

**ProPhase Labs, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share amounts)  
**(unaudited)**

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net sales	\$ 1,651	\$ 3,186	\$ 3,969	\$ 6,594
Cost of sales	1,390	1,928	3,188	3,910
Gross profit	261	1,258	781	2,684
Operating expenses:				
Sales and marketing	342	235	608	407
Administration	1,092	1,200	2,296	2,419
Research and development	95	87	189	174
Total operating expenses	1,529	1,522	3,093	3,000
Loss from operations	(1,268)	(264)	(2,312)	(316)
Interest income, net	30	4	61	100
<b>Net loss</b>	<b>\$ (1,238)</b>	<b>\$ (260)</b>	<b>\$ (2,251)</b>	<b>\$ (216)</b>
Other comprehensive income:				
Unrealized gain on marketable debt securities	8	68	23	25
Total comprehensive loss	\$ (1,230)	\$ (192)	\$ (2,228)	\$ (191)
Basic loss per share	\$ (0.11)	\$ (0.02)	\$ (0.19)	\$ (0.02)
Diluted loss per share	\$ (0.11)	\$ (0.02)	\$ (0.19)	\$ (0.02)
Weighted average common shares outstanding:				
Basic	11,560	11,339	11,558	11,237
Diluted	11,560	11,339	11,558	11,237

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

	June 30, <u>2019</u>	December 31 <u>2018</u>
Cash and cash equivalents	\$ 1,049	\$ 1,554
Marketable debt securities, available for sale	\$ 4,685	\$ 6,687
Accounts receivable, net	\$ 738	\$ 2,968
Inventory, net	\$ 2,026	\$ 1,903
Total current assets	\$ 13,429	\$ 18,238
Total assets	\$ 15,799	\$ 20,737
Total current liabilities	\$ 956	\$ 4,233
Total non-current liabilities	\$ 191	\$ -
Total stockholders' equity	\$ 14,652	\$ 16,504