

Scientific Industries Reports Financial Results for First Quarter of Fiscal Year 2023

- **BIOPROCESSING OPS ON TARGET WITH PRODUCT DEVELOPMENT AND COMMERCIALIZATION**
- **BENCHTOP LAB EQUIPMENT OPS POSTS HIGHER SALES AND PROFITS**
- **NEW VIVID PLUS SUBSCRIPTION SERVICE GOES LIVE**
- *Investor Call to be held Tuesday, May 16th at 11:00 a.m. Eastern Time*

BOHEMIA, NY / May 16, 2023 / Scientific Industries, Inc. (OTCQB:SCND), a life sciences tool provider, and a developer of digitally simplified bioprocessing products, yesterday reported financial results for the three-month period ended March 31, 2023, its new first quarter since changing to a December 31 calendar year end.

2023 First Quarter Highlights:

- Bioprocessing Systems Operations booked the largest single order and backlog in its history.
- Benchtop Lab Equipment Ops' Torbal Division launched the VIVID Plus subscription service with paid renewals commencing in April 2023.
- Benchtop Lab Equipment Ops' Genie Division introduced a new microplate mixer.

2023 First Quarter Financial Highlights:

- Net revenues totaled \$2.8 million versus \$2.9 million in the prior year period.
 - Benchtop Laboratory Equipment revenues totaled \$2.6 million, an increase of 8%, compared to \$2.4 million in the prior year period.
 - Torbal brand products totaled \$0.87 million, an increase of 50%, compared to \$0.58 million in the prior year period.
 - Bioprocessing revenues totaled \$223,200 versus \$430,300 due to termination of royalties, while product sales activity are growing.
- Gross profit was \$1.3 million (48% gross margin), a decrease of 13%, compared to \$1.5 million (54% gross margin) in the prior year period, due primarily to the termination of bioprocessing royalties.
- Cash, cash equivalents and investments were \$4.5 million, as of March 31, 2023.

Management Discussion

Daniel Gruenes, CEO of Scientific Bioprocessing said, "I am pleased with the progress our Bioprocessing team is making with the controlled launch of our DOTS platform, whereby we prepare for the next step of product introductions later in the year. Importantly, we are on schedule to launch our DOTS Multi Parameter Sensor for shake flasks in the fourth quarter,

which will drive the adoption and growth of our innovative platform. We continue to receive positive feedback from our customers that have upgraded to our new software platform. Additionally, our team closed the first quarter with a significant win resulting in a record sale of our DOTS platform that will ship in the second quarter and that indicates the commercial potential of our technologies. We look forward to building on this positive momentum as we move forward with new product developments that will drive robust growth of our Bioprocessing business in the coming quarters and years to come.”

Helena Santos, Chief Executive Officer of Scientific Industries, stated, “The results for the first quarter came in as expected, as we continue to make progress with our new product developments. Our Bioprocessing team is working diligently, as we forge ahead towards a controlled launch of our next DOTS platform product. The team is making great strides in the development of our new sensors for the platform and new customer acquisition. The Benchtop Lab Equipment Operations team has achieved remarkable progress in the last 12 months with product enhancements and development, led by the VIVID automated pill counter with its innovative cloud-based solutions and the new VIVID LITE automated pill counter. The team is now focusing its efforts on the development of the next VIVID platform product after a successful recent launch of our VIVID+ subscription service to our customers. These positive developments give me confidence we are laying the foundation for future growth and increased shareholder value.”

2023 First Quarter Financial Review

Net revenues for the three-month period ended March 31, 2023, decreased \$59,500, or 2.1% to \$2,805,400, compared to \$2,864,900 for the three months ended March 31, 2022, driven primarily by lower revenues of Bioprocessing Systems Operations due to termination of royalties, partially offset by an increase in Benchtop Laboratory Equipment sales driven by increased sales of Torbal digital scales. The Bioprocessing Systems Operations received a record order at the end of the first quarter, which will be delivered in the second quarter of 2023.

The gross profit percentage for the three months ended March 31, 2023 and 2022, was 47.7% and 54.0%, respectively. The 6.3% decrease is due primarily to lower gross margin percentage for the Bioprocessing Systems Operations resulting from the absence of royalty revenue in the current year period and, to a lower extent, increases in material, labor and overhead expenses in the Benchtop Laboratory Equipment Operations.

Operating expenses increased \$516,700, or 15.7% to \$3,805,600 in the three-month period ended March 31, 2023, compared to \$3,288,900 in the same period in 2022, primarily as a result of increased sales and marketing expenses and new product development costs – mostly for the Bioprocessing Systems Operations. The costs were partially offset by lower general and administrative expenses resulting from consolidation of U.S. and German

operations within the Bioprocessing Systems Operations.

As a result, the Company posted a loss from continuing operations before income tax benefit of \$2,371,900, compared to \$1,844,600 for the three month period ended March 31, 2022, and net loss of \$2,370,500, or \$(0.34 EPS) and \$1,535,000, or \$(0.23 EPS) for the three months periods ended March 31, 2023 and 2022, respectively.

Conference Call Details

Scientific Industries will conduct a conference call to discuss financial results for the first quarter of 2023 on Tuesday, May 16, 2022, at 11:00 A.M. ET. Interested parties can access the conference call by dialing (844) 481-2706 or (412) 317-0662 (international). A webcast of the call will be available on the Company's Investor Relations page at <https://www.scientificindustries.com/investor-relations/> or at <https://app.webinar.net/IXGP739nvrz>.

A replay of the call will be available through May 23, 2023, at (877) 344-7529 or (412) 317-0088 (international), replay access code: 7687471, or for 30 days at <https://www.scientificindustries.com/investor-relations/>.

About Scientific Industries, Inc.

Scientific Industries (OTCQB: SCND), is a life science tool provider. It designs, manufactures, and markets laboratory equipment, including the world-renowned Vortex-Genie[®] 2 Mixer and Torbal[®] balances, and bioprocessing systems under the product name DOTS. Scientific Industries' products are generally used and designed for research purposes in laboratories of universities, hospitals, pharmaceutical companies, medical device manufacturers, and pharmacies. To learn more, visit www.scientificindustries.com.

About Scientific Bioprocessing, Inc.

Scientific Bioprocessing, Inc. (SBI) is dedicated to pioneering digitally simplified bioprocessing by providing actionable insights from lab to production floor. With a broad portfolio of state-of-the-art bioprocess sensors and actuators as well as innovative data analytics software, SBI helps scientists and engineers in bioprocessing to monitor and control critical process parameters and product quality attributes. SBI is a subsidiary of Scientific Industries Inc. (SCND-OTCQB) To learn more, visit www.scientificbio.com.

Safe Harbor Statement

Statements made in this press release that relate to future events, performance or financial results of the Company are forward-looking statements which involve uncertainties that could cause actual events, performance or results to materially differ. The Company undertakes no

obligation to update any of these statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as to the date hereof. Accordingly, any forward-looking statement should be read in conjunction with the additional information about risks and uncertainties set forth in the Company's Securities and Exchange Commission reports, including our annual report on Form 10-K.

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—FINANCIAL TABLES FOLLOW—

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

	31-Mar-23 (Unaudited)	31-Dec-22
ASSETS		
Cash and Cash Equivalents	\$ 1,079,400	\$ 1,927,100
Investment Securities	3,379,000	4,272,100
Other Current Assets	7,014,600	6,790,700
Intangibles Assets and Goodwill	1,748,300	1,878,300
Other Long Term Assets	3,142,700	3,201,000
Total Assets	\$ 16,364,000	\$ 18,069,200
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities	\$ 2,138,600	\$ 2,120,400
Long-Term Liabilities	1,156,800	1,156,200
Shareholders' Equity	13,068,600	14,792,600
Total Shareholders' Equity & Liabilities	\$ 16,364,000	\$ 18,069,200

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

	31-Mar-23	31-Mar-22
Revenues	\$ 2,805,400	\$ 2,864,900
Gross Profit	<u>1,338,000</u>	<u>1,546,600</u>
Operating Expenses	<u>3,805,600</u>	<u>3,288,900</u>
Loss From Operations	<u>(2,467,600)</u>	<u>(1,742,300)</u>
Total Other Income (expense), Net	<u>95,700</u>	<u>(102,300)</u>
Loss From Continuing Operations Before Income Tax (Benefit)	<u>(2,371,900)</u>	<u>(1,844,600)</u>
Income Tax Benefit	<u>-</u>	<u>(317,200)</u>
Loss From Continuing Operations	<u>(2,371,900)</u>	<u>(1,527,400)</u>
Gain (Loss) From Discontinued Operations, Net of Tax	<u>1,400</u>	<u>(7,600)</u>
Net Loss	<u>(2,370,500)</u>	<u>(1,535,000)</u>
Comprehensive Gain (Loss)	<u>43,900</u>	<u>(199,200)</u>
Total Comprehensive Loss	<u>\$ (2,326,600)</u>	<u>\$ (1,734,200)</u>
Basic and Diluted loss per common share		
Continuing Operations	\$ (0.34)	\$ (0.23)
Discontinued Operations	\$ -	\$ -
Consolidated Operations	\$ (0.34)	\$ (0.23)
Weighted average number of outstanding shares (basic):	7,003,599	6,633,901

SOURCE: Scientific Industries, Inc.

View source version on accesswire.com:

<https://www.accesswire.com/755117/Scientific-Industries-Reports-Financial-Results-for-First-Quarter-of-Fiscal-Year-2023>