

FOR IMMEDIATE RELEASE

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HealthWarehouse.com Reports Results for Second Quarter 2019

Online mail-order pharmacy selected for "Healthcare in America" documentary

CINCINNATI – (BUSINESS WIRE) – HealthWarehouse.com, Inc. (OTC: HEWA) announced today that its net sales for the second quarter ended June 30, 2019, increased to \$3,960,265 compared to \$3,850,692 for the second quarter of 2018. Net sales for the six months ended June 30, 2019 grew to \$7,849,688, a 6% increase over the same period during the prior year.

HealthWarehouse.com is a Verified Internet Pharmacy Practice Sites (VIPPS) accredited online and mail-order pharmacy licensed and/or authorized to sell and deliver prescriptions in all 50 states. The Company attributed its 2019 second-quarter growth to a 19% increase in over-the-counter product sales for the quarter.

"We are excited to be selected by the documentary team at Success and look forward to the launch this month of their educational TV series 'Healthcare in America' hosted by Rob Lowe, with a focus on online pharmacy solutions," said Joseph Peters, the Company's President and CEO. "Success is a preeminent provider of educational content to Public Television audiences. Its programming also appears as commercial news breaks on CNBC, FOX Business, CNN's Headline News, and Discovery Channel."

Peters noted that "This series, above all else, is designed to inform viewers about the latest topics and trends impacting the world. This is especially timely, given the public's concern about prescription drug prices and the lack of widespread transparency that exists today. We hope that many viewers will watch the segment featuring Healthwarehouse.com and learn more about the value we offer in this market."

Peters also said that Healthwarehouse.com is continuing to grow its direct-to-consumer revenues and to explore additional partnerships and business development initiatives that will provide patients with transparent and affordable drug prices, and leverage its investments in operations".

"Our team remains dedicated to providing customers with excellent pharmacy experiences through compassion, convenience and transparency," he said. "Additionally, we continue to evaluate funding options to support an expansion of our marketing campaigns, an upgrade of our pharmacy software, and the refinancing of our current debt obligations."

2018 Overview:

Net Sales: Core consumer prescription sales were \$3,084,408 for the three months ended June 30, 2019, as compared with \$3,085,031 for the same period of 2018. For the six months ended June 30, 2019, core consumer prescription sales were \$6,156,878, an increase of \$259,068, or 4%, from sales of \$5,897,810 of sales for the same period in 2018. Sales growth has slowed as a result of increased competition in our current advertising channels. Over-the-counter product net sales were \$800,437 for the three months ended June 30, 2019, an increase of \$128,164, or 19% from \$672,274 in the comparable period in 2018. For the six months ended June 30, 2019, over-the-counter product sales were \$1,541,081, a \$195,009 or 14% increase from \$1,346,073 reported for the same period in 2018. The increase in over-the-counter product sales was directly attributable to higher advertising spending and expanded product offering through alternative ecommerce channels.

Gross Profit: Gross profit for the three and six months ended June 30, 2019, was \$2,597,096 and \$5,192,013, respectively, resulting in increases of \$143,853 and \$376,802, respectively, as compared with results for the same periods of 2018. The increases were the result of purchasing initiatives with our vendors.

Operating Expenses: Selling, general and administrative expenses were \$2,596,137 and \$5,135,485 for the three and six months ended June 30, 2019, respectively, an increase of \$56,194 (2%) and a decrease of \$48,861 (1%), respectively, compared to the same periods of 2018. The increase in the quarter resulted primarily from higher advertising expense and the decrease in the first half was primarily a reduction of pharmacy salary expense.

Net Income and Adjusted EBITDA: The Company reported net losses of \$(60,687) and \$(78,372) for the three and six months ended June 30, 2019, respectively, compared with net losses of \$(152,529) and \$(493,280), respectively, for the same periods in 2018.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") as adjusted for stock-based compensation and certain non-recurring charges ("Adjusted EBITDA") were \$150,303 for the three months and \$363,531 for the six months ended June 30, 2019. That compares with Adjusted EBITDA of \$77,122 and \$(85,152), respectively, for the three and six months ended June 30, 2018. EBITDA and Adjusted EBITDA are non-GAAP financial measures. Definitions of these non-GAAP terms and a reconciliation to GAAP measures are provided below.

HEALTHWAREHOUSE.COM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net sales	\$ 3,960,265	\$ 3,850,691	\$ 7,849,688	\$ 7,435,302
Cost of sales	<u>1,363,169</u>	<u>1,397,448</u>	<u>2,657,675</u>	<u>2,620,091</u>
Gross profit	2,597,096	2,453,243	5,192,013	4,815,211
Selling, general and administrative expenses	<u>2,596,137</u>	<u>2,539,943</u>	<u>5,135,485</u>	<u>5,184,346</u>
Net income (loss) from operations	959	(86,700)	56,528	(369,135)
Interest expense	<u>(61,646)</u>	<u>(65,829)</u>	<u>(134,900)</u>	<u>(124,145)</u>
Net loss	(60,687)	(152,529)	(78,372)	(493,280)
Preferred stock:				
Series B convertible contractual dividends	<u>(85,559)</u>	<u>(85,558)</u>	<u>(171,117)</u>	<u>(171,116)</u>
Net loss attributable to common stockholders	<u>\$ (146,246)</u>	<u>\$ (238,087)</u>	<u>\$ (249,489)</u>	<u>\$ (664,396)</u>
Per share data:				
Net loss - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Series B convertible contractual dividends	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Net loss attributable to common stockholders - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average common shares outstanding - Basic and diluted	<u>49,870,645</u>	<u>48,725,670</u>	<u>49,672,753</u>	<u>48,477,206</u>

Use of Non-GAAP Financial Measures

HealthWarehouse.com, Inc. (the "Company") prepares its consolidated financial statements in accordance with the United States generally accepted accounting principles ("GAAP"). In addition to disclosing financial results prepared in accordance with GAAP, the Company discloses information regarding EBITDA and Adjusted EBITDA, which are commonly used. In addition to adjusting net loss to exclude interest, taxes, depreciation and amortization ("EBITDA"), Adjusted EBITDA also excludes stock-based compensation, and certain nonrecurring charges. EBITDA and Adjusted EBITDA are not measures of performance defined in accordance with GAAP. However, Adjusted EBITDA is used internally in planning and evaluating the Company's performance. Accordingly, management believes that disclosure of this metric offers lenders and other shareholders an additional view of the Company's operations that, when coupled with GAAP results, provides a more complete understanding of the Company's financial results.

Adjusted EBITDA should not be considered as an alternative to net loss or to net cash used in operating activities as a measure of operating results or of liquidity. It may not be comparable to similarly titled measures used by other companies, and it excludes financial information that some may consider important in evaluating the Company's performance.

Reconciliation of Net Loss (GAAP) to Adjusted EBITDA (Non-GAAP)

<i>(Unaudited)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Net loss	\$ (60,687)	\$ (152,529)	\$ (78,372)	\$ (493,280)
Interest expense	61,646	65,829	134,900	124,145
Depreciation and amortization	42,800	24,611	85,537	40,941
EBITDA (non-GAAP)	43,759	(62,089)	142,065	(328,194)
Adjustments to EBITDA:				
Stock-based compensation	106,544	139,211	221,466	235,235
Loss on disposal of equipment	-	-	-	7,807
Adjusted EBITDA	<u>\$ 150,303</u>	<u>\$ 77,122</u>	<u>\$ 363,531</u>	<u>\$ (85,152)</u>

About HealthWarehouse.com

HealthWarehouse.com, Inc. (OTC Pink:HEWA) is a trusted VIPPS accredited online pharmacy based in Florence, Kentucky. The Company is focused on the out-of-pocket prescription market, which is expected to exceed \$50 billion in 2019. With a mission to provide affordable healthcare to every American by focusing on technology that is revolutionizing prescription delivery, HealthWarehouse.com has become the largest VIPPS accredited online pharmacy in the United States exclusively servicing the cash market.

HealthWarehouse.com is licensed or authorized to ship prescription medication to all 50 states and the District of Columbia and only sells drugs that are FDA-approved and legal for sale in the United States. Visit HealthWarehouse.com online at <http://www.HealthWarehouse.com>.

Forward-Looking Statements

This announcement and the information incorporated by reference herein contain “forward looking statements” as defined in federal securities laws, including but not limited to Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995, which statements are based on our current expectations, estimates, forecasts and projections. Statements that are not historical facts, including statements about the beliefs, expectations and future plans and strategies of the Company, are forward-looking statements. Actual results may differ materially from those expressed in forward looking statements or in management's expectations. Important factors which could cause or contribute to actual results being materially and adversely different from those described or implied by forward looking statements include, among others, risks related to competition, management of growth, access to sufficient capital to fund our business and our growth, new products, services and technologies, fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfillment center optimization, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, cyber-attacks, access to sufficient inventory, government regulation and taxation, payments and fraud. More information about factors that potentially could affect HealthWarehouse.com's financial results is included in HealthWarehouse.com's audited Annual Reports and Quarterly Reports available at otcmartets.com and its prior filings with the Securities and Exchange Commission.

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