

FOR IMMEDIATE RELEASE

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HealthWarehouse.com Reports Results for Third Quarter 2021

Prescription sales grow by 13%

CINCINNATI – (BUSINESS WIRE) -- HealthWarehouse.com, Inc. (OTC: HEWA) announced on Friday net sales for the third quarter of 2021 were \$4,212,127, a 5% increase from the same quarter in 2020, with prescription sales increasing 13%. The Company reported a loss from operations of \$181,031 for its quarter ended September 30, 2021, but positive cash flow, as reflected by its internal non-GAAP measure of Adjusted EBITDA as defined below, which was \$89,797 in the third quarter.

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 sales growth for the quarter, as we are seeing positive effects from our efforts to expand our business-to-business (B2B) offerings through new partnerships, platform customization and API development. In parallel to this, we are also happy to show growth in our traditional direct-to-consumer (B2C) business. The overall growth in the business is in part due to the capabilities we have developed through investments in technology to efficiently provide world-class service to our customers. All of our initiatives ultimately serve patients. We are striving to ensure they receive the best product and service experience possible. “

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

“As we look toward the end of 2021, we are excited to continue to grow and enhance our customer offerings. Our transition to new customized pharmacy software and a proprietary e-commerce platform will aid in the advancement of our patient experience for our direct-to-consumer customers and provide a more robust product offering for our fulfillment partners. These investments will position HealthWarehouse.com as a technological leader in the industry, as we continue to set the standard for affordability and transparency without compromising quality and service,” added Peters.

Overview of Results for Three and Nine Months Ended September 30, 2021:

Net Sales: Total net sales for the three and nine months ended September 30, 2021, were \$4,212,127 and \$11,985,304, respectively, an increase of \$207,665 (5.2%) and a decrease of \$1,103,940 (8.4%), respectively,

versus the same periods in 2020. Prescription sales were \$3,641,097 and \$10,130,203 for the three and nine months ended September 30, 2021, respectively, which were increases of \$417,732 (13.0%) and \$112,152 (1.1%), respectively, compared with the same periods in 2020. The increase in prescription sales was due to growth in both the B2C and fulfillment businesses.

Sales of over-the-counter products were \$503,528 and \$1,637,738 for the three and nine months ended September 30, 2021, respectively, which were decreases of \$186,036 (27.0%) and \$1,089,644 (40.0%), 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 nine months ended September 30, 2021, was \$2,872,707 and \$8,256,846, respectively, resulting in an increase of \$111,548 and a decrease of \$377,080, respectively, compared with the same periods of 2020. The increase for the three-month period was due to increased sales volume and improved costs resulting from purchasing initiatives with our vendors, while the decrease for the nine-month period was the result of lower sales volume. Gross margin percentages were 68.2% and 68.9% for the three and nine-months periods ended September 30, 2021, respectively, which were a decrease of 0.8 and an increase of 2.9 percentage points, respectively.

Operating Expenses: Selling, general and administrative expenses were \$3,010,060 and \$8,620,158 for the three and nine months ended September 30, 2021, respectively, an increase of \$278,739 (10.2%) and a decrease of \$31,187 (0.4%), respectively, compared to the same periods of 2020. The increase for the three-month period was primarily from higher engineering and marketing salaries, stock-based compensation, advertising and marketing, and accounting and corporate tax expenses. The decrease for the nine-month period was 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 \$181,031 and \$493,866 for the three and nine months ended September 30, 2021, respectively, compared with net losses of \$15,692 and \$177,420, 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 \$89,797 for the three months and \$301,548 for the nine months ended September 30, 2021. That compares with Adjusted EBITDA of \$188,632 and \$450,680, respectively, for the three and nine months ended September 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 Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Net sales	\$ 4,212,127	\$ 4,004,462	\$ 11,985,304	\$ 13,089,244
Cost of sales	<u>1,339,420</u>	<u>1,243,303</u>	<u>3,728,458</u>	<u>4,455,318</u>
Gross profit	2,872,707	2,761,159	8,256,846	8,633,926
Selling, general and administrative expenses	<u>3,010,060</u>	<u>2,731,321</u>	<u>8,620,158</u>	<u>8,651,345</u>
Net income (loss) from operations	(137,353)	29,838	(363,312)	(17,419)
Interest expense	<u>(43,678)</u>	<u>(45,530)</u>	<u>(130,554)</u>	<u>(160,001)</u>
Net loss	(181,031)	(15,692)	(493,866)	(177,420)
Preferred stock:				
Series B convertible contractual dividends	<u>(85,559)</u>	<u>(85,559)</u>	<u>(256,675)</u>	<u>(256,675)</u>
Net loss attributable to common stockholders	<u>\$ (266,590)</u>	<u>\$ (101,251)</u>	<u>\$ (750,541)</u>	<u>\$ (434,095)</u>
Per share data:				
Net loss - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Series B convertible contractual dividends	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</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>\$ (0.01)</u>
Weighted average common shares outstanding - basic and diluted	<u>51,884,998</u>	<u>50,851,971</u>	<u>51,751,431</u>	<u>50,761,665</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 Income (Loss) (GAAP) to Adjusted EBITDA (Non-GAAP)

<i>(Unaudited)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net loss	\$ (181,031)	\$ (15,692)	\$ (493,866)	\$ (177,420)
Interest expense	43,678	45,530	130,554	160,001
Depreciation and amortization	34,210	33,319	100,770	100,282
EBITDA (non-GAAP)	(103,143)	63,157	(262,542)	82,863
Adjustments to EBITDA:				
Stock-based compensation	192,940	125,475	564,090	367,817
Adjusted EBITDA	\$ 89,797	\$ 188,632	\$ 301,548	\$ 450,680

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.

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 otcm Markets.com and prior filings with the Securities and Exchange Commission.

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