

PROPHASE LABS, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	For the Three Months ended		For the Nine Months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Net sales	\$ 2,439	\$ 3,040	\$ 9,033	\$ 5,716
Cost of sales	1,683	2,608	5,593	5,060
Gross profit	756	432	3,440	656
Operating expenses:				
Sales and marketing	395	150	802	486
Administration	1,129	1,124	3,547	3,510
Research and development	144	60	319	318
Total operating expenses	1,668	1,334	4,668	4,314
Loss from operations	(912)	(902)	(1,228)	(3,658)
Interest income (expense), net	15	125	115	72
Other income	-	-	-	150
Loss from continuing operations before income taxes	(897)	(777)	(1,113)	(3,436)
Income tax benefit from continuing operations	-	305	-	1,322
Loss from continuing operations	(897)	(472)	(1,113)	(2,114)
Discontinued operations:				
Income from discontinued operations	-	-	-	530
Gain (loss) on sale of discontinued operations, net of taxes	(160)	(305)	(160)	42,389
Income (loss) from discontinued operations	(160)	(305)	(160)	42,919
Net income (loss)	\$ (1,057)	\$ (777)	\$ (1,273)	\$ 40,805
Unrealized gain (loss) on marketable securities	28	(35)	54	(35)
Total comprehensive income (loss)	\$ (1,029)	\$ (812)	\$ (1,219)	\$ 40,770
Basic earnings per share:				
Loss from continuing operations	\$ (0.08)	\$ (0.03)	\$ (0.10)	\$ (0.13)
Income (loss) from discontinued continued operations	(0.01)	(0.02)	(0.01)	2.58
Net income (loss)	\$ (0.09)	\$ (0.05)	\$ (0.11)	\$ 2.45
Diluted earnings per share:				
Loss from continuing operations	\$ (0.08)	\$ (0.03)	\$ (0.10)	\$ (0.12)
Income (loss) from discontinued continued operations	(0.01)	(0.02)	(0.01)	2.51
Net income (loss)	\$ (0.09)	\$ (0.05)	\$ (0.11)	\$ 2.39
Weighted average common shares outstanding:				
Basic	11,541	15,967	11,344	16,661
Diluted	11,541	15,967	11,344	17,118

PROPHASE LABS, INC. & SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET DATA
(in thousands)

	September 30, 2018 (Unaudited)	December 31, 2017
Cash and cash equivalents	\$ 2,269	\$ 3,173
Marketable securities, available for sale	\$ 6,866	\$ 18,765
Accounts receivable, net	\$ 1,051	\$ 1,945
Inventory	\$ 2,717	\$ 1,531
Total current assets	\$ 18,096	\$ 28,417
Total assets	\$ 20,575	\$ 33,659
Total current liabilities	\$ 876	\$ 1,812
Total stockholders' equity	\$ 19,699	\$ 31,847