ImmuCell Announces Unaudited Financial Results for the Quarter Ended June 30, 2022

PORTLAND, Maine, Aug. 11, 2022 — **ImmuCell Corporation (Nasdaq: ICCC)** ("ImmuCell" or the "Company"), a growing animal health company that develops, manufactures and markets scientifically-proven and practical products that improve the health and productivity of dairy and beef cattle, today announced its unaudited financial results for the quarter ended June 30, 2022.

Unaudited Total Sales Results:

	2022	2021	($ Decrease) $ Increase	(% Decrease) % Increase
During the Three-Month Periods Ended June 30,	$3.9 million	$4.5 million	($680,000)	(15%)
During the Six-Month Periods Ended June 30,	$9.9 million	$8.6 million	$1.2 million	14%
During the Twelve-Month Periods Ended June 30,	$20.5 million	$16.1 million	$4.3 million	27%

Management's Discussion:

"A material disruption in the supply of needed plastic syringes used in our gel product format limited our production and sales during the quarter," commented Michael F. Brigham, President and CEO of ImmuCell. "If not for this supply disruption that we are working to resolve during the third quarter, sales would have been flat for the quarter and up approximately 22% for the six-month period and up approximately 31% for the trailing twelve-month period, compared to the prior year."

"We recently received a Technical Section Incomplete Letter from the FDA with regards to our second full submission of the CMC Technical Section, approval of which is required to market **Re-Tain**®. The principal issue remaining is a successful pre-approval re-inspection of our manufacturing facility. The other six comments from the FDA are not related to the safety or efficacy of the product. This clarifies the required path to product approval. We are working to make our third submission during the third quarter, which would be subject to a six-month review by the FDA," concluded Mr. Brigham. "We remain poised and excited to revolutionize the way that subclinical mastitis is treated. Mastitis is a disease that causes about $2 billion in economic harm to the dairy industry per year."

Other Financial Results:

- Gross margin earned was 44% and 46% of product sales during the quarters ended June 30, 2022 and 2021, respectively, and 49% and 43% of product sales during the six-month periods ended June 30, 2022 and 2021, respectively, and 48% and 44% of

product sales during the trailing twelve-month periods ended June 30, 2022 and 2021, respectively.

- Product development expenses increased by 14%, or $139,000 to $1.1 million during the quarter ended June 30, 2022 compared to the quarter ended June 30, 2021. Product development expenses increased by 7%, or $144,000 to $2.2 million during the six-month period ended June 30, 2022 compared to the six-month period ended June 30, 2021.
- Net operating (loss) was ($619,000) during the quarter ended June 30, 2022 in contrast to a net operating income of $216,000 during the quarter ended June 30, 2021. Net operating income was $174,000 during the six-month period ended June 30, 2022 in contrast to a net operating (loss) of ($159,000) during the six-month period ended June 30, 2021.
- Net (loss) was ($684,000), or ($0.09) per basic share, during the quarter ended June 30, 2022 in contrast to a net income of $141,000, or $0.02 per diluted share, during the quarter ended June 30, 2021. Net income was $52,000, or $0.01 per diluted share, during the six-month period ended June 30, 2022 in contrast to a net (loss) of ($300,000), or ($0.04) per basic share, during the six-month period ended June 30, 2021.
- EBITDA (a non-GAAP financial measure, see page 4 of this press release) decreased to approximately $37,000 during the quarter ended June 30, 2022 from $843,000 during the quarter ended June 30, 2021. EBITDA increased to $1,470,000 during the six-month period ended June 30, 2022 from $1,101,000 during the six-month period ended June 30, 2021.

Balance Sheet Data as of June 30, 2022:

- Cash and cash equivalents increased to $11 million as of June 30, 2022 from $10.2 million as of December 31, 2021.
- Net working capital increased to $14.8 million as of June 30, 2022 from $13.7 million as of December 31, 2021.
- Stockholders' equity increased to $32.8 million as of June 30, 2022 from $32.6 million as of December 31, 2021.

Conference Call:

The Company will host a conference call on Friday, August 12, 2022 at 9:00 AM ET to review its second quarter financial results and discuss the recent regulatory update pertaining to **Re-Tain**®. Interested parties can access the conference call by dialing (844) 855-9502 (toll free) or (412) 317-5499 (international) at 9:00 AM ET. A teleconference replay of the call will be available until August 19, 2022 at (877) 344-7529 (toll free) or (412) 317-0088 (international), utilizing replay access code #5413900. Investors are encouraged to review the Company's updated Corporate Presentation slide deck that provides an overview of the Company's business and is available under the "Investors" tab of the Company's website at

www.immucell.com, or by request to the Company.

About ImmuCell:

ImmuCell Corporation's (**Nasdaq: ICCC**) purpose is to create scientifically-proven and practical products that improve the health and productivity of dairy and beef cattle. ImmuCell manufactures and markets **First Defense**®, providing **Immediate Immunity**™ to newborn dairy and beef calves, and is in the late stages of developing **Re-Tain**®, a novel treatment for subclinical mastitis in dairy cows without a milk discard requirement that provides an alternative to traditional antibiotics. Press releases and other information about the Company are available at: http://www.immucell.com.

Condensed Statements of Operations (Unaudited)

	During the Three-Month Periods Ended June 30,		During the Six-Month Periods Ended June 30,	
(In thousands, except per share amounts)	**2022**	**2021**	**2022**	**2021**
Product sales	$3,861	$4,542	$9,861	$8,649
Costs of goods sold	2,154	2,467	5,050	4,972
Gross margin	1,707	2,075	4,811	3,677
Sales, marketing and administrative expenses	1,188	859	2,462	1,804
Product development expenses	1,138	1,000	2,175	2,032
Operating expenses	2,326	1,859	4,637	3,836
NET OPERATING (LOSS) INCOME	(619)	216	174	(159)
Other expenses, net	64	75	120	141
(LOSS) INCOME BEFORE INCOME TAXES	(683)	141	54	(300)
Income tax expense	1	–	2	–
NET (LOSS) INCOME	($684)	$141	$52	($300)
Basic weighted average common shares outstanding	7,745	7,659	7,743	7,440
Basic net (loss) income per share	($0.09)	$0.02	$0.01	($0.04)
Diluted weighted average common shares outstanding	7,745	7,761	7,781	7,440
Diluted net (loss) income per share	($0.09)	$0.02	$0.01	($0.04)

Selected Balance Sheet Data (In thousands) (Unaudited)

	As of June 30, 2022	As of December 31, 2021
Cash and cash equivalents	$11,043	$10,185

Net working capital	14,820	13,730
Total assets	45,984	44,466
Stockholders' equity	$32,775	$32,577

Non-GAAP Financial Measures:

Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. The non-GAAP measures included in this press release should be considered in addition to, and not as a substitute for or superior to, the comparable measure prepared in accordance with GAAP. We believe that considering the non-GAAP income before income taxes and certain non-cash expenses assists management and investors by looking at our performance across reporting periods on a consistent basis excluding these certain charges that are not uses of cash from our reported (loss) income before income taxes. We start with our reported (loss) income before income taxes because presently we are not paying cash for income taxes and do not anticipate paying significant cash for income taxes in the near-term future. Cash payments to satisfy debt principal repayment obligations have not been factored into this calculation. We calculate non-GAAP income before income taxes and certain non-cash expenses as indicated in the table below:

	During the Three-Month Periods Ended June 30,		**During the Six-Month Periods Ended June 30,**	
(In thousands)	**2022**	**2021**	**2022**	**2021**
(Loss) income before income taxes	($683)	$141	$54	($300)
Depreciation	624	618	1,241	1,232
Amortization and write-off of debt issuance costs	7	7	13	13
Stock-based compensation	62	23	116	58
Income before income taxes and certain non-cash expenses	$10	$789	$1,424	$1,003

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) decreased to $37,000 during the quarter ended June 30, 2022 in comparison to $843,000 during the quarter ended June 30, 2021. EBITDA increased to $1,470,000 during the six-month period ended June 30, 2022 in comparison to $1,101,000 during the six-month period ended June 30, 2021. The figures reported in the table above differ from the calculation of EBITDA in the following two significant ways:

1) We have not added back interest expense because we do pay cash for these expenses; and

2) We have added back stock-based compensation expense because this is a non-cash expense that is not added back to the calculation of EBITDA.

Contacts: Michael F. Brigham, President and CEO
ImmuCell Corporation
(207) 878-2770
Joe Diaz, Robert Blum and Joe Dorame
Lytham Partners, LLC
(602) 889-9700
iccc@lythampartners.com

Cautionary Note Regarding Forward-Looking Statements (Safe Harbor Statement):

This Press Release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include, but are not limited to, any statements relating to: our plans and strategies for our business; projections of future financial or operational performance; the timing and outcome of pending or anticipated applications for regulatory approvals; factors that may affect the dairy and beef industries and future demand for our products; the extent, nature and duration of the COVID-19 pandemic and its consequences, and their direct and indirect impacts on our production activities, operating results and financial condition and on the customers and markets that we serve; the impact of Russia's unprovoked military invasion of Ukraine and attack on its people on the world economy including inflation and the price and availability of grain and oil; the impact of the global supply-chain disruptions on our ability to obtain, in a timely and cost-effective fashion, all the supplies and components we need to produce our products; the challenges in attracting and retaining needed personnel in this current employment environment; the impact of inflation and rising interest rates on our operating expenses and financial results; the effects of a potential United States or global recession on us and our direct and indirect customers, the duration and severity of which are difficult to predict or anticipate; the scope and timing of ongoing and future product development work and commercialization of our products; future costs of product development efforts; the estimated prevalence rate of subclinical mastitis and producers' level of interest in treating subclinical mastitis given the current economic and market conditions; the expected efficacy of new products; estimates about the market size for our products; future market share of and revenue generated by current products and products still in development; our ability to increase production output and reduce costs of goods sold per unit; the future adequacy of our own manufacturing facilities or those of third parties with which we have contractual relationships to meet demand for our products on a timely basis; the impacts of backlogs on customer relationships; the anticipated costs of (or time to complete) planned expansions of our manufacturing facilities and the adequacy of our funds available for these projects; the continuing availability to us on reasonable terms of third-party providers of critical products or services; the robustness of our manufacturing processes and related technical issues; estimates about our production capacity, efficiency and yield, which are highly subject to biological variability and the product format mix of our sales; the future adequacy of our working capital and the availability and cost of third-party

financing; future regulatory requirements relating to our products; future expense ratios and margins; future compliance with bank debt covenants; costs associated with sustaining compliance with current Good Manufacturing Practice (cGMP) regulations in our current operations and attaining such compliance for our facilities to produce the Nisin Drug Substance and Drug Product; our effectiveness in competing against competitors within both our existing and our anticipated product markets; the cost-effectiveness of additional sales and marketing expenditures and resources; anticipated changes in our manufacturing capabilities and efficiencies; the value of our net deferred tax assets; projections about depreciation expense and its impact on income for book and tax return purposes; and any other statements that are not historical facts. Forward-looking statements can be identified by the use of words such as “expects”, “may”, “anticipates”, “aims”, “intends”, “would”, “could”, “should”, “will”, “plans”, “believes”, “estimates”, “targets”, “projects”, “forecasts”, “seeks” and similar words and expressions. In addition, there can be no assurance that future developments affecting us will be those that we anticipate. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to: difficulties or delays in development, testing, regulatory approval, production and marketing of our products (including the **First Defense**® product line and **Re-Tain**®), competition within our anticipated product markets, customer acceptance of our new and existing products, product performance, alignment between our manufacturing resources and product demand (including the consequences of backlogs or excess inventory buildup), uncertainty associated with the timing and volume of customer orders as we come out of a prolonged backlog, adverse impacts of supply chain disruptions on our operations and customer relationships, our reliance upon third parties for financial support, products and services, our small size and dependence on key personnel, changes in laws and regulations, decision making and delays by regulatory authorities, a continuation or worsening of recent inflationary conditions and their impact on our customers’ order patterns, uncertainty and possible adverse effects on us and our customers arising from an economic recession, currency values and fluctuations and other risks detailed from time to time in filings we make with the Securities and Exchange Commission (SEC), including our Quarterly Reports on Form 10-Q, our Annual Reports on Form 10-K and our Current Reports on Form 8-K. Such statements involve risks and uncertainties and are based on our current expectations, but actual results may differ materially due to various factors, including the risk factors summarized above.