financial organization by creating a position to segregate duties consistent with control objectives and plans to increase its personnel resources and technical accounting expertise within the accounting function. We do not yet know how the internal controls will change after the completion of the acquisition.

Miscellaneous Risk

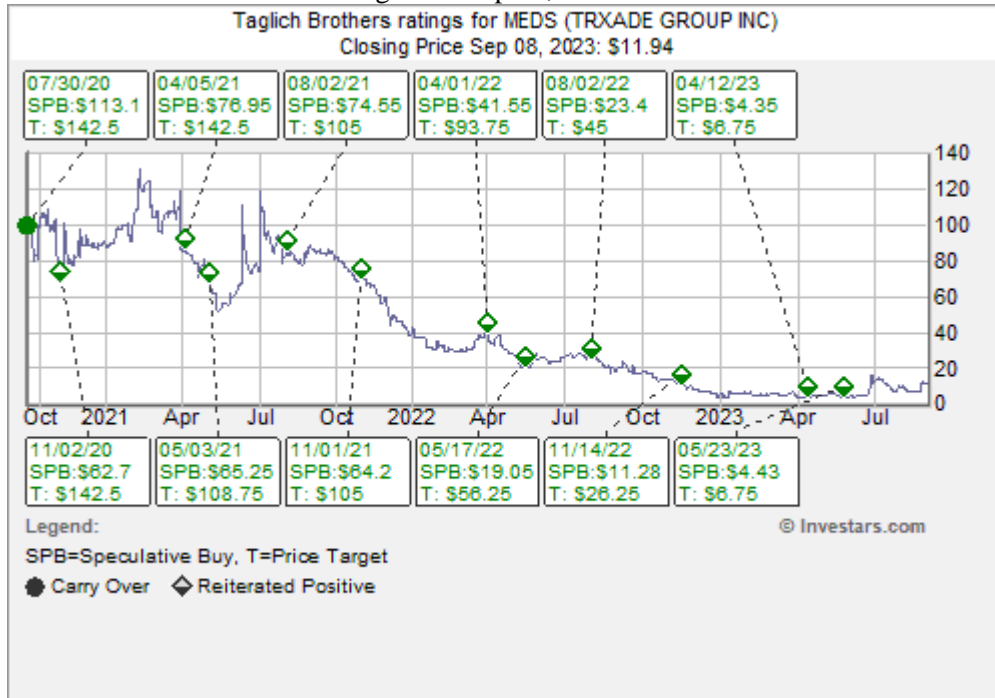
The company's financial results and equity values are subject to other risks and uncertainties, including financial transparency, competition, manufacturing operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Trading Volume

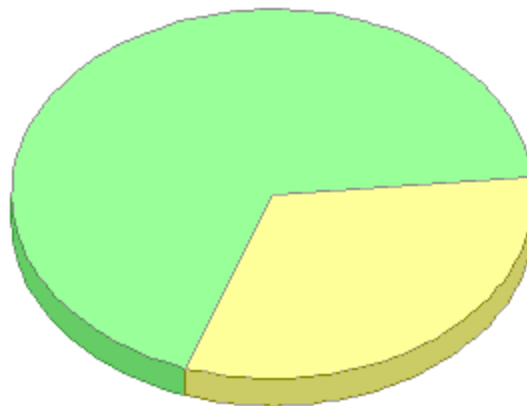
Liquidity is a potential concern. Over the last three months (ending September 11, 2023) average daily volume was approximately 886,600. MEDS has 1.2 million shares outstanding and a float of approximately 0.9 million. Investors should be aware that a thinly traded equity could experience price volatility.

**Price Chart**

Closing Price Sep 11, 2023: \$10.56



**Taglich Brothers Current Ratings Distribution**



68.18 % Buy | 31.82 % Hold

Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	4	22
Hold		
Sell		
Not Rated		

**Important Disclosures**

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**Analyst Certification**

**I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.**

**Public Companies mentioned in this report:**

**Meaning of Ratings**

**Buy** – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

**Speculative Buy** – Long-term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

**Neutral** – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

**Sell** – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

**Discontinued** – Research coverage discontinued due to the acquisition of the company, termination of research services (includes non-payment for such services), diminished investor interest, or departure of the analyst.

**Some notable Risks within the Microcap Market**

**Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company-specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.**

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