

**FOR IMMEDIATE RELEASE**

**August 13, 2021**

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

**Named one of America's Best Trending Online Shops by Newsweek**

**CINCINNATI** – (BUSINESS WIRE) -- HealthWarehouse.com, Inc. (OTC: HEWA) announced today a loss from operations of \$181,811 for its quarter ended June 30, 2021, but positive cash flow, as reflected by its internal measure of Adjusted EBITDA as defined below, which was \$87,636 in the second quarter. Net sales for the second quarter of 2021 were \$3,954,892, a 13% 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, "We are honored to be recognized by Newsweek magazine as one of America's Best Trending Online Shops in 2021. The recognition further solidifies our position as an industry pioneer and leader. As one of the first players in the e-commerce segment of the pharmacy industry, we built a reputation for providing extraordinary service to our customers nationwide. In addition, we are proud to continue to serve our local Greater Cincinnati community with affordable prices for prescription medication and over-the-counter products, as well as COVID-19 vaccinations provided at no cost onsite. "

Regarding the financial results for the quarter, Peters added, "Sales were exceptionally high in the comparable period last year during the early stages of the pandemic as customers sought over-the-counter remedies. This year's sales are in line with the comparable period in 2019 while achieving a considerable improvement in margins. We anticipate that our sales will show an improving trend during the second half of 2021."

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 invest in our technology to advance our capabilities to support our direct-to-consumer (B2C) and healthcare partnership (B2B) business units. Our investments today will position HealthWarehouse.com as a technological leader in the industry, as we continue to set the standard for affordable healthcare and provide transparency to our customers across America," added Peters.

Healthwarehouse.com also announced that it completed the transition from the OTC Pink sheets to the OTCQB market (otcmarkets.com) in May 2021 for the listing of its common stock. "Our hope is that our transition to the OTCQB market will enhance the appeal of our Company to a broader audience of potential investors and brokerage firms, thereby improving the liquidity of our stock for our shareholders," Peters said.

The Company set the date for its 2020 Annual Shareholders meeting which will be hosted virtually on Wednesday, October 20, 2021. Details of the meeting will be provided in the proxy statement which will be mailed to all shareholders and available on the Company's website.

**Overview of Results for Three and Six Months Ended June 30, 2021:**

**Net Sales:** Total net sales for the three and six months ended June 30, 2021, were \$3,954,892 and \$7,773,177, respectively, and decreased \$602,511 (13.2%) and \$1,311,605 (14.4%), respectively, versus the same periods in 2020. Prescription sales were \$3,325,313 and \$6,489,107 for the three and six months ended June 30, 2021, respectively, and an increase of \$42,882 (1.3%) and a decrease of \$305,580 (4.5%), respectively, compared with the same periods in 2020. The decline in prescription sales was due to a reduction in the B2C business, offset by an increase in fulfillment business. Sales of over-the-counter products were \$555,065 and \$1,134,209 for the three and six months ended June 30, 2021, respectively, and decreased \$566,989 (50.5%) and \$903,608 (44.3%), respectively, over the same periods in 2020. The decline in over-the-counter sales was due to decreased website traffic and consumer demand, compared with unprecedented levels of demand during the early months of the COVID-19 pandemic in 2020.

**Gross Profit:** Gross profit for the three and six months ended June 30, 2021, was \$2,732,264 and \$5,384,139, respectively, resulting in decreases of \$263,677 and \$309,925, respectively, compared with the same periods of 2020. The decreases were the result of lower sales volume and fewer purchasing initiatives with our vendors. Gross margin percentage was 69.1% and 72.2% for the three and six months periods ended June 20, 2021, respectively, which increased 3.4 and 4.7 percentage points, respectively.

**Operating Expenses:** Selling, general and administrative expenses were \$2,870,523 and \$5,610,099 for the three and six months ended June 30, 2021, respectively, and decreased \$160,202 (5.3%) and \$309,925 (5.2%), respectively, compared to the same periods of 2020. The decreases were primarily from lower variable expenses, including advertising, marketing, shipping, supplies and payment processing expenses.

**Net Income and Adjusted EBITDA:** The Company reported net losses of \$181,811 and \$312,836 for the three and six months ended June 30, 2021, respectively, compared with net losses of \$93,300 and \$161,728, respectively, for the same periods in 2020.

Earnings before interest, taxes, depreciation and amortization ("EBITDA"), as adjusted for stock-based compensation and certain non-recurring charges ("Adjusted EBITDA"), were \$87,636 for the three months and \$211,749 for the six months ended June 30, 2021. That compares with Adjusted EBITDA of \$124,148 and \$262,048, respectively, for the three and six months ended June 30, 2020. 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 Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net sales	\$ 3,954,892	\$ 4,557,443	\$ 7,773,177	\$ 9,084,782
Cost of sales	1,222,628	1,561,502	2,389,038	3,212,015
Gross profit	2,732,264	2,995,941	5,384,139	5,872,767
Selling, general and administrative expenses	2,870,523	3,030,725	5,610,099	5,920,024
Net income (loss) from operations	(138,259)	(34,784)	(225,960)	(47,257)
Interest expense	(43,552)	(58,516)	(86,876)	(114,471)
Net loss	(181,811)	(93,300)	(312,836)	(161,728)
Preferred stock:				
Series B convertible contractual dividends	(85,559)	(85,558)	(171,117)	(171,116)
Net loss attributable to common stockholders	\$ (267,370)	\$ (178,858)	\$ (483,953)	\$ (332,844)
Per share data:				
Net loss - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Series B convertible contractual dividends	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Net loss attributable to common stockholders - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average common shares outstanding - basic and diluted	51,734,119	50,768,430	51,683,540	50,716,015

**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)

<i>(Unaudited)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss	\$ (181,811)	\$ (93,300)	\$ (312,836)	\$ (161,728)
Interest expense	43,552	58,516	86,876	114,471
Depreciation and amortization	33,280	33,457	66,559	66,963
EBITDA (non-GAAP)	(104,979)	(1,327)	(159,401)	19,706
Adjustments to EBITDA:				
Stock-based compensation	192,615	125,475	371,150	242,342
Adjusted EBITDA	\$ 87,636	\$ 124,148	\$ 211,749	\$ 262,048

### 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.

Contact: Joseph Peters, President and CEO, (800) 748-7001