

**FOR IMMEDIATE RELEASE**

**May 13, 2021**

## **HealthWarehouse.com Reports Results for First Quarter 2021**

**Launching campaign to counter subscription model companies**

**CINCINNATI** – (BUSINESS WIRE) -- HealthWarehouse.com, Inc. (OTCQB: HEWA) announced today that it reported a net loss of \$131,025 for the first quarter ended March 31, 2021, but positive cash flow, as reflected by its non-GAAP internal measure of Adjusted EBITDA as defined below, which was \$124,114 in the first quarter. Net sales for the first quarter of 2021 were \$3,818,285, a 16% decrease from the same quarter 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.

Joseph Peters, President and CEO, commented that the Company recently initiated a campaign directed at customers of subscription-model pharmacy schemes that charge premium prices for generic prescription medications in categories including erectile dysfunction and hair loss.

“We are positioned well because we offer prescription medications at affordable prices without requiring customers to commit to recurring subscriptions, memberships or club fees, which are often hard to pause or cancel. We are targeting customers of Ro Pharmacy, Hims & Hers Health, Inc., and LifeMD, Inc. to offer them more affordable prices and the freedom to get their medications when they choose to.”

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.

“We continue to work every day on furthering our commitment to improving the pharmacy experience for our customers,” Peters said. “As we prepare for the integration and implementation of our new pharmacy and website platforms, we remain focused on improving the efficiency of our pharmacy workflow to seamlessly add new customers while maintaining high quality service to existing customers.

“At the same time, we are in the midst of developing and preparing to implement our new branding and marketing initiatives. 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 is bringing as we continue to set the standard for affordable healthcare in America and provide transparency to our customers across the nation.”

## **2021 First Quarter Overview:**

**Net Sales:** Net sales for the first quarter this year decreased to \$3,818,285 from \$4,527,339 for the first quarter in 2020, a decrease of \$709,054, or 15.7%. Prescription sales were \$3,163,793 for the first quarter of 2021, as compared to \$3,512,255 for the first quarter of 2020, a decrease of \$348,462, or 9.9%, due to a reduction in the B2C business, offset by an increase in fulfillment business. Over-the-counter net sales decreased by 36.8% from \$915,764 in the first quarter of 2020 to \$579,145 in the first quarter of 2021. The reductions in the B2C prescription and over-the-counter business in 2021 were due to decreased website traffic and consumer demand, compared with the unprecedented 2020 levels during the early months of the COVID-19 pandemic.

**Gross Profit:** Gross profit for the first quarter of 2021 was \$2,651,875, a \$224,951 or 7.8% decrease compared with the first quarter of 2020, due to the decrease in sales volume. Gross margin percentage increased from 63.5% for the first quarter of 2020 to 69.5% for the first quarter of 2021, primarily due to the improved costs realized through strategic purchasing efforts and improved margins in our core B2C prescription and over-the-counter business, and fulfillment sales.

**Operating Expenses:** Operating expenses totaled \$2,739,576 for the first quarter of 2021 compared with \$2,889,299 for the first quarter of 2020, a decrease of \$149,723, or 5.2%. Expenses decreased for advertising, marketing, shipping, shipping supplies, engineering and credit card fees. The decreases were partially offset by increases in salaries and related expenses (primarily increases in pharmacy and engineering staffing), stock-based compensation, and legal expenses.

**Net Loss and Adjusted EBITDA:** The Company reported a net loss of \$131,025 for the first quarter of 2021 compared with a net loss of \$68,428 during the same period in 2020. Adjusted EBITDA was \$124,114 in the first quarter of 2021, compared with \$137,900 in the year-earlier quarter.

**HEALTHWAREHOUSE.COM, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	(Unaudited)	
	For the Three Months Ended	
	March 31,	
	<u>2021</u>	<u>2020</u>
Net sales	\$ 3,818,285	\$ 4,527,339
Cost of sales	<u>1,166,410</u>	<u>1,650,513</u>
Gross profit	2,651,875	2,876,826
Operating expenses	2,739,576	2,889,299
Net income (loss) from operations	(87,701)	(12,473)
Interest expense	<u>(43,324)</u>	<u>(55,955)</u>
Net loss	(131,025)	(68,428)
Preferred stock:		
Series B convertible contractual dividends	<u>(85,558)</u>	<u>(85,558)</u>
Net loss attributable to common stockholders	<u>\$ (216,583)</u>	<u>\$ (153,986)</u>
Per share data:		
Net loss - basic and diluted	\$ (0.00)	\$ (0.00)
Series B convertible contractual dividends	<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>
Weighted average common shares outstanding - Basic and diluted	<u>51,632,399</u>	<u>50,663,600</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 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 Loss (GAAP) to Adjusted EBITDA (Non-GAAP)

	Three Months Ended	
	March 31,	
	2021	2020
Net loss	\$ (131,025)	\$ (68,428)
Interest expense	43,324	55,955
Depreciation and amortization	33,280	33,506
EBITDA (non-GAAP)	(54,421)	21,033
Adjustments to EBITDA:		
Stock-based compensation	178,535	116,867
Adjusted EBITDA	\$ 124,114	\$ 137,900

### About HealthWarehouse.com

HealthWarehouse.com, Inc. (OTCQB: HEWA), 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. Based in Florence, Kentucky, the Company operates America's Leading Online Pharmacy and a pioneer in affordable healthcare. 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. 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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