



NASDAQ: PRPH

Corporate Presentation

January 2022

This presentation contains forward-looking statements relating to our strategy and business objectives. All statements other than statements of historical facts included in this presentation may be deemed to be forward-looking statements including statements related to our plans to grow our new whole genome sequencing (WGS) business by leveraging our existing CLIA labs and retail relationships and to build a genomics database, our ability to offer competitive pricing and decreased turnaround times for our diagnostic and genome sequencing services, and our plans to acquire additional laboratories. You can identify forward-looking statements by words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the negative of those terms, and similar expressions that convey uncertainty or future events or outcomes. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements including risks related to consumer demand for our diagnostic and genomic services, the competitive environment, challenges relating to entering into new business lines, the failure to obtain and maintain certain regulatory approvals, and our ability to continue to execute on our business plan. Additional risks and uncertainties relating to our business can be found under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and our subsequent Quarterly Reports on Form 10-Q, as well as our other filings with the Securities and Exchange Commission. These forward-looking statements are based on current expectations, estimates, forecasts and projections and are not guarantees of future performance or development. The forward-looking statements contained in this presentation are made as of the date hereof, and we do not assume any obligation to update any forward-looking statements except as required by applicable law. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this presentation.

ProPhase Labs (NASDAQ: PRPH) is a diversified biotech and genomics company that seeks to leverage its CLIA lab services to provide whole genome sequencing and research direct to consumers and build a genomics data base to be used for further research. The Company continues to provide traditional CLIA molecular laboratory services, including COVID-19 testing.

- **ProPhase Diagnostics:** Operates CLIA-accredited laboratories. These labs provide a wide range of testing for diagnosis, screening and evaluation of diseases, including COVID-19 testing, Immunity and Antigen tests, with a current capacity to process up to 60,000 tests per day. With a diverse and growing customer base, in combination with current wave of COVID-19 and variants, Company indicated significant increases in COVID-19 testing in Q4 2021 and Q1 2022.
- **ProPhase Precision Medicine:** Recent acquisition of Nebula Genomics provides a leading position in Whole Genome Sequencing (WGS). It provides access to affordable and secure personalized genetic testing. Whole-Genome Sequencing is a genetic testing technology that obtains comprehensive data on every gene and all of your chromosomes in your DNA. WGS can be used to examine your ancestry, health, diet, rare gene mutations and rare diseases.
- **ProPhase Global Healthcare:** Launched with the goal to develop COVID-19 testing facilities internationally and conduct additional healthcare related initiatives, including sales and distribution of the Sputnik vaccine.
- **Successful In-House TK Supplements® Brand:** Created dietary supplements product line, sold at CVS, Walgreens, Walmart & more.
- **One of the Leading Lozenge Contract Manufacturers in the U.S.:** State-of-the-art lozenge manufacturer.



Investment Highlights

- **Strong Revenue Growth:** For the nine months ended September 30, 2021, net revenue was \$33.9 million as compared to \$9.4 million for the nine months ended September 30, 2020, virtually all attributed to organic growth.
- **Strong Revenue Outlook:** ProPhase announced that testing volumes exceeded 300,000 PCR Covid-19 tests in Q4 2021 vs. previous record levels of 110,000 in Q1 2021. Company anticipates strong year over year growth in revenues, earnings and cash flow for each of the next four quarters.
- **Improved Cash Position:** \$34.0 million in working capital as of September 30, 2021. Our aggregate cash and cash equivalent and marketable debt securities as of September 30, 2021 was \$22.9 million.
- **Stock Buyback:** Announced \$6M stock repurchase program on September 8, 2021.
- **Successful Track Record:** Divested Cold-EEZE® brand to Mylan for \$50 million in 2017.



Stock Symbol:.	PRPH
Exchange:	NASDAQ
Recent Price:	\$7.17 (a/o 12/31/2021)
52 Wk. Range:	\$4.41 - \$16.04
Market Cap:	\$111.1M (a/o 12/31/21)
Shares Outstanding:	15.5M
Free Float:	12.8M
Insider Ownership:	17.7%
Institutional Ownership	11.4%
Debt to Capital	13.9%
Average Daily Volume:	52K
Short Interest	0.7%*

*a/o 12/15/2021

- ✓ Acquired full service Clinical Laboratory Improvement Amendments (CLIA) accredited laboratory in New Jersey in October 2020. Built current capacity to process up to 10,000 tests per day.
- ✓ Subsequently built a second CLIA lab in Garden City, NY. 25,000 square feet. Current capacity to process 50,000 tests per day.
- ✓ Approved for a wide range of important diagnosis, screening and evaluation of diseases, including:
 - COVID-19 viral and antibody tests
 - COVID-19 antigen testing with results in 10-15 minutes
 - Respiratory Pathogen Panel (RPP) Molecular tests
 - Polymerase chain reaction (PCR) for Influenza A and B and RSV
 - Respiratory viruses
 - Pneumonia-causing bacteria
 - Other infectious diseases



- Fast turnaround times.
- Highly competitive pricing and margins with goal to meet or exceed industry norms.
- Both CLIA labs equipped with the latest state-of-the-art ThermoFisher Multiplex platforms to test for COVID-19.
- Recently introduced antigen and antibody tests to broaden COVID-19 testing beyond RT-PCR testing.
- Goal to acquire laboratories with a focus on anatomical pathology, toxicology, blood, urine, etc.



- COVID-19 is more contagious than the flu and has demonstrated its ability to mutate very quickly. Current scientific thinking is that COVID-19 may be with us for many years to come.
- Vaccination rates for COVID-19 are similar to flu. It is unclear whether there will ever be a high enough vaccination rate to negate COVID-19, in addition to the fact that vaccinations do not prevent all people from catching COVID-19 or spreading COVID-19. Vaccinations primarily reduce the symptoms of COVID-19.
- While COVID-19 cases may continue to go through cycles or waves, we expect a consistent baseline level of COVID-19 testing for the foreseeable future. ProPhase Labs has developed a large and growing diverse customer base of independent pharmacies and concierge services. We have found that many prefer the convenience of these testing sites rather than making appointments at doctor's offices.

Coronavirus World Map: Tracking the Global Outbreak

Updated Jan. 3, 2022

New reported cases



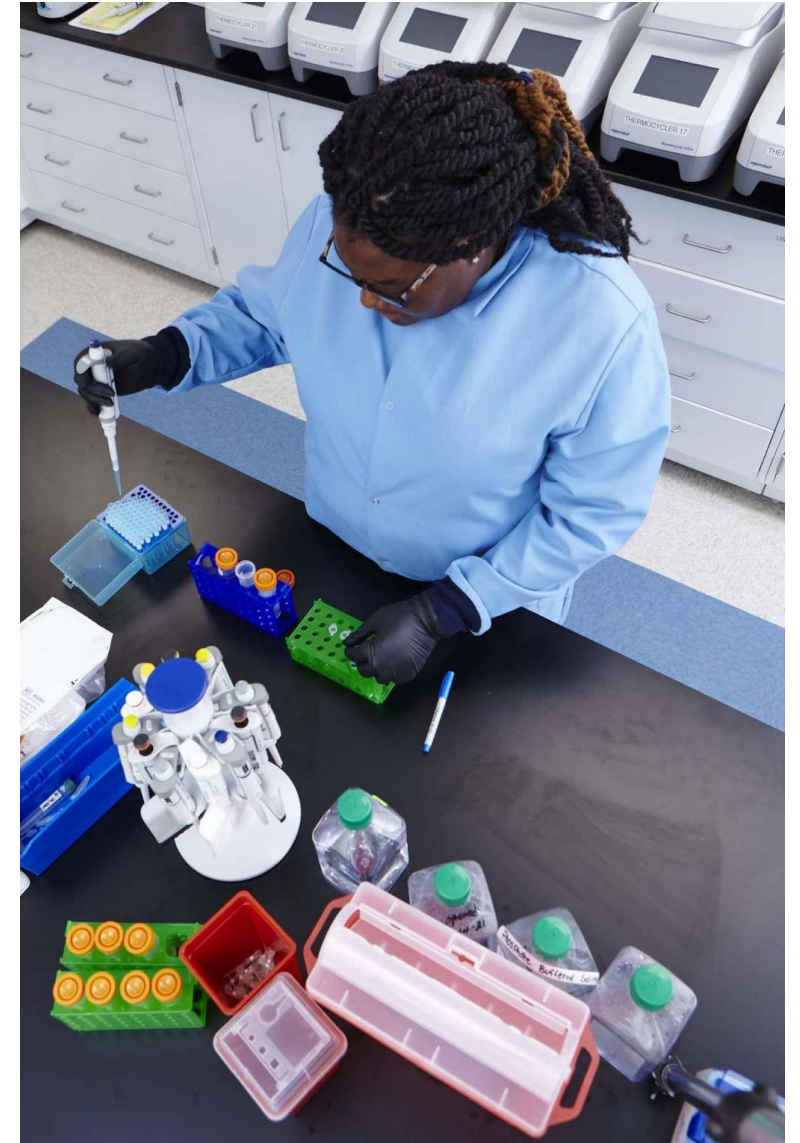
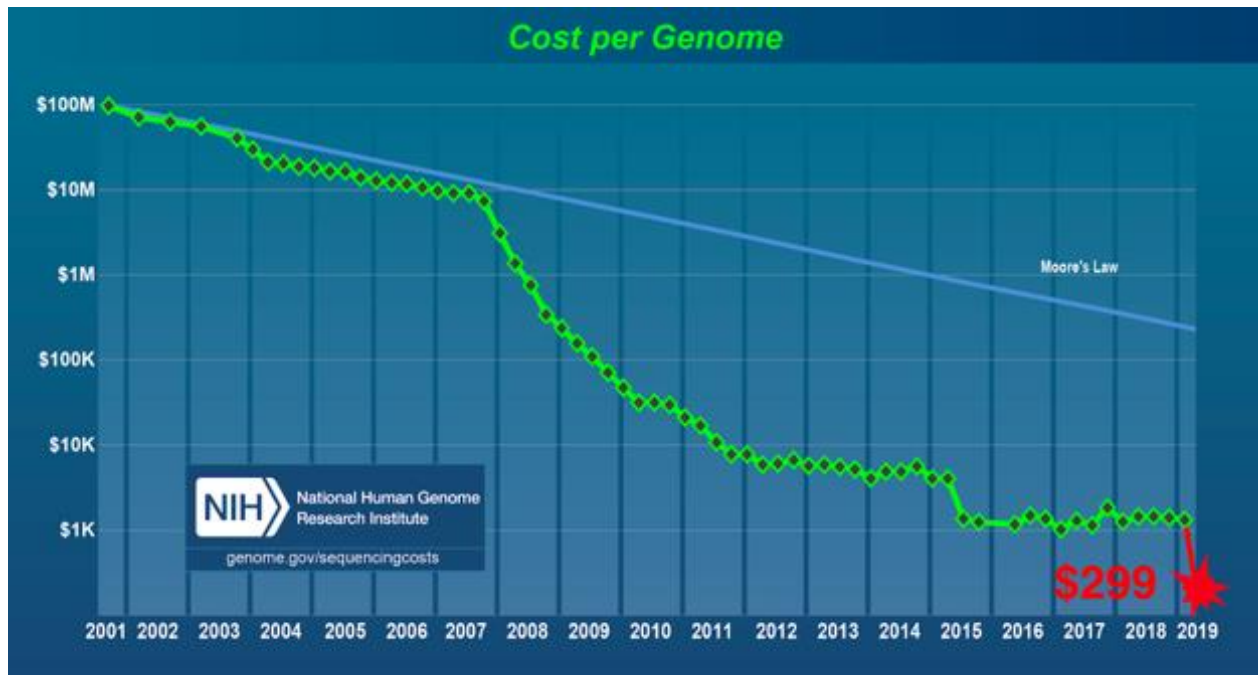
Source: <https://www.nytimes.com/interactive/2021/world/covid-cases.html>

- ✓ Acquisition of Nebula Genomics provides a leading position in Whole Genome Sequencing (WGS). It provides access to affordable and secure personalized genetic testing. WGS is a genetic testing technology that obtains comprehensive data on every gene and all of your chromosomes in your DNA. WGS can be used to examine your ancestry, health, diet, rare gene mutations and rare diseases.
- ✓ ProPhase's goal is to integrate this comprehensive genomic testing into the Company's CLIA-certified labs. This would provide faster turnaround time of results and reduced pricing. Company also plans to leverage its distribution in over 40,000 food, drug and mass retail stores. Each of these initiatives could dramatically grow sales going forward.
- ✓ ProPhase is planning further acquisitions to expand WGS capabilities and personalized, precision medicine solutions for both consumer and physician markets.



ProPhase Precision Medicine

Nebula Genomics was the first company to bring the cost of sequencing a human genome below \$300 (the cost of the first human genome was \$3 billion) and subsequently became the largest direct-to-consumer Whole Genome Sequencing company. ProPhase's goal is to dramatically increase Nebula's sales by decreasing price, decreasing turnaround times and increasing distribution to both businesses and consumers.



- Precision medicine has an important and growing role in the physician market. As research develops, WGS technology will allow physicians to optimize their future medical treatment by understanding which therapies have the best chance of working for their patients, based on their genetic makeup.
- Large-scale human genome sequencing continues to advance the understanding of the causes of diseases and lay the foundation for personalized therapies of the future. These include targeted gene therapies with the goal to cure genetic diseases.
- Will seek further acquisitions to expand WGS capabilities and personalized, precision medicine solutions for both the consumer and physician markets.

We offer a line of dietary supplement products under the **TK Supplements®** brand, including:

- **LEGENDZ XL®**, for male sexual enhancement
- **TRIPLE EDGE XL®**, a daily energy and stamina booster
- **SUPER PROSTAFLOW+™**, a supplement to support prostate and urinary health

Legendz XL has distribution in Rite Aid, Walgreens and other retailers, and via ecommerce, and is now achieving broader distribution at CVS and Walmart. Triple Edge XL, is now gaining retailer acceptance as well.



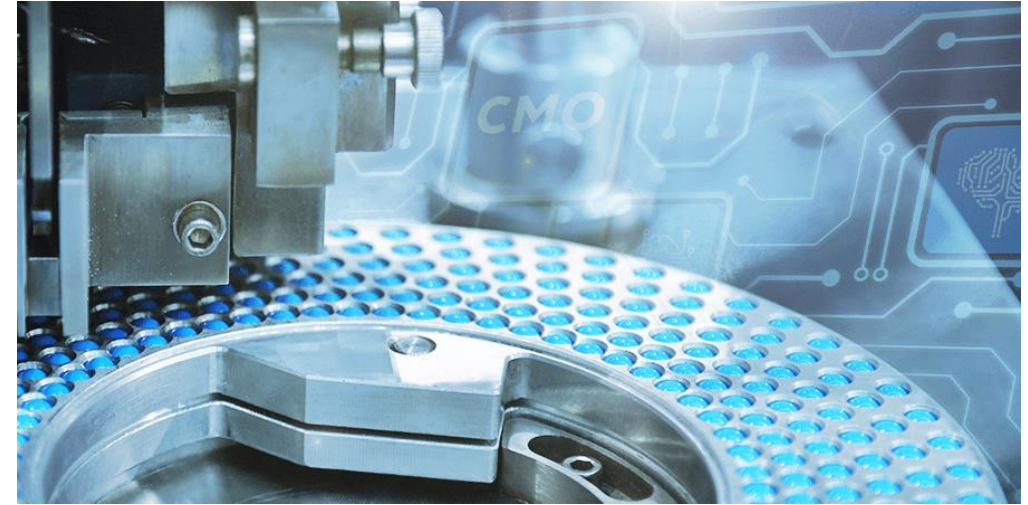
TK Supplements® is dedicated to promoting better health, energy and sexual vitality.





One of the Largest State-of-the-Art Lozenge Manufacturers in the U.S.

- **Contract Manufacturing** - 60,000 sq. ft. climate-controlled facility on 12 acres operating under FDA 21 CFR 210 & 211 guidelines provides the ability to offer products for diversified needs
- **Private Label** - Partners with brokers and retailers to provide superior quality products
- **Marketing** - Offers the ability to deploy various strategies to help customers market their products successfully
- **Research & Development** - Works to develop and formulate customers' unique, best in class products





Precision Medicine

- Well positioned for coming wave of personalized genetic testing for both consumers and physicians.
- Further acquisitions to expand WGS capabilities and personalized, precision medicine solutions.
- Leverage existing infrastructure of over 40,000 retailers to expand distribution into OTC market



Diagnostics & Lab Processing

- Diverse and growing customer base, in combination with current wave of COVID-19 and variants, drove significant increases in COVID-19 testing in Q4 2021 and Q1 2022.
- Purchase and build out additional CLIA certified labs for processing.
- Leverage COVID testing customer base with additional types of laboratory testing such as pathology, toxicology, blood and urine.
- Goal to provide genomic sequencing in-house.



Global Testing

- Goal to expand network of CLIA certified labs internationally
- Low vaccination rates ensures that Covid testing will remain in high demand in many countries around the world.
- Support rising interest in personalized genetic testing throughout the world.



Executive Management



Ted Karkus - Chairman & CEO

Mr. Karkus is the CEO and Chairman of the Board of Directors of ProPhase Labs, Inc. As CEO, he directly manages and oversees corporate strategy, product development, sales and marketing, and R&D. Mr. Karkus has long focused his career on investing, management consulting, and managing emerging growth companies. He started his career on Wall Street working for a variety of investment banks. Mr. Karkus financed and advised ID Biomedical, a biotech/vaccine company, when it was valued at approximately \$25 million and near bankruptcy. He successfully persuaded the board of directors into making difficult but necessary changes to management, including the replacement of the CEO, and helped to redirect their strategic focus. Seven years later, the company was sold to GlaxoSmithKline for more than \$1.4 billion. While advising ID Biomedical, he began a similar decade-long engagement with ProPhase Labs. After years of declining revenues, increasing losses, and questionable management activities, the Company's direction was in dire need of change —and the shareholders' interests in need of protection. Mr. Karkus initiated a highly risky but successful proxy contest in 2009 that led to his position as CEO. After inheriting a severely declining brand portfolio, he restructured the go-to-market strategy for the flagship Cold-EEZE brand and grew revenues significantly. The net result: in 2017, ProPhase Labs sold the Cold-EEZE brand for \$50 million to Mylan, a multibillion-dollar pharmaceutical company. Mr. Karkus graduated Tufts University with a BS in Psychology and Magna Cum Laude Honors in 1981 and Columbia University School of Business with an MBA in Finance and Beta Gamma Sigma Honors in 1984.

Monica Brady - Chief Financial Officer

Ms. Brady has over 15 years of experience with two public companies. She currently serves as the Company's Chief Financial Officer at the Company since January 2019 and previously served as its Chief Accounting Officer from September 2017 to January 2019 and Director of Finance from October 2009 through September 2017. Prior to joining the Company, Ms. Brady served as a senior accountant at iDNA Inc. from June 2003 through September 2009 which focused on corporate communications. Ms. Brady is a registered CPA in the state of New York.

Alice Lioi – EVP/Co-COO – ProPhase Diagnostics, Inc.

Alice oversees all ProPhase lab operations. She ensures accuracy, exemplary medical quality, service delivery, and client satisfaction with the highest compliance standards. She brings more than 18 years of progressive laboratory leadership experience in both clinical and research. Prior to joining ProPhase Labs, she held the position of VP of Lab Operations at Quest Diagnostics. Throughout her career, she also efficiently managed labs at Brookdale Hospital and Medical Center in New York. While there, she served as the Administrative Director of Clinical and Anatomical Pathology Service and AdvantageCare Physicians, covering 36 medical facilities and working with both patients and physicians to optimize care. Earlier in her career, Alice was a Clinical Laboratory Technologist at the Quest Diagnostics Syosset location. Alice graduated from SUNY Stony Brook with a Bachelor of Science in Clinical Laboratory Science. She holds a NY State License as a Clinical Laboratory Technologist.

Jason Karkus – EVP/Co-COO – ProPhase Diagnostics, Inc. Jason was instrumental in the explosive growth of ProPhase Diagnostics by directly generating tens of millions of dollars in revenue in 2021. He leads multiple areas including sales, business development, logistics operations, and account management. In addition, he helped develop two elite CLIA-certified labs, build on new technologies and acquisitions, and sustain the company's reputation for quality and innovation. Jason built and oversees approximately two dozen account managers and customer service reps who provide 24/7 service. Jason and his team exceed expectations for ProPhase's customers with a seamless service experience accomplished through outstanding communication and a results-first mindset. Jason has a background in sales and development with leading real estate firms Douglas Elliman and Newmark Knight Frank. He is a graduate of the University of Maryland.

Sergio Miralles – EVP/Chief Information Officer - ProPhase Diagnostics, Inc. Sergio Miralles is an experienced IT Leader, with over 12 years of experience in enterprise level Cybersecurity, Infrastructure, and Architecture. At ProPhase Labs, Sergio is responsible for ensuring a complete end-to-end technology solution that links its lab customers' patient data via interface to efficiently process and report results. Previously, Sergio founded and led a successful IT consulting firm overseeing 18 IT consultants. For the last 5 years, his primary focus has been on the medical, lab, and diagnostics business. Sergio holds several certifications from Cisco, ISC2, and CompTIA.

Sam Beeler – Chief Strategy Officer – ProPhase Precision Medicine

Sam A. Beeler is an accomplished healthcare executive with over 17 years of extensive leadership experience spanning multiple ecosystems, including hospital-based medicine, multi-specialty private practice, clinical research, and community health. Sam has served in progressive enterprise leadership, strategy, and operations roles for Advantage Care Physicians, The Advisory Board, TeamHealth, PivotHealth and more. He was appointed as Director of Health and Human Services for a municipality in NJ. He is the co-founder of a disruptive clinical research and human performance laboratory with clients that include NFL, NHL, and MLB teams, the United States Navy Seals, Olympic athletes, and high net worth clientele from around the world. He has a global network of professional relationships across healthcare, biotech and government. Sam has studied at Rutgers University, Cornell University and Weill-Cornell Medicine. He has completed executive level coursework at Harvard.

Kamal Obbad –SVP, Director of Sales and Marketing - ProPhase Precision Medicine

Kamal is co-founder of Nebula Genomics. He received his undergraduate degree at Harvard University and did graduate studies in computer science as a Gates-Cambridge Fellow at the University of Cambridge. Prior to founding Nebula, Kamal led teams at Google. For his work, Kamal has received multiple honors including being named to the Forbes 30 under 30 list.

Dr. George Church - Advisory Board - ProPhase Precision Medicine

Along with being a co-founder at Nebula Genomics, Dr. George Church is also Professor of Genetics at Harvard Medical School and Director of PersonalGenomes.org. His 1984 Harvard Ph.D. included the first methods for direct genome sequencing, molecular multiplexing & barcoding. This led to the first genome sequence (pathogen, *Helicobacter pylori*) in 1994. His innovations have contributed to nearly all “next-generation” DNA sequencing methods and companies (CGI-BGI, Life, Illumina, Nanopore). His honors include election to NAS & NAE & Franklin Bower Laureate for Achievement in Science. He has co-authored 590 papers, 155 patent publications & one book (Regenesis).

Investor Highlights Recap

ProPhase Labs has successfully executed on the transition into a diversified biotech and genomics company.

- ✓ **ProPhase Diagnostics:** Current capacity to process up to 60,000 tests per day. With a diverse and growing customer base, in combination with current wave of COVID-19 and variants, Company indicated significant increases in COVID-19 testing in Q4 2021 and Q1 2022.
- ✓ **ProPhase Precision Medicine:** Recent acquisition of Nebula Genomics provides a leading position in Whole Genome Sequencing (WGS). Significant opportunities to expand both DTC and OTC solutions for consumers. Goal to decrease costs, decrease turnaround times and distribute in 40,000+ food, drug and mass retail stores.
- ✓ **Strong Revenue Growth:** For the nine months ended Sept. 30, 2021, net revenue was \$33.9 million as compared to \$9.4 million for the nine months ended Sept. 30, 2020, virtually all attributed to organic growth.
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Company

Ted Karkus
Chairman & CEO
711 Stewart Ave.
Garden City, NY 11530

Institutional Investor Relations

Matt Blazei
CoreIR
T: 516-222-2560
E: investorrelations@prophaselabs.com

Retail Investor Relations

John Boidman
Renmark Financial Communications
T: 514-939-3989
E: jboidman@renmarkfinancial.com



www.prophaselabs.com

