

Scientific Industries Reports Financial Results for Second Quarter 2023

Benchtop Lab Equipment Revenue Up Led by Torbal Division's 48% Increase - Bioprocessing Revenue Up 41%

BOHEMIA, NY / August 14, 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 and six month periods ended June 30, 2023.

Fiscal 2023 Second Quarter Highlights:

Bioprocessing Systems Operations

- Bioprocessing Systems Operations on target with its new product development through own R&D efforts and partnerships.
- Bioprocessing Systems Operations continues to increase revenues from existing products as it increases customer base.
- New DOTS Sensor and Multi-Parameter reader ready for customer field tests.

Benchtop Laboratory Equipment Operations

- VIVID Automated Pill Counter sales up 108% year over year.
- New VIVID Workstation enabled with AI in customer field tests.
- Complete product line incorporates November 2023 FDA Track and Trace mandate across entire pharmaceutical supply chain.

Fiscal 2023 vs. Fiscal 2022 Second Quarter and Six Months Financial Highlights:

- Net revenues amounted to \$3.0 million and \$5.8 million for the three and six month periods ended June 30, 2023, an increase of \$0.2 million, or 7% and \$0.1 million, or 3%, compared to prior year periods.
 - Benchtop Laboratory Equipment Operations net sales were \$2.6 million and \$5.2 million, an increase of \$0.1 million, or 4%, and \$0.2 million, or 5% over prior year periods.
 - Bioprocessing Systems Operations net sales were \$0.37 million and \$0.59 million, an increase of \$0.11 million, or approximately 41% for the three-month period, and a decrease of \$0.10 million, or 15% for the six-month period, due to royalties received in the prior year period.
- Gross profit was \$1.4 million, or 45.3% and \$2.7 million, or 45.7% for the three and six month periods ended June 30, 2023, compared to \$1.3 million, or 45.7% and \$2.8 million, or 49.9% in the prior year periods.
- Working capital was \$7.7 million as of June 30, 2023.

Management Discussion

Daniel Gruenes, CEO of the Company's Bioprocessing Systems Operations' division, said, "We are highly encouraged by the progress our team has achieved in the development of our innovative DOTS platform in a short period of time. Importantly, the initial positive results of our R&D efforts are related to the next set of products to be released under our DOTS platform that will help drive market adoption and capture market share. Based on initial customer feedback, we believe that we will have an excellent positioning in the bioprocessing technologies market differentiated by the range of our innovative, yet affordable and easy to use product portfolio. We look forward to embarking on a full-fledged commercialization program and continuation of our product portfolio expansion to provide complete solutions for our customers to drive top-line growth."

Helena Santos, Chief Executive Officer of Scientific Industries, stated, "Overall, we are pleased with the solid results of the second quarter with top-line growth of 7%, despite the industry headwinds our team had to overcome during the first half of 2023. Driving growth in the quarter was the strong performance from our Torbal Division with sales up 48%, led by the doubling of sales in our VIVID pill counter, compared to the prior year second quarter. Additionally, we continue to demonstrate positive momentum with our Bioprocessing products and enhancing customer adoption. Our Bioprocessing team continues to make progress as we prepare for a controlled launch of our much-anticipated multi-parameter sensor product line. I believe we are well positioned to continue growing Scientific Industries in the years to come."

2023 Second Quarter and Six Months Financial Review

Net revenues for the three and six month periods ended June 30, 2023 increased \$205,500, or 7.4% and \$146,000, or 2.6%, to \$2,982,500 and \$5,787,900 from \$2,777,000 and \$5,641,900 for the three and six month periods ended June 30, 2022, respectively, fueled by product revenues generated by the Benchtop Laboratory Equipment Operations's Torbal division, and to a lesser extent, increased product sales of bioprocessing products.

The Company realized a loss from continuing operations before income tax expense or benefit of \$2,185,100 and \$4,557,000 for the three and six month periods ended June 30, 2023 compared to a loss of \$6,583,500 and \$8,428,100 for the three and six month periods ended June 30, 2022, which included goodwill impairment expense of \$4,280,100 in the prior period.

As a result of the above, the Company reflected a net loss of \$2,292,000 \$(0.33) per share and \$4,662,500 \$(0.67) per share for the three and six month periods ended June 30, 2023, compared to a net loss of \$10,027,800 \$(1.43) per share and \$11,562,800 \$(1.69) per share for the three and six month periods ended June 30, 2022, respectively.

Conference Call Details

Scientific Industries will conduct a conference call to discuss financial results for the second quarter of fiscal 2023 on Tuesday, August 15, 2023, 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/jvoWzQgVBp2>.

A replay of the call will be available through August 22, 2023, at (877) 344-7529 or (412) 317-0088 (international), replay access code: 7402407, 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 Cell Growth Quantifier and Liquid Injection System. 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 providing state-of-the-art instruments, strategies, and technologies to expedite the production of viable cells and therapies with a streamlined process and product consistency. SBI's mission is to develop sensor technologies and instruments that make cell culture and bioprocessing work easier, experiments more reproducible, and culture conditions better suited to meet experimental objectives. SBI is a subsidiary of Scientific Industries Holdings, Inc. 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 BALANCE SHEETS

	30-Jun-23	31-Dec-22
ASSETS		
Cash and Cash Equivalents	\$ 644,500	\$ 1,927,100
Investment Securities	1,844,100	4,272,100
Other Current Assets	6,965,900	6,790,700
Intangibles Assets and Goodwill	1,620,500	1,878,300
Other Long Term Assets	3,124,900	3,201,000
Total Assets	<u>\$ 14,199,900</u>	<u>\$ 18,069,200</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities	\$ 1,713,900	\$ 2,120,400
Long-Term Liabilities	1,156,900	1,156,200
Shareholders' Equity	11,329,100	14,792,600
Total Shareholders' Equity & Liabilities	<u>\$ 14,199,900</u>	<u>\$ 18,069,200</u>

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

	3 months 30-Jun-23	3 months 30-Jun-22	6 months 30-Jun-23	6 months 30-Jun-22
Revenues	\$ 2,982,500	\$ 2,777,000	\$ 5,787,900	\$ 5,641,900
Gross Profit	1,350,000	1,267,800	2,688,000	2,814,400
Operating Expenses	3,576,200	7,700,400	7,381,800	10,989,300
Loss From Operations	(2,226,200)	(6,432,600)	(4,693,800)	(8,174,900)
Total Other Income (Expense), Net	41,100	(150,900)	136,800	(253,200)
Loss From Continuing Operations Before Income Tax Expense	(2,185,100)	(6,583,500)	(4,557,000)	(8,428,100)
Income Tax Expense	108,800	3,445,300	108,800	3,128,100
Loss From Continuing Operations	(2,293,900)	(10,028,800)	(4,665,800)	(11,556,200)
Gain (Loss) From Discontinued Operations, Net of Tax	1,900	1,000	3,300	(6,600)
Net Loss	(2,292,000)	(10,027,800)	(4,662,500)	(11,562,800)
Comprehensive (Loss) Gain	(32,200)	(800)	11,700	(200,000)
Total Comprehensive Loss	<u>\$ (2,324,200)</u>	<u>\$ (10,028,600)</u>	<u>\$ (4,650,800)</u>	<u>\$ (11,762,800)</u>
Basic and diluted Loss Per Common Share:				
Continuing Operations	\$ (0.33)	\$ (1.43)	\$ (0.67)	\$ (1.69)
Discontinued Operations	\$ -	\$ -	\$ -	\$ -
Consolidated Operations	\$ (0.33)	\$ (1.43)	\$ (0.67)	\$ (1.69)
Weighted average number of outstanding shares (basic):	7,003,599	7,003,599	7,003,599	6,819,771

SOURCE: Scientific Industries, Inc.

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<https://www.accesswire.com/774082/Scientific-Industries-Reports-Financial-Results-for-Second-Quarter-2023>