

ProPhase Labs, Inc. and 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, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Net sales	\$ 2,766	\$ 2,439	\$ 6,735	\$ 9,033
Cost of sales	1,932	1,683	5,120	5,593
Gross profit	<u>834</u>	<u>756</u>	<u>1,615</u>	<u>3,440</u>
Operating expenses:				
Sales and marketing	302	395	910	802
Administration	936	1,129	3,232	3,547
Research and development	57	144	246	319
Total operating expenses	<u>1,295</u>	<u>1,668</u>	<u>4,388</u>	<u>4,668</u>
Loss from operations	<u>(461)</u>	<u>(912)</u>	<u>(2,773)</u>	<u>(1,228)</u>
Interest income, net	33	15	94	115
Loss from continuing operations	<u>(428)</u>	<u>(897)</u>	<u>(2,679)</u>	<u>(1,113)</u>
Discontinued operations:				
Loss on sale of discontinued operations, net of taxes	-	(160)	-	(160)
Loss from discontinued operations	-	(160)	-	(160)
Net (loss)	<u>\$ (428)</u>	<u>\$ (1,057)</u>	<u>\$ (2,679)</u>	<u>\$ (1,273)</u>
Other comprehensive loss:				
Unrealized gain (loss) on marketable debt securities	(5)	28	18	54
Total comprehensive loss	<u>\$ (433)</u>	<u>\$ (1,029)</u>	<u>\$ (2,661)</u>	<u>\$ (1,219)</u>
Basic loss per share:				
Loss from continuing operations	\$ (0.04)	\$ (0.08)	\$ (0.23)	\$ (0.10)
Loss from discontinued operations	-	(0.01)	-	(0.01)
Net loss	<u>\$ (0.04)</u>	<u>\$ (0.09)</u>	<u>\$ (0.23)</u>	<u>\$ (0.11)</u>
Diluted loss per share:				
Loss from continuing operations	\$ (0.04)	\$ (0.08)	\$ (0.23)	\$ (0.10)
Loss from discontinued operations	-	(0.01)	-	(0.01)
Net loss	<u>\$ (0.04)</u>	<u>\$ (0.09)</u>	<u>\$ (0.23)</u>	<u>\$ (0.11)</u>
Weighted average common shares outstanding:				
Basic and diluted	<u>11,565</u>	<u>11,541</u>	<u>11,561</u>	<u>11,344</u>

ProPhase Labs, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands)
(unaudited)

	September 30, <u>2019</u>	December 31, <u>2018</u>
Cash and cash equivalents	\$ 968	\$ 1,554
Marketable debt securities, available for sale	\$ 3,760	\$ 6,687
Accounts receivable, net	\$ 1,483	\$ 4,830
Inventory, net	\$ 1,886	\$ 1,903
Total current assets	\$ 13,219	\$ 18,238
Total assets	\$ 15,601	\$ 20,737
Total current liabilities	\$ 1,073	\$ 4,233
Total non-current liabilities	\$ 129	\$ -
Total stockholders' equity	\$ 14,399	\$ 16,504