

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

	Year Ended December 31,	
	2017	2016
Net sales	\$ 9,867	\$ 4,206
Cost of sales	7,919	3,209
Gross profit	<u>1,948</u>	<u>997</u>
Operating expenses:		
Sales and marketing	699	1,700
Administration	4,808	2,733
Research and development	431	358
	<u>5,938</u>	<u>4,791</u>
Interest income	231	1
Interest expense	(54)	(213)
Other income (expense)	150	
Interest and other income (expense), net	<u>327</u>	<u>(212)</u>
Loss from continuing operations before taxes	(3,663)	(4,006)
Income tax benefit from continuing operations	17,990	-
Income (loss) from operations continuing operations	<u>14,327</u>	<u>(4,006)</u>
Discontinued operations:		
Income from discontinued operations	530	1,138
Gain on sale of discontinued operations, net of taxes	26,974	-
Income (loss) from discontinued operations	<u>27,504</u>	<u>1,138</u>
Net income (loss)	<u>\$ 41,831</u>	<u>\$ (2,868)</u>
Other comprehensive loss:		
Unrealized loss on marketable securities	(78)	-
Total comprehensive income (loss)	<u>\$ 41,753</u>	<u>\$ (2,868)</u>
Basic earnings (loss) per share:		
Income (loss) from continuing operations	\$ 0.92	\$ (0.24)
Income from discontinued operations	1.77	0.07
Net income (loss)	<u>\$ 2.69</u>	<u>\$ (0.17)</u>
Diluted earnings (loss) per share:		
Income (loss) from continuing operations	\$ 0.92	\$ (0.24)
Income from discontinued operations	1.75	0.07
Net income (loss)	<u>\$ 2.67</u>	<u>\$ (0.17)</u>
Weighted average common shares outstanding:		
Basic	<u>15,565</u>	<u>17,081</u>
Diluted	<u>15,696</u>	<u>17,081</u>

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

	2017	2016
Cash and cash equivalents	\$ 3,173	\$ 441
Marketable securities, available for sale	\$ 18,765	\$ -
Accounts receivable	\$ 1,945	\$ 5,770
Inventory	\$ 1,531	\$ 2,736
Total current assets	\$ 28,919	\$ 9,627
Total assets	\$ 34,161	\$ 12,802
Total current liabilities	\$ 1,072	\$ 6,840
Total stockholders' equity	\$ 33,089	\$ 5,962