

February 25, 2025



# **ProPhase Labs Examines Strategic Opportunities to Leverage Its DTC Multi-Media Infrastructure with Telehealth Physician Networks for Prescription Drugs**

**Company Announces Ongoing Strategic Cost Cutting to Focus Resources on new DTC Marketing Initiatives to Drive Growth and Profitability**

**Dispels rumors of an Investment Bank initiating a Capital Raise**

**GARDEN CITY, NY, Feb. 25, 2025 (GLOBE NEWSWIRE)** -- ProPhase Labs, Inc. (NASDAQ: PRPH) ("ProPhase" or the "Company"), a next-generation biotech, genomics, and consumer products company provides a Company update and schedules a conference call for later today.

Following the hiring of Stu Hollenshead, several new strategic opportunities have emerged for the Company to capitalize on its DTC multi-media expertise and infrastructure. This infrastructure was built to sell healthcare OTC dietary supplements as well as genomics testing directly to consumers. Additionally, ProPhase has recently been approached with prospects to partner with, and potentially acquire, telehealth companies offering DTC prescription drugs. These strategic targets have extensive physician networks nationwide and are seeking the robust marketing infrastructure ProPhase can supply under Stu Hollenshead's leadership, in conjunction with 10PM Curfew. As shared previously, Stu's experience spans leadership roles at Barstool Sports, Business Insider, and WWE. Integrating ProPhase's marketing capabilities with an existing DTC physician network could generate a significant and immediate impact on growth.

With the sale of Pharmaloz Manufacturing, Inc., the Company has materially strengthened its balance sheet. In parallel, the Company has significantly enhanced the efficiency of Nebula Genomics, streamlining operations, including meaningful overhead reductions across all departments.

These moves align with ProPhase's strategy to focus resources on its high-growth core businesses: BE-Smart esophageal cancer diagnostics, Nebula Genomics and DNA Complete, TK Supplements, and the anticipated launch of Equivir—a groundbreaking antiviral with significant clinical studies targeting next year's cold and flu season. The combination of significant and ongoing decreases in overhead, with the outlook for new growth sets the stage for significant improvements in financial performance in H2 2025 and beyond.

The Company also dispels rumors of an investment banking initiative to raise capital. No such initiative is underway. ProPhase is currently working to enter a revolving line of credit,

which would serve as interim financing until either Nebula Genomics is sold or the Company begins receiving accounts receivable from its new litigation initiative (as mentioned in the last press release). According to the Company's team of litigation consultants, this initiative could net ProPhase as much as \$50 million or more, with cash flow commencing mid-year.

Moreover, ProPhase underscores its confidence in maintaining its NASDAQ listing. The Company anticipates that it could apply for a 6-month extension if necessary to regain compliance with the minimum bid price requirement. Anticipated inflows totaling tens of millions of dollars during the latter half of 2025—stemming from the new litigation strategy and the possible sale of Nebula Genomics—could potentially create multiple pathways for the Company's common stock to surpass \$1 per share without a reverse split or other similar measures.

Ted Karkus, CEO of ProPhase Labs will present to shareholders today, February 25, 2025, at 12pm EST during the live Virtual Non-Deal Roadshow Series. The details are available below.

### **CEO Commentary:**

Ted Karkus, CEO of ProPhase Labs, commented:

"Jason Karkus and Stu Hollenshead are turning around our genomics businesses and in parallel, building our OTC dietary supplement subsidiaries. Jason formed a pivotal relationship with Stu, who has recently joined us as COO. Stu's track record at Barstool Sports, Business Insider, and WWE is extraordinary. He also serves as CEO of 10PM Curfew – a separate entity from ProPhase - which we are actively leveraging for DNA Complete and plan to leverage for ProPhase further as we launch new products as well potential expansion into telehealth services."

Jason Karkus, President of Nebula Genomics, stated: "Stu and I have been working at a rapid pace, to set a strong foundation for the Company on a go-forward basis. We have streamlined operations, significantly reduced overhead expenses, and optimized the business for immediate impact. Additionally, our DTC marketing efforts have already delivered promising results. We are excited to continue driving these initiatives with DNA Complete, our dietary supplement lines and potential expansion into prescription drugs."

Ted Karkus continued: "Our goal now is to get back to basics, and transition from a development stage company to a company that generates profits. Our priority is to optimize all operations and build a marketing powerhouse to promote the Company's existing and upcoming products. Importantly, it is also setting the stage by attracting other companies who want to leverage our marketing and distribution infrastructure and expertise. We look forward to having more to say about this soon."

Mr. Karkus concluded: "I would not bet against our team, especially following the addition of Stu Hollenshead. Stu has an unparalleled track record in scaling & exiting businesses within the crowded and tough-to-win media space. We're already seeing new doors open as a result and anticipate exciting developments ahead."

### **CEO to present to Shareholders**

ProPhase will also present to shareholders today, February 25, 2025, at 12pm EST during the live Virtual Non-Deal Roadshow Series hosted by Renmark Financial Communications Inc. During this presentation, Ted Karkus will offer further insights into the Company's trajectory and respond to investor questions.

**REGISTER HERE:**

<https://www.renmarkfinancial.com/events/renmark-virtual-non-deal-roadshow-nasdaq-prph-fpqZzDMLVH>

**To ensure smooth connectivity, please access the link above using the latest version of Google Chrome.**

**About ProPhase Labs**

ProPhase Labs Inc. (Nasdaq: PRPH) ("ProPhase") is a next-generation biotech, genomics and consumer products company. Our goal is to create a healthier world with bold action and the power of insight. We're revolutionizing healthcare with industry-leading Whole Genome Sequencing solutions, while developing potential game changer diagnostics and therapeutics in the fight against cancer. This includes a potentially life-saving cancer test focused on early detection of esophageal cancer and potential breakthrough cancer therapeutics with novel mechanisms of action. 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.

**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 expectations regarding future liquidity events, the success of our efforts to collect accounts receivables 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. 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.

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Source: ProPhase Labs, Inc.