

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

	Year Ended December 31,	
	2018	2017
Net sales	\$ 13,126	\$ 9,867
Cost of sales	8,345	7,919
Gross profit	<u>4,781</u>	<u>1,948</u>
Operating expenses		
Sales and marketing	1,107	699
Administration	4,910	4,808
Research and development	398	431
Total operating expenses	<u>6,415</u>	<u>5,938</u>
Interest income, net	167	177
Other income	-	150
Total interest and other income	<u>167</u>	<u>327</u>
Loss from continuing operations before income taxes	(1,467)	(3,663)
Income tax benefit (provision) from continuing operations	(103)	1,421
Loss from continuing operations	<u>(1,570)</u>	<u>(2,242)</u>
Discontinued operations:		
Income from discontinued operations	-	530
Gain (loss) on sale of discontinued operations, net of taxes	(170)	42,301
Income (loss) from discontinued operations	<u>(170)</u>	<u>42,831</u>
Net income (loss)	<u>\$ (1,740)</u>	<u>\$ 40,589</u>
Other comprehensive income (loss):		
Unrealized gain loss on marketable securities	54	(78)
Total comprehensive income (loss)	<u>(1,686)</u>	<u>40,511</u>
Basic earnings (loss) per share:		
Loss from continuing operations	\$ (0.14)	\$ (0.14)
Income (loss) from discontinued operations	(0.01)	2.75
Net income (loss)	<u>\$ (0.15)</u>	<u>\$ 2.61</u>
Diluted earnings (loss) per share:		
Loss from continuing operations	\$ (0.14)	\$ (0.14)
Income (loss) from discontinued operations	(0.01)	2.73
Net income (loss)	<u>\$ (0.15)</u>	<u>\$ 2.59</u>
Weighted average common shares outstanding:		
Basic	<u>11,396</u>	<u>15,565</u>
Diluted	<u>11,396</u>	<u>15,696</u>

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

	<u>December 31 2018</u>	<u>December 31 2017</u>
Cash and cash equivalents	\$ 1,554	\$ 3,173
Marketable securities, available for sale	\$ 6,687	\$ 18,765
Accounts receivable, net	\$ 2,968	\$ 1,945
Inventory	\$ 1,903	\$ 1,531
Total current assets	\$ 18,238	\$ 28,417
Total assets	\$ 20,737	\$ 33,659
Total current liabilities	\$ 4,233	\$ 1,812
Total stockholders' equity	\$ 16,504	\$ 31,847