

Scientific Industries Reports Third Quarter 2024 Financial Results

BIOPROCESSING OPERATIONS RECORDS 3 CONSECUTIVE QUARTERS OF REVENUE GROWTH

OPERATIONAL EFFICIENCIES CUT QUARTER AND YTD NET LOSSES BY 46% AND 34%

TWO MAJOR NEW PRODUCTS TO LAUNCH IN Q1 2025

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

BOHEMIA, N.Y., Nov. 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 nine-month periods ended September 30, 2024.

Business Highlights:

- The Company's DOTS MPS system was validated for use in the large addressable market of mammalian cell culture.
- The new VIVID WORKSTATION that targets pharmacy chain stores was well received at major trade shows.
- Our disciplined approach at optimizing working capital has resulted in four consecutive quarters of decreased operating expenses and greater preservation of cash.
- Operating cash outflow for the current nine-month period decreased significantly to \$3.3 million from \$4.8 million for the same period last year.

Third Quarter and Nine Months Financial Highlights:

- Net revenues totaled \$2.8 million, an increase of 7.1%, and \$7.9 million, a decrease of 5.7%, respectively, for the three- and nine-month periods ended September 30, 2024, compared to \$2.6 million and \$8.4 million, respectively, in the prior year periods.
 - Benchtop Laboratory Equipment Operations net sales were \$2.3 million, up 7.1%, and \$6.8 million, down 8.0% compared to \$2.2 million and \$7.4 million, respectively, in the prior year periods.
 - Bioprocessing Systems Operations net sales were \$0.45 million, up 6.6%, and \$1.1 million, up 11.6%, respectively, compared to \$0.42 million and \$1.0 million, respectively, in the prior year periods.
- Gross profit was \$1.4 million, an increase of 15.4%, and \$3.7 million, a decrease of 4.4%, respectively, for the three- and nine-month periods ended September 30, 2024, compared to \$1.2 million, and \$3.9 million, respectively, in the prior year periods.
- Gross margins improved 350 basis points to 49.2% and 46.8%, up 60 basis points, respectively for the three- and nine-month periods ended September 30, 2024, compared to 45.7% and 46.2%, respectively, in the prior year periods.

- Working capital was \$8.0 million as of September 30, 2024, compared to \$6.4 million as of September 30, 2023.

Management Discussion

John Moore, Chairman, said, “The third quarter was the best in the history of Scientific Bioprocessing Inc (“sbi”). After only five months on the market, the DOTS MPS system is sbi’s best-selling product and our customers are very pleased with the system’s performance. A key highlight this quarter was the successful testing of the DOTS MPS system in prominent pharmaceutical companies and academic labs, signaling a significant step forward in its suitability for advanced cell culture monitoring. Since mammalian cell culture applications are heavily utilized by industry, the space represents a much larger long-term opportunity than our traditional focus in microbiology, both in terms of market size and value. Therefore, as we continue to expand our presence in the microbial space, an earlier entry into mammalian cell culture monitoring has the potential to significantly accelerate the growth of our already existing \$4.4 million commercial pipeline for DOTS from early 2025 onwards.”

Helena Santos, Chief Executive Officer of Scientific Industries, stated, “I am pleased with the progress we achieved during the third quarter with topline growth of 7%, a gross margin expansion of 350 basis points and improved operational efficiencies that reduced our net loss by 46% compared to prior year period. These are promising developments as we prepare to launch new, innovative products and bioprocessing DOTS MPS platform sensors that will put us in untapped substantial markets and drive the Company’s future growth for years to come.”

“As we head into the final quarter of our fiscal year 2024, we are encouraged by the positive growth trends in demand for our legacy Genie brand markets and the normalization of the independent pharmacy markets after a challenging start to the year. We are also excited about the upcoming launch of our state-of-the-art VIVID WORKSTATION that will round out our line of automated pill counters. This “All-in-one Pill Counter” combines high-precision pill counting with a powerful PC, enabling pharmacists to more efficiently manage workflows and run pharmacy software directly on a single machine. With a sharp focus on financial discipline, we are well positioned for success that will provide meaningful long-term shareholder value.”

2024 Third Quarter and Nine Months Financial Review

Net revenues for the three months ended September 30, 2024 increased \$183,600, or 7.1%, to \$2,769,100 from \$2,585,500 for the three months ended September 30, 2023. Net revenues increased across all operating segments, driven principally by increased sales of Genie brand products in the U.S., and increased sales of the Torbal division’s VIVID pill counters. The pharmacy industry is recovering from cash flow constraints caused by new regulations related to pharmacy direct and indirect remuneration fees (“DIR fees”) charged

by pharmacy benefit managers, which caused financial hardships and cash flow challenges for the independent pharmacy market in the first quarter of 2024. Bioprocessing Systems Operations revenues increased 6.6% to \$452,500 for the three months ended September 30, 2024 compared to \$424,200 in the prior year period.

Net revenues for the nine months ended September 30, 2024 decreased \$473,500, or (5.7%), to \$7,899,900 from \$8,373,400 for the nine months ended September 30, 2023. The lower sales are primarily due to a decrease of \$591,900 in net revenues from the Benchtop Laboratory Equipment Operations, offset by an increase of \$118,400 in net revenues from the Bioprocessing Systems Operations. The lower revenues of the Benchtop Laboratory Equipment Operations resulted primarily from decreased Genie brand product sales in China as well as reduced VIVID pill counter sales in first half of the year resulting from the new industry regulations described above. Bioprocessing Systems Operations revenues increased \$118,400, or 11.7%, to \$1,134,000 for the current year period compared to \$1,015,600 in the prior year period primarily due to increased market penetration of its new DOTS MPS products.

The gross profit margin for the three and nine months ended September 30, 2024 was 49.2%, an increase of 350 basis points, and 46.8%, an increase of 60 basis points, respectively, compared to 45.7% and 46.2%, respectively, for the prior year periods, as the gross margins from the Bioprocessing Operations benefitted from higher margins related to increased sales of the recently launched DOTS MPS products.

Operating expenses decreased significantly by \$784,600, or 23.0%, and \$2,407,500, or 22.3%, to \$2,621,800 and \$8,380,700 for the three and nine month periods ended September 30, 2024, respectively, compared to \$3,406,400 and \$10,788,200 in the same periods in 2023, primarily as a result of operational cost reductions and working capital management initiatives implemented in the first quarter of 2024.

As a result, the Company posted a decreased net loss of \$1,180,100, or \$(0.11) per share, and \$4,515,300, or \$(0.43) per share for the three and nine month periods ended September 30, 2024, respectively, compared to \$2,201,100 or \$(0.31) per share and \$6,863,600, or \$(0.98) per share, for the same periods last year, respectively.

As of September 30, 2024, the Company's cash, cash equivalents and investments totaled \$3.0 million and the Company had working capital of \$8.0 million.

Conference Call Details

Scientific Industries will conduct a conference call to discuss financial results for the third quarter of 2024 on Friday, November 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/WR9J79WopKd>.

A replay of the call will be available through November 22, 2024, at (877) 344-7529 or (412) 317-0088 (international), replay access code: 6861983, 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. (OTCQB: SCND). 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

	30-Sep-24 (Unaudited)	31-Dec-23
ASSETS		
Cash and Cash Equivalents	\$ 563,500	\$ 796,100
Investment Securities	2,464,300	4,928,700
Other Current Assets	6,624,400	6,615,900
Intangibles Assets and Goodwill	994,300	1,365,200
Other Long Term Assets	2,660,300	3,024,600
Total Assets	\$ 13,306,800	\$ 16,730,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities	\$ 1,610,500	\$ 1,837,300
Long-Term Liabilities	761,700	1,007,800
Shareholders' Equity	10,934,600	13,885,400
Total Shareholders' Equity & Liabilities	\$ 13,306,800	\$ 16,730,500

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

	For the Three Months Ended 30-Sep-24	For the Three Months Ended 30-Sep-23	For the Nine Months Ended 30-Sep-24	For the Nine Months Ended 30-Sep-23
Revenues	\$ 2,769,100	\$ 2,585,500	\$ 7,899,900	\$ 8,373,400
Gross Profit	1,363,200	1,181,000	3,696,400	3,869,000
Operating Expenses	2,621,800	3,406,400	8,380,700	10,788,200
Loss From Operations	(1,258,600)	(2,225,400)	(4,684,300)	(6,919,200)
Total Other Income, Net	78,500	24,300	169,000	161,100
Loss From Continuing Operations Before Income Tax Expense	(1,180,100)	(2,201,100)	(4,515,300)	(6,758,100)
Income Tax Expense	-	-	-	108,800
Loss From Continuing Operations	(1,180,100)	(2,201,100)	(4,515,300)	(6,866,900)
Gain From Discontinued Operations, Net of Tax	-	-	-	3,300
Net Loss	(1,180,100)	(2,201,100)	(4,515,300)	(6,863,600)
Comprehensive Gain (Loss)	113,600	(95,700)	69,100	(84,000)
Total Comprehensive Loss	\$ (1,066,500)	\$ (2,296,800)	\$ (4,446,200)	\$ (6,947,600)
Basic and Diluted loss per common share				
Continuing Operations	\$ (0.11)	\$ (0.31)	\$ (0.43)	\$ (0.98)
Discontinued Operations	\$ -	\$ -	\$ -	\$ -
Consolidated Operations	\$ (0.11)	\$ (0.31)	\$ (0.43)	\$ (0.98)
Weighted average number of outstanding shares (basic):	10,503,599	7,003,599	10,443,029	7,003,599

