

Progressive Care Reports Q1 Performance, Net Sales Surpass \$9 Million Amid COVID-19 Impact

MIAMI, FL– May 18, 2020 – [Progressive Care Inc.](#) (OTCQB: RXMD) (“Progressive Care” or the “Company”), a personalized healthcare services and technology company, is pleased to report financial results for the quarter ended March 31, 2020, which featured very strong revenue growth, especially considering the unique operating conditions during February and March due to the SARS-CoV-2 global pandemic health crisis. During the associated earnings call, management outlined specific competitive advantages and new initiatives positioning the Company for strong growth across all major metrics throughout 2020.

S. Parikh Mars, CEO of Progressive Care, commented, “The novel coronavirus has dramatically changed the landscape in countless ways, and many businesses are suffering from a pervasive lack of predictability and a torrent of new and unique existential challenges. Yet, despite it all, Progressive Care continues to see dramatic overall growth driven by strong execution, flexibility, and efficient positioning. We remain better positioned than most of our competitors to respond effectively to these extraordinary and unusual challenges, and to take full advantage of the many exciting opportunities for growth that lie ahead.”

First Quarter 2020 Highlights

- Consolidated quarterly year-over-year growth in Net Sales of 75% to surpass \$9 Million for Q1 2020
- Prescriptions filled surpasses 134,000 in Q1 2020, up 59% versus Q1 2019
- March 2020 set new Company record for monthly prescriptions filled
- 340B Agency Revenue jumped 76% (vs Q1 2019) to nearly 200,000
- Net Loss of \$795 K almost entirely attributable to PBM fees, with Q1 impact exaggerated due to seasonality of performance reimbursements

During the earnings call, Mars discussed dynamics important to interpreting the Company’s Q1 data, and outlined a series of additional initiatives and projects currently underway that will further improve the Company’s financial performance and competitive positioning in 2020.

As discussed on the call, the root cause of the Company's consolidated Net Loss for the quarter centered on a combination of major increases in fees charged by PBMs in 2020 and the seasonal timing of fee accrual versus performance incentive reimbursements. This was further accentuated by the fact that many insurance carriers switched to PBMs that charge high fees to pharmacies in an attempt to keep cost of prescription benefits low. These changes have resulted in a high concentration of the Company's claims being processed by a single PBM, which has, itself, increased its fees nearly 3-fold in 2020. As of 2020, only one PBM offers the ability to receive refunds of fees through performance.

Fees charged by PBMs are not transparent at the time of adjudication, but the Company's robust analytics gave it reason to believe an accrual of high fees was necessary even though they have yet to be taken from remittances. The Company recorded approximately \$643,000 in fees for the quarter.

The costs associated with producing audited financial data for 2019 were included in Q1 data, representing an additional non-recurring item boosting the apparent Net Loss for the quarter.

Looking ahead, the Company is extremely excited about dramatic gains already being seen in Q2 in terms of growth in new patients. Progressive Care has already added over 1,000 new patients in Q2, which may represent as many as 5,000 additional prescriptions filled per month during the current quarter.

In addition, the Company has recently launched a full e-commerce segment as well as its new COVID-19 IgG/IgM rapid result antibody and diagnostic testing program. Both are now up and running on a nationwide scale.

Key Q2 Initiatives and Projects

- **Build out of 400 Ansin.** Consolidation of operations is underway in 2020 and is expected to yield approximately \$300,000 in savings in 2021.

- **E-commerce.** Progressive Care is currently expanding the range of products available on its e-commerce platform, as well as upgrading platform functionality. Despite a nominal advertising

budget, e-commerce has steadily increased in volume since the platform was launched in April 2020.

- **COVID-19 Antibody Testing.** Testing is underway at the PharmCo Miami location. The Company secured a supply of tests manufactured by a company that has filed for EUA registration with the FDA. Tests are currently being offered through: 1) health care providers, 2) a testing service for employers, 3) through retail to individual consumers. Tests must be performed by a health care professional. The Company anticipates rapid growth in this program as the lock down phase gradually winds down.

- **RXMD Therapeutics.** The Company has adopted an acquisition strategy for RXMD Therapeutics for compliance and risk mitigation purposes. The Company has already issued a proposal to an existing brand of cannabidiol products.

- **SEC Registration.** The S-1 filing and the uplisting process is now the most important priority for the Corporate team. The Company is updating its prospectus information in the draft of the S-1. The timeline continues to be 2020 with the S-1 filing to be in the coming weeks.

Mars continued, “Progressive Care has demonstrated that it is uniquely well prepared for the challenges presented by the current context, and we continue to drive strong growth with very encouraging trends already in place in Q2. Through our services, patients and healthcare providers can get the support they need no matter the restrictions placed on their lives. We pride ourselves on our ability to deliver best-in-class care for our patients under any conditions.”

For more information about Progressive Care, please visit the company’s [website](#).

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About Progressive Care Inc.

Progressive Care Inc. (OTCQB: RXMD), through its subsidiaries, is a Florida health services organization and provider of prescription pharmaceuticals, compounded medications, provider of tele-pharmacy services, the sale of anti-retroviral medications, medication therapy management (MTM), the supply of prescription medications to long-term care facilities, and health practice risk management.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained herein that are not based upon current or historical fact are forward-looking in nature and constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements reflect the Company's expectations about its future operating results, performance, and opportunities that involve substantial risks and uncertainties. These statements include but are not limited to statements regarding the intended terms of the offering, closing of the offering and use of any proceeds from the offering. When used herein, the words "anticipate," "believe," "estimate," "upcoming," "plan," "target," "intend" and "expect" and similar expressions, as they relate to Progressive Care Inc., its subsidiaries, or its management, are intended to identify such forward-looking statements. These forward-looking statements are based on information currently available to the Company and are subject to a number of risks, uncertainties, and other factors that could cause the Company's actual results, performance, prospects, and opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

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