



NASDAQ: PRPH
Corporate Presentation
May 2022

Forward Looking Statements

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, our ability to collect payment for the diagnostic tests we deliver, including our ability to collect payment from uninsured individuals if emergency funding is not allocated to the HRSA uninsured program in the future, 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, 2021 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.

The Four Divisions of ProPhase Labs

ProPhase Diagnostics



Nebula Genomics








Contract Manufacturing



TK Supplements



History of Strong Execution

2012	2017	2018	Q4 2020	Q1 2021
				
TURNAROUND		SPECIAL DIVIDEND	COMMENCED COVID-19 TESTING	STRONG REVENUE GROWTH
Ted Karkus, CEO, restructures and turns around the company. Stock bottoms at \$.65 per share.	Turns around and subsequently sells the Cold-EEZE cold remedy brand to Mylan Pharma for \$50 million. Develops new line of dietary supplements. Continues lozenge manufacturing business.	Long term shareholders well rewarded as company pays out \$2.40 per share in special dividends between 2018 – 2022 (including \$0.30 to be paid June 3, 2022).	Expanded into Covid-19 testing. Within a short period of time built a substantial business with a 25,000 sq. foot state-of-the art lab in Garden City, NY.	In first full quarter in the diagnostic testing business, reported approximately \$12 million Lab revenues on approximately 110,000 Covid-19 tests.

ProPhase Diagnostics

- ✓ 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

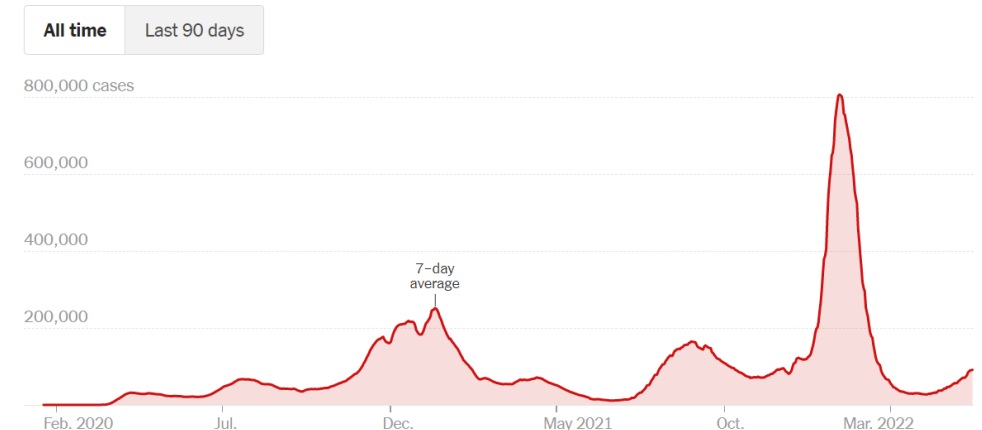


- COVID-19 is more contagious than the flu and has demonstrated its ability to mutate very quickly. Current scientific thinking is that COVID-19 may be with us for many years to come.
- Vaccination rates for COVID-19 are similar to flu. It is unclear whether there will ever be a high enough vaccination 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 in the U.S.: Latest Map and Case Count







Updated May 16, 2022

New reported cases



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

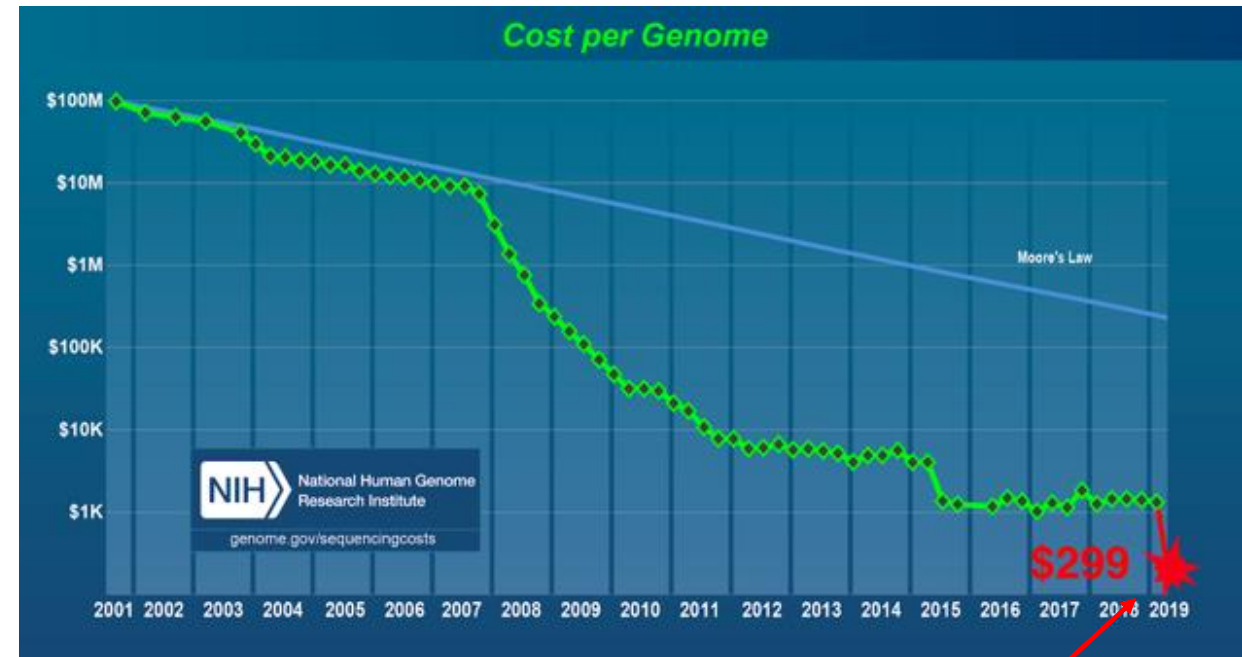
Continued Strong Execution

Q1 2021	Q2 2021	Q3 2021	Q4 2021	Year End 2021	Q1 2022
 <p>STRONG LAB REVENUE GROWTH</p> <p>In first full quarter in the diagnostic testing business, reported approximately \$12 million Lab revenues on approximately 110,000 Covid-19 tests.</p>	 <p>SPECIAL DIVIDEND</p> <p>Pays \$0.30 special dividend to shareholders out of cash flow (approximately \$4.5 million).</p>	 <p>ADVANCED GENETIC TESTING</p> <p>Acquires Nebula Genomics for \$14.6 million. Will leverage Food, Drug and Mass distribution and genomic sequencing in CLIA labs. Significant upside.</p>	 <p>Q4 2021 RESULTS</p> <p>Significantly diversified and grew customer base. Reported 350,000 Covid-19 tests for Q4. \$45.2 million net revenues \$10.6 million net income \$16.5 million adjusted EBITDA</p>	 <p>FULL YEAR RESULTS</p> <p>Strong Revenue and Earnings Growth For the Year Ended December 31, 2021: Reported Net revenue of \$79.0 million vs. \$14.5 million for the year ended 12/31/2020. \$6.3 million net income. \$18.1 million adjusted EBITDA. 15.5 million shares outstanding.</p>	 <p>Q1 2022 RESULTS</p> <p>Record net revenue of \$47.5 million for Q1 2022 vs \$15.3 million for Q1 2021. \$12.5 million net income. \$14.6 million adjusted EBITDA. Paid \$0.30 special dividend March 10, 2022. Additional \$0.30 special dividend to be paid on June 3, 2022.</p>

ProPhase Precision Medicine

- 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 actively pursuing opportunities to expand WGS capabilities and personalized, precision medicine solutions for both consumer and physician markets

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.



Nebula \$299

Unlocking Genomics: The Nebula Library

4000+

published genetic studies, with new research published every week but ...

1. Hard to understand for most people.
2. Locked behind paywalls.

Stay informed about the latest genomic discoveries and learn how they might be relevant to you.

- Accessible explanation of research findings
- Updates every week
- Personalization based on sequencing results
- Polygenic scores

★ Colorectal cancer (Huyghe, 2018) [↗](#)

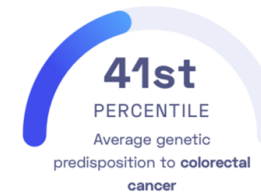
Jeroen R. Huyghe, et al.
Nature Genetics

Intestines Cancer

STUDY SUMMARY

Genetic variants in genes involved in *transcription*, cell signaling, and the immune system are associated with the risk of colorectal cancer.

YOUR RESULT



STUDY DESCRIPTION

Colorectal cancer occurs in either the colon or rectum, which are parts of the large intestine. It is the third most common cancer in the United States, but genetic risk factors of colorectal cancer remain poorly understood. This study examined 125,478 individuals of European and East Asian descent and discovered 30 novel genetic variants associated with the risk of colorectal cancer. A particularly strong association was detected for a genetic variant near the CHD1 gene which is involved in the regulation of *transcription*. Other discovered

variants were in genes that play a role in cell signaling and the immune system.

DID YOU KNOW?

Regular colorectal cancer screening, especially after the age of 45, is recommended. Maintaining a healthy weight and limiting red or processed meats may also help lower your risk of colorectal cancer. [\[SOURCE\]](#)

VARIANT ^①	YOUR GENOTYPE WITH ESTIMATED ACCURACY ^①	EFFECT SIZE ^①	VARIANT FREQUENCY ^①	SIGNIFICANCE ^①
rs11874392_A	T / T (97.63%)	0.16 (-)	54%	3.80 x 10 ⁻⁷⁴
rs6983267_G	G / T (66.67%)	0.15 (↑)	52%	3.40 x 10 ⁻⁶⁴
rs58658771_A	T / T (99.97%)	0.14 (-)	19%	6.00 x 10 ⁻³⁷
rs16892766_C	A / C (99.28%)	0.18 (↑)	80%	3.90 x 10 ⁻³²
rs3087967_T	C / C (95.20%)	0.11 (-)	29%	1.90 x 10 ⁻³¹

[View All](#)

TK Supplements®



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.



Pharmaloz Manufacturing



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



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).

Investment Highlights

- **Record Revenue and Earnings Growth For the Quarter Ended March 31, 2022:**
Reported Net revenue of \$47.5 million as compared to \$15.3 million for the quarter ended March 31, 2021. \$12.5 million net income. \$14.6 million adjusted EBITDA.
Virtually all gains attributed to organic growth.
- **Strong Revenue Outlook:** Company anticipates continued strong year over year growth in revenues, earnings and cash flow for 2022.
- **Improved Cash Position:** \$52.8 million in working capital as of March 31, 2022. Our aggregate cash, cash equivalents and marketable equity securities as of March 31, 2022, were \$29.3 million.

History of Special Dividends:

Date	Amount
6/3/2022	\$0.30
3/10/2022	\$0.30
6/3/2021	\$0.30
12/12/19	\$0.25
1/24/2019	\$0.25
6/5/2018	\$1.00

PRPH Daily Chart:



Stock Symbol:.	PRPH
Exchange:	NASDAQ
Recent Price:	\$6.52 (a/o 5/12/2022)
52 Wk. Range:	\$4.44 - \$8.58
Market Cap:	\$101M (a/o 5/12/2022)
Shares Outstanding:	15.5M
Free Float:	12.7M
Insider Ownership:	17.7%
Institutional Ownership	10.7%
Debt to Capital	11.1%
Average Daily Volume:	28K
Short Interest	0.56%*

Corporate Overview Summary

ProPhase Labs (NASDAQ: PRPH) is a diversified diagnostics 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 50,000 tests per day. Built a large and diverse customer base that led to record reported financial results in Q4 2021 and Q1 2022. Announces plans for expansion of lab to include traditional clinical testing and genomics testing.
- **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.



FOR MORE INFORMATION

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