

**FOR IMMEDIATE RELEASE**

**March 24, 2021**

## **HealthWarehouse.com Reports Full Year 2020 Results**

**Achieves sales growth of 9% and reports net income of \$641,326**

**Generated positive cashflow for fourth consecutive year**

**CINCINNATI** – (BUSINESS WIRE) -- HealthWarehouse.com, Inc. (OTC:HEWA) announced today that its net income was \$641,326 and net sales were \$17,178,985 in 2020. It also reported positive cash flow for the fourth consecutive year, as reflected by its internal measure of Adjusted EBITDA as defined below, which was \$593,744 in 2020.

HealthWarehouse.com, a technology company with a focus on healthcare e-commerce, sells and delivers prescription medications to all 50 states as an Approved Digital Pharmacy through the National Association of Boards of Pharmacy (NABP). HealthWarehouse.com provides a platform focused on increasing access and reducing costs of healthcare products for consumers nationwide.

“2020 was a productive and rewarding year despite all of the challenges of the COVID-19 pandemic,” said Joseph Peters, the Company’s President and CEO. “Our team responded admirably to the challenges of the pandemic and continued to provide the world class service our patients have come to know and love. We attribute our strong operating results to their resolve. In addition, we experienced record traffic to our website and we launched and completed a number of initiatives that strengthened our balance sheet.” Peters noted that the Company completed a long-term convertible note issuance, repaid its short-term notes payable, entered into a conversion and standstill agreement with the holders of its Series C preferred stock and received a federal Paycheck Protection Program (PPP) loan that was subsequently forgiven. The Company ended the year with more than \$1.8 million in cash.

HealthWarehouse.com continues to invest in proprietary technology to remain at the forefront of new developments and offerings in the world of healthcare, noting a focus on patient experience, operational efficiency, and scalability.

“Looking to 2021, we are diligently preparing for the rollout of our new pharmacy software and e-commerce solution in the third quarter furthering our commitment to improving the pharmacy experience for our patients,” Peters said. “The integration and implementation of these new platforms will improve the efficiency of our pharmacy workflow and allow us to seamlessly add patients while maintaining current service levels. In parallel with these initiatives, we are investing in branding and marketing campaigns that will benefit the company in 2021 and beyond. The culmination of these efforts along with our prior investment in robotics will position HealthWarehouse.com as a technological leader in the industry, supporting both its direct-to-consumer (B2C) and healthcare partnership (B2B) business units. We are excited for the changes and advancements that 2021 will bring for the company as we continue to set the standard for affordable healthcare in America and provide transparency to our patients across the nation.”

## **2020 Annual Overview:**

**Net Sales:** Total net sales were \$17,178,985 for the year ended December 31, 2020, as compared with \$15,755,577 in 2019, an increase of \$1,423,408 or 9%. Prescription sales were \$13,404,587, as compared with \$12,767,927 in 2019, an increase of \$636,660 or 5% due to the addition of new fulfillment business. Over-the-counter net sales increased by 25% from \$2,680,820 in 2019 to \$3,347,395 in 2020 due to increased demand during the pandemic.

**Gross Profit:** Gross profit for the year ended December 31, 2020 was \$11,347,982, a \$986,795, or 10%, increase over 2019.

**Operating Expenses:** Operating expenses were \$11,397,106 for the year ended December 31, 2020, an increase of \$1,191,622 or 12% as compared with 2019. The increase was primarily due to increases in variable expenses (advertising, freight and supplies and pharmacy labor) and an increase in engineering staffing for website improvements and new pharmacy operating software.

**Net Income and Adjusted EBITDA:** The Company reported net income of \$641,326 for the year ended December 31, 2020, as compared with a net loss of \$99,400 for the year ended December 31, 2019. Net income in 2020 included an \$890,000 gain related to the forgiveness of the PPP loan received in May 2020. In 2020, Adjusted EBITDA was \$593,744 versus \$712,312 for the same period of 2019.

## **2020 Fourth Quarter Overview:**

**Net Sales:** Total net sales were \$4,089,741 for the fourth quarter ended December 31, 2020 as compared with \$3,870,414 in the fourth quarter of 2019, an increase of \$219,327 or 6%. Prescription sales were \$3,386,536 as compared with \$3,391,645 in 2019. Over-the-counter sales increased by 54% to \$620,014 as compared with \$403,707 in 2019, due continued pandemic related demand and improved sales through alternative e-commerce channels.

**Gross Profit:** Gross profit for the fourth quarter was \$2,714,056, a \$190,640 or 8% increase when compared with the 2019 fourth quarter, due to increased sales and improved margins on over-the-counter and prescription business.

**Operating Expenses:** Operating expenses were \$2,745,761 for the fourth quarter, an increase of \$265,055 or 11% as compared with the same quarter in 2019. The increases in 2020 were related to increases in pharmacy operation and engineering staffs as well as shipping costs, which were offset by a reduction in legal expense.

**Net Income and Adjusted EBITDA:** The Company reported net income of \$818,746 for the fourth quarter of 2020 compared with a net loss of \$16,199 during the same period in 2019. The net income in 2020 included an \$890,000 gain related to the forgiveness of the PPP loan received in May 2020. For the fourth quarter, Adjusted EBITDA was \$143,063 in 2020 compared with \$178,259 in 2019.

**HEALTHWAREHOUSE.COM, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (Audited)**

	For the Three Months Ended		For the Twelve Months Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Net sales	\$ 4,089,741	\$ 3,870,413	\$ 17,178,985	\$ 15,755,577
Cost of sales	1,375,685	1,346,997	5,831,003	5,394,390
Gross profit	2,714,056	2,523,416	11,347,982	10,361,187
Selling, general and administrative expenses	2,745,761	2,480,706	11,397,106	10,205,484
Net income (loss) from operations	(31,705)	42,710	(49,124)	155,703
Other income (expense)				
Gain on debt forgiveness	890,000		890,000	
Interest expense	(39,549)	(58,909)	(199,550)	(255,103)
Total other income (expense)	850,451	(58,909)	690,450	(255,103)
Net income (loss)	818,746	(16,199)	641,326	(99,400)
Preferred stock:				
Series B convertible contractual dividends	(85,558)	(85,558)	(342,233)	(342,233)
Net income (loss) attributable to common stockholders	\$ 733,188	\$ (101,757)	\$ 299,093	\$ (441,633)
Per share data:				
Net income (loss) - basic	\$ 0.01	\$ (0.00)	\$ 0.01	\$ (0.00)
Net income (loss) - diluted	\$ 0.01	\$ (0.00)	\$ 0.01	\$ (0.00)
Series B convertible contractual dividends	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Net income (loss) attributable to common stockholders - basic	\$ 0.01	\$ (0.00)	\$ 0.01	\$ (0.01)
Net income (loss) attributable to common stockholders - diluted	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.01)
Weighted average common shares outstanding - basic	51,313,063	50,300,107	50,900,267	49,923,926
Weighted average common shares outstanding - diluted	72,845,648	50,300,107	69,449,318	49,923,926

**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 income or 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 income, net loss or to net cash provided by or 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 Income (Loss) (GAAP) to Adjusted EBITDA (Non-GAAP)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2020	2019	2020	2019
Net income (loss)	\$ 818,746	\$ (16,199)	\$ 641,326	\$ (99,400)
Interest expense	39,549	58,909	199,550	255,103
Depreciation and amortization	33,294	35,316	133,576	163,653
EBITDA (non-GAAP)	891,589	78,026	974,452	319,356
Adjustments to EBITDA:				
Stock-based compensation	141,475	100,233	509,292	421,935
Gain on disposal of equipment	-	-	-	(28,979)
Gain on debt forgiveness	(890,000)	-	(890,000)	-
Adjusted EBITDA	\$ 143,064	\$ 178,259	\$ 593,744	\$ 712,312

### About HealthWarehouse.com

HealthWarehouse.com, Inc. (OTC Pink: HEWA) is America's Leading Online Pharmacy and a pioneer in affordable healthcare. Based in Florence, Kentucky, the Company's services are available nationwide, shipping FDA approved prescription medication and over-the-counter products direct to patients' doors. As one of the first National Association of Boards of Pharmacy ("NABP") Approved Digital Pharmacies, HealthWarehouse.com services the mission of providing affordable healthcare and incredible patient services to help Americans in all 50 states. Learn more at [www.HealthWarehouse.com](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, potential 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](http://otcmartets.com) and prior filings with the Securities and Exchange Commission.

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