

Scientific Industries Reports Second Quarter 2024 Results

STRONG PIPELINE FOR BIOPROCESSING DOTS MPS & TORBAL VIVID PILL COUNTER

OPERATIONAL EFFICIENCIES CUT QUARTER AND YTD NET LOSS BY 41% AND 28%

NET CASH USED BY OPERATIONS REDUCED BY 33%

Investor Call to be held Thursday, August 15th at 11:00 a.m. Eastern Time

BOHEMIA, NY / August 15, 2024 / 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, 2024.

Business Highlights:

- The Company's newly launched Bioprocessing DOTS MPS gains market traction.
- The Company introduced the VIVID Workstation at major trade shows.
- John Nicols, Chairman of SBI and Board member, was a guest speaker at the SynBioBeta Conference highlighting the advantages of the Company's bioprocessing products in dealing with the challenges of bioprocessing development and scale up.
- Cost reduction initiatives resulted in a 44% and 28% reduced net loss for the current three and six month periods against the net loss for the prior year three and six months periods.
- Operating cash outflow decreased significantly to \$2.4 million from \$3.7 million for the same period last year.

Second Quarter and Six Months Financial Highlights:

- Net revenues amounted to \$2.6 million and \$5.1 million, respectively, for the three and six month periods ended June 30, 2024, compared to \$3.0 million and \$5.8 million in the prior year periods.
 - Benchtop Laboratory Equipment Operations net sales were \$2.3 million and \$4.4

million, compared to \$2.6 million and \$5.1 million in the prior year periods.

- Bioprocessing Systems Operations net sales were \$0.36 million and \$0.68 million, compared to \$0.37 million and \$0.59 million in the prior year periods.
- Gross profit was \$1.3 million, or 48.8% and \$2.3 million, or 45.5%, for the three and six month periods ended June 30, 2024, compared to \$1.4 million, or 45.3% and \$2.7 million, or 46.4% in the prior year periods.
- Working capital was \$8.6 million as of June 30, 2024, compared to \$7.7 million as of June 30, 2023.

Management Discussion

Helena Santos, Chief Executive Officer of Scientific Industries, stated, “We are optimistic as we enter the second half of 2024 with strong order pipelines for both our Bioprocessing and our Torbal’s VIVID product lines, stemming from product introductions in both segments – the DOTS MPS and the VIVID WORKSTATION, which received tremendous positive feedback from customers at recent trade shows. These opportunities, together with the cost-saving initiatives that have successfully reduced cash burn and operating expenses, which led to significantly improved results, positions us well for financial stability in our core business and allow us to continue advancing our Bioprocessing strategy.”

John Moore, Chairman, said, “The DOTS Multiparameter sensor launch has gone off without a hitch. In the past quarter we have sold product to some of the biggest pharma and industrial customers in the world. Our first customers have been able to integrate the DOTS MPS into their workflows and successfully complete fermentation optimization without having to scale to bioreactors thereby achieving a compelling return on investment through saving time and money. We have created the largest pipeline of sales opportunities in our company history, and we are working hard to convert it into more revenue and reference customers. We achieved an important milestone in our efforts to promote customer peer to peer sales when on August 5th a scientist from one of the world’s largest pharmaceutical companies presented on his successful use of our technology at the Annual Meeting of the Society for Industrial Microbiology.”

2024 First Quarter and Six Months Financial Review

Net revenues for the three and six months ended June 30, 2024 decreased \$335,200, or 11.2%, and \$657,100, or 12.8%, to \$2,647,300 and \$5,130,800 from \$2,982,500 and \$5,787,900, respectively, for the three and six months ended June 30, 2023. Driven primarily

by lower revenues of Benchtop Laboratory Equipment Operations with sales of Genie brand products reflecting a decrease due to post-COVID destocking and overall market softness for laboratory equipment, particularly in Asia. Additionally, sales of Torbal and VIVD brand products were reduced due primarily to new regulations related to pharmacy renumeration fees “DIR fees” charged by pharmacy benefit managers, which caused financial hardships and cash flow challenges for the independent pharmacy market in the beginning of 2024. However, the Company expects demand to recover in the later part of the year.

The gross profit margin for the three and six months ended June 30, 2024 was 48.8%, an increase of 350 basis points, and 45.5%, a decrease of 90 basis points compared to 45.3% and 46.4% for the prior year periods, respectively. Gross margins for the Benchtop Laboratory Equipment Operations were negatively affected by higher material, labor and overhead costs, while the gross margins from the Bioprocessing Operations benefitted from higher margins related to new products.

Operating expenses decreased \$947,600, or 26.5%, and \$1,622,900, or 22.0%, to \$2,628,600 and \$5,758,900 for the three and six month periods ended June 30, 2024, respectively, compared to \$3,576,200 and \$7,381,800 in the same periods in 2023, primarily as a result of operational cost reductions and working capital management initiatives.

As a result, the Company posted a decreased loss from continuing operations of \$1,283,600 and \$3,335,200 for the three and six month periods ended June 30, 2024, compared to \$2,185,100 and \$4,557,000, respectively, for the same periods last year; and net loss of \$1,283,600 and \$3,335,200, or \$(0.12) and \$(0.32) loss per diluted share, and \$2,292,000 and \$4,662,500, or \$(0.33) and \$(0.67) loss per diluted share for the 2023 periods, respectively.

As of June 30, 2024, the Company’s cash, cash equivalents and investments totaled \$3.9 million and the Company had working capital of \$8.6 million.

Conference Call Details

Scientific Industries will conduct a conference call to discuss financial results for the second quarter of 2024 on Thursday, August 15, 2024, 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/02EOnyenMPe>.

A replay of the call will be available through August 23, 2024, at (877) 344-7529 or (412) 317-0088 (international), replay access code: 5275358, 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

	<u>30-Jun-24</u>	<u>31-Dec-23</u>
ASSETS	(Unaudited)	

Cash and Cash Equivalents	\$	560,500	\$	796,100
Investment Securities		3,295,100		4,928,700
Other Current Assets		6,530,800		6,615,900
Intangibles Assets and Goodwill		2,121,100		1,365,200
Other Long Term Assets		1,767,500		3,024,600
Total Assets	\$	<u>14,275,000</u>	\$	<u>16,730,500</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities	\$	1,774,000	\$	1,837,300
Long-Term Liabilities		819,400		1,007,800
Shareholders' Equity		11,681,600		13,885,400
Total Shareholders' Equity & Liabilities	\$	<u>14,275,000</u>	\$	<u>16,730,500</u>

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

	For the Three Months Ended		For the Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Revenues	\$ 2,647,300	\$ 2,982,500	\$ 5,130,800	\$ 5,787,900
Gross Profit	<u>1,292,400</u>	<u>1,350,000</u>	<u>2,333,200</u>	<u>2,688,000</u>
Operating Expenses	<u>2,628,600</u>	<u>3,576,200</u>	<u>5,758,900</u>	<u>7,381,800</u>
Loss From Operations	(1,336,200)	(2,226,200)	(3,425,700)	(4,693,800)
Total Other Income, Net	<u>52,600</u>	<u>41,100</u>	<u>90,500</u>	<u>136,800</u>
Loss From Continuing Operations Before Income Tax Expense	<u>(1,283,600)</u>	<u>(2,185,100)</u>	<u>(3,335,200)</u>	<u>(4,557,000)</u>
Income Tax Expense	<u>-</u>	<u>108,800</u>	<u>-</u>	<u>108,800</u>
Loss From Continuing Operations	<u>(1,283,600)</u>	<u>(2,293,900)</u>	<u>(3,335,200)</u>	<u>(4,665,800)</u>
Gain From Discontinued Operations, Net of Tax	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>3,300</u>
Net Loss	<u>(1,283,600)</u>	<u>(2,292,000)</u>	<u>(3,335,200)</u>	<u>(4,662,500)</u>
Comprehensive Gain (Loss)	<u>15,800</u>	<u>(32,200)</u>	<u>(44,500)</u>	<u>11,700</u>
Total Comprehensive Loss	<u>\$ (1,267,800)</u>	<u>\$ (2,324,200)</u>	<u>\$ (3,379,700)</u>	<u>\$ (4,650,800)</u>

Basic and Diluted loss per common share

Continuing Operations	\$	(0.12)	\$	(0.33)	\$	(0.32)	\$	(0.67)
Discontinued Operations	\$	-	\$	-	\$	-	\$	-
Consolidated Operations	\$	(0.12)	\$	(0.33)	\$	(0.32)	\$	(0.67)

Weighted average number of outstanding shares (basic):	10,503,599	7,003,599	10,436,647	7,003,599
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SOURCE: Scientific Industries, Inc.

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