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ProPhase Labs Provides Business Update Highlighting Advancing Crown Medical Collections Activity

Institutional Financing Interest Emerges for Receivables-Backed Financing Following Extensive Diligence

UNIONDALE, NY, March 17, 2026 (GLOBE NEWSWIRE) -- ProPhase Labs, Inc. (OTC: PRPH) ("ProPhase" or the "Company"), a next-generation biotech, genomics and consumer products company, today provided a business update regarding its Crown Medical Collections initiative and related strategic activities.

"We are encouraged by the level of engagement across a broad group of insurance payors and by how these discussions continue to advance," said Ted Karkus, Chief Executive Officer of ProPhase Labs. "The progression we are seeing, together with Crown Medical's demonstrated experience in resolving similar claims, has supported extensive diligence from potential financing sources and reinforces our view that these receivables represent a compelling asset. While there can be no assurance as to timing or outcomes, we believe the current trajectory reflects tangible progress and positions the Company to pursue financing alternatives that can support execution and enhance liquidity."

The Company reported that its Crown Medical Collections effort continues to advance, with engagement now underway with more than 250 insurance payors. Of these matters, approximately 100 are currently in active settlement discussions, with a number of cases progressing into more advanced stages of negotiation.

Based on the level of engagement and progression of discussions, the Company believes current activity is trending in line with its previously communicated recovery framework and internal estimates, and is encouraged by the ongoing development of these discussions.

In parallel, the Company is engaged in discussions with institutional capital providers regarding potential financing alternatives, including structures that are expected to be secured by the Company's receivables platform, without recourse to the parent company. These discussions follow extensive third-party diligence conducted on the receivables and related recovery processes. While no assurances can be given that any transaction will be completed, the Company believes the level of diligence completed and the nature of these discussions reflect growing external validation of the underlying asset and may enhance its financial flexibility.

Management continues to focus on stabilizing near term liquidity, managing liabilities and vendor relationships, and preserving and advancing key assets, including Nebula Genomics/DNA Complete and the BE-Smart™ esophageal cancer diagnostic.

The Company believes it is beginning to see tangible indicators of progress driven by advancing settlement activity and continued strategic engagement, with current developments tracking in line with Crown Medical's prior guidance to the Company. ProPhase Labs remains focused on execution and expects to provide additional updates in the near future as developments occur.

About ProPhase Labs Inc.

ProPhase Labs Inc. (OTC: PRPH) ("ProPhase") is a next-generation biotech, genomics and consumer products company. Our mission is to build a healthier world through bold innovation and actionable insight. We're revolutionizing healthcare with industry-leading Whole Genome Sequencing solutions, groundbreaking diagnostic development, such as our potentially life-saving test for the early detection of esophageal cancer, and a world-class direct-to-consumer marketing platform for cutting-edge OTC dietary supplements. We develop, manufacture, and commercialize health and wellness solutions to enable people to live their best lives. We are committed to executional excellence, smart diversification, and a synergistic, omni-channel approach. ProPhase Labs' valuable subsidiaries, their synergies, and significant growth underscore our potential for long-term value.

www.ProPhaseLabs.com

Forward-Looking Statements

Except for the historical information contained herein, this document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our strategy, plans, objectives and initiatives, including our expectations regarding the future revenue growth potential of each of our subsidiaries, our expected timeline for commercializing our BE-Smart Esophageal Cancer Test, our expectations regarding future liquidity events, the success of our efforts to collect accounts receivable and anticipated timeline for any payments relating thereto, and our ability to successfully transition into a consumer products company. Management believes that these forward-looking statements are reasonable as and when made. However, such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include but are not limited to our ability to obtain and maintain necessary regulatory approvals, general economic conditions, consumer demand for our products and services, challenges relating to entering into and growing new business lines, the competitive environment, and the risk factors listed from time to time in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and any other SEC filings. These forward-looking statements are subject to risks and uncertainties and actual results may differ materially. Details about these risks and uncertainties can be found in our filings with the SEC. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws. Readers are cautioned that forward-looking statements are not guarantees of future performance and are cautioned not to place undue reliance on any forward-looking statements.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

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