

Scientific Industries Reports First Quarter Fiscal Year 2023 Financial Results

Bioprocessing and VIVID Product Sales Increase Significantly

BOHEMIA, NY / November 15, 2022 / Scientific Industries, Inc. (OTCQB:SCND), a life sciences tool provider and a developer of digitally simplified bioprocessing products, yesterday reported financial results for the first quarter of fiscal year 2023, ended September 30, 2022.

Fiscal 2023 First Quarter Product Highlights:

- Bioprocessing Systems Operations' DOTS software launched for management of sensors, actuators and bioprocess data enabling real-time analysis - Significant portion of our customers have scheduled to upgrade their software.
- Benchtop Laboratory Equipment Operations' VIVID Plus software launched a subscription cloud-based solution for pharmacies - Nearly all of our customers have upgraded to the new software, positioning the Company for stream of recurring revenue.

Fiscal 2023 First Quarter Financial Overview:

- Total net revenues were \$2.7 million, a decrease of \$0.2 million, or 7%, vs. prior year period.
- Bioprocessing Systems Operations' net revenues were \$0.3 million for each period.
 - Bioprocessing product sales increased \$0.1 million, or 50% vs. prior year.
- Benchtop Laboratory Equipment Operations net sales were \$2.4 million, a decrease of \$0.1 million, or 4%, vs. prior year period.
 - Torbal product sales increased \$0.2 million, or 33%, vs. prior year period, including a 75% increase in VIVID product sales.
- Cash and cash equivalents and investments were \$7.7 million, as of September 30, 2022, compared to \$9.4 million, as of June 30, 2022.
- Working capital was \$12.9 million, as of September 30, 2022, compared to \$14.0 million as of June 30, 2022.

Management Discussion

Helena Santos, Chief Executive Officer of Scientific Industries, stated, "The financial results for the first quarter came in as expected with our core benchtop products sales normalizing with COVID-19 subsiding, but still providing positive cash flow, and the seasonality of the European summer months impacting our first quarter. Our investments in research and development are beginning to gain traction, as reflected in the product sales growth of bioprocessing products, and substantial sales growth of VIVID products in the first quarter.

Operationally, we have made significant progress with our synergistic integration efforts, resulting in decreased operating losses from Bioprocessing Systems Operations while nearly doubling the number of employees dedicated to those operations. We also launched our DOTS platform and software in accordance with our internal timeline. We remain focused on delivering on our growth initiatives as we build cloud-based subscription models across our business segments that will generate recurring revenue for years to come.”

John Moore, Chairman of Scientific Industries and Scientific Bioprocessing, Inc. (“SBI”), said, “Our Bioprocessing team made solid progress in the first quarter as we continue to build momentum with our new DOTS platform to deliver Digitally Simplified Bioprocessing. More than one-third of our eligible customers have scheduled an upgrade to the new software. We have transformed the Bioprocessing Systems Operations from a royalty revenue model and have positioned it to become a leading-edge product and subscription-based service offering model that is expected to deliver real-time solutions and generate recurring revenue.”

“I am proud that our DOTS platform and products through our strategic collaborations in the BioMADE program are playing a key role in the Biden Administration’s National Biotechnology and Biomanufacturing Initiative to advance U.S. biomanufacturing. As we look to the remainder of fiscal 2023, we are committed to advancing our vision of creating digitally simplified bioprocessing with our DOTS platform with real-time smart sensors and systems for cell cultures driving meaningful operational efficiencies for bioprocessing laboratory workflows.”

2022 First Quarter Financial Review

Net revenues for the three months ended September 30, 2022 decreased \$184,500, or 6.5%, to \$2,670,000 from \$2,854,500 for the three months ended September 30, 2021, reflecting a decrease of \$172,300 in net sales of the Benchtop Laboratory Equipment Operations, principally attributable to a reduction in Genie brand product sales due to a leveling off of Covid-related demand for vortex mixers, partially offset by increased orders for its VIVID automated pill counter and other Torbal products. The results also reflect a decrease of \$12,200 in net revenues of the Company’s Bioprocessing Systems Operations, due to the absence of royalty revenues in the current year period following the termination of a Company patent in August 2021, partially offset by an increase in bioprocessing product sales.

The Company recorded a loss from continuing operations before income tax benefit of \$1,694,200 for the three months ended September 30, 2022 compared to a loss of \$1,524,400 for the three months ended September 30, 2021, primarily due to decreased Benchtop Laboratory Equipment product sales, increased product development costs for the VIVID automated pill counter line, and increased corporate expenses related to financial and accounting services, partially offset by decreased losses incurred by its Bioprocessing

Systems Operations.

As a result of the above, the Company reflected a net loss of \$1,292,000 (or \$0.18 per share) for the three months ended September 30, 2022 compared to a net loss of \$1,208,800 (or \$0.19 per share) for the three months ended September 30, 2021 based on a weighted average number of shares outstanding of 7,003,599 and 6,458,143 for the three months ended September 30, 2022 and 2021, respectively.

Conference Call Details

Scientific Industries will conduct a conference call to discuss the financial results for first quarter of fiscal 2023 on Tuesday, November 15, 2022, at 4:30 P.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/rDvw0M10pG7>

A replay of the call will be available through November 22, 2022 at (877) 344-7529 or (412) 317-0088 (international), access code 2988450, or for 90 days at <https://www.scientificindustries.com/investor-relations/>.

About Scientific Industries, Inc.

Scientific Industries (OTCQB:SCND), is a life science tool provider. The Company designs, manufactures, and markets laboratory equipment, including the world-renowned Vortex-Genie[®] 2 Mixer and Torbal[®] balances, and bioprocessing systems under its DOTS platform which features its Cell Growth Quantifier and Liquid Injection System, Flow Cells, combined with state of the art analytics. 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 the DOTS platform, SBI offers a broad portfolio of state-of-the-art bioprocessing sensors and actuators as well as the innovative DOTS software, for sensor control and data monitoring. 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
 BALANCE SHEETS**

	9/30/22 <u>(Unaudited)</u>	6/30/22 <u>(Audited)</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,437,700	\$ 2,971,100
Investment Securities	5,298,600	6,391,600
Other Current Assets	6,769,300	6,906,600
Intangibles Assets and Goodwill	6,339,000	6,475,200
Other Long Term Assets	6,731,500	6,287,100
Total Assets	<u>\$ 27,576,100</u>	<u>\$ 29,031,600</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities	\$ 1,583,700	\$ 2,230,200
Long-Term Liabilities	1,218,700	1,239,600
Shareholders' Equity	24,773,700	25,561,800
Total Shareholders' Equity & Liabilities	<u>\$ 27,576,100</u>	<u>\$ 29,031,600</u>

**SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
 (Unaudited)**

	9/30/22	9/30/21
Revenues	\$ 2,670,000	\$ 2,854,500
Gross Profit	<u>1,349,100</u>	<u>1,513,600</u>
Operating Expenses	<u>3,043,300</u>	<u>3,038,000</u>
Loss From Operations	(1,694,200)	(1,524,400)

Total Other expense, Net	(15,000)	(7,900)
Loss From Continuing Operations Before Income Tax Benefit	<u>(1,709,200)</u>	<u>(1,532,300)</u>
Income Tax Benefit, Deferred	<u>(417,200)</u>	<u>(322,600)</u>
Loss from Continuing Operations	<u>(1,292,000)</u>	<u>(1,209,700)</u>
Gain from Discontinued Operations, Net of Tax	<u>-</u>	<u>900</u>
Net Loss	<u>(1,292,000)</u>	<u>(1,208,800)</u>
Comprehensive Gain (Loss)	<u>(114,200)</u>	<u>36,300</u>
Total Comprehensive Loss	<u>(1,406,200)</u>	<u>(1,172,500)</u>
Basic and diluted loss per common share:		
Continuing Operations	\$ (0.18)	\$ (0.19)
Discontinued Operations	\$ -	\$ -
Consolidated Operations	\$ (0.18)	\$ (0.19)
Weighted average number of outstanding shares :	7,003,599	6,458,143

SOURCE: Scientific Industries, Inc.

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