EDGAR SUBMISSION SUMMARY

VIEW ALL COMMENTS

Issuer Name	**SCIENTIFIC INDUSTRIES INC**
Submission Type	**10-K**
Live File	**On**
Return Copy	**On**
Exchange	**NONE**
Confirming Copy	**Off**
Filer CIK	**0000087802**
Filer CCC	**xxxxxxxx**
Period of Report	**12-31-2023**
Smaller Reporting Company	**On**
Shell Company	**Off**
Emerging Growth Company	**No**
Notify via Filing website Only	**Off**
Emails	**confirmations@issuerdirect.com**

Documents

Form Type	File Name	Description
10-K	**scnd_10k.htm**	**FORM 10-K**
EX-4.h	**scnd_ex4h.htm**	**EX-4H**
EX-23.1	**scnd_ex231.htm**	**CONSENT**
EX-23.2	**scnd_ex232.htm**	**CONSENT**
EX-31.1	**scnd_ex311.htm**	**CERTIFICATION**
EX-31.2	**scnd_ex312.htm**	**CERTIFICATION**
EX-32.1	**scnd_ex321.htm**	**CERTIFICATION**
EX-32.2	**scnd_ex322.htm**	**CERTIFICATION**
EX-101.SCH	**scnd-20231231.xsd**	**XBRL TAXONOMY EXTENSION SCHEMA**
EX-101.LAB	**scnd-20231231_lab.xml**	**XBRL TAXONOMY EXTENSION LABEL LINKBASE**
EX-101.CAL	**scnd-20231231_cal.xml**	**XBRL TAXONOMY EXTENSION CALCULATION LINKBASE**
EX-101.PRE	**scnd-20231231_pre.xml**	**XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE**
EX-101.DEF	**scnd-20231231_def.xml**	**XBRL TAXONOMY EXTENSION DEFINITION LINKBASE**

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Module and Segment References

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period

SCIENTIFIC INDUSTRIES, INC.

(Exact Name of Registrant in Its Charter)

Delaware	**04-2217279**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
80 Orville Drive, Suite 102, Bohemia, New York	**11716**
(Address of principal executive offices)	(Zip Code)

(631) 567-4700
(Registrant's telephone number, including area code) Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
None	None

Securities registered pursuant to Section 12(g) of the Exchange Act:

Title of Class
Common stock, $.05 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated Filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐ Yes ☒ No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The aggregate market value of the voting stock held by non-affiliates computed by reference to the average bid and asked prices of such stock, as of June 30, 2023 is $17,402,152.

The number of shares outstanding of the registrant's common stock, par value $.05 per share ("Common Stock") as of March 29, 2024 is 10,503,599 shares.

DOCUMENTS INCORPORATED BY REFERENCE

None.

SCIENTIFIC INDUSTRIES, INC.

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FORWARD-LOOKING STATEMENTS

The Company and its representatives may from time to time make written or oral forward-looking statements with respect to the Company's annual or long-term goals, including statements contained in its filings with the Securities and Exchange Commission and in its reports to stockholders.

The words or phrases "will likely result", "will be", "will", "are expected to", "will continue to", "is anticipated", "estimate", "project" or similar expressions identify "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. Readers are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

Transition Period

On November 4, 2022, the Board of Directors approved the change of the Company's fiscal year end from June 30 to December 31 of each year. In connection with this change, the Company previously filed a Transition Report on Form 10-K to report the results of the six-month transition period from July, 1, 2022 to December 31, 2022. In this Annual Report, the periods presented are the year ended December 31, 2023, the six-month transition period from July 1, 2022 to December 31, 2022 (which the Company sometimes refers to as the "six month period ended December 31, 2022") and the year ended June 30, 2022 (which the Company sometimes refers to as "fiscal 2022"). For comparison purposes, the Company also included unaudited data for the year ended December 31, 2022 and for the six months ended December 31, 2021.

PART I

Item 1. Business.

General. Incorporated in 1954, Scientific Industries, Inc., a Delaware corporation ("SI" and along with its subsidiaries, the "Company"), is engaged in the design, manufacture, and marketing of standard benchtop laboratory equipment ("Benchtop Laboratory Equipment"), and through its wholly-owned subsidiary, Scientific Bioprocessing Holdings, Inc., a Delaware corporation ("SBHI"), the design, manufacture, and marketing of bioprocessing systems and products ("Bioprocessing Systems"). SBHI has two wholly-owned subsidiaries – Scientific Bioprocessing, Inc., a Delaware corporation ("SBI"), and aquila biolabs GmbH, a German corporation ("Aquila"). The Company's products are used primarily for research purposes by universities, pharmaceutical companies, pharmacies, national laboratories, medical device manufacturers, and other industries performing laboratory-scale research. Until November 30, 2020, the Company was also engaged in the design, manufacture and marketing of customized catalyst research instruments through its wholly-owned subsidiary, Altamira Instruments, Inc, a Delaware corporation ("Altamira"). On November 30, 2020, the Company sold substantially all of Altamira's assets and Altamira's operations were discontinued.

Operating Segments. The Company views its operations as two segments: the manufacture and marketing of standard Benchtop Laboratory Equipment which includes various types of equipment used for research and sample preparation in university, pharmacy and industrial laboratories sold primarily through laboratory equipment distributors and online, and weight and measurement products including pill counters and digital scales; and the

design, development, manufacture and marketing of bioprocessing products, principally products incorporating smart sensors and state of the art software analytics, sold primarily on a direct basis through the Company's internal sales force.

Products.

Benchtop Laboratory Equipment. The Company's Benchtop Laboratory Equipment products consist of mixers and shakers, rotators/rockers, refrigerated and shaking incubators, and magnetic stirrers sold through the "Genie ™" division, and pharmacy and laboratory balances and scales, force gauges, automated pill counters and moisture analyzers sold through the "Torbal®" division. Sales of the Company's principal product, the Vortex-Genie® 2 Mixer, excluding accessories, represented approximately 32% and 40% of the Company's total net revenues for the year ended December 31, 2023 and 2022 (unaudited), 38% and 42% of the six-month periods ended December 31, 2022 and 2021 (unaudited), respectively.

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The Company's vortex mixer is used to mix the contents of test tubes, beakers, and other various containers by placing such containers on a rotating cup or other attachments which cause the contents to be mixed at varying speeds. The Company's additional mixers and shakers include a high-speed touch mixer, a mixer with an integral timer, a cell disruptor, a bead beater, microplate mixers, programmable vortex mixers, two large capacity multi-vessel vortex mixers and a line of various orbital shakers.

The Company also offers various benchtop multi-purpose rotators and rockers, designed to rotate and rock a wide variety of containers, and a refrigerated incubator and incubated shakers, which are multi-functional benchtop environmental chambers designed to perform various shaking and stirring functions under controlled environmental conditions.

The Company's line of magnetic stirrers includes a high/low programmable magnetic stirrer, a four-place high/low programmable magnetic stirrer, a large volume magnetic stirrer, and a four-place general purpose stirrer.

The Company's Torbal® division line of products includes pharmacy, laboratory, and industrial digital scales, moisture analyzers, mechanical and VIVID® automated pill counters, force gauges and test stands.

Bioprocessing Systems. SBHI, through its two wholly-owned subsidiaries, SBI and Aquila, is engaged in the design, development, manufacture and marketing of bioprocessing products, principally products incorporating smart sensors and state of the art software analytics. Products include the Cell Growth Quantifier ("CGQ") for biomass monitoring in shake flasks, the Liquid Injection System ("LIS") for automated feeding in shake flasks, and a line of coaster systems and flow-through cells for pH and DO monitoring and analytical software, and the Multi-Parameter Sensor ("MPS") and Dissolved Oxygen sensor pills which are marketed and will be sold under the Bioprocessing Systems DOTS brand platform.

Product Development. The Company designs and develops substantially all of its products. Company personnel formulate plans and concepts for new products and improvements or modifications of existing products. The Company engages outside consultants to augment its internal engineering capabilities in areas such as industrial and electronics design.

Major Customers. Sales to three customers, principally of the Vortex-Genie 2 Mixer, represented 16% and 18% of total net revenues for the years ended December 31, 2023 and 2022 (unaudited), respectively and 32% and 18% of total net revenues for the six-month periods ended December 31, 2022 and 2021 (unaudited), respectively. The three customers also represented 18% and 21% of Benchtop Laboratory Equipment product sales, for the year ended December 31, 2023 and 2022 (unaudited), respectively and 36% and 21% of Benchtop Laboratory Equipment product sales, for the six-month periods ended December 31, 2022 and 2021 (unaudited), respectively.

Marketing.

Benchtop Laboratory Equipment. The Company's Benchtop Laboratory Equipment products sold under the "Genie" brand are generally distributed and marketed through an established network of domestic and overseas laboratory equipment distributors who sell the Company's products through websites, printed catalogs and sales force. In general, due to the reliance on sales through distribution, it takes two to three years for a new Genie brand Benchtop Laboratory Equipment product to begin generating meaningful sales.

The Company's "Torbal®" brand weighing products are primarily marketed and sold online, and primarily on a direct basis, with only a few distributors. The Company's VIVID® brand, automated pill counter is sold through two exclusive distributors in North America. The Company markets its products through online and trade publication advertising, brochures and catalogs, the Company's websites, one sales manager in the U.S., a consultant in Europe and, when practicable, attendance at industry trade shows.

Bioprocessing Systems. The Company's Bioprocessing Systems products are marketed under a newly created marketing category "Digitally Simplified Bioprocessing" through a direct sales force consisting of four sales professionals and four application scientists in the US and Germany, plus a network of 11 distributors that are managed by a distribution manager. Sales are supported via marketing through websites, content creation, application notes, mailings, trade shows, online marketing campaigns, and membership in various public/private research partnerships.

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Assembly and Production. The Company has facilities in Bohemia, New York and Orangeburg, New York where it conducts the Benchtop Laboratory Equipment operations. The Company also has a shared-office facility in Pittsburgh, Pennsylvania and its primary operating facility in Baesweiller, Germany, where it conducts the Bioprocessing Systems operations. The Company's production operations principally involve assembly of components supplied by various domestic and international independent suppliers.

Patents, Trademarks and Licenses.

The Company holds several patents relating to its benchtop laboratory products which include a United States patent that relates to its Vortex-Genie Pulse which expires in January 2036, and a patent relating to Torbal's VIVID® automated pill counter which expires in March 2039.

The Company's Bioprocessing Systems operations' Aquila subsidiary holds two US patents relating to bioprocessing which expire in January 2035 and February 2038, respectively. In addition, Aquila holds several European and German patents and Patent Cooperation Treaty (the "PCT") patents, and has several other patent applications pending in the United States, Europe, and under the PCT.

The Company does not anticipate any material adverse effect on sales of its patented products following the expiration on any of its patents resulting in the loss of patent protection.

The Company has various proprietary trademarks, including aquila biolabs (in Germany), Bead Genie®, Disruptor Beads™, Disruptor Genie®, DOTS™, Enviro-Genie®, Genie™, Genie Temp-Shaker™, Incubator Genie™, MagStir Genie®, MegaMag Genie®, MicroPlate Genie®, MultiMagStir Genie®, Multi-MicroPlate Genie®, Orbital Genie®, QuadMag Genie®, Rotator Genie®, Roto-Shake Genie®, Torbal®, TurboMix™, VIVID®, and Vortex-Genie®, each of which it considers important to the success of the related product. No representation can be made that any application will be granted or as to the protection that any existing or future trademark registration may provide.

Foreign Sales. The Company's sales to overseas customers, principally in Asia and Europe, accounted for approximately 34% and 36% of the Company's net revenue for the year ended December 31, 2023 and 2022 (unaudited), respectively and 34% and 44% of the Company's net revenues for six month period ended December 31, 2022 and 2021 (unaudited), respectively. Payments were primarily in United States dollars and were therefore not subject to risks of currency fluctuation, foreign duties and customs.

Seasonality. The Company does not consider its business to be materially seasonal.

Backlog. The Company had a total backlog in benchtop equipment orders of approximately $563,800 and $745,200 as of December 31, 2023 and 2022, respectively. There was no significant backlog for the Bioprocessing Systems operations.

Competition. Most of the Company's principal competitors are substantially larger and have greater financial, production and marketing resources than the Company. Competition is generally based upon technical specifications, price, and product recognition and acceptance. The Company's main competition for its Benchtop Laboratory Equipment products derives from private label brand mixers offered by laboratory equipment distributors in the United States and Europe and products exported from China.

The Company's major competitors for its Genie brand Benchtop Laboratory Equipment are Henry Troemner, Inc. (a private label supplier to the two largest laboratory equipment distributors in the U.S. and Europe), IKA-Werke GmbH & Co. KG, a German company, Benchmark Scientific, Inc. (a United States importer of China-produced products), and Heidolph Instruments GmbH, a German company and various other smaller importers (primarily from China). The Company's main competitors for its Torbal® brand products are Ohaus Corporation, an American company, A&D Company Ltd., a Japanese company, Adam Equipment Co., Ltd., a British company, Avery Weigh-Tronix, an American company, and Capsa Healthcare, an American company for its VIVID® brand automated pill counters.

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Direct competitors for the Company's Bioprocessing Systems products are ABER Instruments (United Kingdom) and PreSens GmbH (Germany), indirect (systemic alternatives) competitors include Hamilton Bonaduz AG (Switzerland) and optek-Danulat GmbH (Germany) as well as total solution providers like Sartorius AG (Germany) or Eppendorf SE (Germany). The former direct competitor PyroScience GmbH (Germany) has entered a long-term partnership agreement with aquila.

Research and Development. The Company incurred research and development expenses, the majority of which related to its Bioprocessing Systems operations, of $3,566,200 and $2,752,300 for the year ended December 31, 2023 and 2022 (unaudited), respectively and $1,395,800 and $1,516,800 for the six-month periods ended December 31, 2022 and 2021 (unaudited), respectively. The Company expects that research and development expenditures in the fiscal year ending December 31, 2024 will continue to be material reflecting continued product development efforts for the Bioprocessing Systems operations and, to a lesser extent, continued investment in new VIVID pill counting products.

Government and Environmental Regulation. The Company's products and claims with respect thereto have not required approval of the Food and Drug Administration or any other governmental authority. The Company's manufacturing operations, like those of the industry in general, are subject to numerous existing and proposed, if adopted, federal, state, and local regulations to protect the environment, establish occupational safety and health standards and cover other matters. The Company believes that its operations are in compliance with existing laws and regulations and the cost to comply is not significant to the Company.

Employees. As of March 27, 2024, the Company employed 68 persons (33 for the Benchtop Laboratory Equipment operations, and 35 for the Bioprocessing Systems operations, of whom 27 were located in Germany) of

whom 63 were full-time, including its executive officers. The Company augments its internal staff with outside consultants as deemed necessary. None of the Company's employees are represented by any union.

Available Information. The Company's reports, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other information filed with, or furnished to, the Securities and Exchange Commission (the "SEC" or the "Commission"), including amendments to such reports, are available on the SEC's website that contains such reports, proxy and information statements, and other information regarding companies that file electronically with the Commission. This information is available at www.sec.gov. In addition, all the Company's public filings can be accessed through the Company's website at https://www.scientificindustries.com/sec-filings.

Item 1A. Risk Factors.

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, important risk factors are identified below that could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to such future periods in any current statements. The Company undertakes no obligation to publicly revise any forward-looking announcements to reflect future events or circumstances.

Risks Relating to Our Financial Position and Capital Requirements

We have limited financial resources and we may need to raise additional funding. If we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our product discovery and development programs or commercialization efforts.

In order to be successful with our product development and commercialization programs, principally as it pertains to our bioprocessing sector, we believe that we will need to continue to invest substantial capital into such programs in the foreseeable future. We expect our total operating expenses to continue to be material in connection with our ongoing activities, particularly as we continue with our emphasis on the bioprocessing sector. We expect to continue to incur significant commercialization expenses related to product sales, marketing, after-sales support, manufacturing, and distribution. We also expect to continue to incur substantial expenses related to the development of new products and technologies, primarily related to bioprocessing products. Our ability to conduct additional research and development activities and commercialization efforts are dependent upon the availability of funding and cash generated from sales of newly introduced products.

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In such an event, we may be required to obtain further funding through public or private equity offerings, debt financings, collaborations and licensing arrangements or other sources. We do not have any committed external source of funds, other than a working line of credit of $300,000 with the Company's primary bank. If additional funding is necessary, adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to raise additional capital in sufficient amounts and on terms acceptable to us, - we may have to significantly delay, scale back or discontinue the development or commercialization of bioprocessing or any of our other products. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategy.

Our future funding requirements, both short-term and long-term, will depend on many factors, including: the scope, progress, timing, costs and results of our current and future product candidates; our ability to enter into, and the terms and timing of, any collaborations, licensing or other arrangements; the number of future product candidates that we pursue and their development requirements; the costs and timing of establishing product sales, marketing, distribution and commercial-scale manufacturing capabilities; the effect of competing technological and market developments; our headcount growth and associated costs as we expand our research and development; and the costs

of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights including enforcing and defending intellectual property related claims.

Raising additional capital may cause dilution to our then-existing stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.

To the extent that we raise additional capital through the sale of common shares, convertible securities or other equity securities, the ownership interests of the then-existing equity holders may be diluted, and the terms of these securities could include liquidation or other preferences and anti-dilution protections that could adversely affect the rights of the then-existing common stockholders. In addition, debt financing, if available, may result in fixed payment obligations and may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, creating liens, redeeming stock or declaring dividends, that could adversely impact our ability to conduct our business. In addition, securing financing could require a substantial amount of time and attention from our management and may divert a disproportionate amount of their attention away from day-to-day activities, which may adversely affect our management's ability to oversee the development of our product candidates.

If we raise additional funds through collaborations or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

We have a history of losses and will likely incur future losses during the next few years as we attempt to grow and develop our bioprocessing sector.

We incurred net losses of $9,086,500, $4,079,400 and $13,668,100 for the year ended December 21, 2023, the six-month transition period ended December 31, 2022 and the fiscal year ended June 30, 2022. As of December 31, 2022, we had an accumulated deficit of $27,485,100. We expect to continue to incur operating losses for the foreseeable future as our expenses related to the growth and expansion of our Bioprocessing Systems operations will exceed revenues expected to be generated. Our Benchtop Laboratory Equipment operations are profitable, but our ability to become and remain profitable on a combined basis depends on our ability to generate additional revenue, and therefore profits, from our Bioprocessing Systems operations. Because of the uncertainties and risks associated with these activities, we are unable to accurately predict the timing and amount of future revenues, and if or when we might achieve profitability. We may never succeed in these activities and, even if we do, we may never generate revenues that are large enough for us to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

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If we fail to maintain proper and effective internal control over financial reporting in the future, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, investors' views of us and, as a result, the value of our Common Stock.

Pursuant to Section 404 of the Sarbanes Oxley Act of 2002 and related rules, our management is required to report on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we may need to further upgrade our systems, including information technology, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff, and specialists. If material weaknesses or deficiencies in our internal controls exist and go undetected,

our financial statements could contain material misstatements that, when discovered in the future could cause us to fail to meet our future reporting obligations and cause the price of our Common Stock to decline.

Limited public market for our common stock and active trading market may never develop or be sustained.

As of March 27, 2024, there were 10,503,599 shares of Common Stock of the Company outstanding, of which 53% are held by the top six stockholders of the Company. The Common Stock of the Company is traded on the Over-the-Counter Bulletin Board and, historically, has been thinly traded. There have been a number of trading days during calendar 2022 and 2023 on which no trades of the Company's Common Stock were reported. Accordingly, the market price for the Common Stock is subject to great volatility. The lack of an active trading market may impair the value of the shares of our common stock and stockholders' ability to sell their shares. An inactive trading market may also impair the Company's ability to raise capital by selling shares of common stock and to enter into strategic partnerships or other business strategies.

Risks Relating to Our Business

The commercial success of our bioprocessing products will largely depend upon attaining significant market acceptance.

Our ability to execute our growth strategy and achieve commercial success in our bioprocessing sector will depend upon the adoption by customers of our products and bioprocessing solutions. We cannot predict how quickly, if at all, our products will be accepted or, if accepted, how frequently they will be used. Our bioprocessing products may never gain broad market acceptance. The market for bioprocessing products is relatively new, subject to rapid innovation and remains uncertain. The degree of market acceptance of any of our products will depend on a number of factors, including the prevalence and severity of any complications associated with our products, the competitive pricing of our products; and the quality of our products meeting customer expectations.

Failure to achieve or maintain market acceptance and/or market share would limit our ability to generate revenue and would have a material adverse effect on our business, financial condition and results of operations. Further, if we cannot build and maintain strong working relationships with these professionals and seek their advice and input on our product candidates, the development and marketing of our future products could suffer, which could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to obtain and maintain patent and other intellectual property protection for any of our new bioprocessing products, or if the scope of the patent and other intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours, and our ability to successfully commercialize any product we may develop may be adversely affected.

The commercial success of our bioprocessing segment will also depend on our ability to obtain and maintain patent, trademark, trade secret and other intellectual property protection of our new bioprocessing products and other technology, methods used to manufacture them and methods of treatment, as well as successfully defending our patent and other intellectual property rights against third-party challenges. It is difficult and costly to protect and enforce intellectual property rights, and we may not be able to ensure the same for every product. Our ability to stop unauthorized third parties from making, using, selling, offering to sell, importing or otherwise commercializing our new organ candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

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We seek to protect our proprietary position by developing a comprehensive intellectual property portfolio including filing patent applications and obtaining granted patents in the United States and abroad related to our bioprocessing products that are important to our business. If we are unable to obtain or maintain patent protection with

respect to a product we may develop, or if the scope of the patent protection secured is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours and our ability to commercialize that product candidate may be adversely affected.

The patent prosecution process is expensive, time-consuming, and complex, and we may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant markets. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors, and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our inventions and the prior art allow our inventions to be patentable over the prior art. Furthermore, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and growth prospects.

If we lose the services of key management personnel, we may not be able to execute our business strategy effectively.

Our future success depends in a large part upon the continued service of key members of our senior management team The loss of services from any of Ms. Helena Santos, the Company's President and Chief Executive Officer, Mr. Reginald Averilla, the Company's Chief Financial Officer, Secretary and Treasurer, Mr. Robert Nichols, the President of the Company's Genie Products Division of the Benchtop Laboratory Equipment Operations, Mr. Karl Nowosielski, the President of the Torbal Products Division of the Benchtop Laboratory operations, Mr. Daniel Donadille, the Chief Executive Officer and President of the Bioprocessing Systems Operations, or Mr. John A. Moore, the Company's Chairman, or any material expansion of the Company's operations could place a significant additional strain on the Company's limited management resources and could be materially adverse to the Company's operating results and financial condition.

If we lose one or more of our key employees, our ability to implement our business strategy successfully could be seriously harmed. Furthermore, replacing key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain marketing approval of and commercialize products successfully.

We rely on highly skilled personnel and, if unable to retain, fully utilize or hire additional qualified personnel, we may not be able to grow effectively.

Our performance is largely dependent on the talents and efforts of highly skilled individuals. The future success depends on the continued ability to identify, hire, develop, motivate and retain highly skilled personnel for all areas of the organization. Competition in the industry for qualified employees is intense, and it is likely that certain competitors will directly target some of our employees. The continued ability to compete effectively depends on the ability to retain and motivate existing employees.

Management may also need to hire additional qualified personnel with expertise in the bioprocessing sector, including with respect to research and testing, formulation and manufacturing and sales and marketing. We compete for qualified individuals with numerous biopharmaceutical companies and other emerging entrepreneurial companies, as well as universities and research institutions. Competition for such individuals is intense, and we may not be able to successfully recruit or retain such personnel. Attracting and retaining qualified personnel will be critical to our success.

Our Company's future depends heavily on international operations.

The Company's Bioprocessing Systems Operations is substantially operated out of Germany with the management and the majority of research, manufacturing, marketing, accounting, and administration functions located in its Baesweiler, Germany facility. As a result, the Company's Bioprocessing Systems Operations is physically located in a different geographical location which could pose inherent risks in systems of internal controls, and is subject to various laws and regulations that differ from those of the parent company in the U.S.

We may not successfully manage any experienced growth.

Our success will depend upon the expansion of our operations and the effective management of any such growth will place a significant strain on management and on administrative, operational and financial resources. To manage any such growth, management must expand the facilities, augment operational, financial and management systems, and hire and train additional qualified personnel. If management is unable to manage our growth effectively, our business would be harmed.

Our growth strategy is based on certain assumptions as to the bioprocessing market.

We believe that the worldwide upstream bioprocess development technologies total available market is approximately $1.5 billion[1], with potential market share for our bioprocessing products of $150 million[2]. Our estimates of the annual total addressable markets for our products under development are based on a number of internal and third-party estimates, as well as assumed prices at which we can sell our future products. While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. As a result, our estimates of the annual total addressable market for our product candidates may prove to be incorrect. If the price at which we can sell future products, or the annual total addressable market for our product candidates is smaller than we have estimated, it could have an adverse impact on our business.

[1] Small Scale Bioreactor Market Analysis Report, Dec. 2021, Coherent Market Insights
[2] Internal Estimation of 10% Obtainability

Dependence on major customers.

Although the Company does not depend on any one single major customer, sales to the top three Benchtop Laboratory Equipment operations customers accounted for a combined aggregate of 18%, 36% and 19% of the segment's total sales for the year ended December 31, 2023, for the six-month transition period ended December 31, 2022 and fiscal year ended June 30, 2022 (28%, 32% and 17% of its total net revenues for sales for the year ended December 31, 2023, for the six-month transition period ended December 31, 2022 and fiscal year ended June 30, 2022, respectively).

No representation can be made that the Company will be successful in retaining any of these customers, or not suffer a material reduction in sales, either of which could have an adverse effect on future operating results of the Company.

One benchtop laboratory equipment product accounts for a substantial portion of revenues.

The Company has a limited number of Benchtop Laboratory Equipment products with one product, the Vortex-Genie 2 Mixer, accounting for approximately 36%, 43% and 48% of Benchtop Laboratory Equipment sales, for the year ended December 31, 2023, for the six-month transition period ended December 31, 2022 and fiscal year ended June 30, 2022 (32%, 38% and 42% of total net revenues for the year ended December 31, 2023, for the six-month transition period ended December 31, 2022 and fiscal year ended June 30, 2022, respectively).

The Company is a small participant in each of the industries in which it operates.

The Benchtop Laboratory Equipment industry is a highly competitive mature industry. Although the Vortex-Genie 2 Mixer is widely accepted, the annual sales of the Benchtop Laboratory Equipment products ($9,745,400 for the year ended December 31,2023, $4,608,900 for the six-month transition period ended December 31, 2022 and $9,981,100 for fiscal year ended June 30, 2022) are significantly lower than the annual sales of many of its competitors in the industry. The principal competitors are substantially larger with much greater financial, production and marketing resources than the Company. There are constant new entrants into the vortex mixer market, including those offering products imported from China, which the Company is unable to compete with on price. The Torbal line of products is also a small market participant in its industry with significant competition from well-known brands.

The Company's Bioprocessing Systems operations is a participant in the laboratory-scale sector of the larger bioprocessing products industry, which is dominated by several companies that are significantly larger, and the Company's bioprocessing operations are still in the start-up phase of operations.

The Company's ability to grow and compete effectively depends in part on its ability to develop and effectively market new products.

The Company continuously invests in the development and marketing of new Benchtop Laboratory Equipment products, including the Torbal line of products, with a view to increase revenues and reduce the Company's dependence on sales of the Vortex-Genie 2 Mixer. However, gross revenues derived from non-Vortex-Genie Benchtop Laboratory Equipment products including Torbal products amounted to $3,657,400 (38% of the segment sales and 33% of total revenues) for the year ended December 31, 2023, $1,478,100 (32% of the segment's sales and 28% of total revenues) for the six month transition period ended December 31, 2022 and $2,463,900 (25% of the segment's sales and 22% of total revenues) for fiscal year ended June 30, 2022. The segment's ability to compete will depend upon the Company's success in continuing to develop and market new laboratory equipment and scales as to which no assurance can be given.

The Company relies heavily on distributors and their catalogs to market the majority of its Benchtop Laboratory Equipment Genie products. Accordingly, sales of new products are heavily dependent on the distributors' decisions whether to include and retain a new product in their catalogs and on their websites. It may be at least 24 to 36 months between the completion of development of a product and the distribution of the catalog in which it is first offered; furthermore, not all distributors feature the Company's products in their catalogs.

The success of the Company's Bioprocessing Systems operations will depend heavily on its ability to successfully develop, produce, and market new products. Commencing in the last quarter of fiscal year ended June

30, 2019, the Company began to commit substantial resources to its Bioprocessing Systems operations in the form of employees, materials, supplies, marketing, and facilities to accelerate its product development efforts and marketing activities. Bioprocessing products are of a complex nature in an industry that the Company has not traditionally operated in and have taken much longer to develop than previously anticipated. In addition, they will be subject to beta testing and adoption by end users, which could result in design and/or production changes which could further delay development time. On April 29, 2021, the Company acquired Aquila in an effort to accelerate development of its bioprocessing products. The Company continues to incur substantial product development and sales and marketing costs related to its Bioprocessing Operations.

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No assurance can be given that the Company will be successful with its new product development or that its sales and marketing programs will be sufficient to develop additional commercially feasible products which will be accepted by the marketplace, or that any distributor will include or retain any new Company products in its catalogs and websites.

Exchange rates — The Company is exposed to foreign exchange rate risk.

Substantially all of the Company's sales are in US dollars. As a result of the acquisition of Aquila in April 2021, the Company is subject to foreign exchange rate risk, both transactional and translational, which may negatively affect our financial performance. Transactional foreign exchange exposures result from exchange rate fluctuations, including in respect of the U.S. dollar and the Euro. Translational foreign exchange exposures result from exchange rate fluctuations in the conversion of the entity's functional currency to U.S. dollars, consistent with the Company's reporting currency, and may affect the reported value of the Company's assets and liabilities and its income and expenses. In particular, the Company's translational exposure may be impacted by movements in the exchange rate between the Euro against the U.S. dollar.

The Company may be subject to general economic, political and social factors.

Orders for the Company's products depend in part, on the customer's ability to secure funds to finance purchases, especially government funding for research activities. Availability of funds can be affected by budgetary constraints. Factors including a general economic recession, a European crisis, slowdown in Asian economies, or a major terrorist attack may have a negative impact on the availability of funding including government or academic grants to potential customers. Please also see the separate COVID-19 pandemic related discussion in this "Risk Factors" section below.

Sales to overseas customers, including sales in China, accounted for approximately 34%, 34% and 42% of the Company's net revenues for the year ended December 31, 2023, for the six-month transition period ended December 31, 2022 and fiscal year ended June 30, 2022. The high value of the U.S. dollar relative to foreign currencies can have a negative impact on sales because the Company's products, which are paid in U.S. dollars, become more expensive to overseas customers.

Higher material and transportation costs over the last few years has resulted in significantly higher costs for some of the Company's components. Such increased costs could have a negative effect on the Company's future gross margins, if the Company is unable to pass such cost increases to its customers.

The Company may be adversely affected by global health pandemics, including the COVID-19 Pandemic.

The challenges posed by the COVID-19 pandemic on the global economy began to take effect and impact the Company's operations at the end of the third quarter of the year ended June 30, 2020. At that time, the Company took appropriate action and put plans in place to diminish the effects of COVID-19 on its operations, enabling the Company to continue to operate with minor or temporary disruptions to its operations. The Bioprocessing Systems Operations'

Pittsburgh facility was shut down temporarily due to state mandates, however, the impact on operations was immaterial, and the Company has been able to retain its employees without furloughs or layoffs, in part, due to the Company' receipt of two loans under the Federal Government's Paycheck Protection Program ("PPP"). The Bioprocessing Systems Operations' German operation, which was acquired on April 29, 2021, was negatively impacted in its ability to secure new orders because Aquila had historically relied on face-to-face meetings at trade shows for its sales opportunities. While it has participated in virtual trade shows, management believes that certain sales opportunities are lost as a result. The Company has not experienced and does not anticipate any material impact on its ability to collect its accounts receivable due to the nature of its customers, which are primarily distributors of laboratory equipment and supplies which have benefitted from the Pandemic due to the nature of the products and have the ability to pay. The Company has not experienced and does not anticipate any material impairment to its tangible and intangible assets, system of internal controls, or delivery and distribution of its products as a result of COVID-19, however the ultimate impact of COVID-19 on the Company's business, results of operations, financial condition and cash flows is dependent on future developments, including the duration or worsening of the COVID-19 pandemic or another future pandemic, and the related length of its impact on the global economy, which are uncertain and cannot be predicted at this time.

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The Company is heavily dependent on outside suppliers for the components of its products.

The Company purchases most of its components from outside suppliers and relies on a few suppliers for some components, mostly due to cost considerations. Most of the Company's suppliers, including its U.S. vendors, produce the components directly or indirectly in overseas factories, and orders are subject to long lead times and potential other risks related to production in a foreign country, such as current and potential future tariffs. To minimize the risk of supply shortages, the Company keeps more than normal quantities on hand of the critical components that cannot easily be procured or, where feasible and cost effective, purchases are made from more than one supplier. However, alternate suppliers are not always feasible for various reasons including complexity and cost of toolings. A shortage of components or vendor inability to deliver due to shipping and cargo issues could halt production and have a material negative effect on the Company's operations.

The Company's ability to compete depends in part on its ability to secure and maintain proprietary rights to its products.

The Company has no patent protection for its principal Benchtop Laboratory Equipment product, the Vortex-Genie 2 Mixer, or the Torbal products other than the VIVID pill counter, and it has limited patent protection on a few other Benchtop Laboratory Equipment products. There are several competitive products available in the marketplace possessing similar technical specifications and design.

The Company's patents related to its Bioprocessing Systems Operations pertaining to non-invasive sensor technology, which it licensed from University of Maryland Baltimore County, expired in August 2021.

As discussed above in detail, the Company's Bioprocessing Operations through its Aquila division holds several patents in Europe and the US related to its products and underlying technology and has several patent applications pending in Europe and the United States of America, and sublicenses from third parties on a regular basis additional technology needed for its product development.

There can be no assurance that any patent issued or licensed to the Company provides or will provide the Company with competitive advantages or will not be challenged by third parties. Furthermore, there can be no assurance that others will not independently develop similar products or design around the Company's patents. Any of the foregoing activities could have a material adverse effect on the Company. Moreover, enforcement by the Company of its patent or license rights may require substantial litigation costs.

We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on, among other factors, our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant. Any return to stockholders will therefore be limited to the appreciation in the value of their stock, if any.

Item 1B. Unresolved Staff Comment.

Not required for smaller reporting companies.

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Item 2. Properties.

The Company's executive office and principal manufacturing facility for its Benchtop Laboratory Equipment operations comprises approximately a total of 24,000 square feet. This facility is located in Bohemia, New York and is held under a lease with a term through October 2028. The Company leases a 1,200 square foot facility in Orangeburg, New York where it conducts its sales and marketing functions, primarily for the Torbal® Products Division of the Benchtop Laboratory Equipment operations, which expires in November 2024. The Company's Bioprocessing Systems operations are conducted in a co-sharing office space in Pittsburgh, Pennsylvania, and a 5,252 square foot facility in Baesweiller, Germany which was renewed in December 2023 to extend the lease term to December 31, 2025, comprised of manufacturing, engineering, and administrative space.

Item 3. Legal Proceedings.

The Company is not a party to any pending legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

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PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Common Stock

The Company's Common Stock is traded on the Over-The-Counter ("OTC") Market, under the trading symbol "SCND". The following table sets forth the low and high bid quotations at the end of each quarter for the year ended December 31, 2023, for the six month transition period ended December 31, 2022 and for fiscal 2022, as reported by the National Association of Securities Dealers, Inc. Electronic Bulletin Board. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions:

For Fiscal Quarter Ended	Low Bid($)	High Bid($)
09/30/21	4.99	10.80
12/31/21	5.00	7.50
03/31/22	5.51	6.50
06/30/22	4.73	6.13
09/30/22	4.95	6.00
12/31/22	5.17	6.00
03/31/23	4.93	5.50
06/30/23	4.24	5.00
09/30/23	3.75	4.75
12/31/23	2.06	3.70

As of March 27, 2024, there were 288 record holders of the Company's Common Stock.

Recent sales of unregistered securities; use of proceeds from registered securities

Refer to Current Reports on Form 8-K filed with the SEC on December 11, 2023, December 15, 2023, December 22, 2023, January 22, 2024 as incorporated by reference for recent sales of unregistered securities.

Purchases of equity securities by the issuer and affiliated purchasers

None.

Item 6. [Reserve]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements.

The following discussion and analysis should be read in conjunction with our consolidated financial statements for the year ended December 31, 2023 and 2022 (unaudited), and the six month transition period ended December 31, 2022 and 2021 (unaudited), and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Certain statements contained in this report are not based on historical facts but are forward-looking statements that are based upon various assumptions about future conditions. Actual events in the future could differ materially from those described in the forward-looking information. Numerous unknown factors and future events could cause such differences, including but not limited to, product demand, market acceptance, success of marketing strategy, success of expansion efforts, impact of competition, adverse economic conditions, and other factors affecting the Company's business that are beyond the Company's control, which are discussed elsewhere in this report. Consequently, no forward- looking statement can be guaranteed. The Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

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Overview.

Scientific Industries, Inc., a Delaware corporation ("SI" and along with its subsidiaries, the "Company", "we", "our"), is engaged in the design, manufacture, and marketing of standard benchtop laboratory equipment ("Benchtop Laboratory Equipment"), and through its wholly-owned subsidiary, Scientific Bioprocessing Holdings, Inc., a Delaware corporation ("SBHI"), the design, manufacture, and marketing of bioprocessing systems and products

("Bioprocessing Systems"). SBHI has two wholly-owned subsidiaries – Scientific Bioprocessing, Inc., a Delaware corporation ("SBI"), and aquila biolabs GmbH, a German corporation ("Aquila"). The Company's products are used primarily for research purposes by universities, pharmaceutical companies, pharmacies, national laboratories, medical device manufacturers, and other industries performing laboratory-scale research. Until November 30, 2020, the Company was also engaged in the design, manufacture and marketing of customized catalyst research instruments through its wholly-owned subsidiary, Altamira Instruments, Inc, a Delaware corporation ("Altamira"). On November 30, 2020, the Company sold significantly all of Altamira's assets and Altamira's operations were discontinued.

On November 4, 2022, the Board of Directors approved the change of the Company's fiscal year end from June 30 to December 31 of each year. In connection with this change, we previously filed a Transition Report on Form 10-K to report the results of the six-month transition period from July, 1, 2022 to December 31, 2022. In this Annual Report, the periods presented are the year ended December 31, 2023, the six-month transition period from July 1, 2022 to December 31, 2022 (which we sometimes refer to as the "six-month transition period ended December 31, 2022") and the year ended June 30, 2022 (which we sometimes refer to as "fiscal 2022"). For comparison purposes, we have also included unaudited data for the year ended December 31, 2022 and for the six months ended December 31, 2021.

Results of Operations.

The Company's results are from the Benchtop Laboratory Equipment operations and the Bioprocessing Systems operations. The Company realized a loss from continuing operations before income tax benefit of $9,089,800 for the year ended December 31, 2023 compared to $12,501,200 for the year ended December 31, 2022 (unaudited), and $4,073,100 for the six month period ended December 31, 2022 compared to $2,853,600 for the six month period ended December 31, 2021 (unaudited). The decrease in the loss from continuing operations before income tax benefit for the year ended December 31, 2023 compared to year ended December 31, 2022 (unaudited) is principally due to the non-cash write-offs of goodwill impairment partially offset by increased operating expenses of its Bioprocessing Systems operations with the continuing expansion and integration following the acquisition of Aquila in April 2021, and corporate expenses. These expenses include significant amounts for product development, sales and marketing costs, and non-cash compensation expense related to stock options and depreciation and amortization, partially offset by the profits generated by the Benchtop Laboratory Equipment operations.

Year Ended December 31, 2023 compared to Year Ended December 31, 2022 (Unaudited)

Net revenues for the year ended December 31, 2023 increased $231,800 (2.1%) to $11,111,500 from $10,879,700 for year ended December 31, 2022 (unaudited), reflecting an increase of approximately $186,500 in net sales in the Benchtop Laboratory Equipment operations. The Benchtop Laboratory Equipment sales of the Torbal division products increased to $3,657,400 from $2,696,700 for the year ended December 31, 2023 and 2022 (unaudited), partially offset by decreased sales of the Vortex-Genie products to $3,554,600 from $4,361,400 for the year ended December 31, 2023 and 2022 (unaudited). The increased sales of the Torbal division products benefitted from increased sales of its VIVID automated pill counter, while the decreased sales of the Genie division products reflected a post COVID-19 normalization sales from the Vortex-Genie 2 product, which had benefitted from sales for testing laboratories during the COVID-19 pandemic. The remaining $45,300 increase in net revenues for the year ended December 31, 2023 is primarily attributable to the Bioprocessing Systems Operations product sales from the Cell Growth Quantifier ("CGQ") for Biomass monitoring in shake flasks, the Liquid Injection System ("LIS") and to a smaller contribution, the new DOTS platform of bioprocessing products introduced during the year ended December 31, 2022.

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The gross profit percentage for the year ended December 31, 2023 decreased to 45.9% from 47.2% for the year ended December 31, 2022 (unaudited), due primarily to increased materials, labor, and fixed overhead for the

Benchtop Laboratory Equipment Operations, and the absence of royalties in the current year period for the Bioprocessing Systems Operations.

General and administrative expenses for the year ended December 31, 2023 decreased by $225,600 (4.0%) to $5,417,900 compared to $5,643,500 for year ended December 31, 2022 (unaudited) due primarily to the consolidation of operations in the Bioprocessing Systems Operations within the Pittsburgh, Pennsylvania and Baesweiller, Germany facilities.

Selling expenses for the year ended December 31, 2023 increased by $660,800 (14.0%) to $5,377,800 from $4,717,000 for the year ended December 31, 2022 (unaudited), primarily due to a increase in sales and marketing expenses and noncash stock compensation expense incurred by the Bioprocessing Systems Operations and by the Benchtop Laboratory Equipment operations principally due to increased sales and marketing expenses for the Torbal Division's VIVID automated pill counter.

Research and development expenses for the year ended December 31, 2023 increased $813,900 (29.6%) to $3,566,200 from $2,752,300 for the year ended December 31, 2022 (unaudited), due to increase development in the DOTS platform of bioprocessing products in the Bioprocessing Systems Operations and the Benchtop Laboratory Equipment Operations' VIVID automated pill counter products.

Impairment of goodwill and intangible assets for the years ended December 31, 2023 and 2022 (unaudited), were $0 and $4,331,600, respectively. There was no impairment of goodwill and intangible assets for the year ended December 31, 2023. For the year ended December 31, 2022 (unaudited), the Company recorded a $4,280,100 impairment of goodwill as a result of a goodwill impairment analysis, of which the Company determined the carrying value of the Bioprocessing Systems reporting unit exceeded its fair value and therefore the associated goodwill was impaired. In addition, the Company determined a technology intangible asset in the Bioprocessing segment was impaired and wrote it down by $51,500, net of accumulated amortization, to its estimated fair value of $0.

Total other income (expense), net for the year ended December 31, 2023 and 2022 (unaudited) was $170,100 and $(189,300), respectively. The increase was due primarily to net unrealized gain and interest income on investment securities compared to prior year unrealized loss.

The Company reflected income tax expense for continuing operations of $0 for the year ended December 31, 2023 compared to income tax expense of $3,128,100 for the year ended December 31, 2022 (unaudited). The Company maintains a full valuation allowance of $9,302,300 against the consolidated net deferred tax asset as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized in the future. The income tax expense of $3,128,100 for the year ended December 31, 2022 (unaudited), reflects a full valuation allowance against the consolidated net deferred tax assets recorded in the current period as the Company determined the consolidated net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized in the future. In the event in the future the Company changes the determination as to the amount of deferred tax assets that can be realized, the Company will adjust the valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

As a result of the foregoing, the Company recorded a loss from continuing operations of $9,089,800 for the year ended December 31, 2023 compared to a loss from continuing operations of $15,629,300 for the year ended December 31, 2022 (unaudited).

The Company reflected net gain from discontinued operations of $3,300 for the year ended December 31, 2023, compared to a net loss of $12,900 for the year ended December 31, 2022 (unaudited).

As a result of the above, the Company recorded a net loss of $9,086,500 for the year ended December 31, 2023 compared to a net loss of $15,642,200 for the year ended December 31, 2022 (unaudited).

Six Month Transition Period Ended December 31, 2022 compared to the Six Month Period Ended December 31, 2021 (Unaudited)

Net revenues for the six month period ended December 31, 2022 decreased $520,800 (9.0%) to $5,237,800 from $5,758,600 for six month period ended December 31, 2021 (unaudited), reflecting a decrease of approximately $422,200 in net sales in the Benchtop Laboratory Equipment operations. The Benchtop Laboratory Equipment sales of the Torbal division products increased to $1,478,000 from $1,245,300 for the six month periods ended December 31, 2022 and 2021 (unaudited), partially offset by decreased sales of the Genie division products to $1,973,800 from $2,417,000 for the six month periods ended December 31, 2022 and 2021 (unaudited). The increased sales of the Torbal division products benefitted from increased sales of its VIVID automated pill counter, while the decreased sales of the Genie division products reflected a post COVID-19 normalization sales from the Vortex-Genie 2 product, which had benefitted from sales for testing laboratories during the COVID-19 pandemic. The remaining $98,600 decrease in net revenues for the six month period ended December 31, 2022 is primarily attributable to the Bioprocessing Systems Operations exclusion of royalty fees from sublicensed patents and technology under a license agreement which expired in August 2021, offset with new product sales from the new DOTS platform of bioprocessing products introduced during the current six month period ended December 31, 2022.

The gross profit percentage for the six-month period ended December 31, 2022 decreased to 44.3% from 50.7% for the six month period ended December 31, 2021 (unaudited), due primarily to increased materials, labor, and fixed overhead for the Benchtop Laboratory Equipment Operations, and the absence of royalties in the current year period for the Bioprocessing Systems Operations.

General and administrative expenses for the six-month period ended December 31, 2022 decreased by $173,100 (6.1%) to $2,658,800 compared to $2,831,900 for the six-month period ended December 31, 2021 (unaudited) due primarily to the consolidation of operations in the Bioprocessing Systems Operations within the Pittsburgh, Pennsylvania and Baesweiller, Germany facilities.

Selling expenses for the six-month period ended December 31, 2022 increased by $406,200 (20.9%) to $2,349,000 from $1,942,800 for the six-month period ended December 31, 2021 (unaudited), primarily due to a increase in sales and marketing expenses incurred by the Bioprocessing Systems Operations and by the Benchtop Laboratory Equipment operations principally due to increased sales and marketing expenses for the Torbal Division's VIVID automated pill counter.

Research and development expenses for the six-month period ended December 31, 2022 decreased $121,000 (8.0%) to $1,395,800 from $1,516,800 for the six-month period ended December 31, 2021 (unaudited), due to the reduction in the use of high-cost external consultants and consolidation of operations in the Bioprocessing Systems Operations within the Pittsburgh, Pennsylvania and Baesweiller, Germany facilities.

Total other income, net for the six-month periods ended December 31, 2022 and 2021 (unaudited) was $63,900 and $515,600, respectively. The decrease was due primarily to the $433,700 forgiveness of the second PPP loan received by the Company within the six-month period ended December 31, 2021 (unaudited).

The Company reflected income tax expense for continuing operations of $0 for the six month period ended December 31, 2022 compared to income tax benefit of $737,700 for the six month period ended December 31, 2021 (unaudited). The income tax expense for the six month period ended December 31, 2022 includes a $1,302,600 tax benefit, fully offset by a valuation allowance of $1,302,600 against the change of net deferred tax assets due to the uncertainty that the net deferred tax assets will not be fully realized in the future.

As a result of the foregoing, the Company recorded a loss from continuing operations of $4,073,100 for the six-month period ended December 31, 2022 compared to a loss from continuing operations of $2,116,300 for the six-month period ended December 31, 2021 (unaudited).

The Company reflected net loss from discontinued operations of $6,300 for the six-month period ended December 31, 2022, compared to a net income of $11,000 for the six-month transition period ended December 31, 2021 (unaudited), which is primarily due to loss on the sale of the majority of Altarmira's assets during the fiscal year ended June 30, 2021.

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As a result of the above, the Company recorded a net loss of $4,079,400 for the six-month period ended December 31, 2022 compared to a net loss of $2,105,300 for the six-month period ended December 31, 2021 (unaudited).

Year Ended June 30, 2022 compared to Year Ended June 30, 2021

Net revenues for fiscal year ended June 30, 2022 increased $1,625,300 (16.6%) to $11,400,500 from $9,775,200 for fiscal year ended June 30, 2021, reflecting an increase of approximately $937,500 in net sales of Benchtop Laboratory Equipment operations. The Benchtop Laboratory Equipment sales of Genie brand products increased year-over-year to $7,517,200 from $6,931,900 for fiscal year ended June 30 2022 and 2021, respectively. Torbal® brand product sales totaled $2,463,900 and $2,111,700 for fiscal year ended June 30 2022 and 2021, respectively, primarily due to increased sales of its automated VIVID pill counter. Approximately $687,800 of the increase in net revenues for fiscal year ended June 30 2022 is primarily attributable to inclusion of a full fiscal year of Aquila sales as compared to two months of Aquila sales contribution in fiscal 2021, which sales were attributable to Aquila's bioprocessing products including the CGQ for Biomass monitoring in shake flasks, the LIS for automated feeding in shake flasks, and a line of coaster systems and flow-through cells for pH and DO monitoring.

The gross profit percentage for fiscal year ended June 30, 2022 of 50.3% approximated fiscal 2021's gross profit percentage of 50.9%.

General and administrative expenses for fiscal year ended June 30, 2022 increased by approximately $1,788,100 (44.4%) to $5,816,600 compared to $4,028,500 for fiscal year ended June 30, 2021 due primarily to compensation-related costs resulting from stock option grants and increased administrative costs from the Bioprocessing Systems operations.

Selling expenses for fiscal year ended June 30, 2022 increased approximately $278,900 (6.9%) to $4,310,800 from $4,031,900 for fiscal year ended June 30, 2021, primarily due to increased sales and marketing expenses incurred by the Bioprocessing Systems operations for sales and marketing personnel, sales and marketing activities.

Research and development expenses increased $1,249,500 (76.9%) to $2,873,300 for fiscal year ended June 30, 2022 compared to $1,623,800 for fiscal year ended June 30, 2021, due to increased product development expenditures by the Bioprocessing Systems operations.

As referenced in the "Explanatory Note" preceding Item 1 in our Annual Report on Form 10-KT, during the preparation of its audited financial statements for the six-month transition period from July 1, 2022 to December 31, 2022, the Company identified an error in the use of future projections and weighted average cost of capital used in the annual goodwill impairment testing of the Company's Bioprocessing Systems segment. As a result of the annual goodwill impairment analysis, the Company determined the carrying value of the Bioprocessing Systems reporting unit exceeded its fair value and therefore the associated goodwill was impaired. Upon further analysis of the error, the Company determined that a goodwill impairment charge to the Bioprocessing Systems segment should have been applied in the fiscal year ended June 30, 2022. As a result of restating the fiscal year ended June 30, 2022 consolidated financial statements, the Company recorded a goodwill impairment charge of $4,280,100 to the goodwill of the Bioprocessing Systems reporting unit as the excess of carrying value over fair value was higher than the recorded amount of goodwill for the reporting unit. There was no goodwill impairment charge for fiscal year ended June 30, 2021.

Total other income, net was $262,400 for fiscal year ended June 30, 2022 compared to $653,800 in fiscal year ended June 30, 2021. The decrease was due primarily to the increase in unrealized loss in investment securities of $233,700 offset by the $433,700 forgiveness of the second PPP loan received by the Company, compared to fiscal year ended June 30, 2021 that was due primarily to the $531,100 forgiveness of the first PPP loan received by the Company and increased interest income resulting from increased investment securities balances.

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The Company reflected income tax expense for continuing operations of $2,390,800 for fiscal year ended June 30, 2022 compared to income tax benefit of $945,000 for fiscal year ended June 30, 2021. As referenced in Item (Explanatory Note) in our Annual Report on Form 10-KT, as a result of the restated consolidated financial statements for the year ended June 30, 2022, the Company recorded a full valuation allowance of $5,116,000 against the consolidated net deferred tax asset as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized and their for the Company recorded of full valuation allowance. The full valuation allowance of $5,116,000 was offset by a income tax benefit of $2,717,200. In the event that in the future the Company changes the determination as to the amount of deferred tax assets that can be realized, the Company will adjust the valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

As a result of the foregoing, the Company recorded a loss from continuing operations of $13,672,500 for fiscal year ended June 30, 2022 compared to a loss from continuing operations of $3,110,000 for fiscal year ended June 30, 2021.

The Company reflected net income from discontinued operations of $4,400 for fiscal year ended June 30, 2022, compared to a net loss of $562,500 for fiscal year ended June 30, 2021, which is primarily due to loss on the sale of the majority of Altamira's assets during fiscal year ended June 30, 2021.

As a result of the above, the Company recorded a net loss of $13,668,100 for fiscal year ended June 30 2022 compared to a net loss of $3,672,500 for fiscal year ended June 30, 2021

Liquidity and Capital Resources.

Cash and cash equivalents decreased by $1,131,000 to $796,100 as of December 31, 2023 from $1,927,100 as of December 31, 2022, primarily due to the increased operating costs from the Bioprocessing Systems operations and Corporate overhead. For the year ended December 31, 2023, the Company generated negative cash flows from operations of $6,155,100 and has an accumulated deficit of $27,485,100 as of December 31, 2023. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") which contemplate continuation of the Company as a going concern.

In order to address these conditions, the Company has undertaken a number of strategic initiatives that management believes will provide sufficient funding to enable the Company to continue to operate as a going concern.

During 2023, the Company incurred certain expenses related to a pursued public offering and uplisting to the Nasdaq Capital Market, which was subsequently withdrawn by the Company. These were one-time costs that are non-recurring.

During the second half of the year ended December 31, 2023, the Company commenced to eliminate certain operating expenses in conjunction with its review of the strategic operational and product development plan for the Bioprocessing Systems Operations segment. The Company identified expenses which the Company does not anticipate replacing or to be recurring in the Company's operational plans for the foreseeable future, primarily in the

form of reduced number of employees and related employment expenses. The Company is continuing to evaluate additional cost measures, that includes reductions in operation headcounts to continue to operate as a going concern.

During the fourth quarter of 2023, the Company raised $6,283,224 of equity financing. An additional $716,776 of equity financing was raised in January 17, 2024.

As a result of the above actions, the Company believes that it will be able to meet its cash flow needs during the next 12 months from cash and investment securities on-hand, cash derived from its Benchtop Laboratory Equipment Operations, and availability of the Company's line of credit.

Net cash used in operating activities was $6,155,000 for the year ended December 31, 2023 and $6,108,200 for the year ended December 31, 2022 (unaudited). The increase is primarily due increased operational costs from the Bioprocessing Systems operations and Corporate overhead in the current period.

Net cash (used) or provided by investing activities was $(735,100) for the year ended December 31, 2023 compared to $1,441,000 for the year ended December 31, 2022 (unaudited). The decrease is primarily due to a increase in purchase of investment securities over the redemption of investment securities in the current period.

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Net cash provided by financing activities was $5,751,200 for the year ended December 31, 2023 compared to $2,470,100 for the year ended December 31, 2022 (unaudited). The increase is primarily due to the current period $5,751,200 net proceeds from the issuance of common stock and warrants compared to the prior period $2,727,200 net proceeds from the issuance of common stock and warrants.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On an ongoing basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 2 – Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements, included in Item 8, Financial Statements and Supplementary Data, of this Annual Report on Form 10-K. Management believes that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. Management has reviewed these critical accounting estimates and related disclosures with the Audit Committee of our board of directors.

Fair Value Estimates

Goodwill and Finite Lived Intangible Assets and Long-Lived Assets, Net

Goodwill – Goodwill represents the excess of purchase price over the fair value of identifiable net assets acquired in a business combination. Goodwill and long-lived intangible assets are tested for impairment at least annually in accordance with the provisions of Accounting Standards Codification ("ASC") No. 350, "Intangibles-

Goodwill and Other" ("ASC No. 350"). ASC No. 350 requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit.

As of December 31, 2023, the Company had two reporting units, the Benchtop Laboratory Equipment Operations and the Bioprocessing Systems. Goodwill is tested for impairment by reporting unit on an annual basis as of December 31, the last day of its fiscal year, and in the interim if events and circumstances indicate that goodwill may be impaired. Prior to the change in the Company's fiscal year from the last day of June to a calendar fiscal year end, goodwill was tested for impairment on an annual basis as of June 30, the last day of its then fiscal year, and in the interim if events and circumstances indicated that goodwill may be impaired. The voluntary change is preferable under the circumstances as a better alignment with the Company's strategic planning and forecasting process given the Company's change in fiscal year end. The events and circumstances that are considered in the Company's goodwill impairment testing include business climate and market conditions, legal factors, operating performance indicators and competition. Impairment of goodwill is first assessed using a qualitative approach. If the qualitative assessment suggests that impairment is more likely than not, a quantitative analysis is performed. The quantitative analysis involves a comparison of the fair value of the reporting unit with its carrying amount. The fair value is determined using the income approach, which utilizes the present value of expected future cash flows for each reporting unit based on estimate future cash flows, the timing of these cash flows, and a discount rate based on a weighted average cost of capital. The assumptions used to estimate future cash flows and the development of forecasts used in the fair value determination were based on assumptions made using the best information available at the time, subject to inherent risk and judgement. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. To the extent additional information arises, market conditions change, or our strategies change, it is possible that the conclusion regarding whether our remaining goodwill is impaired could change and result in future goodwill impairment charges that will have a material effect on our consolidated financial position or results of operations.

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During the year ended December 31, 2023, the Company performed the annual goodwill impairment analysis. The Company elected to perform the qualitative analysis for the Benchtop Laboratory Equipment Operation reporting unit. These qualitative analyses evaluated factors, including, but not limited to, economic, market and industry conditions, cost factors and the overall financial performance of the reporting unit. In completing these assessments, the Company noted no changes in events or circumstances that indicated that it was more likely than not that the fair value of the reporting unit was less than its carrying amount.

As of December 31, 2023 and 2022 there was no remaining goodwill to the Bioprocessing System reporting unit. For the fiscal year ended June 30, 2022, the Company recorded a goodwill impairment charge of $4,280,100 to the goodwill of the Bioprocessing Systems reporting unit as the excess of carrying value over fair value was higher than the recorded amount of goodwill for the reporting unit.

Intangible assets – Intangible assets consist primarily of acquired technology, customer relationships, non-compete agreements, patents, licenses, websites, intellectual property in-process research and development ("IPR&D"), trademarks and trade names. All intangible assets are amortized on a straight-line basis over the estimated useful lives of the respective assets, generally 3 to 10 years. The Company continually evaluates the remaining estimated useful lives of intangible assets that are being amortized to determine whether events or circumstances warrant a revision to the remaining period of amortization. The Company reviews the recoverability of our finite-lived intangible assets and long-lived assets, when events or conditions occur that indicate a possible impairment exists. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash

flows will occur, their amount and the asset's residual value, if any. The assessment for recoverability is based primarily on our ability to recover the carrying value of its long-lived and finite-lived intangible assets from expected future undiscounted net cash flows. If the total of expected future undiscounted net cash flows is less than the total carrying value of the assets the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value. Fair value is determined by computing the expected future discounted cash flows.

The Company recognized a impairment of intangible assets of $0, $51,500 and $0, for the year ended December 31, 2023, for the six month transition period ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively. The impairment charge is attributable to a technology intangible asset in the Bioprocessing segment, written down by $51,500, net of accumulated amortization, to its estimated fair value of $0.

Income tax

The Company and its subsidiaries file a consolidated U.S. federal income tax return, and a tax return in Germany for Aquila. Income taxes are accounted for under the asset and liability method. The Company provides for federal, and state income taxes currently payable, as well as for those deferred due to timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in income tax rates is recognized as income or expense in the period that includes the enactment date.

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In accordance with ASC 740 "Accounting for Income Taxes" ("ASC 740"), the Company evaluated the deferred tax assets to determine if valuation allowances are required or should be adjusted. ASC 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on consideration of all available evidence, both positive and negative, using a "more likely than not" standard of whether the deferred tax assets will be realized. As of and for the year ended December 31, 2023, the Company maintains a full valuation allowance of $9,302,300 against the consolidated net deferred tax assets as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized and therefore the Company recorded a full valuation allowance. During the six months ended December 31, 2022, the Company recorded a full valuation allowance of $1,302,600 to the period change in the net deferred tax assets as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized and therefore the Company recorded a full valuation allowance. As of and for the fiscal year ended June 30, 2022, the Company recorded a full valuation allowance of $5,116,000 against the consolidated net deferred tax assets as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized. In the event that in the future the Company changes the determination as to the amount of deferred tax assets that can be realized, the Company will adjust the valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

ASC No. 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC No. 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2023 and 2022, and June 30, 2022, the Company did not have any unrecognized tax benefits related to various federal and state income tax matters.

The Company recognizes interest and penalties on any unrecognized tax benefits as a component of income tax expense. The Company does not have any accrued interest or penalties associated with any unrecognized tax benefits. The Company is subject to U.S. federal income tax, as well as various state jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the fiscal years ended June 30, 2020 and after. The Company is currently open to audit under the statute of limitations by German tax authorities for the years ended December 31, 2018. The Company does not anticipate any material amount of unrecognized tax benefits within the next 12 months.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Not required for smaller reporting companies.

Item 8. Financial Statements and Supplementary Data.

The consolidated Financial Statements required by this item are attached hereto on pages F1-F36.

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this Annual Report on Form 10-K, based on an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15I and 15d-15(e) under the Securities Exchange Act of 1934), the Chief Executive Officer and Chief Financial Officer of the Company have concluded that the Company's disclosure controls and procedures were effective as of December 31, 2023.

Management's Annual Report on Internal Control Over Financial Reporting. Management is responsible for establishing and maintaining adequate internal controls over the Company's financial reporting, as such term is defined in Securities Exchange Act Rule 13a-15(f) and 15d-15(f). The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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The Chief Executive Officer and the Chief Financial Officer of the Company conducted an evaluation of the effectiveness of the Company's internal controls over financial reporting as of December 31, 2023 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

Inherent Limitations on Effectiveness of Controls. The Company's management, including its Chief Executive Officer and its Chief Financial Officer, believes that its disclosure on controls and procedures and internal controls over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, management does not expect that its disclosure on controls and procedures or its internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of

the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Item 9B. Other Information.

Not applicable.

Item 9C. Disclosures Regarding Foreign Jurisdictions that Prevent Inspections.

None.

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PART III

Item 10—Directors, Executive Officers and Corporate Governance

The information required under this item is incorporated by reference to the Company's Proxy Statement for the 2023 Annual Meeting of Stockholders (the "2023 Proxy Statement") which is to be filed with the SEC and is hereby incorporated by reference.

Item 11—Executive Compensation

The information required under this item is incorporated by reference to the 2023 Proxy Statement.

Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under this item is incorporated by reference to the 2023 Proxy Statement.

Item 13—Certain Relationships and Related Party Transactions, and Director Independence

The information required under this item is incorporated by reference to the 2023 Proxy Statement.

Item 14—Principal Accountant Fees and Services

The information required under this item is incorporated by reference to the 2023 Proxy Statement.

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PART IV

Item 15. Exhibits and Financial Statement Schedules.

Financial Statements. The required financial statements of the Company are attached hereto on pages F1-F36.

Exhibits. The following Exhibits are filed as part of this report on Form 10-K:

Exhibit Number	Exhibit
3	Certificate of Incorporation and By-Laws:
3(a)	Certificate of Incorporation of the Company as amended (filed as Exhibit 1(a-1) to the Company's General Form for Registration of Securities on Form 10 dated February 14, 1973 and incorporated by reference thereto.)
3(b)	Certificate of Amendment of the Company's Certificate of Incorporation, as filed on January 28, 1985 (filed as Exhibit 3(a) to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1985 and incorporated by reference thereto.)
3(c)	By-Laws of the Company, as restated and amended (filed as Exhibit 3(ii) to the Company's Current Report on Form 8-K filed on January 6, 2003 and Exhibit 3(ii) to the Company's Current Report on Form 8-K filed on December 5, 2007 and incorporated by reference thereto).
3(d)	Second Amended and Restated By-Laws of Scientific Industries, Inc. (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed on August 10, 2020 and incorporated by reference thereto).
3(e)	Certificate of Amendment of Certificate of Incorporation of Scientific Industries, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 1, 2021 and incorporated by reference thereto).
3(f)	Certificate of Amendment of Certificate of Incorporation of Scientific Industries, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 21, 2021 and incorporated by reference thereto).
3(g)	Certificate of Amendment of Certificate of Incorporation of Scientific Industries, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on February 25, 2022 and incorporated by reference thereto).
3(h)	By-Laws of the Company, as restated and amended (filed as Exhibit 3(i) to the Company's Current Report on Form 8-K filed on November 9, 2022 and incorporated by reference thereto).
3(g)	Certificate of Amendment of Certificate of Incorporation of Scientific Industries, Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 11, 2023 and incorporated by reference thereto).
4	Instruments defining the rights of security holders:

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4(a)	2002 Stock Option Plan (filed as Exhibit 99-1 to the Company's Current Report on Form 8-K filed on November 25, 2002 and incorporated by reference thereto).
4(b)	2012 Stock Option Plan (filed as Exhibit 10 to the Company's Current Report on Form 8-K filed on January 23, 2012 and incorporated by reference thereto).
4(c)	Amendment to the Company's 2012 Stock Option Plan (Filed as Exhibit 4(c) to the Company's Quarterly Report on Form 10-Q filed on May 12, 2016 and incorporated by reference thereto).
4(d)	Form of Warrant issued by the Company to Investors (Filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 19, 2020, and incorporated by reference thereto).
4(e)	Amendment No. 2 to Scientific Industries, Inc. 2012 Stock Option Plan (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on March 1, 2021 and incorporated by reference thereto).
4(f)	2022 Equity Incentive Plan to the Company's Current Report on Form 8-K filed on February 25, 2022 and incorporated by reference thereto).
4(g)	Form of Warrant issued by the Company to Investors (Filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 13, 2023, and incorporated by reference thereto).
4(h)	Amendment No.1 to 2022 Equity Incentive Plan filed as Exhibit 4 within this Form 10-K
10	Material Contracts:
10(a)	Lease between Registrant and AIP Associates, predecessor-in-interest of current lessor, dated October, 1989 with respect to Company's offices and facilities in Bohemia, New York (filed as Exhibit 10(a) to the Company's Annual Report on Form 10-KSB filed on September 28, 2005 and incorporated by reference thereto).
10(a)-1	Amendment to lease between Registrant and REP A10 LLC, successor in interest of AIP Associates, dated September 1, 2004 (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on September 2, 2004, and incorporated by reference thereto).
10(a)-2	Second amendment to lease between Registrant and REP A10 LLC dated November 5, 2007 (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on November 8, 2007, and incorporated by reference thereto).
10(a)-3	Lease agreement dated August 8, 2014 by and between the Company and 80 Orville Drive Associates LLC. (filed as Exhibit 10 to the Company's Form 10-K filed on September 26, 2014, and incorporated by reference thereto).
10(a)-3(i)	First amendment to lease dated September 20, 2021 by and between the Company and REP 2035 LLC. (filed as Exhibit 10(a)-3(i) to the Company's Form 10-K filed on October 14, 2021, and incorporated by reference thereto).
10(b)	Employment Agreement dated January 1, 2003, by and between the Company and Ms. Santos (filed as Exhibit 10(a) to the Company's Current Report on Form 8-K filed on January 22, 2003, and incorporated by reference thereto).

10(b)-1	Employment Agreement dated September 1, 2004, by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on September 1, 2004, and incorporated by reference thereto).

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10(b)-2	Employment Agreement dated December 29, 2006, by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on December 29, 2006, and incorporated by reference thereto).
10(b)-3	Employment Agreement dated July 31, 2009 by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on August 7, 2009, and incorporated by reference thereto).
10(b)-4	Employment Agreement dated May 14, 2010 by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on May 18, 2010, and incorporated by reference thereto).
10(b)-5	Employment Agreement dated September 13, 2011 by and between the Company and Ms. Santos (filed as exhibit 10(b)-5 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2011, and incorporated by reference thereto).
10(b)-6	Amended Employment Agreement dated May 20, 2013 by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on May 20, 2013, and incorporated by reference thereto).
10(b)-7	Agreement extension dated June 9, 2015 to amend employment agreement by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on June 9, 2015, and incorporated by reference thereto)
10(b)-8	Agreement extension dated May 25, 2016 to amend employment agreement by and between the Company and Ms. Santos (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on May 31, 2016, and incorporated by reference thereto).
10(b)-9	Employment agreement dated July 1, 2017 by and between the Company and Ms. Santos (filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2017, and incorporated by reference thereto).
10(b)-10	Amendment No.1 to Employment Agreement dated June 23, 2022, by and between the Company and Ms. Santos (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 27, 2022, and incorporated by reference thereto).
10(c)	Employment Agreement dated January 1, 2003, by and between the Company and Mr. Robert P. Nichols (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on January 22, 2003, and incorporated by reference thereto).

10(c)-1	Employment Agreement dated September 1, 2004, by and between the Company and Mr. Nichols (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on September 1, 2004, and incorporated by reference thereto).
10(c)-2	Employment Agreement dated December 29, 2006, by and between the Company and Mr. Nichols (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on December 29, 2006, and incorporated by reference thereto).

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10(c)-3	Employment Agreement dated July 31, 2009 by and between the Company and Mr. Nichols (filed as Exhibit 10A-2 to the Company's Current Report on Form 8-K filed on August 7, 2009, and incorporated by reference thereto).
10(c)-4	Employment Agreement dated May 14, 2010 by and between the Company and Mr. Nichols (filed as Exhibit 10A-2 to the Company's Current Report on Form 8-K filed on May 18, 2010, and incorporated by reference thereto).
10(c)-5	Employment Agreement dated September 13, 2011 by and between the Company and Mr. Nichols (filed as Exhibit 10(c)-5 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2011, and incorporated by reference thereto).
10(c)-6	Amended Employment Agreement dated May 20, 2013 by and between the Company and Mr. Nichols (filed as Exhibit 10A-2 to the Company's current Report on Form 8-K filed on May 20, 2013, and incorporated by reference thereto).
10(c)-7	Agreement extension dated June 9, 2015 to amend employment agreement with Mr. Nichols (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on June 9, 2015, and incorporated by reference thereto).
10(c)-8	Agreement extension dated May 25, 2016 to amend employment agreement with Mr. Nichols (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on May 31, 2016, and incorporated by reference thereto).
10(c)-9	Employment agreement dated July 1, 2017 by and between the Company and Mr. Nichols (filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2017, and incorporated by reference thereto).
10(c)-10	Amendment No.1 to Employment Agreement dated June 23, 2022, by and between the Company and Mr. Nichols (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 27, 2022, and incorporated by reference thereto).
10(d)	Consulting Agreement dated January 1, 2003 by and between the Company and Mr. Cremonese and his affiliate, Laboratory Innovation Company, Ltd. (filed as Exhibit 10(b) to the Company's Current Report on Form 8-K filed on January 6, 2003, and incorporated by reference thereto).
10(d)-1	Amended and Restated Consulting Agreement dated March 22, 2005, by and between the Company and Mr. Cremonese and Laboratory Innovation Company, Ltd. (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on March 23, 2005, and incorporated by reference thereto).

10(d)-2	Second Amended and Restated Consulting Agreement dated March 15, 2007, by and between the Company and Mr. Cremonese and Laboratory Innovation Company Ltd. (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on March 16, 2007, and incorporated by reference thereto).
10(d)-3	Third Amended and Restated Consulting Agreement dated September 23, 2009, by and between the Company and Mr. Cremonese and Laboratory Innovation Company, Ltd. (filed as Exhibit 10 to the Company's Annual Report on Form 10-K field on September 24, 2009, and incorporated by reference thereto).
10(d)-4	Fourth Amended and Restated Consulting Agreement dated January 7, 2011 (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K (filed on January 18, 2011, and incorporated by reference thereto).

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10(d)-5	Fifth Amendment and Restated Consulting Agreement dated January 20, 2012 (filed as Exhibit 10 to the Company's Current Report on Form 8-K (filed on January 23, 2012, and incorporated by reference thereto).
10(d)-6	Agreement extension dated November 29, 2012 to Amended and Restated Consulting Agreement (filed as Exhibit 10 to the Company's Current Report on Form 8-K filed on December 4, 2012, and incorporated by reference thereto).
10(d)-7	Agreement extension dated December 12, 2013 to Amended and Restated Consulting Agreement (filed as Exhibit 10 to the Company's Current Report on Form 8-K filed on December 12, 2013, and incorporated by reference thereto).
10(d)-8	Agreement extension dated January 14, 2015 to Amended and Restated Consulting Agreement by and between the Company and Mr. Cremonese and affiliates (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on January 15, 2015, and incorporated with reference thereto).
10(d)-9	Agreement extension dated January 7, 2016 to Amended and Restated Consulting Agreement by and between the Company and Mr. Cremonese and affiliates (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on January 26, 2016, and incorporated with reference thereto).
10(d)-10	Agreement extension dated February 16, 2018 to Amended and Restated Consulting Agreement by and between the Company and Mr. Cremonese and affiliates (filed as Exhibit 10-A1 to the Company's Current Report on Form 8-K filed on March 9, 2018, and incorporated with reference thereto).
10(d)-11	Agreement extension dated January 23, 2019 to Amended and Restated Consulting Agreement by and between the Company and Mr. Cremonese and affiliates (filed as Exhibit 10-1 to the Company's Current Report on Form 8-K filed on January 25, 2019, and incorporated with reference thereto).
10(d)-12	Monthly Retainer Agreement between Scientific Bioprocessing, Inc. and Mr. Cremonese and affiliates (filed as Exhibit 10(d)-12 to the Company's Quarterly Report on Form 10-Q on February 13, 2020, and incorporated by reference thereto).

10(d)-13	Extension of Monthly Retainer Agreement between Scientific Bioprocessing, Inc. and Mr. Cremonese and affiliates (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 8, 2021, and incorporated with reference thereto).
10(e)	Sublicense from Fluorometrix Corporation (filed as Exhibit 10(a)1 to the Company's Current Report on Form 8-K filed on June 14, 2006, and incorporated by reference thereto).
10(f)	Stock Purchase Agreement, dated as of November 30, 2006, by and among the Company and Grace Morin, Heather H. Haught and William D. Chandler (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on December 5, 2006, and incorporated by reference thereto).
10(g)	Escrow Agreement, dated as of November 30, 2006, by and among the Company and Grace Morin, Heather H. Haught and William D. Chandler (filed as Exhibit 10(a) to the Company's Current Report on Form 8-K filed on December 5, 2006, and incorporated by reference thereto).
10(h)	Registration Rights Agreement, dated as of November 30, 2006, by and among the Company and Grace Morin, Heather H. Haught and William D. Chandler (filed as Exhibit 10(b) to the Company's Current Report on Form 8-K filed on December 5, 2006, and incorporated by reference thereto).

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10(i)	Employment Agreement, dated as of November 30, 2006, between Altamira Instruments, Inc. and Brookman P. March (filed as Exhibit 10(c) to the Company's Current Report on Form 8-K filed on December 5, 2006, and incorporated by reference thereto).
10(i)-1	Employment Agreement, dated as of October 30, 2008, between Altamira Instruments, Inc. and Brookman P. March (filed as Exhibit 10A-2 to the Company's Current Report on Form 8-K filed on October 30, 2008, and incorporated by reference thereto).
10(i)-2	Employment Agreement, dated as of October 1, 2010, between Altamira Instruments, Inc., and Brookman P. March (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on October 13, 2010, and incorporated by reference thereto).
10(i)-3	Employment Agreement, dated as of May 18, 2012 between Altamira Instruments, Inc. and Brookman P. March (filed as Exhibit 10(i)-3 to the Company's Annual Report on Form 10-K filed on September 27, 2012, and incorporated by reference thereto).
10(i)-4	Agreement Extension, dated as of May 21, 2014 between Altamira Instruments, Inc. and Brookman P. March (filed as Exhibit 10 to the Company's Current Report on Form 8-K filed on May 21, 2014, and incorporated by reference thereto).
10(i)-5	Agreement extension dated June 9, 2015 to amend employment agreement (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on June 9, 2015, and incorporated by reference thereto).
10(i)-6	Agreement extension dated May 25, 2016 to amend employment agreement (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on May 31, 2016, and incorporated by reference thereto).

10(i)-7	Employment agreement dated July 1, 2017 by and between the Company and Mr. March (filed as an exhibit to the Company's Annual Report on Form 10-K filed on June 30, 2017, and incorporated by reference thereto).
10(i)-8	Termination notice dated February 14, 2020 to Mr. March (filed as Exhibit 10(I-8) to the Company's Current Report on Form 8-K filed on February 18, 2020, and incorporated by reference thereto).
10(j)	Indemnity Agreement, dated as of April 13, 2007 by and among the Company and Grace Morin, Heather H. Haught and William D. Chandler (filed as Exhibit 10(j) to the Company's Annual Report on Form 10-KSB filed on September 28, 2007 and incorporated by reference thereto).
10(k)	Lease between Altamira Instruments, Inc. and Allegheny Homes, LLC, with respect to the Company's Pittsburgh, Pennsylvania facilities (filed as Exhibit 10(k) to the Company's Annual Report on Form 10-KSB filed on September 28, 2007 and incorporated by reference thereto).
10(k)-1	Lease between Altamira Instruments, Inc. and Allegheny Homes, LLC, with respect to the Company's Pittsburgh, Pennsylvania facilities (filed as Exhibit 10(k)-1 to the Company's Quarterly Report on Form 10-Q filed on February 14, 2013, and incorporated by reference thereto).
10(l)	Line of Credit Agreements dated October 30, 2008, by and among the Company and Capital One, N.A. (filed as Exhibits 10-A1(a) through (f) to the Company's Current Report on Form 8-K filed on October 30, 2008, and incorporated by reference thereto.

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10(l)-1	Restated Promissory Note Agreement dated January 20, 2010 by and among the Company and Capital One N.A. (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on January 20, 2010, and incorporated by reference thereto).
10(I)-2	Consulting Agreement dated April 1, 2009 by and between the Company and Grace Morin (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on April 1, 2009, and incorporated by reference thereto).
10(m)-1	Agreement dated January 12, 2015 to extend Consulting Agreement (filed as Exhibit 10A-2 to the Company's Current Report on Form 8-K filed on January 15, 2015, and incorporated by reference thereto).
10(m)-2	Agreement dated January 7, 2016 to extend Consulting Agreement (filed as Exhibit 10A-2 to the Company's Current Report on Form 8-K filed on January 26, 2016, and incorporated by reference thereto).
10(m)-3	Agreement dated February 16, 2018 to extend Consulting Agreement (filed as Exhibit 10A-2 to the Company's Current Report on Form 8-K filed on March 9, 2018, and incorporated by reference thereto).
10(m)-4	Agreement dated January 23, 2019 to extend Consulting Agreement (filed as Exhibit 10-2 to the Company's Current Report on Form 8-K filed on January 25, 2019, and incorporated by reference thereto).

10(n)	Line of Credit Agreements dated June 14, 2011, by and among the Company and JPMorgan Chase Bank, N.A. (filed as Exhibits 99.1 through 99.3 to the Company's Current Report on Form 8-K filed on June 16, 2011, and incorporated by reference thereto).
10(n)-1	Promissory Note dated June 5, 2013 by and among the Company and JP Morgan Chase Bank, N.A. (filed as Exhibit 99 to the Company's Current Report on Form 8-K filed on June 7, 2013, and incorporated by reference thereto).
10(o)	Purchase Agreement, dated as of November 14, 2011, by and among the Company, Scientific Bioprocessing, Inc., and Fluorometrix Corporation (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on November 17, 2011, and incorporated by reference thereto).
10(p)	Escrow Agreement, dated as of November 14, 2011, by and among the Company, Scientific Bioprocessing, Inc., and Fluorometrix Corporation (filed as Exhibit 10(A) to the Company's Current Report on Form 8-K filed on November 17, 2011, and incorporated by reference thereto).
10(q)	Research and Development Agreement dated as of November 14, 2011, by and between Scientific Bioprocessing, Inc. and Biodox R&D Corporation (filed as Exhibit 10(B) to the Company's Current Report on Form 8-K filed on November 17, 2011, and incorporated by reference thereto).
10(q)-1	Notice of termination of Research and Development Agreement dated June 12, 2013 (filed as Exhibit 99 to the Company's Current Report on Form 8-K filed on June 27, 2013, and incorporated by reference thereto)
10(r)	Non-Competition Agreement, dated as of November 14, 2011, by and among the Company, Scientific Bioprocessing, Inc., and Joseph E. Qualitz (filed as Exhibit 10(D) to the Company's Current Report on Form 8-K filed on November 17, 2011, and incorporated by reference thereto).
10(s)	Promissory Note, dated as of November 14, 2011, by and between the Company and the University of Maryland, Baltimore County (filed as Exhibit 10(c) to the Company's Current Report on Form 8-K filed on November 17, 2011, and incorporated by reference thereto).

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10(t)	License Agreement, dated as of January 31, 2001 by and between University of Maryland, Baltimore County and Fluorometrix Corporation (filed as Exhibit 10(E) to the Company's Current Report on Form 8-K filed on November 21, 2011, and incorporated by reference thereto).
10(u)	Line of Credit Agreements dated June 25, 2014, by and among the Company and Bank of America Merrill Lynch (filed as Exhibits 99.1 through 99.2 (to the Company's Current Report on Form 8-K filed on July 2, 2014, and incorporated by reference thereto).
10(v)	Asset Purchase Agreement, dated as of February 26, 2014, by and among the Company and Fulcrum, Inc. (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on February 28, 2014, and incorporated by reference thereto).
10(v)-1	Escrow Agreement, dated as of February 26, 2014, by and among the Company, and Fulcrum, Inc. (filed as Exhibit 10(e) to the Company's Current Report on Form 8-K filed on February 28, 2014, and incorporated by reference thereto).

10(v)-2	Non-Competition Agreements, dated as of February 26, 2014, by and among the Company, and James Maloy and Karl Nowosielski (filed as Exhibits 10(b) and 10(c) to the Company's Current Report on Form 8-K filed on February 28, 2014, and incorporated by reference thereto).
10(v)-3	Registration Rights Agreement, dated as of February 26, 2014, by and among the Company, and Fulcrum, Inc. (filed as Exhibit 10(d) to the Company's Current Report on Form 8-K filed on February 28, 2014, and incorporated by reference thereto).
10(v)-4	Supply Agreement, dated as of February 20, 2014, by and among the Company, and Axis Sp 3.O.O. (filed as Exhibit 10(g) to the Company's Current Report on Form 8-K filed on February 28, 2014, and incorporated by reference thereto).
10(w)	Line of Credit Agreements dated June 26, 2015, by and among the Company and First National Bank of Pennsylvania (filed as Exhibit 10.1 through 10.4 to the Company's Current Report on Form 8-K filed on June 30, 2015, and incorporated by reference thereto).
10(w)-1	Commercial Security Agreement dated July 5, 2016 by and among the Company, and First National Bank of Pennsylvania.
10(y)	Note Purchase Agreements with James Maloy dated May 7, 2015 (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed on June 30, 2015, and incorporated by reference thereto).
10(z)	Note Purchase Agreements with Grace March dated May 19, 2015 (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed on June 30, 2015, and incorporated by reference thereto).
10(aa)	Consulting Agreement dated March 1, 2019 between the Company and Mr. John A. Moore (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on March 6, 2019, and incorporated by reference thereto).
10(aa)-1	Amendment to Consulting Agreement dated November 7, 2019 between the Company and Mr. John A. Moore (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 11, 2019, and incorporated by reference thereto).

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10(aa)-2	Employment Agreement dated July 1, 2020 between Scientific Bioprocessing, Inc. and John A. Moore (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 25, 2020, and incorporated by reference thereto).
10(bb)	Consulting Agreement dated July 20, 2020 between the Company and Mr. Reinhard Vogt and his affiliate Societat Reinhard and Noah Vogt AG (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on July 22, 2020, and incorporated by reference thereto.)
10(bb)-1	Amendment to Consulting Agreement between the Company and Societät Reinhard and Noah Vogt AG GmbH and Reinhard Vogt (filed as Exhibit 10A-1 to the Company's Current Report on Form 8-K filed on March 8, 2021, and incorporated by reference thereto.

10(cc)	Employment Agreement dated July 1, 2020 between Scientific Bioprocessing, Inc. and James Polk (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 25, 2020, and incorporated by reference thereto).
10(dd)	Securities Purchase Agreement dated June 18, 2020 between the Company and Investors (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 19, 2020, and incorporated by reference thereto).
10(dd)-1	Form of Amendment of Securities Purchase Agreement, by and between the Company and Investors (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 13, 2021, and incorporated by reference thereto).
10(ee)	Loan Agreement under the U.S. Small Business Administration Paycheck Protection Program dated April 14, 2020 between the Company and First National Bank (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 21, 2020, and incorporated by reference thereto).
10(ff)	Asset Purchase Agreement dated November 30, 2020 between Altamira Instruments, Inc. and Beijing JWGB Sci. & Tech. Co., Ltd (filed as Exhibit 2 to the Company's Current Report on Form 8-K filed on December 1, 2020, and incorporated by reference thereto).
10(gg)	Asset Purchase Agreement dated April 28, 2021 between the Company and the sellers of aquila biolabs GmbH (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 30, 2021, and incorporate by reference thereto).
10(gg)-1	Directors' Service Contract dated April 29, 2021 between the Company and the sellers of aquila biolabs GmbH (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 30, 2021, and incorporate by reference thereto).
10(gg)-2	Directors' Service Contract dated May 24, 2022 between the Company and a seller of aquila biolabs GmbH (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 27, 2022, and incorporate by reference thereto).
10(hh)	Securities Purchase Agreement dated April 29, 2021 between the Company and Investors (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on April 30, 2021, and incorporated by reference thereto).
10(hh)-1	Registration Rights Agreement dated April 29, 2021 between the Company and Investors (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 30, 2021, and incorporated by reference thereto).

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10(hh)-2	Amendment No. 1 to Registration Rights Agreement dated April 29, 2021 between the Company and Investors (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 21, 2021, and incorporated by reference thereto).
10(ii)	Securities Purchase Agreement dated June 18, 2021 between the Company and Investors (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 21, 2021, and incorporated by reference thereto).

10(jj)	Securities Purchase Agreement dated March 2, 2022 between the Company and Investors (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 2, 2022, and incorporated by reference thereto).
10(kk)	Securities Purchase Agreement dated March 2, 2022 between the Company and Investors (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 2, 2022, and incorporated by reference thereto).
10(ll)	Employment Agreement dated June 30, 2023, by and between the Company and Mr. Averilla (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 07,2023, and incorporated by reference thereto).
10(mm)	Securities Purchase Agreement dated December 13, 2023 between the Company and Investors (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 15, 2023, and incorporated by reference thereto).

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SIGNATURES

Pursuant to the requirements of Section13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 29, 2024

SCIENTIFIC INDUSTRIES, INC.
(Registrant)

/s/Helena R. Santos
Helena R. Santos
President, Chief Executive Officer, and Treasurer

Date: March 29, 2024

SCIENTIFIC INDUSTRIES, INC.
(Registrant)

/s/Reginald Averilla
Reginald Averilla
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
Helena R. Santos	President, Chief Executive Officer, and Treasurer	March 29, 2024
Reginald Averilla	Chief Financial Officer	March 29, 2024
John A. Moore	Chairman of the Board	March 29, 2024
Christopher Cox	Director	March 29, 2024

Marcus Frampton	Director	March 29, 2024
Jurgen Schumacher	Director	March 29, 2024
John Nicols	Director	March 29, 2024

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SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of Scientific Industries, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Scientific Industries, Inc. (the "Company") as of December 31, 2023 and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows, for the year then ended, and the related notes (collectively referred to as the "financial

statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Going Concern Assessment

We identified management's assessment of the Company's ability to continue as a going concern as a critical audit matter due to inherent complexities and uncertainties related to the Company's projections of operations. Auditing management's going concern assessment involved especially challenging auditor judgment and audit effort due to the nature and extent of effort required to address these matters, including cost projections and revenue growth.

Our audit procedures related to the Company's assessment of its ability to continue as a going concern included the following among others:

- We evaluated the reasonableness of key assumptions used in the cash flow projections underlying management's conclusion that there was not substantial doubt about the Company's ability to continue as a going concern.
- We assessed management's cash flow projections in the context of other audit evidence obtained during the audit and historical performance to determine whether it was contradictory to the conclusion reached by management.
- We assessed whether the Company's determination that there was not substantial doubt about its ability to continue as a going concern was adequately disclosed in Note 1 to the financial statements.

/s/ Mazars USA LLP

We have served as the Company's auditor since 2023.

New York, NY

March 29, 2024

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
Scientific Industries Inc., and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Scientific Industries Inc., and its subsidiaries (the "Company") as of December 31, 2022, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for the six-month period July 1, 2022 to December 31, 2022, and the related notes (collectively referred to as the "Financial Statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the six-month period July 1, 2022 to December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Company as of June 30, 2022, before restatement, were audited by other auditors whose report dated September 28, 2022, expressed an unqualified opinion on those statements. We also audited the adjustments described in Note 19 in the Form 10-KT filed on April 17, 2023, that were applied to the June 30, 2022, financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Macias Gini & O'Connell LLP

We have served as the Company's auditor since 1991 (such date takes into account the acquisition of certain assets including the majority of the Partners of Nussbaum Berg Klein & Wolpow, CPAs LLP by Macias Gini & O'Connell LLP during 2022).

Melville, New York
April 17, 2023
PCAOB ID: 324

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders'
Scientific Industries, Inc.
Bohemia, New York

Opinion on the Financial Statements
We have audited the accompanying consolidated balance sheets of Scientific Industries, Inc. and its subsidiaries (the "Company") as of June 30, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements"). In our opinion, except for the effects of the adjustments, if any, as might have been determined to be necessary had we been engaged to audit the Company's restatement adjustments, as described below, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Restatement of the June 30, 2022 Financial Statements
We were not engaged to audit the restatement of the Company's change in it's deferred tax asset valuation or the Company's impairment of goodwill and intangible assets for the year ended June 30, 2022, and, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by Macias Gini & O'Connell LLP.

Basis for Opinion
These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

Except as discussed above, we conducted our audits in accordance with the auditing standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as

evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the audit of the June 30, 2022 consolidated financial statements that were communicated or required to be communicated to those charged with governance and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

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Impairment Assessment of Goodwill and Long-Lived Intangible Assets

As described in the financial statements, the Company completed its acquisition of Aquila biolabs GmbH ("Aquila") during fiscal 2021 on April 29, 2021. The Company's goodwill and intangible assets associated with this acquisition amounted to $4,138,100 and $1,947,500, respectively, as of June 30, 2022. Goodwill and long-lived intangible assets are tested for impairment at least annually in accordance with the provisions of ASC No. 350, "Intangibles Goodwill and Other" ("ASC No. 350").

We identified the impairment assessment of the Company's goodwill and long-lived assets acquired in the acquisition as a critical audit matter as of June 30, 2022. Auditing the Company's impairment test was complex and highly judgmental because (i) there was significant judgment used by management to develop the fair value measurement, which led to a high degree of audit judgment and subjectivity in performing procedures relating to fair value measurement; (ii) there was significant effort in performing procedures to evaluate the reasonableness of the fair value measurement and significant assumptions and projections used by management, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. To test the potential impairment of the Company's goodwill and long-lived intangible assets, our audit procedures included, among others, testing management's application of the relevant accounting guidance, involving a specialist to assist us in the evaluation of the Company's valuation methodology and testing of the significant assumptions used by the Company to develop forecasted results for the reporting unit, including projected revenue growth and operating margins. We also assessed the historical accuracy of management's estimates, as well as requested the performance of a sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. We compared the significant assumptions to current and past industry, market and economic trends. Additionally, we tested the completeness and accuracy of the underlying data supporting the significant assumptions and estimates and ensured that the assumptions were consistent with other evidence obtained in other areas of our audit.

Nussbaum Berg Klein & Wolpow, CPAs LLP

We served as the Company's auditor from 1991 to November 2022.

Melville, New York
September 28, 2022

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SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of December 31, 2023	As of December 31, 2022	As of June 30, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	$ 796,100	$ 1,927,100	$ 2,971,100
Investment securities	4,928,700	4,272,100	6,391,600
Trade accounts receivable, less allowance for doubtful accounts of $15,600, $33,600 and $15,600 at December 31, 2023 and 2022 and June 30, 2022	1,157,100	1,312,900	1,501,400
Inventories	4,883,900	4,859,600	4,696,300
Income tax receivable	161,400	161,400	161,100
Prepaid expenses and other current assets	413,500	456,800	547,600
Assets of discontinued operations	-	-	200
Total current assets	12,340,700	12,989,900	16,269,300
Property and equipment, net	1,082,300	1,163,200	1,005,600
Goodwill	115,300	115,300	115,300
Other intangible assets, net	1,249,900	1,763,000	2,079,800
Inventories	609,000	606,000	-
Operating lease right-of-use assets	1,273,900	1,373,600	1,475,500
Other assets	59,400	58,200	62,400
Total assets	$ 16,730,500	$ 18,069,200	$ 21,007,900
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 711,700	$ 887,300	$ 1,105,900
Accrued expenses	777,900	821,800	796,000
Contract liabilities	23,600	134,400	29,000
Lease liabilities, current portion	324,100	276,900	299,300
Total current liabilities	1,837,300	2,120,400	2,230,200
Lease liabilities, less current portion	1,007,800	1,156,200	1,239,600
Total liabilities	2,845,100	3,276,600	3,469,800
Shareholders' equity:			
Common stock, $0.05 par value; 30,000,000, 20,000,000 and 20,000,000 shares authorized; 10,145,211, 7,023,401 and 7,023,401 shares issued; 10,145,211, 7,003,599 and 7,003,599 shares outstanding at December 31, 2023 and 2022 and June 30, 2022	507,300	351,200	351,200
Additional paid-in capital	40,844,600	32,900,800	31,664,100
Accumulated comprehensive income (loss)	18,600	(8,400)	(105,600)

Accumulated deficit	(27,485,100)	(18,398,600)	(14,319,200)
	13,885,400	14,845,000	17,590,500
Less common stock held in treasury at cost, 0, 19,802 and 19,802 shares at December 31, 2023 and 2022 and June 30, 2022	-	52,400	52,400
Total shareholders' equity	13,885,400	14,792,600	17,538,100
Total liabilities and shareholders' equity	$ 16,730,500	$ 18,069,200	$ 21,007,900

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

	Year Ended December 31, 2023	Six Months Ended December 31, 2022	Year Ended June 30, 2022
Revenues	$ 11,111,500	$ 5,237,800	$ 11,400,500
Cost of revenues	6,009,500	2,919,700	5,663,800
Gross profit	5,102,000	2,318,100	5,736,700
Operating expenses:			
General and administrative	5,417,900	2,658,800	5,816,600
Selling	5,377,800	2,349,000	4,310,800
Research and development	3,566,200	1,395,800	2,873,300
Impairment of goodwill and intangible asset	-	51,500	4,280,100
Total operating expenses	14,361,900	6,455,100	17,280,800
Loss from operations	(9,259,900)	(4,137,000)	(11,544,100)
Other income (expense):			
Other income (expense), net	62,900	63,900	185,100
Interest income	107,200	-	77,300
Total other income (expense), net	170,100	63,900	262,400
Loss from continuing operations before income tax expense (benefit)	(9,089,800)	(4,073,100)	(11,281,700)
Income tax (benefit), current	-	-	(99,200)
Income tax expense	-	-	2,490,000

Total Income tax expense	-	-	2,390,800
Loss from continuing operations	(9,089,800)	(4,073,100)	(13,672,500)
Discontinued operations:			
Gain (loss) from discontinued operations, net of tax	3,300	(6,300)	4,400
Net loss	(9,086,500)	(4,079,400)	(13,668,100)
Comprehensive gain (loss):			
Unrealized holding gain (loss) on investment securities, net of tax	1,600	8,600	(10,200)
Foreign currency translation gain (loss)	25,400	88,600	(86,200)
Comprehensive gain (loss)	27,000	97,200	(96,400)
Total comprehensive loss	$ (9,059,500)	$ (3,982,200)	$ (13,764,500)
Basic and Diluted loss per common share			
Continuing operations	$ (1.27)	$ (0.58)	$ (2.06)
Discontinued operations	$ -	$ -	$ -
Consolidated operations	$ (1.27)	$ (0.58)	$ (2.06)

See notes to consolidated financial statements

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SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid-in	Accumulated Other Comprehensive	Accumulated	Treasury Stock		Total Stockholders'
	Shares	Amount	Capital	Income (Loss)	Deficit	Shares	Amount	Equity
Balance June 30, 2021	6,477,945	324,000	26,613,500	(9,200)	(651,100)	19,802	52,400	26,224,800
Net loss	-	-	-	-	(13,668,100)	-	-	(13,668,100)
Issuance of Common Stock and	545,456	27,200	2,700,000	-	-	-	-	2,727,200

Warrants, net of issuance costs (Note 12)								
Foreign currency translation adjustment	-	-	-	(86,200)	-	-	-	(86,200)
Unrealized holding loss on investment securities, net of tax	-	-	-	(10,200)	-	-	-	(10,200)
Stock-based compensation	-	-	2,350,600	-	-	-	-	2,350,600
Balance June 30, 2022	7,023,401	$ 351,200	$ 31,664,100	$ (105,600)	$ (14,319,200)	19,802	$ 52,400	$ 17,538,100
Net loss	-	-	-	-	(4,079,400)	-	-	(4,079,400)
Foreign currency translation adjustment	-	-	-	88,600	-	-	-	88,600
Unrealized holding gain on investment securities, net of tax	-	-	-	8,600	-	-	-	8,600
Stock-based compensation	-	-	1,236,700	-	-	-	-	1,236,700
Balance December 31, 2022	7,023,401	$ 351,200	$ 32,900,800	$ (8,400)	$ (18,398,600)	19,802	$ 52,400	$ 14,792,600
Net loss	-	-	-	-	(9,086,500)	-	-	(9,086,500)

Issuance of Common Stock and Warrants, net of issuance costs (Note 12)	3,141,612	157,100	3,481,300	-	-	-	-	3,638,400
Fair value modification of warrants recorded as stock issuance costs	-	-	2,112,800	-	-	-	-	2,112,800
Issuance of warrants	-	-	161,000	-	-	-	-	161,000
Foreign currency translation adjustment	-	-	-	25,400	-	-	-	25,400
Unrealized holding gain on investment securities, net of tax	-	-	-	1,600	-	-	-	1,600
Retirement of treasury stock	(19,802)	(1,000)	(51,400)	-	-	(19,802)	(52,400)	-
Stock-based compensation	-	-	2,240,100	-	-	-	-	2,240,100
Balance December 31, 2023	10,145,211	$ 507,300	$ 40,844,600	$ 18,600	$ (27,485,100)	0	$ -	$ 13,885,400

See notes to consolidated financial statements

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31, 2023	Six months ended December 31, 2022	Year ended June 30, 2022
Operating activities:			
Net loss	$ (9,086,500)	$ (4,079,400)	$ (13,668,100)
Adjustments to reconcile net loss to net cash used in operating activities:			
Provision for bad debt	-	17,300	-
Extinguishment of debt	-	-	(433,800)
Impairment of goodwill and intangible asset	-	51,500	4,280,100
Depreciation and amortization	754,000	380,800	688,200
Stock-based compensation	2,240,100	1,236,700	2,350,600
Fair value on issuance of warrants	161,000	-	-
Loss/(Gain) on sale of investment securities	92,300	89,200	32,700
Unrealized holding (gain)/loss on investment securities	(143,400)	(18,900)	233,700
Change in fair value of contingent consideration	-	-	(42,500)
Deferred income taxes	-	-	2,490,000
Carrying value of right of use assets	105,200	103,800	(810,200)
Changes in operating assets and liabilities:			
Trade accounts receivable	119,100	175,600	(206,700)
Inventories	(13,100)	(733,600)	(1,719,200)
Prepaid and other current assets	47,400	89,400	(207,800)
Income tax receivable	-	(300)	172,200
Other assets	(1,200)	4,200	(8,100)
Accounts payable	(222,400)	(191,500)	652,400
Accrued expenses and taxes	10,100	27,300	180,300
Contract liabilities	(110,800)	106,500	29,000
Lease Liabilities	(106,800)	-	807,900
Other long term liabilities	-	(107,600)	(10,900)
Net cash used in operating activities	(6,155,000)	(2,849,000)	(5,190,200)
Investing activities:			
Redemption of investment securities	5,314,000	2,404,200	2,709,800
Purchase of investment securities	(5,917,400)	(346,200)	(5,634,500)
Capital expenditures	(131,700)	(253,000)	(757,600)
Purchase of other intangible assets	-	(1,500)	(67,000)
Net cash provided by (used) in investing activities	(735,100)	1,803,500	(3,749,300)
Financing activities:			
Proceeds from issuance of common stock	6,283,200	-	3,000,000
Issuance cost of common stock and warrants	(532,000)	-	(272,800)
Payments of contingent consideration	-	-	(98,800)

Bank overdraft	-	-	(321,700)
Net cash received in financing activities	5,751,200	-	2,306,700
Effect of changes in foreign currency exchange rates on cash and cash equivalents	7,900	1,500	(71,300)
Net (decrease) increase in cash and cash equivalents	(1,131,000)	(1,044,000)	(6,704,100)
Cash and cash equivalents, beginning of period	1,927,100	2,971,100	9,675,200
Cash and cash equivalents, end of period	$ 796,100	$ 1,927,100	$ 2,971,100
SUPPLEMENTAL DISCLOSURES:			
Cash paid during the period for:			
Income taxes	$ -	$ -	$ -
Interest	-	-	-
Noncash financing activities:			
Record right-of-use assets	$ 166,400	$ 104,326	$ 1,010,900
Record lease liabilities	$ 166,400	$ 104,642	$ 1,010,400

See notes to consolidated financial statements

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SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO SOLIDATED FINANCIAL STATEMENTS

1. Nature of the Business and Basis of Presentation

Scientific Industries, Inc. and its subsidiaries (the "Company") design, manufacture, and market a variety of benchtop laboratory equipment, weight and measurement, and bioprocessing products. The Company is headquartered in Bohemia, New York where it produces benchtop laboratory and pharmacy equipment. Additionally, the Company has two other locations in Pittsburgh, Pennsylvania and Baesweiller, Germany, where it designs and produces a variety of bioprocessing products, and an administrative facility in Orangeburg, New York related to sales and marketing. The products, which are sold to customers worldwide, include mixers, shakers, stirrers, refrigerated incubators, pharmacy balances and scales, force gauges, bioprocessing sensors and analytical tools. The Company also sublicensed certain patents and technology under a license agreement which expired in August 2021 and received royalty fees from the sublicenses.

Change in Fiscal Year

The Company's Board of Directors approved the change in the Company's fiscal year end to December 31 from June 30, effective November 9, 2022. In connection with this change, the Company previously filed a Transition Report on Form 10-KT to report the results of the six month transition period from July, 2022 to December 31, 2022. In this Annual Report, the periods presented are the year ended December 31, 2023, the six-month transition period from July 1, 2022 to December 31, 2022 (which the Company sometimes refer to "the six months ended December 31, 2022") and the fiscal year ended June 30, 2022 (which the Company sometimes refer to "fiscal 2022").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Scientific Industries, Inc., Scientific Packaging Industries, Inc., an inactive wholly-owned subsidiary, Altamira Instruments, Inc. ("Altamira"), a Delaware corporation and wholly-owned subsidiary (discontinued operation as of November 30, 2020), and Scientific Bioprocessing Holdings, Inc. ("SBHI"), a Delaware corporation and wholly-owned subsidiary, which holds 100% of the outstanding stock of Scientific Bioprocessing, Inc. ("SBI"), a Delaware corporation, and aquila biolabs GmbH ("Aquila"), a German corporation, since its acquisition on April 29, 2021, (all collectively referred to as the "Company"). All material intercompany balances and transactions have been eliminated in consolidation.

Management's Plans

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") which contemplate continuation of the Company as a going concern. For the year ended December 31, 2023, the Company generated negative cash flows from operations of $6,155,000 and has an accumulated deficit of $27,485,100 as of December 31, 2023.

In order to address these conditions, the Company has undertaken a number of strategic initiatives that management believes will provide sufficient funding to enable the Company to continue to operate as a going concern.

During 2023, the Company incurred certain expenses related to a pursued public offering and uplisting to the Nasdaq Capital Market, which was subsequently withdrawn by the Company. These were one-time costs that are non-recurring.

During the second half of the year ended December 31, 2023, the Company commenced to eliminate certain operating expenses in conjunction with its review of the strategic operational and product development plan for the Bioprocessing Systems Operations segment. The Company identified expenses which the Company does not anticipate replacing or to recurring in the Company's operational plans for the foreseeable future, primarily in the form of reduced number of employees and related employment expenses. The Company is continuing to evaluate additional cost measures, that includes reductions in operation headcounts to continue to operate as a going concern.

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As disclosed in Note 12, during the fourth quarter of 2023, the Company raised $6,283,224 of equity financing . An additional $716,776 of equity financing was raised in January 2024 as disclosed in Note 17.

As a result of the above actions, as of March 29, 2024, the Company believes that it will be able to meet its cash flow needs during the next 12 months from cash and investment securities on-hand, cash derived from its Benchtop Laboratory Equipment Operations, and availability of the Company's line of credit.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. Estimates are used for, but not limited to, the valuation allowance of net, deferred taxes. The results of these assumptions provide the basis for making estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") Topic 606 "Revenue from Contracts with Customers". The Company accounts for a customer contract when both parties have approved the contract and are committed to perform their respective obligations, each party's rights can be identified, payment terms can be identified, the contract has commercial substance, and it is probable that the Company will collect substantially all of the consideration to which it is entitled. Revenue is recognized when, or as, performance obligations are satisfied by transferring control of a promised product or service to a customer.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, a performance obligation is satisfied

The Company has made the following accounting policy elections and elected to use certain practical expedients, as permitted by the Financial Accounting Standards Board ("FASB"), in applying ASC Topic 606: 1) All revenues are recorded net of returns, allowances, customer discounts, and incentives; 2) Although sales and other taxes are immaterial, the Company accounts for amounts collected from customers for sales and other taxes, if any, net of related amounts remitted to tax authorities; 3) the Company expenses costs to obtain a contract as they are incurred if the expected period of benefit, and therefore the amortization period, is one year or less; 4) the Company accounts for shipping and handling activities that occur after control transfers to the customer as a fulfillment cost rather than an additional promised service and these fulfillment costs fall within selling expenses; 5) the Company is always considered the principal and never an agent, because it has full control and responsibility until title is transferred to the customer; 6) the Company does not assess whether promised goods or services are performance obligations if they are immaterial in the context of the contract with the customer.

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Nature of Products and Services

The Company generates revenues from the following sources: (1) Benchtop Laboratory Equipment and (2) Bioprocessing Systems.

Benchtop laboratory equipment sales comprise primarily of standard benchtop laboratory equipment from its stock to laboratory equipment distributors, or to end users primarily via e- commerce. The sales cycle from time of receipt of order to shipment is very short varying from a day to a few weeks. Customers either pay by credit card (online sales) or Net 30-90, depending on the customer. Revenue is recognized at the point in time when the item is shipped. Once the item is shipped under the FOB terms specified in the order, which is primarily "FOB Factory", other than a standard warranty, there are no other obligations to the customer. Warranty usually comprises of one to two year parts and labor and is deemed immaterial.

Bioprocessing Systems sales comprise primarily of bioprocessing products, principally products incorporating smart sensors and state of the art software analytics. Products offered for sale include the Cell Growth Quantifier ("CGQ") for Biomass monitoring in shake flasks, the Liquid Injection System ("LIS") for automated feeding in shake flasks, and a line of coaster systems and flow-through cells for pH and DO monitoring. Revenue is recognized at the point in

time when the item is shipped. The Company, through SBI, sublicensed certain patents and technology it held relating to bioprocessing products exclusively under a license which expired in August 2021, with the University of Maryland, Baltimore County ("UMBC"), for which it received royalties for such patents and technology. The Company was obligated to pay 50% of all royalties received to the entity that licensed the intellectual property to UMBC.

Segment Reporting

The Company views its operations as two operating segments, that are also the two reporting segments: the manufacture and marketing of standard benchtop laboratory equipment for research in university, hospital and industrial laboratories sold primarily through laboratory equipment distributors and laboratory and pharmacy balances and scales ("Benchtop Laboratory Equipment Operations"), and the manufacture, design, and marketing of bioprocessing systems and products and related royalty income ("Bioprocessing Systems").

The Company's chief operating decision maker ("CODM") regularly reviews revenue and operating income/loss for each segment in determination of allocating resources and assessing financial performance results. The Company eliminates inter-segment activity in the Company's reporting segment results to be consistent with the information that is presented to the CODM. The Company also included a Non-operating Corporate segment in the Company's reporting segment results.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with original maturities of 90 days or less to be cash equivalents. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limit. As of December 31, 2023 and 2022, and June 30, 2022, $166,000, $1,082,100 and $1,984,300, respectively, of cash balances were in excess of such limit.

Allowance for Credit Losses - Accounts Receivable

The allowance for credit losses required under ASC 326 is a valuation account that is deducted from the accounts receivables' amortized cost basis on the Company's condensed consolidated balance sheets. The Company's accounts receivables are generated from the sales revenue derived from the Company's Benchtop Laboratory Equipment and Bioprocessing Systems segments. The Company elected to estimate expected losses using an analytical model based on methods that utilize the accounts receivable aging schedule. This analytical model incorporates historical loss activity, geographic location, customer-specific information, collection terms and customer amounts. The Company evaluates the estimated allowance on an aggregate basis as each individual account receivable shares similar risk characteristics. Upon adoption of ASC 326 using the modified retrospective transition method and as of December 31, 2023, the Company determined that the allowance for credit losses, if any, is immaterial as of adoption date and the Company will continue to evaluate the accounts receivable portfolio on an on-going basis.

The allowance for doubtful accounts as of December 31, 2023 and 2022 and June 30, 2022, was $15,600, $33,600 and $15,600, respectively.

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Investment Securities

The Company's investment securities are classified as equity securities, mutual funds, and bonds, and are held as available-for-sale and recorded at fair value. Changes in fair value of equity securities and mutual funds are recorded as net unrealized gains or losses in other income (loss), net on the statement of operations and comprehensive loss. Changes in fair value of bonds are recorded as net unrealized gains or losses as a component of other comprehensive income.

The Company determines the cost of the investment sold based on an average cost basis at the individual security level and record the interest income and realized gains or losses on the sale of these investments in other income, net on the statement of operations and comprehensive loss.

Inventories

Current and noncurrent inventories recorded other than those of Aquila, are valued at the lower of cost (determined on a first-in, first-out basis) or net realizable value, and have been reduced by an allowance for excess and obsolete inventories. Inventories of Aquila are valued at the lower of cost (determined on a average cost method) or net realizable value, and have been reduced by an allowance for excess and obsolete inventories. The Company's inventory allowance is based on management's estimates and reviews of inventories on hand is based on management's review of inventories on hand compared to estimated future usage and sales. Cost of work-in-process and finished goods inventories include material, labor and manufacturing overhead. As needed, the Company may purchase critical raw materials that are used in the core production process in quantities that exceed anticipated consumption within the normal operating cycle, which is 12 months. The Company classifies such raw materials that the Company does not expect to consume within the normal operating cycle as noncurrent.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is provided for primarily by the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized by the straight-line method over the remaining term of the related lease or the estimated useful lives of the assets, whichever is shorter.

Goodwill and Finite Lived Intangible Assets and Long-Lived Assets, Net

Goodwill represents the excess of purchase price over the fair value of identifiable net assets acquired in a business combination. Goodwill and long-lived intangible assets are tested for impairment at least annually in accordance with the provisions of Accounting Standards Codification ("ASC") No. 350, "Intangibles- Goodwill and Other" ("ASC No. 350"). ASC No. 350 requires that goodwill be tested for impairment at the reporting unit level (operating segment or one level below an operating segment) on an annual basis and between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Application of the goodwill impairment test requires judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit.

As of December 31, 2023, the Company had two reporting units, the Benchtop Laboratory Equipment Operations and the Bioprocessing Systems. Goodwill is tested for impairment by reporting unit on an annual basis as of December 31, the last day of its fiscal year, and in the interim if events and circumstances indicate that goodwill may be impaired. Prior to the change in the Company's fiscal year from the last day of June to a calendar fiscal year end, goodwill was tested for impairment on an annual basis as of June 30, the last day of its then fiscal year, and in the interim if events and circumstances indicated that goodwill may be impaired. The voluntary change is preferable under the circumstances as a better alignment with the Company's strategic planning and forecasting process given the Company's change in fiscal year end. The events and circumstances that are considered in the Company's goodwill impairment testing include business climate and market conditions, legal factors, operating performance indicators and competition. Impairment of goodwill is first assessed using a qualitative approach. If the qualitative assessment suggests that impairment is more likely than not, a quantitative analysis is performed. The quantitative analysis involves a comparison of the fair value of the reporting unit with its carrying amount. The fair value is determined using the income approach, which utilizes the present value of expected future cash flows for each reporting unit based on estimate future cash flows, the timing of these cash flows, and a discount rate based on a weighted average cost of capital. The assumptions used to estimate future cash flows and the development of forecasts used in the fair value determination were based on assumptions made using the best information available at the time, subject to inherent risk and judgement. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. To the extent additional information arises, market conditions change, or our strategies change, it is possible that the conclusion

regarding whether our remaining goodwill is impaired could change and result in future goodwill impairment charges that will have a material effect on our consolidated financial position or results of operations.

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During the year ended December 31, 2023, the Company performed the annual goodwill impairment analysis. The Company elected to perform the qualitative analysis for the Benchtop Laboratory Equipment Operation reporting unit. These qualitative analyses evaluated factors, including, but not limited to, economic, market and industry conditions, cost factors and the overall financial performance of the reporting unit. In completing these assessments, the Company noted no changes in events or circumstances that indicated that it was more likely than not that the fair value of the reporting unit was less than its carrying amount.

As of December 31, 2023 and 2022 there was no remaining goodwill to the Bioprocessing System reporting unit. For the fiscal year ended June 30, 2022, the Company recorded a goodwill impairment charge of $4,280,100 to the goodwill of the Bioprocessing Systems reporting unit as the excess of carrying value over fair value was higher than the recorded amount of goodwill for the reporting unit.

Intangible assets consist primarily of acquired technology, customer relationships, non-compete agreements, patents, licenses, websites, intellectual property in-process research and development ("IPR&D"), trademarks and trade names. All intangible assets are amortized on a straight-line basis over the estimated useful lives of the respective assets, generally 3 to 10 years. The Company continually evaluates the remaining estimated useful lives of intangible assets that are being amortized to determine whether events or circumstances warrant a revision to the remaining period of amortization. The Company reviews the recoverability of our finite-lived intangible assets and long-lived assets, when events or conditions occur that indicate a possible impairment exists. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount and the asset's residual value, if any. The assessment for recoverability is based primarily on our ability to recover the carrying value of its long-lived and finite-lived intangible assets from expected future undiscounted net cash flows. If the total of expected future undiscounted net cash flows is less than the total carrying value of the assets the asset is deemed not to be recoverable and possibly impaired. We then estimate the fair value of the asset to determine whether an impairment loss should be recognized. An impairment loss will be recognized if the asset's fair value is determined to be less than its carrying value. Fair value is determined by computing the expected future discounted cash flows.

The Company recognized a impairment of intangible assets of $0, $51,500 and $0, for the year ended December 31, 2023, the six month transition period ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively. The impairment charge is attributable to a technology intangible asset in the Bioprocessing segment, written down by $51,500, net of accumulated amortization, to its estimated fair value of $0.

Impairment of Long-Lived Assets

The Company follows the provisions of ASC No. 360-10, "Property, Plant and Equipment - Impairment or Disposal of Long-Lived Assets ("ASC No. 360-10"). ASC No. 360-10 which requires evaluation of the need for an impairment charge relating to long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an evaluation for impairment is required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write down to a new depreciable basis is required. If required, an impairment charge is recorded based on an estimate of future discounted cash flows. The Company concluded as of December 31, 2023 and 2022 and June 30, 2022, respectively, there was no impairment of long-lived assets.

Leases

The Company accounts for its leases under ASC 842, Leases. The Company determines whether an agreement contains a lease at inception based on the Company's right to obtain substantially all of the economic benefits from the use of the identified asset and its right to direct the use of the identified asset. Lease liabilities represent the present value of future lease payments and the Right-Of-Use ("ROU") assets represent the Company's right to use the underlying assets for the respective lease terms. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. The ROU asset is further adjusted to account for previously recorded lease expenses such as deferred rent and other lease liabilities. As the Company's leases do not provide an implicit rate, the Company used its incremental borrowing rate as the discount rate to calculate the present value of future lease payments, which was the interest rate that its bank would charge for a similar loan.

The Company elected not to recognize a ROU asset and a lease liability for leases with an initial term of twelve months or less. In addition to minimum lease payments, certain leases require payment of a proportionate share of real estate taxes and certain building operating expenses or payments based on an excess of a specified base. These variable lease costs are not included in the measurement of the ROU asset or lease liability due to unpredictability of the payment amount and are recorded as lease expenses in the period incurred. The Company's lease agreements do not contain residual value guarantees.

The Company elected available practical expedients for existing or expired contracts of lessees wherein the Company is not required to reassess whether such contracts contain leases, the lease classification or the initial direct costs.

Advertising

Advertising costs are expensed as incurred. Advertising expense amounted to $474,200, $433,500 and $628,700 for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

Research and Development

Research and development costs consisting of expenses for activities that are useful in developing and testing new products, as well as expenses that may significantly improve existing products, are expensed as incurred.

Stock Compensation Plan

Stock-based compensation is accounted for in accordance with ASC No. 718 "Compensation-Stock Compensation" ("ASC No. 718") which requires compensation costs related to stock-based payment transactions to be recognized. With limited exceptions, the amount of compensation cost is measured based on the grant-date fair value of the equity or liability instruments issued. In addition, liability awards are measured at each reporting period. Compensation costs are recognized over the period that an employee provides service in exchange for the award.

The Company estimates the fair value of each stock-based grant using the Black-Scholes option pricing model. This model derives the fair value of stock options based on certain assumptions related to expected stock price volatility, expected option life, risk-free interest rate and dividend yield. The expected volatility is based on the historical volatility of the Company's stock price over the most recent period commensurate with the expected term of the stock option award. The estimate expected term is based on management's analysis of historical exercise activity. The risk-free interest rate is based on published U.S. Treasury rates for a term commensurate with the expected term. The dividend yield is estimated as zero as the Company has not paid dividends in the past and does not have any plans to pay any dividends in the foreseeable future. The Company has elected to account for forfeitures only when they occur.

Foreign currency translation and transactions

The Company has determined that the functional currency and reporting currency for its Aquila operations in Germany is the Euro and the U.S. Dollar, respectively. All assets and liabilities of Aquila are translated at the current exchange rate as of the end of the reporting period, and revenue and expenses are translated at average exchange rates in effect during the period with the resulting gain or loss reflected as a foreign currency cumulative translation adjustment and reported as a component of accumulated other comprehensive income (loss). Gains and losses arising from currency exchange rate fluctuations on transactions denominated in a currency other than the local functional currency are included in other income.

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Income taxes

The Company and its subsidiaries file a consolidated U.S. federal income tax return, and a tax return in Germany for Aquila. Income taxes are accounted for under the asset and liability method. The Company provides for federal, and state income taxes currently payable, as well as for those deferred due to timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributed to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in income tax rates is recognized as income or expense in the period that includes the enactment date.

ASC No. 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC No. 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. As of December 31, 2023 and 2022 and June 30, 2022, the Company did not have any unrecognized tax benefits related to various federal and state income tax matters.

The Company recognizes interest and penalties on any unrecognized tax benefits as a component of income tax expense. The Company does not have any accrued interest or penalties associated with any unrecognized tax benefits. The Company is subject to U.S. federal income tax, as well as various state jurisdictions. The Company is currently open to audit under the statute of limitations by the federal and state jurisdictions for the fiscal years ended June 30, 2020 and after. The Company is currently open to audit under the statute of limitations by German tax authorities for the years ended December 31, 2018. The Company does not anticipate any material amount of unrecognized tax benefits within the next 12 months.

Earnings (Loss) Per Common Share

Basic earnings or loss per common share is computed by dividing net income (loss) by the weighted-average number of shares outstanding. Diluted earnings or loss per common share includes the dilutive effect of stock options and warrants, if any. The Company was in a net loss position during the year ended December 31, 2023, for the six months ended December 31, 2022 and for the year ended June 30, 2022, respectively, therefore the basic loss per share is the same as dilutive loss per share as the inclusion of the weighted-average number of all potential dilutive common shares which consists of stock options and warrants are anti-dilutive.

Reclassifications

Certain balances from the six months ended December 31, 2022 and for the year ended June 30, 2022 have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Credit Losses-Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 requires entities to use a forward-looking approach based on current expected credit losses ("CECL") to estimate credit losses on certain types of financial instruments, including trade receivables. The Company adopted ASU 2016-13 beginning January 1, 2023, with no material impact to its consolidated financial position or results of operations.

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3. Fair Value of Financial Instruments

The Company follows ASC 820, "Fair Value Measurement", which has defined the fair value of financial instruments as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements do not include transaction costs.

The accounting guidance also expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are described below:

Level 1 Inputs that are based upon unadjusted quoted prices for identical instruments traded in active markets

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly

Level 3 Prices or valuation that require inputs that are both significant to the fair value measurement and unobservable.

In valuing assets and liabilities, the Company is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company calculated the fair value of its Level 1 and 2 instruments based on the exchange traded price of similar or identical instruments where available or based on other observable instruments. These calculations take into consideration the credit risk of both the Company and its counterparties. The Company has not changed its valuation techniques in measuring the fair value of any financial assets and liabilities during the period.

The fair value of the contingent consideration obligations was based on a probability weighted approach derived from the estimates of earn-out criteria and the probability assessment with respect to the likelihood of achieving those criteria. The measurement was based on significant inputs that were not observable in the market, therefore, the Company classified this liability as Level 3 in the following tables.

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The following tables set forth by level within the fair value hierarchy the Company's financial assets that were accounted for at fair value on a recurring basis as of December 31, 2023 and 2022 and June 30, 2022, respectively, according to the valuation techniques the Company used to determine their fair values:

	Fair Value Measurements as of December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**

Assets:				
Investment securities	$ 4,928,700	$ -	$ -	$ 4,928,700
Total	$ 4,928,700	$ -	$ -	$ 4,928,700

	Fair Value Measurements as of December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	$ 1,927,100	$ -	$ -	$ 1,927,100
Investment securities	4,035,500	236,600	-	4,272,100
Total	$ 5,962,600	$ 236,600	$ -	$ 6,199,200

	Fair Value Measurements as of June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	$ 2,971,100	$ -	$ -	$ 2,971,100
Investment securities	5,276,600	1,115,000	-	6,391,600
Total	$ 8,247,700	$ 1,115,000	$ -	$ 9,362,700

Investments in marketable securities by security type as of December 31, 2023 and 2022 and June 30, 2022, respectively, consisted of the following:

As of December 31, 2023:	**Cost**	**Fair Value**	**Unrealized Holding Gain (Loss)**
Mutual funds	$ 4,929,300	$ 4,928,700	$ (600)
Total	$ 4,929,300	$ 4,928,700	$ (600)

As of December 31, 2022:	**Cost**	**Fair Value**	**Unrealized Holding Gain (Loss)**
Equity securities	$ 118,900	$ 154,600	$ 35,700
Mutual funds	4,063,100	3,880,900	(182,200)
Debt Securities	235,400	236,600	1,200
Total	$ 4,417,400	$ 4,272,100	$ (145,300)

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As of June 30, 2022:	**Cost**	**Fair Value**	**Unrealized Holding Gain (Loss)**

Equity securities	$ 118,800	$ 151,000	$ 32,200
Mutual funds	5,299,500	5,125,600	(173,900)
Debt Securities	1,114,100	1,115,000	900
Total	$ 6,532,400	$ 6,391,600	$ (140,800)

4. Inventories

	As of December 31,		As of June 30,
	2023	2022	2022
Raw materials	$ 3,436,300	$ 3,703,900	$ 3,298,300
Work-in-process	23,200	66,700	55,300
Finished goods	2,033,400	1,695,000	1,342,700
Total Inventories	$ 5,492,900	$ 5,465,600	$ 4,696,300
Inventories - Current Asset	$ 4,883,900	$ 4,859,600	$ 4,696,300
Inventories - Noncurrent Asset	609,000	606,000	-

5. Property and Equipment, Net

	Useful Lives (Years)	**As of December 31,**		**As of June 30,**
		2023	**2022**	**2022**
Automobiles	5	$ 22,000	$ 22,000	$ 22,000
Computer equipment	3-5	497,300	432,700	327,700
Machinery and equipment	3-7	1,624,300	1,533,000	1,364,900
Furniture and fixtures	4-10	108,500	105,200	105,200
Leasehold improvements	3-10	279,600	272,400	268,900
		2,531,700	2,365,300	2,088,700
Less accumulated depreciation		$ 1,449,400	$ 1,202,100	$ 1,083,100
Property and Equipment, Net		$ 1,082,300	$ 1,163,200	$ 1,005,600

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Depreciation expense was $240,900, $115,200 and $145,300 for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

During the year ended December 31, 2023, the six months ended December 31, 2022 and the fiscal year ended June 30, 2022, respectively, the Company wrote off fully depreciated property and equipment assets for the cost amount of $38,600, $0, and $0, respectively, and for the accumulated depreciated amount of $38,600, $0 and $0, respectively.

6. Goodwill and Finite Lived Intangible Asset

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in connection with the Company's acquisitions. Goodwill amounted to $115,300 as of December 31, 2023 and 2022 and June 30, 2022, respectively, all of which is expected to be deductible for tax purposes.

The components of finite lived intangible assets are as follows:

	Useful Lives	Cost	Accumulated Amortization	Net
As of December 31, 2023				
Technology, trademarks	3-10 yrs.	$ 1,216,800	$ 870,900	$ 345,900
Trade names	3-6 yrs.	592,300	341,600	250,700
Websites	3-7 yrs.	210,000	210,000	-
Customer relationships	4-10 yrs.	372,200	193,600	178,600
Sublicense agreements	10 yrs.	294,000	294,000	-
Non-compete agreements	4-5 yrs.	1,060,500	797,600	262,900
Patents	5-7 yrs.	595,800	384,000	211,800
		$ 4,341,600	$ 3,091,700	$ 1,249,900

	Useful Lives	Cost	Accumulated Amortization	Net
As of December 31, 2022				
Technology, trademarks	3-10 yrs.	$ 1,216,800	$ 721,700	$ 495,100
Trade names	3-6 yrs.	592,300	266,000	326,300
Websites	3-7 yrs.	210,000	210,000	-
Customer relationships	4-10 yrs.	372,200	163,800	208,400
Sublicense agreements	10 yrs.	294,000	294,000	-
Non-compete agreements	4-5 yrs.	1,060,500	602,000	458,500
Patents	5-7 yrs.	595,800	321,100	274,700
		$ 4,341,600	$ 2,578,600	$ 1,763,000

	Useful Lives	Cost	Accumulated Amortization	Net
As of June 30, 2022				
Technology, trademarks	3-10 yrs.	$ 1,278,900	$ 653,400	$ 625,500
Trade names	3-6 yrs.	592,300	228,200	364,100
Websites	3-7 yrs.	210,000	210,000	-
Customer relationships	4-10 yrs.	372,200	143,300	228,900
Sublicense agreements	10 yrs.	294,000	294,000	-
Non-compete agreements	4-5 yrs.	1,060,500	504,200	556,300
Patents	5-7 yrs.	594,300	289,300	305,000
		$ 4,402,200	$ 2,322,400	$ 2,079,800

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Total amortization expense was $513,100, $265,600 and $542,900 for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

Estimated future amortization expense of intangible assets as of December 31, 2023 is as follows:

As of December 31,

2024	$ 509,600
2025	371,500
2026	193,800
2027	92,600
2028	41,800
2029	40,600
Total	$ 1,249,900

Impairment Loss

As of December 31, 2023 and 2022, respectively, there was no remaining goodwill to the Bioprocessing System reporting unit. For the fiscal year ended June 30, 2022, the Company recorded a goodwill impairment charge of $4,280,100 to the goodwill of the Bioprocessing Systems reporting unit as the excess of carrying value over fair value was higher than the recorded amount of goodwill for the reporting unit.

The Company recognized a impairment of intangible assets of $0, $51,500 and $0, for the year ended December 31, 2023, for the six month transition period ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively. The impairment charge is attributable to a technology intangible asset in the Bioprocessing segment, written down by $51,500, net of accumulated amortization, to its estimated fair value of $0.

7. Line of Credit

The Company has a Demand Line of Credit through December 2024 with First National Bank of Pennsylvania which provides for borrowings of up to $300,000 for regular working capital needs, bearing interest at 8.50%. The agreement does not contain any financial covenants and borrowings are secured by a pledge of the Company's assets including inventory, accounts receivable, chattel paper, equipment and general intangibles of the Company. The borrowings outstanding under the line of credit as of December 31, 2023 and 2022 and June 30, 2022, are $50,000, $0 and $0, respectively.

8. Commitments and Contingencies

Legal Matters

During the normal course of business, the Company may be named from time to time as a party to claims and litigations arising in the ordinary course of business. When the Company becomes aware of potential litigation, it evaluates the merits of the case in accordance with ASC 450, Contingencies. Litigation and contingency accruals are based on our assessment, including advice of legal counsel, regarding the expected outcome of litigation or other dispute resolution proceedings. If the Company determines that an unfavorable outcome is probable and can be reasonably assessed, it establishes the necessary accruals. As of December 31, 2023, the Company is not aware of any contingent legal liabilities that should be reflected in the consolidated financial statements.

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Employment Agreements

The Company has an employment agreement with its Chief Executive Officer and President, which expires on June 30, 2025. The agreement contains a provision that within one year of a change of control, if either the Company terminates the employment for any reason other than for "cause" or the President terminates the employment for "good reason", the President will have the right to receive a lump sum payment equal to three times the average of their total annual compensation paid for the last five years preceding such termination. The employment agreement also contains

a termination provisions stipulating that if the Company terminates the employment other than for death, disability, or cause (as such term is defined therein), or if the relevant employee resigns for "good reason" (as such term is defined therein), the Company shall pay severance payments equal to one year's salary at the rate of the compensation at the time of termination, and continue to pay the regular benefits provided by the Company for a period of one year from termination.

The Company has an employment agreement with its Chief Financial Officer, which expires on June 30, 2025. The agreement contains a provision that within one year of a change of control, if either the Company terminates the employment for any reason other than for "cause" or the employee terminates the employment for "good reason", the employee will have the right to receive a lump sum payment equal to one times the average of their total annual compensation paid for the last five years preceding such termination. The employment agreement also contains a termination provisions stipulating that if the Company terminates the employment other than for death, disability, or cause (as such term is defined therein), or if the relevant employee resigns for "good reason" (as such term is defined therein), the Company shall pay severance payments equal to one year's salary at the rate of the compensation at the time of termination, and continue to pay the regular benefits provided by the Company for a period of one year from termination.

The Company has an employment agreement with its Chairman, which expires on June 30, 2024. The employment agreement contains termination provisions stipulating that if the Company terminates the employment other than for death, disability, or cause (as such term is defined therein), or if the employee resigns for "good reason"(as such term is defined in the agreement) , the Company shall pay severance payments equal to either one year's salary at the rate of the compensation at the time of termination is employee is terminated within 12 months of the date of the agreement or six months' salary is the employee is terminated after 12 months of the date of the agreement. The Company will continue to pay the regular benefits provided by the Company for the period equal to the length of the severance payments and pay a pro rata portion of any bonus achieved prior to such termination of employment.

The Company has employment agreements with the Chief Executive Officer of Aquila and three managing directors of Aquila for an indefinite term, which can be terminated by either party upon a twelve month written notice for the Chief Executive Officer and a six month written notice for the three managing directors, in accordance with German law. The agreements include a retention bonus of 25,000 euros if the employees do not terminate their employment with the Company within two years after the agreement date or the Company does not terminate their employment for good cause.

9. Related Parties

Consulting Agreement

The Company's consulting agreement with Mr. Joseph G. Cremonese, a Director of the Company, and his affiliate which provided consulting services on product development, expired on December 31, 2021. The agreement provided that the consultant be paid a monthly retainer fee of $9,000, plus a grant of 20,000 options which were awarded during the year ended June 30, 2020. Consulting expense related to this agreement amounted to $0, $0 and $55,200, for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

The Company's consulting agreement with Mr. Reinhard Vogt, a former Director of the Company, and his affiliate which provided consulting services was terminated on April 1, 2022. The agreement provided that the consultant be paid a monthly retainer fee of 12,500 euros. The Company paid fees of $0, $0 and $215,700 for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

10. Leases

The Company leases certain properties consisting principally of a facility in Bohemia, New York (headquarters) which was amended in September 2021 to increase the space by approximately 25% and extend the lease term through October 2028. The Company's Bioprocessing Systems operations are conducted in co-sharing office space in Pittsburgh, Pennsylvania, and a 5,252 square foot facility in Baesweiller, Germany, which was renewed in December 2023 to extend the lease term to December 31, 2025, comprised of manufacturing, engineering, and administrative space. In August and September 2022, the Company entered into two lease agreements to lease motor vehicles for certain employees. The contractual period of each lease is 36 months and the lease was determined to qualify for operating lease treatment upon the lease commencement date. There are no renewal options with any of the leases, no residual values or significant restrictions or covenants other than those customary in such arrangements, and no non-cash activities, and any rent escalations incorporated within the leases are included in the calculation of the future minimum lease payments, as further described below. All of the Company's leases are deemed operating leases.

	As of December 31, 2023	As of December 31, 2022	As of June 30, 2022
Weighted Average Years	4.35	5.42	5.92
Weighted Average Discount	5.43%	5.00%	5.00%

	Year ended December 31, 2023	Six Months Ended December 31, 2023	Year ended June 30, 2022
Total Cash Payment	$ 334,600	$ 186,000	$ 344,500

The Company's approximate future minimum rental payments under all operating leases as of December 31, 2023 are as follows:

Year ended December 31,	**Amount**
2024	$ 387,900
2025	360,500
2026	266,600
2027	274,600
2028	201,000
Total future minimum payments	$ 1,490,600
Less: Imputed interest	(158,700)
Total Present Value of Operating Lease Liabilities	$ 1,331,900

11. Loss Per Common Share

The Company presents the computation of earnings per share ("EPS") on a basic basis. Basic EPS is computed by dividing net income or loss by the weighted average number of shares outstanding during the reported period. Diluted EPS is computed similarly to basic EPS, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential additional common shares that were dilutive had been issued. Common shares are excluded from the calculation if they are determined to be anti-dilutive. The following table sets forth the weighted average number of common shares outstanding for each period presented.

	Year ended December 31, 2023	Six months ended December 31, 2022	Year ended June 30, 2022
Weighted average number of common shares outstanding	10,145,211	7,003,599	6,637,471
Effect of dilutive securities:	-		-
Weighted average number of dilutive common shares outstanding	10,145,211	7,003,599	6,637,471
Basic and diluted loss per common share:			
Continuing operations	$ (1.27)	$ (0.58)	$ (2.06)
Discontinued operations	$ 0	$ 0	$ 0
Consolidated operations	$ (1.27)	$ (0.58)	$ (2.06)

Approximately 1,120,097 and 7,856,203 shares of the Company's common stock issuable upon the exercise of stock options and warrants, respectively, were excluded from the calculation because the effect would be anti-dilutive due to the loss for the year ended December 31, 2023.

Approximately 28,645 and 18,481 shares of the Company's common stock issuable upon the exercise of stock options and warrants, respectively, were excluded from the calculation because the effect would be anti-dilutive due to the loss for the six months ended December 31, 2022.

Approximately 39,086 and 0 shares of the Company's common stock issuable upon the exercise of stock options and warrants, respectively, were excluded from the calculation because the effect would be anti-dilutive due to the loss for the fiscal year ended June 30, 2022.

12. Common Stock and Warrants

Authorized Shares

On February 25, 2022, at the Company's Annual Stockholders Meeting, the stockholders of the Company approved an amendment to its Certificate of Incorporation to increase the number of authorized shares of the Company's common stock by 5,000,000 shares from 15,000,000 to 20,000,000 shares.

The stockholders also approved an amendment to the Company's 2012 Stock Option Plan (the "2012 Plan") to increase the number of shares available under the Plan by 943,000 shares, from 307,000 to 1,250,000 shares, which, together with 150,000 shares that were added to the 2012 Plan in 2020, were registered by the Company on a Form S-8 Registration Statement with the Securities and Exchange Commission on March 15, 2021. In addition, the stockholders also approved the adoption of the Company's 2022 Equity Incentive Plan (the "2022 Plan") providing for the issuance of up to 1,750,000 shares plus outstanding options granted under the Company's 2012 Stock Option Plan that expire or are forfeited. The 2022 Plan provides various stock awards including incentive and nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, and other stock awards, which can be awarded to employees and directors of the Company and its subsidiaries.

On November 29, 2023, the board of directors of the Company adopted a resolution approving a certificate of amendment to the Company's Certificate of Incorporation, as amended, to increase in the number of authorized shares of common stock of the Company from 20,000,000 shares of common stock, par value $0.05 per share, to 30,000,000 shares of common stock, par value $0.05 per share (the "Authorized Capital Increase"). On December 7, 2023, the Company obtained the written consent of stockholders of the Company holding greater than 50% of the voting securities of the Company approving the Authorized Capital Increase.

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Issuance and Sale of Common Stock

2021 Securities Purchase Agreement

On April 29 2021, the Company received proceeds of approximately $ 7,580,400 from the sale of its securities to private investors upon the issuance of 1,595,880 shares of the Company's Common Stock at an offering price of $4.75 per share which included warrants to purchase up to 797,940 shares of the Company's Common Stock exercisable at $ 9.50 per share, and in June 2021 the Company received an additional $9.5 million through the sale of an additional 2,000,000 shares of the Company's Common Stock at $ 4.75 per share which also included warrants to purchase up to 999,993 of the Company's Common Stock exercisable at $9.50 per shares. These warrants are exercisable immediately and expire five years from date of issuance. The Company utilized the services of brokers for both transactions and incurred a total of approximately $1.3 million in issuance related costs for broker and legal fees. The Company was required under a registration rights agreement to register the shares, which it did through an S-1 Registration Statement filed with the Securities and Exchange Commission, which became effective on August 13, 2021. The proceeds were used for the Aquila acquisition with the remainder earmarked for the Bioprocessing Systems Operations.

2022 Securities Purchase Agreement

On March 2, 2022, the Company entered into a Securities Purchase Agreement with certain private investors pursuant to which the Company issued and sold an aggregate of 545,456 shares of common stock and warrants to purchase up to an additional 274,727 shares of common stock, at an offering price of $5.50 per share, for a gross consideration of $3,000,000. The issuance cost related to this private placement stock issuance amounted to approximately $272,800. Under the terms of Securities Purchase Agreement between the Company and the investors, the Company must use commercially reasonable efforts to file a registration statement with the SEC within 90 days of the closing date to register for resale the shares of common stock sold in the private offering, including the shares of common stock issuable upon the exercise of the warrant. The Company filed a S-1 Registration Statement with the Securities and Exchange Commission, which became effective on June 13, 2022.

2023 Securities Purchase Agreement

On December 13, 2023, the Company entered into a Securities Purchase Agreement ("the 2023 Purchase Agreement") with certain Investors pursuant to which the Investors agreed to subscribe and purchase up to 3,500,000 Units at a price per Unit of $2.00, or an aggregate purchase price of $7,000,000 at one or more closings (the "Offering"), with each Unit comprised of (a) one newly-issued share of Common Stock, par value $0.05 per share (the "Shares"), and (b) a warrant (the "Warrants") to purchase either 100% or 160%, depending on the number of Units purchased by an Investor, of the number of shares of Common Stock included in the Units purchased by an Investor (the "Warrant Shares") at an exercise price of $2.50 per share. The Warrants are immediately exercisable and expire five years from their date of issuance. If at any time commencing 12 months from the date of the issuance of a Warrant, but before the expiration of the Warrant, the volume weighted average pricing of the Company's common stock exceeds $5.00 (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and the like) for each of thirty consecutive trading days, then the Company may, at any time in its sole discretion, call for the exercise of the Warrants, in their entirety.

On December 13, 2023, the Company issued and sold an aggregate of 2,638,076 Units, comprised of 2,638,076 shares of the Company's common stock and Warrants to purchase 3,673,076 Warrant Shares for a total consideration of $5,276,152 pursuant to the Company's 2023 Purchase Agreement. The Company recognized $970,200 of issuance cost, which includes $427,500 attributable to legal and placement agent fees and $542,700 attributable to the fair value of 131,904 warrants, issued to the private placement agent, to purchase up to 131,904 shares of Common Stock at an exercise price of $2.00 per share on substantially the same terms as the Warrants issued to the Investors. The Company

intends to use the net proceeds from the sale of the Units for working capital needs of its Bioprocessing Systems Operations.

On December 19, 2023, and December 20, 2023 the Company sold an aggregate of 432,935 and 70,601 Units, respectively, comprised of 432,935 and 70,601 shares of the Company's Common Stock and Warrants to purchase 432,935 and 70,601 shares of Common Stock for a total consideration of $865,870 and $141,202, respectively, pursuant to the Company's 2023 Purchase Agreement. The Company recognized $206,900 of issuance cost, which includes $104,500 attributable to legal and placement agent fees and $102,400 attributable to the fair value of 25,177 warrants, issued to the private placement agent, to purchase up to 25,177 shares of Common Stock at an exercise price of $2.00 per share on substantially the same terms as the Warrants issued to the Investors. The Company intends to use the net proceeds from the sale of the Units for working capital needs of its Bioprocessing Systems Operations.

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Warrants

Replacements Warrants

As an incentive to certain Investors of the Company who participated in previous private placements ("Existing Investors") and received as part of those financings, warrants ("Outstanding Warrants") to purchase shares of Common Stock, the Company agreed that, if any Existing Investor were to purchase Units at a certain level in the offering thereof under the 2023 Purchase Agreement (the "Offering"), the Company would reduce the exercise price of the Outstanding Warrants held by such Existing Investor to $2.50 per share and extend the period in which such Outstanding Warrants could be exercised to the period ending on the fifth anniversary of the date on which the Existing Investor purchased Units under the 2023 Purchase Agreement. Each such Existing Investor purchasing Units at the requisite level will receive a new warrant (the "Replacement Warrants") to replace such Existing Investor's Outstanding Warrants.

As a result of their December 13, 2023, December 19, 2023, and December 20, 2023 purchase of Units, Existing Investors became entitled to receive Replacement Warrants to replace 1,257,331, 559,905 and 17,631, respectively, of their Outstanding Warrants. The Company measured and recognized a fair value change of $2,112,800 related to the modification and issuance of the Replacement Warrants, recorded as equity issuance cost in the statement of changes in stockholders'equity.

Underwriter Warrants

As part of its compensation as placement agent for the 2023 Purchase Agreement described above, the Company issued to the placement agent or its designees warrants to purchase up to 157,081 shares of Common Stock at an exercise price of $2.00 per share on substantially the same terms as the Warrants issued to the Investors . The Warrants were valued on each closing grant date, using the Black-Scholes-Merton option pricing model and the Company recognized $645,100 as equity issuance cost in the statement of changes in stockholders'equity.

During the year ended December 31, 2023, in connection to underwriter/consulting services, the Company issued 100,000 warrants to purchase up to 100,000 shares of Common Stock at an exercise price of $2.50 per share. The Warrants are immediately exercisable and expire five years from their date of issuance. If at any time commencing 12 months from the date of the issuance of a Warrant, but before the expiration of the Warrant, the volume weighted average pricing of the Company's common stock exceeds $5.00 (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and the like) for each of thirty consecutive trading days, then the Company may, at any time in its sole discretion, call for the exercise of the Warrants, in their entirety. The Warrants were valued on the grant date of December 13, 2023, using the Black-Scholes-Merton option pricing model and the Company recognized $161,000 as general and administration expense during the year ended December 31, 2023.

The following table summarizes information about shares issuable under warrants outstanding during the year ended December 31, 2023, the six months ended December 31, 2022 and the fiscal year ended June 30, 2022, respectively.

	Warrant Shares Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding and exercisable as of June 30, 2021	3,147,783	$ 9.29	4.51
Issued	274,727	5.50	4.67
Exercised	-	-	-
Expired or cancelled	-	-	-
Outstanding and exercisable as of June 30, 2022	3,422,510	$ 8.98	3.60
Issued	-	-	-
Exercised	-	-	-
Expired or cancelled	-	-	-
Outstanding and exercisable as of December 31, 2022	3,422,510	$ 8.98	3.10
Issued	6,268,560	2.49	4.96
Exercised	-	-	-
Expired or cancelled	(1,834,867)	8.87	2.36
Outstanding and exercisable as of December 31, 2023	7,856,203	$ 3.82	4.32

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Terms of the outstanding warrants as of December 31, 2023 are as follow:

Warrant Issue Date	Outstanding Warrants	Exercise Price	Expiration Date
6/19/2020	1,034,350	$ 9.00	6/18/2025
4/30/2021	443,469	$ 9.50	4/29/2026
6/21/2021	83,155	$ 9.50	6/18/2026
3/2/2022	26,669	$ 5.50	3/2/2027
12/13/2023	5,030,407	$ 2.50	12/13/2028
12/13/2023	131,904	$ 2.00	12/13/2028
12/19/2023	992,840	$ 2.50	12/19/2028
12/19/2023	21,647	$ 2.00	12/19/2028
12/20/2023	88,232	$ 2.50	12/20/2028
12/20/2023	3,530	$ 2.00	12/20/2028
	7,856,203		

13. Stock Options

2012 Plan

The Company's 2012 Plan expired in February 2022, which provided for the grant of options to purchase up to 1,193,000 shares of the Company's Common Stock, par value $.05 per share ("Common Stock"), plus up to 57,000 shares under options previously granted under the 2002 Stock Option Plan of the Company (the "Prior Plan").

The 2012 Plan provided for the granting of incentive or non-incentive stock options. Incentive stock options may be granted to employees at an exercise price equal to 100% (or 110% if the optionee owns directly or indirectly more

than 10% of the outstanding voting stock) of the fair market value of the shares of Common Stock on the date of the grant and vested as to 1/3 on each of the first, second, and third anniversaries from the grant date. Non-incentive stock options shall be granted at the fair market value of the shares of Common Stock on the date of grant.

During the year ended December 31, 2023, the six months ended December 31, 2022 and the fiscal year ended June 30, 2022, under the 2012 Plan the Company granted 0, 0 and 60,000 to employees that had a fair value of $0, $0, and $268,848, respectively.

2022 Plan

The Company's 2022 Plan provides for the issuance of up to 1,750,000 shares of the Company's Common Stock, par value $0.05 per share, plus outstanding options granted under the Company's 2012 Stock Option Plan that expire or are forfeited. Incentive stock options may be granted to employees at an exercise price equal to 100% (or 110% if the optionee owns directly or indirectly more than 10% of the outstanding voting stock) of the fair market value of the shares of Common Stock on the date of the grant. Nonstatutory stock options shall be granted at the fair market value of the shares of Common Stock on the date of grant. Both Incentive and Nonstatutory stock options cliff-vest over five years. As of December 31, 2023, 1,879,660 shares of Common Stock were available for grant of options under the 2022 Plan, of which 224,660 shares of Common Stock are from either terminated or expired options from the 2012 Plan.

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During the year ended December 31, 2023, the six months ended December 31, 2022 and the fiscal year ended June 30, 2022, under the 2022 Plan the Company granted 0, 0 and 60,000 to employees that had a fair value of $0, $0, and $262,372, respectively.

On July 21, 2023, the Company's Bioprocessing System segment entered into a separation agreement with their VP of Sales ("former employee"). In connection with the separation agreement, the Company extended the exercisability of the former employee's vested stock options up through the original expiration date of July, 13, 2030, which the Company recorded a additional $684,900 of noncash stock base compensation expense related to the modification of the exercisability of the vested stock options.

On September 19, 2023, the Company's Bioprocessing System segment entered into a one year consulting agreement with John Nicols. The agreement provided that the consultant be paid a monthly retainer fee of $8,000. For the year ended December 31, 2023, the Company paid fees of $19,200 and issued 35,000 stock options which vest monthly over the one year period, valued at $114,700 on the grant date using the Black-Scholes-Merton option pricing model.

The following table summarizes the weighted-average assumptions used for the Black-Scholes option pricing model to determine the fair value of our stock options for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively:

	Year ended December 31, 2023	Six months ended December 31, 2022	Year ended June 30, 2022
Expected term (in years)	10	-	10
Risk-free interest rate	4.49%	-	1.91%
Expected volatility	72.5%	-	72%
Dividend rate	0	-	0

Total stock-based compensation costs were $2,240,100, $1,236,700 and $2,350,600 for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

Stock-based compensation costs related to nonvested awards expected to be recognized in the future are $450,100 and $1,945,300 and $3,187,300, as of December 31, 2023 and 2022 and June 30, 2022, respectively.

The weighted-average period over which the nonvested awards is expected to be recognized are 0.87 years, 1.14 years and 1.51 years for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively.

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The following table summarizes option activity under all plans for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022:

	Year Ended December 31, 2023			Six months ended December 31, 2022		Year Ended June 30, 2022	
Shares under option:	Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding, beginning	1,115,810	$ 8.4	$ 129,900	1,158,644	$ 8.40	1,180,757	$ 8.73
Granted	35,000	4.09	-	-	-	120,000	5.78
Exercised	-	-	-	-	-	-	-
Forfeited	(30,713)	6.62	2,500	(42,834)	8.33	(142,113)	8.98
Outstanding, end	1,120,097	$ 8.32	-	1,115,810	$ 8.40	1,158,644	$ 8.40
Options exercisable end of the period	963,228	$ 8.45		632,175	$ 8.30	567,594	$ 8.13
Weighted average fair value per share of options granted during the period		$ 3.28			$ 0		$ 4.43

	Year ended December 31, 2023		Six months ended December 31, 2022		Year ended June 30, 2022	
NonVested Shares under option:	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Outstanding, beginning	483,635	$ 6.76	591,050	$ 6.75	970,082	$ 7.16
Granted	35,000	3.28	-	-	120,000	4.43
Vested	(351,453)	6.98	(106,248)	6.73	(356,919)	7.17
Forfeited	(10,313)	5.09	(1,167)	4.48	(142,113)	6.53

Outstanding, end	156,869	$ 5.60	483,635	$ 6.76	591,050	$ 6.75

	Year Ended December 31, 2023		
	Shares	Weighted-Average Exercise price	Weighted-Average Remaining Contractual term
Vested Shares under option:	963,228	$ 8.45	6.47

	Six months ended December 31, 2022		
	Shares	Weighted-Average Exercise price	Weighted-Average Remaining Contractual term
Vested Shares under option:	632,175	$ 8.30	7.30

	Year ended June 30, 2022		
	Shares	Weighted-Average Exercise price	Weighted-Average Remaining Contractual term
Vested Shares under option:	567,594	$ 8.13	7.73

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	As of December 31, 2023 Options Outstanding			As of December 31, 2023 Exercisable	
Range Exercise Price	Number Outstanding	Remaining Contractual Life (Years)	Average Exercise Price	Number Outstanding	Average Exercise Price
$5.35 - $ 11.30	1,029,392	6.84	$ 8.73	898,773	$ 8.18
$2.91 - $ 4.65	90,705	2.29	$ 3.61	64,455	$ 3.41
	1,120,097			963,228	

	As of December 31, 2022 Options Outstanding			As of December 31, 2022 Exercisable	
Range Exercise Price	Number Outstanding	Remaining Contractual Life (Years)	Average Exercise Price	Number Outstanding	Average Exercise Price

$5.35 - $ 11.30	1,055,105	7.85	$ 8.69	571,470	$ 8.82
$2.91 - $ 4.65	60,705	4.00	$ 3.36	60,705	$ 3.36
	1,115,810			632,175	

	As of June 30, 2022 Options Outstanding			As of June 30, 2022 Exercisable	
Range Exercise Price	Number Outstanding	Remaining Contractual Life (Years)	Average Exercise Price	Number Outstanding	Average Exercise Price
$5.35 - $ 11.30	1,097,939	8.34	$ 8.68	506,889	$ 8.70
$2.91 - $ 4.65	60,705	4.51	$ 3.37	60,705	$ 3.37
	1,158,644			567,594	

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14. Segment Information

Segment and geographical information is reported as follows:

Year Ended December 31, 2023	Benchtop Laboratory Equipment	Bioprocessing Systems	Corporate	Consolidated
Revenues	$ 9,745,400	$ 1,366,100	$ -	$ 11,111,500
Foreign Sales	2,865,900	894,600	-	3,760,500
Income (Loss) From Operations	720,200	(7,751,200)	(2,228,900)	(9,259,900)
Assets	6,832,400	4,969,400	4,928,700	16,730,500
Long-Lived Asset Expenditures	29,700	102,000	-	131,700
Depreciation and Amortization	84,900	669,100	-	754,000

Six Months Ended December 31, 2022	Benchtop Laboratory Equipment	Bioprocessing Systems	Corporate	Consolidated
Revenues	$ 4,608,900	628,900	$ -	$ 5,237,800
Foreign Sales	1,322,500	478,200	-	1,800,700
Income (Loss) From Operations	203,500	(3,483,200)	(902,300)	(4,137,000)
Assets	8,622,500	5,174,600	4,272,100	18,069,200
Long-Lived Asset Expenditures	34,300	220,200	-	254,500
Depreciation and Amortization	50,100	330,700	-	380,800

Year Ended June 30, 2022	Benchtop Laboratory Equipment	Bioprocessing Systems	Corporate	Consolidated
Revenues	$ 9,981,100	$ 1,419,400	$ -	$ 11,400,500
Foreign Sales	3,702,400	1,101,400	-	4,803,800

Income (Loss) From Operations	1,475,800	(11,369,500)	(1,650,400)	(11,544,100)
Assets	9,538,600	5,077,500	6,391,800	21,007,900
Long-Lived Asset Expenditures	92,500	732,100	-	824,600
Depreciation and Amortization	96,300	591,900	-	688,200

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Geographical Information

	Year Ended December 31, 2023	
	Revenue (a)	Long-Lived Assets
United States	$ 7,351,000	$ 1,414,200
All Other Foreign Countries	3,027,500	-
Germany	733,000	1,007,500
Total	$ 11,111,500	$ 2,421,700

	Six Months Ended December 31, 2022	
	Revenue (a)	Long-Lived Assets
United States	$ 3,437,000	$ 1,710,000
All Other Foreign Countries	1,454,700	-
Germany	346,100	885,000
Total	$ 5,237,800	$ 2,595,000

(a) Revenues are attributed to countries based on location of customer

For the year ended December 31, 2023, one customer accounted for approximately $1,301,400 revenue from the Benchtop Laboratory Equipment Segment, of which the revenue is 10% or more of the Company's total revenue.

For the six months ended December 31, 2022, one customer accounted for approximately $545,300 revenue from the Benchtop Laboratory Equipment Segment, of which the revenue is 10% or more of the Company's total revenue.

For the fiscal year ended June 30, 2022, there are no individual customer accounting for approximately 10% or more of the Company's total revenue.

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A reconciliation of the Company's consolidated segment income/loss from operations to consolidated income (loss) from operations before discontinued operations and income taxes for the year ended December 31, 2023, for the six months ended December 31, 2022 and for the fiscal year ended June 30, 2022, respectively are as follows:

Year ended December 31, 2023	Benchtop Laboratory Equipment	Bioprocessing Systems	Corporate	Consolidated
Income (Loss) from Operations	$ 720,200	$ (7,751,200)	$ (2,228,900)	$ (9,259,900)
Other income (expense), net	10,500	14,300	145,300	170,100
Income (Loss) from operations before discontinued operations and income taxes	$ 730,700	$ (7,736,900)	$ (2,083,600)	$ (9,089,800)

Six Months ended December 31, 2022	Benchtop Laboratory Equipment	Bioprocessing Systems	Corporate	Consolidated
Income (Loss) from Operations	$ 203,500	$ (3,438,200)	$ (902,300)	$ (4,137,000)
Other (expense) income, net	(28,200)	3,600	88,500	63,900
Income (Loss) from operations before discontinued operations and income taxes	$ 175,300	$ (3,434,600)	$ (813,800)	$ (4,073,100)

Year ended June 30, 2022	Benchtop Laboratory Equipment	Bioprocessing Systems	Corporate	Consolidated
Income (Loss) from Operations	$ 1,475,800	$ (11,369,500)	$ (1,650,400)	$ (11,544,100)
Other income, net	194,000	(3,100)	71,500	262,400
Income (Loss) from operations before discontinued operations and income taxes	$ 1,669,800	$ (11,372,600)	$ (1,578,900)	$ (11,281,700)

15. Employee Benefit Plans

The Company has a 401(k) profit sharing plan covering all its employees, which provides for voluntary employee salary contributions not to exceed the statutory limitations provided by the Internal Revenue Code. The plan provides for Company matching contribution equal to 100% of employee's deferral up to 3% of pay, plus 50% of employee's deferral over 3% of pay up to 5%. Total matching contributions amounted to $122,400, $58,600 and $112,400 for the year ended December 31, 2023, the six months ended December 31, 2022 and the fiscal year ended June 30, 2022, respectively.

16. Income Taxes

The Domestic and foreign Components of loss before taxes are:

	Year Ended December 31, 2023	Six Months Ended December 31, 2022	Year Ended June 30, 2022
U.S. operations	$ (5,352,700)	$ (3,285,900)	$ (8,985,600)
Non-U.S. operations	(3,737,100)	(787,200)	(2,296,100)
Total loss before taxes	$ (9,089,800)	$ (4,073,100)	$ (11,281,700)

The provision for income taxes is comprised of:

	Year Ended December 31, 2023	Six Months Ended December 31, 2022	Year Ended June 30, 2022
U.S. federal taxes:			
Current	$ -	$ -	$ (99,200)
Deferred	-	-	1,693,700
Non-U.S. taxes:	-	-	-
Current	-	-	-
Deferred	-	-	800,300
Total provision for income taxes	$ -	$ -	$ 2,394,800

Total provision for income taxes allocated to continuing operations for the year ended December, 31, 2023, for the six month ended December 31, 2022 and for the year ended June 30, 2022, respectively was $0, $0, and $2,390,800, respectively.

Total provision for income taxes allocated to discontinued operations for the year ended December, 31, 2023, for the six month ended December 31, 2022 and for the year ended June 30, 2022, respectively was $0, $0, and $4,000, respectively.

In accordance with ASC 740 “Accounting for Income Taxes” (“ASC 740”), the Company evaluated the deferred tax assets to determine if valuation allowances are required or should be adjusted. ASC 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on consideration of all available evidence, both positive and negative, using a “more likely than not” standard of whether the deferred tax assets will be realized. As of and for the year ended December 31, 2023, the Company maintains a full valuation allowance of $9,302,300 against the consolidated net deferred tax assets as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized and therefore the Company recorded a full valuation allowance. During the six months ended December 31, 2022, the Company recorded a full valuation allowance of $1,302,600 to the period change in the net deferred tax assets as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized and therefore the Company recorded a full valuation allowance. As of and for the fiscal year ended June 30, 2022, the Company recorded a full valuation allowance of $5,116,000 against the consolidated net deferred tax assets as the Company determined the net deferred tax assets which includes net operating loss carry-forwards and other tax credits, are more likely not to be realized. In the event that in the future the Company changes the determination as to the amount of deferred tax assets that can be realized, the Company will adjust the valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

The reconciliation of the provision for income taxes at the federal statutory rate of 21% to the actual income tax expense (benefit) for the applicable fiscal year is as follows:

	Year Ended	Six Months	Year Ended June 30,

	December 31, 2023	Ended December 31, 2022	2022
Computed "expected" income tax benefit	$ (1,908,900)	$ (855,400)	$ (2,369,200)
Research and development credits	(9,400)	(49,600)	(99,200)
Incentive Stock Option Expense	73,300	36,600	64,300
PPP Loan Forgiveness	-	-	(91,100)
Valuation allowance	2,883,700	1,302,600	5,116,000
Aquila Biolabs GmbH operating loss	(1,150,800)	(245,700)	(717,100)
Return to provision and other true-ups	112,100	(187,800)	-
Other, net	-	(700)	491,100
Income tax expense	$ -	$ -	$ 2,394,800

Income tax expense allocated to continuing operations for the year ended December 31, 2023, for the six month ended December 31, 2022, and for the year ended June 30, 2022, respectively was $0, $0, and $2,390,800, respectively.

Income tax expense allocated to discontinued operations for the year ended December 31, 2023, for the six month ended December 31, 2022, and for the year ended June 30, 2022, respectively was $0, $0, and $4,000, respectively.

The Company's expected income tax expense differs from its provision for income tax expense primarily due to the Company's evaluation of its net deferred tax assets and the Company's related assessment to record a full valuation allowance against those net deferred tax assets in applying the more-likely than not standard that is required under the applicable guidance under Generally Accepted Accounting Principles in the US.

Deferred tax assets and liabilities consist of the following:

Deferred tax assets:	As of December 31, 2023	As of December 31, 2022	As of June 30, 2022
Amortization of intangible assets, including goodwill	$ 106,300	$ 377,800	$ 326,600
Research and development credits	426,400	416,900	367,400
Goodwill impairment	898,800	898,800	898,800
Capitalized research and development expenses	957,900	276,900	-
Various accruals	103,300	92,200	50,400
Stock options expense	1,486,400	1,047,600	710,500
Net operating loss	5,383,200	3,353,100	2,769,400
Other	27,200	57,600	52,900
Subtotal	$ 9,389,500	$ 6,520,900	$ 5,176,000
Deferred tax liability:			
Depreciation of property	(87,200)	(102,300)	(60,000)
Less valuation allowance	(9,302,300)	(6,418,600)	(5,116,000)
Net deferred tax assets	$ -	$ -	$ -

The Company has federal net operating loss ("NOL") carryforwards of $20,154,400, $7,571,300 and $5,961,700 as of December 31, 2023, and 2022 and June 30, 2022, respectively, with no expiration date, which are available to reduce future taxable income. The Company has foreign NOL carryforwards of $9,330,700, $5,645,900 and $4,858,700 as of December 31, 2023, and 2022 and June 30, 2022, respectively, with no expiration date, which are available to reduce future taxable income. Under the 2017 Tax Cuts and Jobs Act (the "TCJA"), federal carryforwards may be carried forward indefinitely. All of the Company's NOL carryforwards were generated on or after December 31, 2017, the effective date for TCJA NOL's.

17. Subsequent Events

On January 17, 2024, the Company completed the last closing of the sale of securities pursuant to the Company's Securities Purchase Agreement (the "Purchase Agreement") entered on December 13, 2023, as filed in the Company's Form 8-K on December 15, 2023. At this closing, the Company sold an aggregate of 358,388 Units, comprising 358,388 shares of the Company's common stock, par value $.05 per share ("Common Stock") and warrants ("Warrants") to purchase 358,388 shares of Common Stock for a total consideration of $716,776. The Company recognized $98,700 of issuance cost, which includes $71,100 attributable to legal and placement agent fees and $27,600 attributable to the fair value of 17,919 warrants, issued to the private placement agent, to purchase up to 17,919 shares of Common Stock at an exercise price of $2.00 per share on substantially the same terms as the Warrants issued to the Investors.

As an incentive to certain Investors of the Company who participated in previous private placements ("Existing Investors") and received as part of those financings, warrants ("Outstanding Warrants") to purchase shares of Common Stock, the Company agreed that, if any Existing Investor were to purchase Units at a certain level in the offering thereof under the Purchase Agreement (the "Offering"), the Company would reduce the exercise price of the Outstanding Warrants held by such Existing Investor to $2.50 per share and extend the period in which such Outstanding Warrants could be exercised to the period ending on the fifth anniversary of the date on which the Existing Investor purchased Units under the Purchase Agreement. Each such Existing Investor purchasing Units at the requisite level will receive a new warrant (the "Replacement Warrants") to replace such Existing Investor's Outstanding Warrants. On January 17, 2024, as a result of their purchase of Units, Existing Investors became entitled to receive Replacement Warrants to replace 333,884 Outstanding Warrants, and therefore reducing the exercise price of such Outstanding Warrants to $2.50 per share and extending the period in which such Outstanding Warrants could be exercised to the period ending on the fifth anniversary of the closing under the Purchase Agreement on December 13, 2023.

EXHIBIT 4(h)

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (No. 333-265775) on Form S-8 of Scientific Industries, Inc.
(2) Amendment No. 1 to the Registration Statement (No. 333-265281) on Form S-1 of Scientific Industries, Inc.
(3) Amendment No.1 to the Registration Statement (No. 333-258468) on Form S-1 of Scientific Industries, Inc.
(4) Registration Statement (No. 333-254277) on Form S-8 of Scientific Industries, Inc.
(5) Registration Statement (No. 333-278009) on Form S-1 of Scientific Industries, Inc

of our report dated September 28, 2022, related to our audit of the consolidated financial statements of Scientific Industries, Inc. and Subsidiaries as of June 30, 2022 and for the year ended June 30, 2022, which report appears in this Annual Report on Form 10-K.

/s/ Nussbaum Berg Klein & Wolpow, CPAs LLP

Melville, New York
Date: March 29, 2024

EXHIBIT 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements of Scientific Industries, Inc. and Subsidiaries on Form S-1 (No. 333-278009) of our report dated April 17, 2023, related to our audit of the consolidated financial statements of Scientific Industries, Inc. and Subsidiaries. as of December 31, 2022, and for the transitional six month period July 1, 2022 thru December 31, 2022, which report appears in this Annual Report on Form 10-K.

/s/ Macias Gini & O'Connell LLP

Walnut Creek, CA

March 29, 2024

EXHIBIT 31.1

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT**

I, Helena R. Santos, certify that:

1. I have reviewed this Annual Report on Form 10-K of Scientific Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting (that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions);

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Scientific Industries, Inc.

Date: March 29, 2024

By: /s/ Helena R. Santos
Helena R. Santos
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT

I, Reginald Averilla, certify that:

1. I have reviewed this Annual Report on Form 10-K of Scientific Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting (that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions);

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Scientific Industries, Inc.

Date: March 29, 2024

By: /s/ Reginald Averilla
Reginald Averilla
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT

I, Helena R. Santos, Chief Executive Officer of Scientific Industries, Inc. (the "Company"), certify, to the best of my knowledge that:

1. I have reviewed this Annual Report on Form 10-K of the Company for the year ended December 31, 2023 ("Annual Report");

2. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

3. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Scientific Industries, Inc.

Scientific Industries, Inc.

Date: March 29, 2024

By: /s/ Helena R. Santos
Helena R. Santos
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT

I, Reginald Averilla, Chief Financial Officer of Scientific Industries, Inc. (the "Company"), certify, to the best of my knowledge that:

1. I have reviewed this Annual Report on Form 10-K of the Company for the year ended December 31, 2023 ("Annual Report");

2. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

3. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Scientific Industries, Inc.

Scientific Industries, Inc.

Date: March 29, 2024

By: /s/ Reginald Averilla
Reginald Averilla
Chief Financial Officer

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