

FOR IMMEDIATE RELEASE

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HealthWarehouse.com Reports Results for Third Quarter 2019

Online mail-order pharmacy receives VIPPS re-accreditation;

Launches "First Order Free" campaign

CINCINNATI – (BUSINESS WIRE) – HealthWarehouse.com, Inc. (OTC: HEWA) announced today that its net sales for the third quarter ended September 30, 2019, increased to \$4,035,476 compared to \$4,011,248 for the third quarter of 2018. Net sales for the nine months ended September 30, 2019 grew to \$11,885,164, a 4% 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.

"We are proud to announce that we have once again received VIPPS re-accreditation from the National Association of Boards of Pharmacy," said Joseph Peters, the Company's President and CEO. "We continue to meet the high standards set by the NABP for compliance with pharmacy laws across the country and for ensuring a safe and secure supply chain for prescription medications. It is a pleasure to work with the VIPPS Program and their entire staff."

Peters noted that, "We continue to operate with compliance and efficiency at the forefront of our decision-making. Our performance in the third quarter is a result of this mindset. It has allowed us to dedicate resources to new advertising campaigns in which we are offering first-time customers free orders on select medications. Our intention is to continue to expand this offering to other products as customers continue to look to us as a trusted and affordable option to purchase their medications."

The Company continues to be recognized as an affordable option available to consumers for prescription medications. Joe Bozelak, pharmacist and consumer advocate, operates a website, [The Frugal Pharmacist](#), that is a trusted online resource for tips and insider information on how to get the best prices and save money on prescription medications.

Bozelak states that, "In a time when insurance companies are continually pushing more and more of the cost of medication onto patients with large deductibles that are rarely met often it is less expensive to use a service like Healthwarehouse.com than your own insurance at a local pharmacy. Getting the first month free is an added bonus! I encourage everyone to at least give Healthwarehouse a call to find out how much they can save on their out-of-pocket medication costs."

Peters added, "Our team remains dedicated to providing customers with excellent pharmacy experiences through compassion, convenience and transparency. 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."

2019 Overview:

Net Sales: Core consumer prescription sales were \$3,219,404 for the three months ended September 30, 2019, a decline of \$49,575, or 2%, as compared with \$3,268,979 for the same period of 2018. For the nine months ended September 30, 2019, core consumer prescription sales were \$9,376,282, an increase of \$209,493, or 2%, from sales of \$9,166,789 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 \$736,032 for the three months ended September 30, 2019, an increase of \$81,792, or 13%, from \$654,240 in the comparable period in 2018. For the nine months ended September 30, 2019, over-the-counter product sales were \$2,277,113, a \$276,801 or 14% increase from \$2,000,312 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 offerings through alternative e-commerce channels.

Gross Profit: Gross profit for the three and nine months ended September 30, 2019, was \$2,645,758 and \$7,837,771, respectively, which represent increases of \$30,446 and \$407,248, respectively, 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 \$2,589,294 and \$7,724,778 for the three and nine months ended September 30, 2019, respectively, a decrease of \$61,568 (2%) and \$110,430 (1%), respectively, compared to the same periods of 2018. The decreases in the quarter and in the first nine months were primarily a reduction of pharmacy salary expense, offset by higher advertising expense.

Net Income and Adjusted EBITDA: The Company reported net losses of \$4,830 and \$83,201 for the three and nine months ended September 30, 2019, respectively, compared with net losses of \$107,811 and \$601,091, 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 \$170,521 for the three months and \$534,053 for the nine months ended September 30, 2019. That compares with Adjusted EBITDA of \$149,863 and \$64,711, respectively, for the three and nine months ended September 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		For the Nine Months Ended	
	September 30,		September 30,	
	2019	2018	2019	2018
Net sales	\$ 4,035,476	\$ 4,011,248	\$ 11,885,164	\$ 11,446,550
Cost of sales	<u>1,389,718</u>	<u>1,395,936</u>	<u>4,047,393</u>	<u>4,016,027</u>
Gross profit	2,645,758	2,615,312	7,837,771	7,430,523
Selling, general and administrative expenses	<u>2,589,294</u>	<u>2,650,862</u>	<u>7,724,778</u>	<u>7,835,208</u>
Net income (loss) from operations	56,464	(35,550)	112,993	(404,685)
Interest expense	<u>(61,294)</u>	<u>(72,261)</u>	<u>(196,194)</u>	<u>(196,406)</u>
Net loss	(4,830)	(107,811)	(83,201)	(601,091)
Preferred stock:				
Series B convertible contractual dividends	<u>(85,559)</u>	<u>(85,558)</u>	<u>(256,675)</u>	<u>(256,674)</u>
Net loss attributable to common stockholders	<u>\$ (90,389)</u>	<u>\$ (193,369)</u>	<u>\$ (339,876)</u>	<u>\$ (857,765)</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>\$ (0.01)</u>	<u>\$ (0.01)</u>
Net loss attributable to common stockholders - basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average common shares outstanding - Basic and diluted	<u>50,041,900</u>	<u>48,833,093</u>	<u>49,797,154</u>	<u>48,597,139</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 September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net loss	\$ (4,830)	\$ (107,811)	\$ (83,201)	\$ (601,091)
Interest expense	61,294	72,261	196,194	196,406
Depreciation and amortization	42,800	41,605	128,337	82,546
EBITDA (non-GAAP)	99,264	6,055	241,330	(322,139)
Adjustments to EBITDA:				
Stock-based compensation	100,236	143,808	321,702	379,043
Loss (Gain) on disposal of equipment	(28,979)	-	(28,979)	7,807
Adjusted EBITDA	<u>\$ 170,521</u>	<u>\$ 149,863</u>	<u>\$ 534,053</u>	<u>\$ 64,711</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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