

FOR IMMEDIATE RELEASE

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HealthWarehouse.com Reports Full Year 2021 Results

**Prescription sales growth and
positive cashflow for fifth consecutive year**

CINCINNATI – (BUSINESS WIRE) -- HealthWarehouse.com, Inc. (OTC:HEWA) announced today net sales for 2021 were \$16,143,906, with prescription sales increasing by 2% which was driven by a strong increase in partner services revenue. The growth in prescription revenue was offset by a decrease in over-the-counter business, resulting in an overall 6% decrease in revenues from 2020. The Company reported a loss from operations of \$572,502 for the year.

Cash flow, as reflected by the Company's non-GAAP internal measure of Adjusted EBITDA, was positive for the fifth consecutive year at \$459,208 in 2021.

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.

Joseph Peters, President and CEO, commented, "We are happy to report prescription sales growth for the year, stemming from expansion of our healthcare partner offerings through the addition and growth of partnerships. We continue to customize our platform, develop APIs, and add resources to grow and support our partner services business while equipping our personnel and customers with better technology tools to attract and retain our traditional direct-to-consumer customers. We were also able to support those in our local and extended community navigate the ill effects of the COVID pandemic, providing affordable tests, medications and vaccines. Our initiatives will continue to focus on improving the customer experience. "

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.

"Our efforts last year have set the stage for 2022 to be an exciting and productive year. We anticipate the launch of a proprietary e-commerce platform and pharmacy technology in early 2022, which will enhance the customer experience, and improve customer acquisition and retention in our direct-to-consumer business. In addition, the new technology will facilitate and expand the services provided to our healthcare partner customers to support our growth initiatives. We are well positioned to be a technological leader in the industry, providing transparent and affordable healthcare solutions to our patients while maintaining world-class service levels," added Peters.

2021 Annual Overview:

Net Sales:

Net sales decreased from \$17,178,985 for the year ended December 31, 2020 to \$16,143,906 for the year ended December 31, 2021, a decrease of \$1,035,079, or 6.0%. Prescription sales were \$13,729,966 for the year ended December 31, 2021, as compared to \$13,404,587 for the year ended December 31, 2020, an increase of \$325,379, or 2.4%, due to an increase in new partner services business, offset by a reduction in the B2C business. Net sales of over-the-counter products decreased by 36.7% from \$3,347,395 in the year ended December 31, 2020 to \$2,117,839 in the year ended December 31, 2021. The decrease in the B2C prescription and over-the-counter sales was due to decreased website traffic and consumer demand relative to the unprecedented high levels experienced in 2020 during the early months of the COVID 19 pandemic.

Gross Profit: Gross profit for the year ended December 31, 2021, was \$11,133,091, a \$214,891 or 1.9% decrease compared with the same period in 2020, due to the decrease in sales volume, offset by improved gross margins.

Operating Expenses: Operating expenses were \$11,492,710 for the year ended December 31, 2021, compared with \$11,397,106 for the year ended December 31, 2020, an increase of \$95,604, or 0.8%. The increase was primarily the result of higher stock-based compensation, engineering, marketing and customer outreach salaries, accounting and employee benefits expenses. The increases were partially offset by reductions in variable expenses, including shipping and shipping supplies, advertising and credit-card fees.

Net Income and Adjusted EBITDA: The Company reported a net loss of \$572,502 for the year ended December 31, 2021, as compared with net income of \$641,326 for the year ended December 31, 2020. Net income in 2020 included an \$890,000 gain related to the forgiveness of a Paycheck Protection Program (PPP) loan received in May 2020. In 2021, Adjusted EBITDA was \$459,208, versus \$593,744 for the same period of 2020.

2021 Fourth Quarter Overview:

Net Sales: Total net sales were \$4,158,602 for the fourth quarter ended December 31, 2021, an increase of \$68,861, or 2%, compared with \$4,089,741 in the fourth quarter of 2020. Prescription sales were \$3,599,763, compared with \$3,386,536 in 2020, an increase of \$213,227, or 6%, due to increases in new partner services and B2C business. Over-the-counter product sales decreased by 23% to \$480,101, compared with \$620,014 in 2020.

Gross Profit: Gross profit for the fourth quarter was \$2,876,246, a \$162,190 or 6% increase compared with the 2020 fourth quarter, due to improved margins on partner services business.

Operating Expenses: Operating expenses were \$2,872,552 for the fourth quarter, an increase of \$126,791, or 5%, compared with the same quarter in 2020. The increases in 2021 were related to increases in advertising, marketing, shipping, and stock-based compensation expenses.

Net Income and (non-GAAP) Adjusted EBITDA: The Company reported a net loss of \$78,636 for the fourth quarter of 2021, compared with net income of \$818,746 during the same period in 2020. 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 \$157,660 in 2021 compared with \$143,064 in 2020.

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

	For the Three Months Ended		For the Twelve Months Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net sales	\$ 4,158,602	\$ 4,089,741	\$ 16,143,906	\$ 17,178,985
Cost of sales	1,282,356	1,375,685	5,010,814	5,831,003
Gross profit	2,876,246	2,714,056	11,133,092	11,347,982
Selling, general and administrative expenses	2,872,552	2,745,761	11,492,710	11,397,106
Net income (loss) from operations	3,694	(31,705)	(359,618)	(49,124)
Other income (expense)				
Gain on debt forgiveness	-	890,000	-	890,000
Interest expense	(43,832)	(39,549)	(174,386)	(199,550)
Total other income (expense)	(43,832)	850,451	(174,386)	690,450
Income (loss) before taxes	(40,138)	818,746	(534,004)	641,326
Income tax expense	(38,498)	-	(38,498)	-
Net income (loss)	(78,636)	818,746	(572,502)	641,326
Preferred stock:				
Series B convertible contractual dividends	(85,558)	(85,558)	(342,233)	(342,233)
Net income (loss) attributable to common stockholders	\$ (164,194)	\$ 733,188	\$ (914,735)	\$ 299,093
Per share data:				
Net income (loss) - basic	\$ (0.00)	\$ 0.01	\$ (0.01)	\$ 0.01
Net income (loss) - diluted	\$ (0.00)	\$ 0.01	\$ (0.01)	\$ 0.01
Series B convertible contractual dividends	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Net income (loss) attributable to common stockholders - basic	\$ (0.00)	\$ 0.01	\$ (0.02)	\$ 0.01
Net income (loss) attributable to common stockholders - diluted	\$ (0.00)	\$ 0.01	\$ (0.02)	\$ 0.00
Weighted average common shares outstanding - basic	52,012,533	51,313,063	51,817,243	50,900,267
Weighted average common shares outstanding - diluted	52,012,533	72,845,648	51,817,243	69,449,318

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		Twelve Months Ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Net income (loss)	\$ (78,636)	\$ 818,746	\$ (572,502)	\$ 641,326
Interest expense	43,832	39,549	174,386	199,550
Depreciation and amortization	32,806	33,294	133,576	133,576
EBITDA (non-GAAP)	(1,998)	891,589	(264,540)	974,452
Adjustments to EBITDA:				
Stock-based compensation	180,289	141,475	744,379	509,292
Gain on extinguishment of accounts payable	(20,631)	-	(20,631)	-
Gain on debt forgiveness	-	(890,000)	-	(890,000)
Adjusted EBITDA	\$ 157,660	\$ 143,064	\$ 459,208	\$ 593,744

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.

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 otcmarkets.com and prior filings with the Securities and Exchange Commission.

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