

SCIENTIFIC INDUSTRIES, INC. (SCND- OTCQB)



INVESTOR PRESENTATION

July 2021

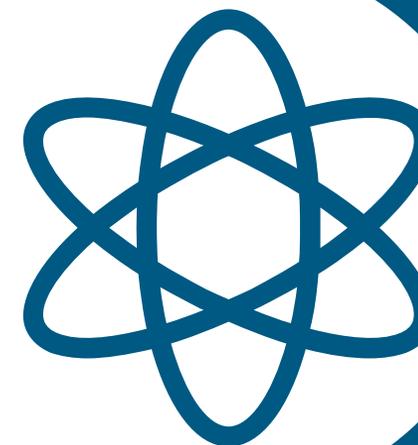


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Company Overview



Financial Overview



Expansion of SBI/aquila biolabs

Unique opportunity to invest into future leader for online & real-time bioprocessing sensorics (SBI/aquila) through capital raise in cash-flow positive mother company (SI)

- Scientific Industries, Inc (SI) has a profitable and growing base life sciences tools business and is acknowledged **world leader in vortexing technologies**
- Current **market valuation is attractive** compared to early-stage venture capital financings and public peers in the marketplace today
- SI wants to position its daughter company, Scientific Bioprocessing, Inc (SBI), to become the **market leader for non-invasive online and real-time sensorics for bioprocessing**
 - With **nearly no digital technology in the cell culture market**, SBI has an opportunity to become an industry leader
- SI **acquired aquila biolabs** GmbH, which was named one of the Top 10 startups in Germany in recent years⁽¹⁾, and combined it with SBI, in order to add further talent to the already strong team, gain access to innovative **complementary sensors & software**, and expand its footprint into Europe



SI has several brands and daughter companies focusing on specific technologies and customer segments

Key Product Offerings



GENIE

- World Leader in Vortexing Technologies



- Pill-counters and Balances
- 2014 acquisition of mechanical balances and digital scales



sbi SCIENTIFIC BIOPROCESSING

- Bioprocessing optical sensors and automated feeding
- 2021 launch of SBI/aquila biolabs

Scientific Industries, Inc (SI), has a profitable and growing base life sciences tools business and is acknowledged world leader in vortexing technologies (1954)

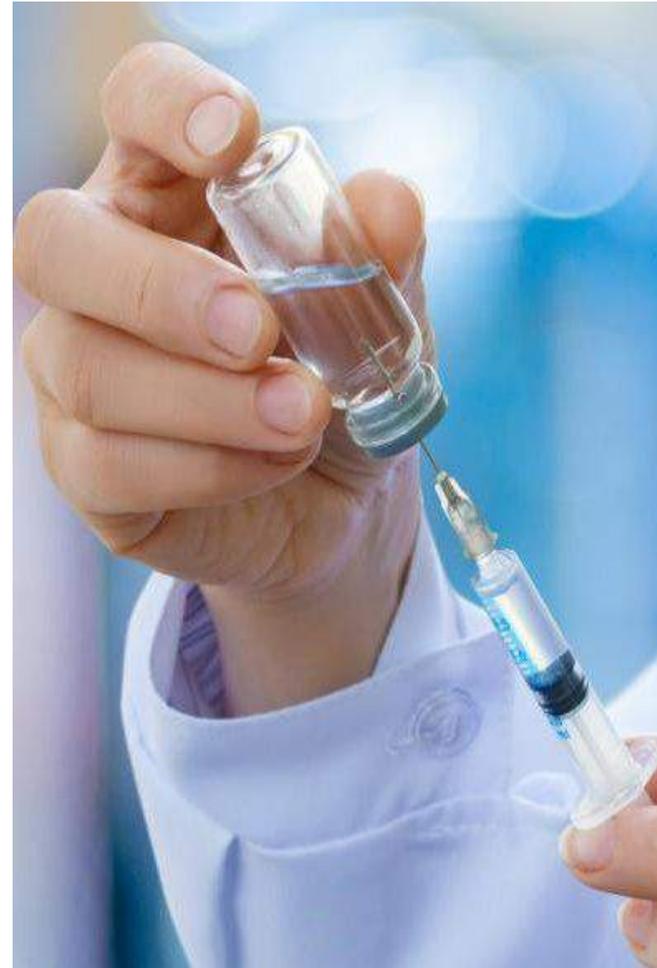
- Design, manufacturing, and marketing of **benchtop laboratory equipment**
- Installed base of **over 1,000,000** units worldwide
- **Broad customer base:** universities, pharmaceutical companies, pharmacies, national laboratories, and medical device manufacturers
- Solid balance sheet with **zero funded debt** and approximately **\$15.0 million of cash and equivalents.**
- Well known company and **high-quality brand** with over 30 distributors around the world



A shift to large molecule drugs in pharmaceutical production creates demand for effective continuous monitoring sensors and software

Bioprocessing Industry Challenges

- From small molecule to large molecule drugs (7 out of 10 of the TOP10 selling drugs are biologicals)
 - Small molecules typically have ~25 atoms and multiple manufacturing steps
 - Large molecules can have ~25k atoms and ~1k manufacturing steps
- Increased manufacturing complexity for large molecule drugs associated with poor reproducibility, unpredictable scale up, manual processes and high COGS (e.g. currently 35-50% yield loss)



SBI is poised to revolutionize bioprocessing and wants to become the market leader for non-invasive online and real-time monitoring for bioprocessing applications

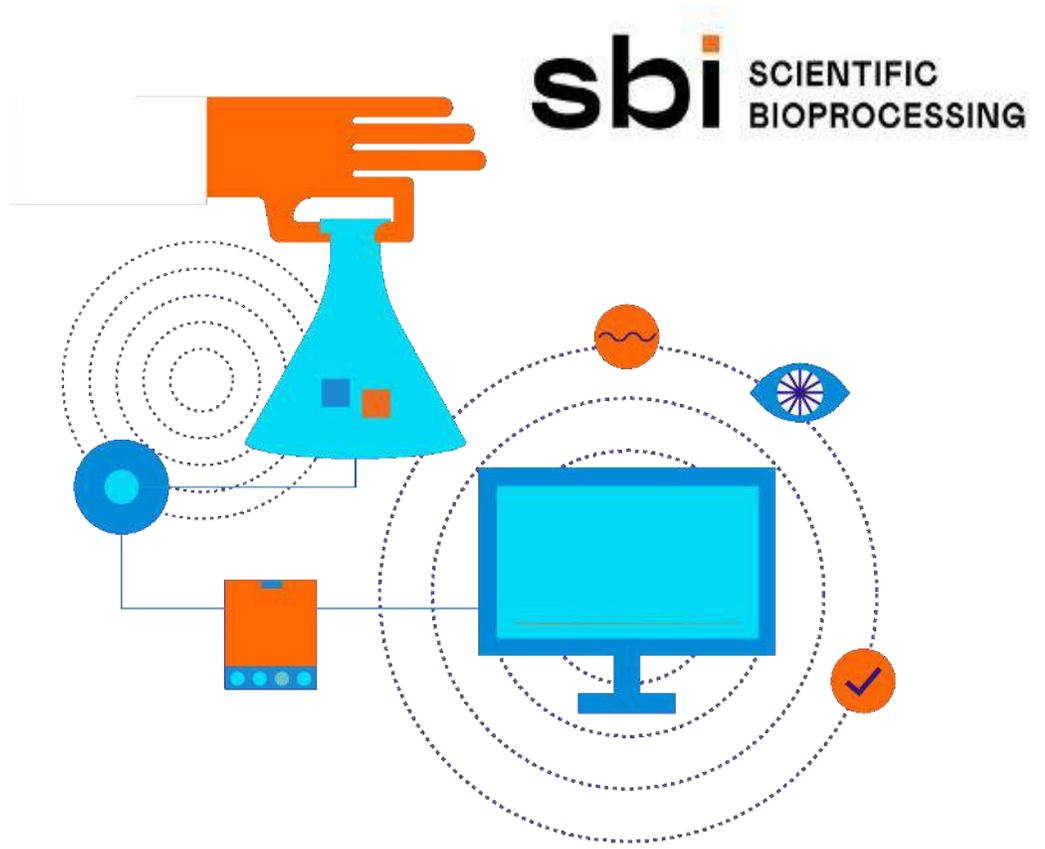
VISION & MISSION SBI

VISION

We pioneer digitally simplified bioprocessing by providing actionable insights from lab to production floor. We do this by monitoring and controlling critical process parameters and product quality attributes online and in real time.

MISSION

We take the guesswork out of bioprocessing. There are still too many black boxes and unknowns in bioprocessing. We help researchers and process engineers make the right decisions by providing them access to critical process and product data.



SBI's goal is to become the one-stop-shop provider for almost any monitoring and bioprocess control modality.

SBI's Company History



World leader in **vortexing technologies**, best known for the ubiquitous Vortex-Genie®.

1954



SI licenses optical sensor technology from UMBC, launches **Scientific Bioprocessing Inc. (SBI)** and sub-licenses technology to GE and Sartorius.

2011



SBI is **relaunched** and develops non-invasive pH and DO monitoring products for **cell culture** applications.

2019



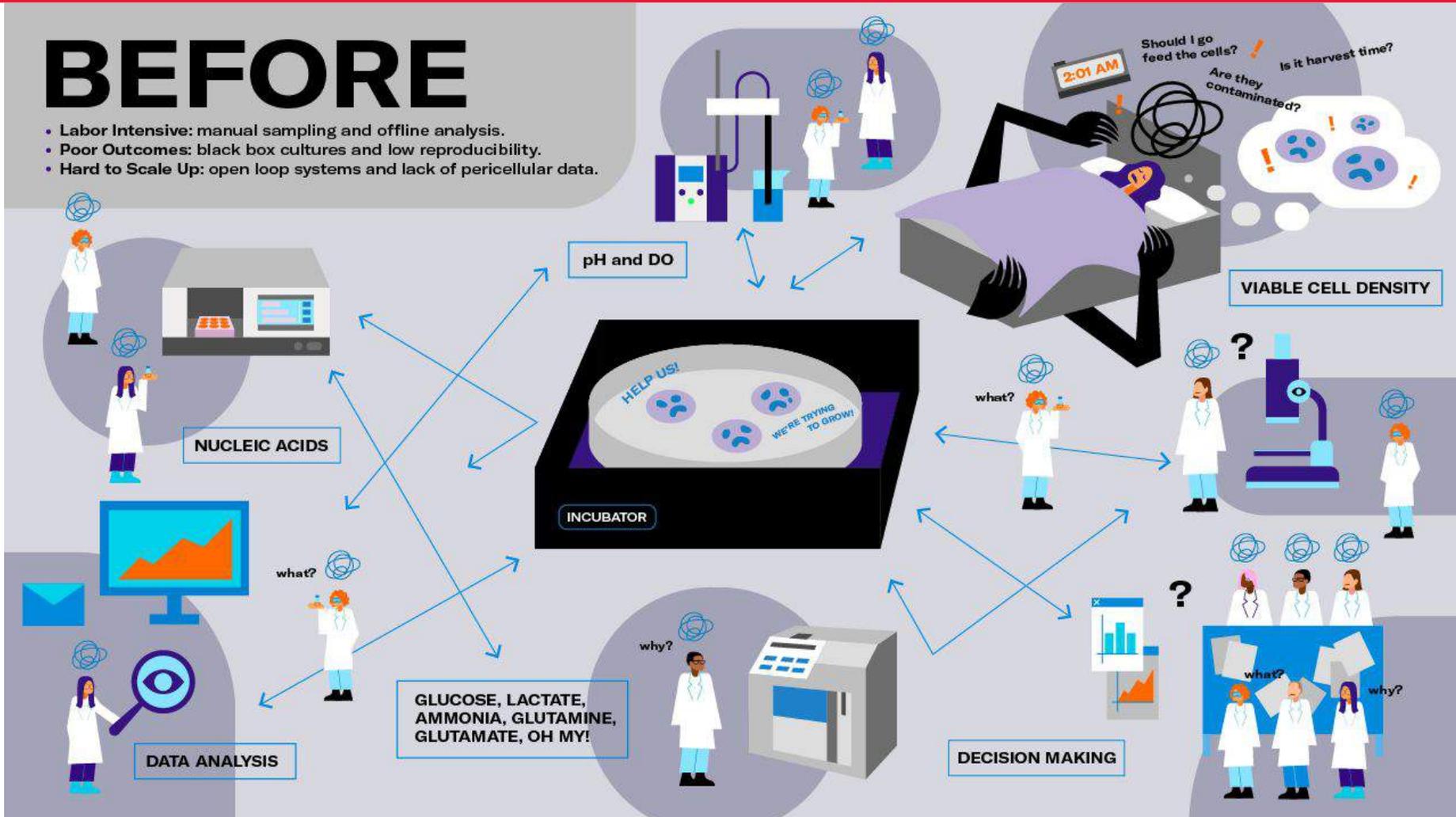
SBI acquires **aquila biolabs**, a German company focusing on smart sensors and data analytics software for **microbial** bioprocessing applications.

2021

The bioprocessing and cell culture industry is currently suffering from poor reproducibility, unpredictable scale up, manual processes and **high COGS**

BEFORE

- Labor Intensive: manual sampling and offline analysis.
- Poor Outcomes: black box cultures and low reproducibility.
- Hard to Scale Up: open loop systems and lack of pericellular data.



SBI will provide solutions and help create high reproducibility, predictable scale up, automated processes and lower COGS for the bioprocessing industry

AFTER

- Controllable, predictable, and reproducible outcomes.
- Fast scale up and time to market.
- Team free to focus on scientific breakthroughs and lunch!

sbi

POWERING YOUR
SCIENTIFIC AUDACITY!

CLOSED LOOP
CONTROL AND
PROCESS
OPTIMIZATION

SENSING PLATFORM

INSTRUMENTED VESSELS

ENVIRONMENTAL CONTROL

ML/AI ALGORITHM

CLOUD PLATFORM

it's grow time!

REAL TIME
DATA TO THE
WHOLE TEAM

PEACE OF MIND

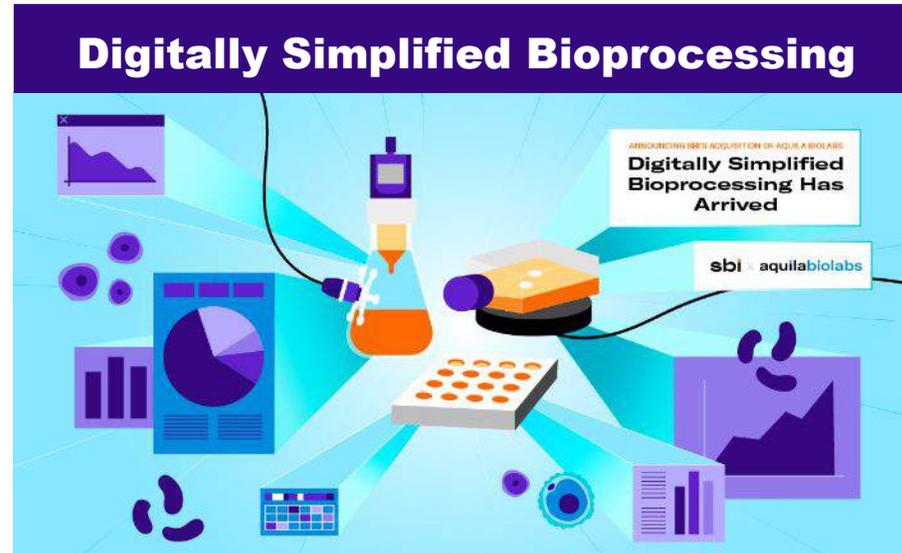
FREEDOM FROM
TRIPS TO THE LAB

MORE pHUN

MEANWHILE...

We pioneer Digitally Simplified Bioprocessing from the lab to the production floor.

Digitally Simplified Bioprocessing



Digitally

- Miniaturized Smart Sensors
- IoT
- Machine Learning & AI
- Soft Sensors

Simplified

- Actionable Insights
- Non-invasively and in Real-time
- Actuators for Process Control
- Digital Twins

Bioprocessing

- From Lab to Production Floor
- From Microbial to Cell & Gene Therapy
- Bioprocess Parameters
- Product Quality Attributes

Key Product Offerings

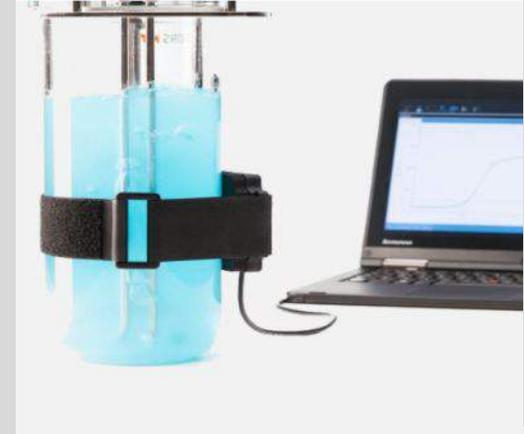
- Historical revenue streams for Scientific Bioprocessing has derived from royalties received from product manufacturers in the bioprocessing industry which use SBI sensor technologies in their own products
- Going forward, SBI has the opportunity to be the first mover in an exciting new category – real-time sensors and systems for cell culture and bioprocessing laboratory workflows – Digitally Simplified Bioprocessing!

Biomass in Shake Flasks



Cell Growth Quantifier (CGQ)

Biomass in Bioreactors



Cell Growth Quantifier (CGQBioR)

Automated Feeding



Liquid Injection System (LIS)

Optical Sensing pH/DO



ID•Fiber Optic Kit

How do we drive adoption of Digitally Simplified Bioprocessing?

Direct Sales Team Spearheading Market Penetration

Direct Sales Team



James "Bucky" Polk
Vice President of Sales North America & South America

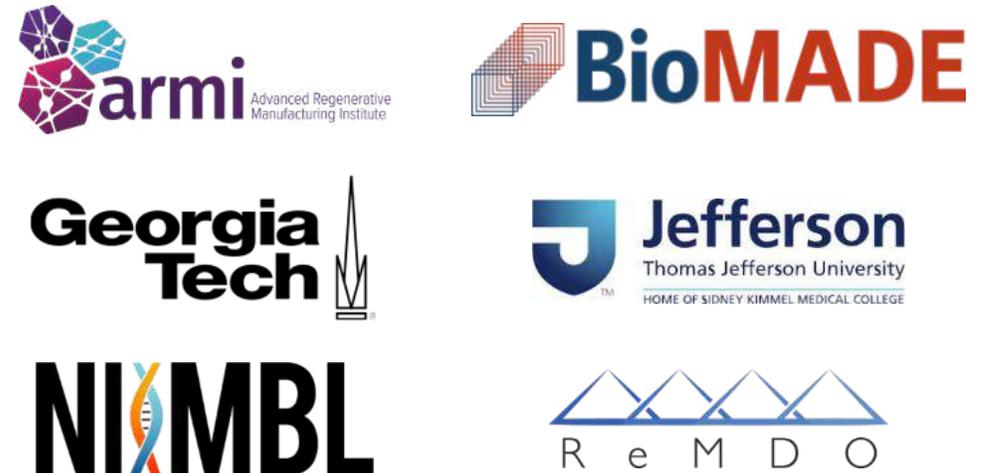


Daniela Winzker-Demes
Vice President of Sales Europe, Middle East & Africa (EMEA) & Asia

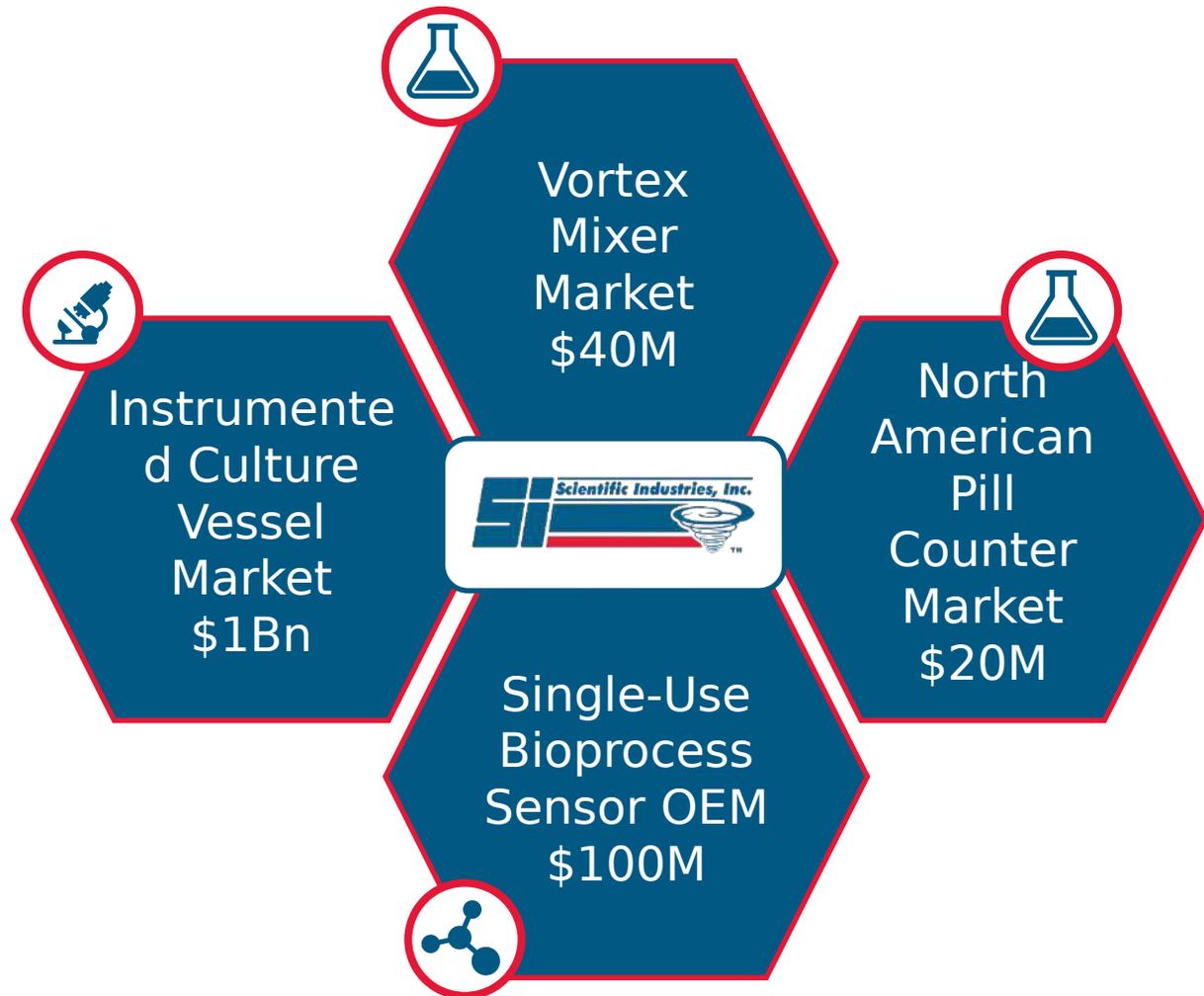
Original Equipment Manufacturer Accounts



Manufacturing Institutes



Total Available Market of > \$1Bn for SI – SBI targeting market segments with strongest growth: Bioprocessing and Cell Culture



Benchtop Laboratory Equipment

- Laboratory Equipment market is a **highly competitive** and **mature industry**
- Market drivers include increasing research activities in pharmaceutical and biotechnology industries, growing technological advancements, **rising need for accurate diagnosis**, and swelling support by public and private companies⁽¹⁾

Bioprocessing

- Surging clinical activity, increased share of biologics in pipelines, rise of biosimilars and cell & gene therapies as well as the shift from stainless steel to single-use equipment for drug manufacturing are **fueling growth**⁽²⁾
- The **growing interest of investors** to fund the incorporation of innovative technologies, such as automation and big data with single-use processing is anticipated to **drive innovations in the space**⁽³⁾

Cell Culture

- Rising demand for monoclonal antibodies, growing emphasis on customized therapies, and increasing support for cell-based studies are **driving market demand in the cell culture industry**⁽⁴⁾
- Ever-increasing knowledge related to the benefits of **cell culture-based vaccines** has also spurred business demand

Agenda



Company Overview



Financial Overview



Expansion of SBI with aquila biolabs

Financial Overview

Shares Outstanding

(1)

6.46 MILLION

Market Capitalization

(2)

\$69.7 MILLION

Net Cash (3)

\$15.2 MILLION

Enterprise Value

\$54.6 MILLION

- Scientific Industries, Inc., (“SCND”) established in 1954, designs, manufactures, and markets benchtop laboratory equipment, and through its Bioprocessing Systems Operations (“SBI”) is engaged in the development and marketing of non-invasive, real-time monitoring of cell culture systems
- The company’s products are used primarily for life science research purposes by universities, pharmaceutical companies, pharmacies, national laboratories, medical device manufacturers, and other industries performing laboratory scale research
- SBI has a strong intellectual property portfolio, primarily around bioprocessing sensors
- In April 2021, SBI closed on the acquisition of aquila biolabs, a German-based technology developer of smart sensors and state-of-the-art data analytics software for bioprocessing applications

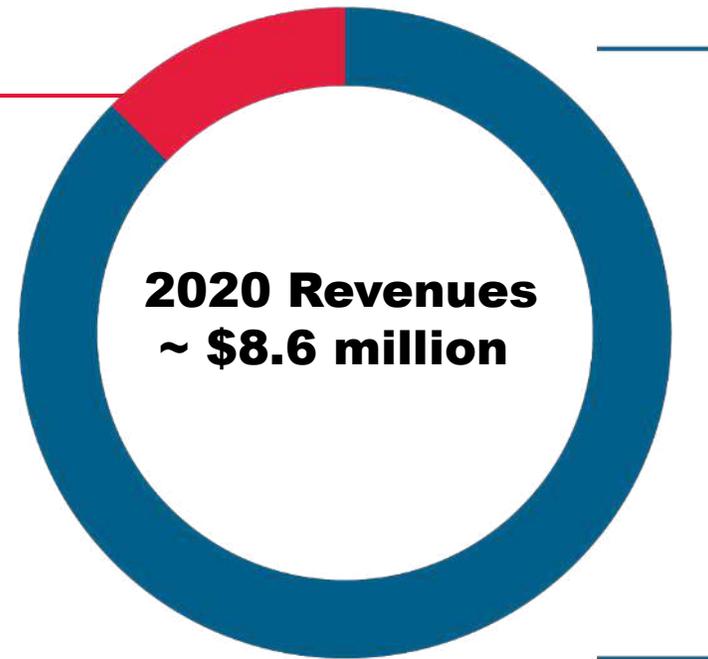
1. Basic shares outstanding as of May 7, 2021 adjusted for 2 million shares issued in June 2021.
2. Based on 7/14/21 closing stock price of \$10.80.
3. Based on March 31, 2021 balance sheet data (per latest Form 10-Q). Excludes Operating Lease obligations and PPP loan balances. Current balance sheet value of Contingent Consideration included as funded debt in calculation. Adjusted for \$9.5 million of cash raised in June 2021 capital raise; no adjustment made for April 2021 closing of private placement and acquisition of Aquila Biolabs as cash impact of the two transactions were approximately offsetting.

Scientific Industries, Inc (SI) is a profitable company with two established and powerful business platforms of bioprocessing and laboratory product lines

Revenue Breakdown



- **\$1.0 million of 2020 Revenues, 100% derived from 3rd party royalty payments**
 - Poised to execute on a new business plan to become the leading provider of sensors to the bioprocessing and cell culture industries



- **\$6.8 million of 2020 Revenues derived from Benchtop Laboratory Equipment segment (Genie and Torbal brands)**
 - Vortex-Genie 2 Mixer product represented ~36% of total company revenue in FY 2020
- **\$0.8 million of 2020 Revenues derived from Catalyst Research Systems (Altamira Instruments). Sold as of 12/1/20**

Agenda



Company Overview



Financial Overview



Expansion of SBI with aquila biolabs

aquila biolabs is a provider for online and real-time smart sensors, actuators and data analytics for bioprocessing

aquila biolabs

Today

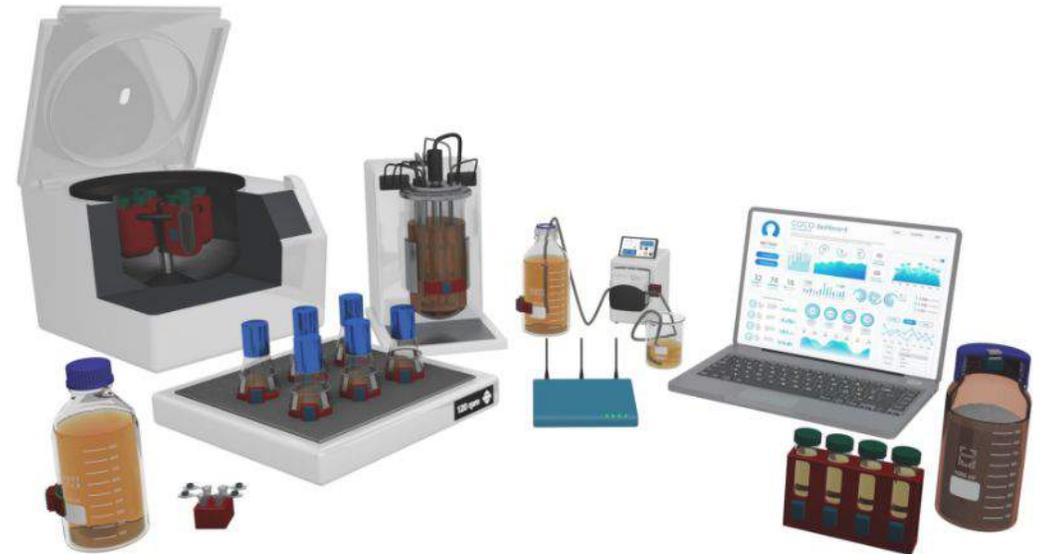
Provide online and real-time smart sensors, actuators and data analytics for bioprocessing



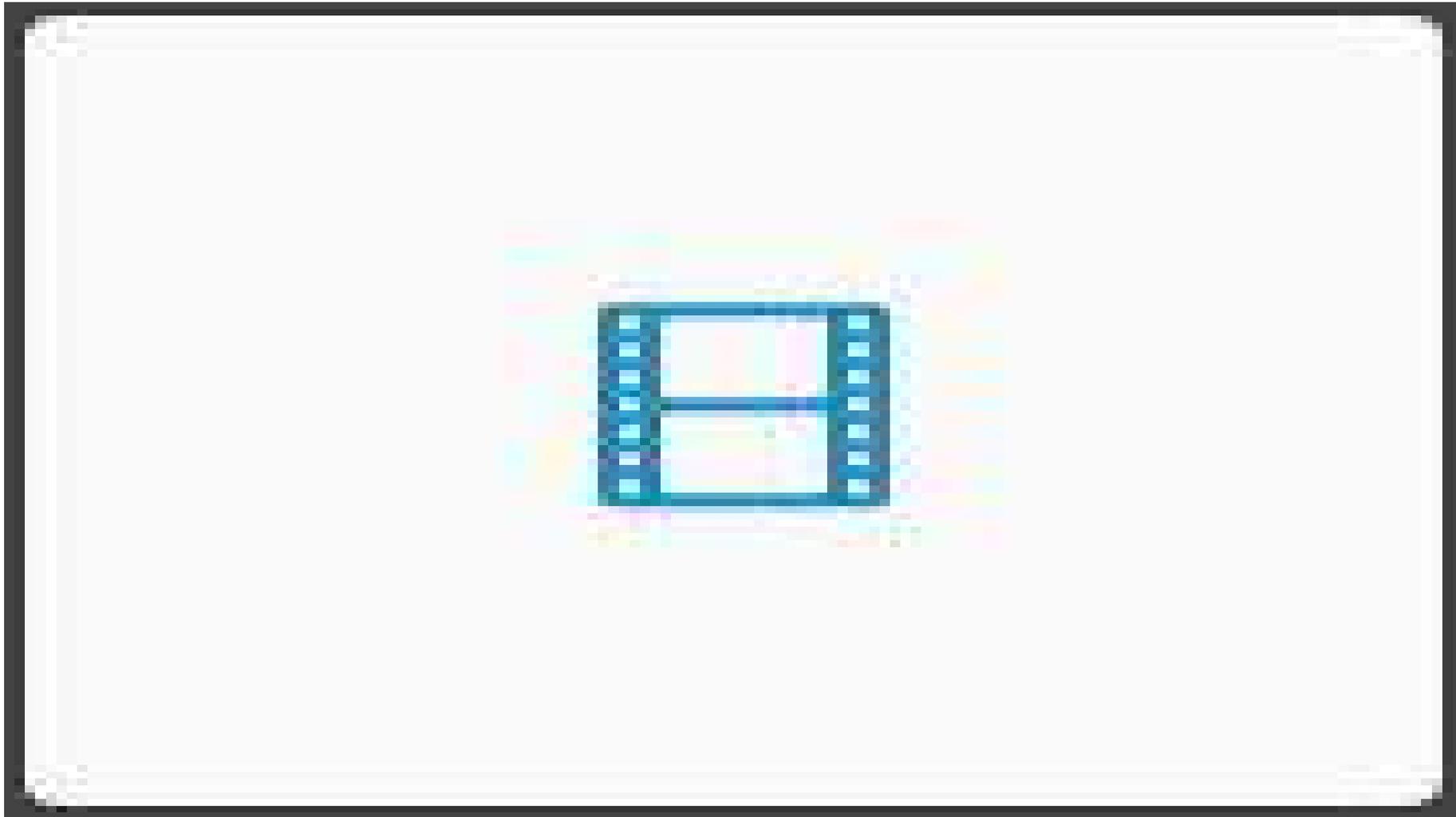
- Successfully developed and launched **3 sensors / actuators and 2 software products**
- Customer base of leading scientists working for organizations **from innovative start-ups to blue chips**
- Product suite sold to >200 customers in >25 countries generating approximately **\$3 million in total sales**

Tomorrow

Pioneer the first miniaturized smart sensor IoT platform for bioprocessing and beyond



aquila biolabs's vision is to constantly monitor object contents in the life sciences to provide customers with real-time process understanding and actionable insights



The acquisition of aquila biolabs enables SBI to capture synergies on all relevant levels and position itself for a future leading role in the bioprocessing space

<u>Required for success</u>	<u>SBI</u>	<u>aquila</u>	<u>Combined</u>
Software, Data Analytics, Soft Sensors			
Miniaturized Sensor Hardware			
Sensor Chemistry			
Automation			
Sales Channel/ Geographic Footprint			
Applications			

SBI and aquila biolabs together will create solutions to urgent life science industry challenges through a comprehensive IoT sensing and control platform

An Ideal Mergers Formula

1

Quick Wins



2

Value Added Solutions



3

Leadership Position



✔ **Reducing COGS by eliminating yield waste**

✔ **Minimize Batch-to-Batch Variety**

✔ **Improving Quality & Safety**

✔ **Increasing speed to market by identifying drug candidates faster**

Seasoned Leadership Team With Track Record of Proven Success in Executive Roles in place for SI and SBI

Leadership Team

Leadership Team



Reinhard Vogt
Director & Chairman – SBI

Former Executive Vice President and Member of the Executive Board of Sartorius AG



Helena Santos
CEO, CFO & Director



John Moore
Chairman & President – SBI

Non-Management Directors



Marcus Frampton
Director & Chief Investment Officer – Alaska Permanent Fund Corporation



Chris Cox
Chief Director & Co-Founder – Population Health Partners



Juergen Schumacher
Co-Founder of Algiavax Pharmaceuticals, Qiagen and NewLab BioQuality

Other Major Shareholders / Participants in June Capital Raise

- **Roy Eddleman, Former CEO of Spectrum Labs** – largest shareholder of Repligen
- Other participants in the June 2020 capital raise include leading participants in the life sciences, investment banking, wealth management and value investing communities

Selected Backgrounds & Affiliations of Key Management, Shareholders and Directors

