

SCIENTIFIC INDUSTRIES, INC. (SCND)

INVESTOR PRESENTATION

OCTOBER 2020



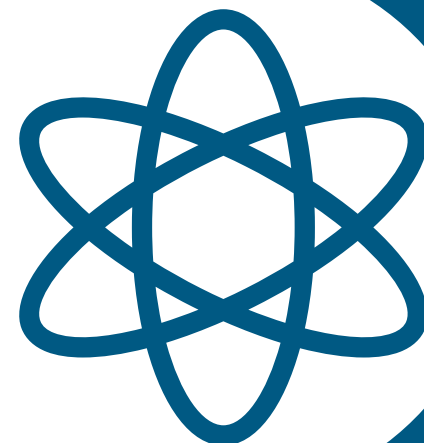
Forward Looking Statement



Certain statements contained in this presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, such as statements relating to future actions, business plans, objectives and prospects, future operating or financial performance. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “expect,” “strategy,” “future,” “likely,” variations of such words, and other similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Forward-looking statements are subject to factors, risks and uncertainties that could cause actual results to differ materially, including, but not limited to, market demand for products, cost of developing products, potential litigation, changes in law and other risk factors disclosed in the Company’s most recent annual report on Form 10-K and, to the extent applicable, quarterly reports on Form 10-Q. All forward-looking statements made in this presentation speak only as of the date hereof. Scientific Industries does not undertake any obligation to update any forward-looking statements to reflect future events or circumstances, except as required by law.

Non-GAAP Measures

This presentation contains information prepared in conformity with GAAP as well as non-GAAP financial information. The Company believes that the non-GAAP financial measures presented in this presentation provide useful information to the Company's management, investors and other interested parties about the Company's operating performance because they allow them to understand and compare the Company's operating results during the current periods to the prior year periods in a more consistent manner. This non-GAAP information should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP, and similarly titled non-GAAP measures may be calculated differently by other companies. The Company calculates those non-GAAP measures by adjusting for nonrecurring items that are not part of the normal course of business and that the Company's management does not believe it will have similar comparable year-over-year items.



Investment Highlights



- Profitable and growing base life sciences tools business with operations dating back to 1954, consistently an SEC-filer with shares quoted on the OTCQB market-place
 - Vortex Genie brand mixers are the standard for that product line among lab equipment customers
 - Company and brand are well known among laboratory purchasing managers, distributors, and others
- Current market valuation is attractive vis-à-vis early stage venture capital financings in the marketplace today
- Intellectual property and new product roll-out plan in attractive and rapidly-growing bioprocessing and cell culture markets
- Group of management, key shareholders, and board members represent among the most credible and experienced participants in the global bioprocessing industry, life sciences generally, capital markets, institutional investing, and law

Investment Highlights



- Robust M&A market for companies in the bioprocessing market - SCND shareholder, Roy Eddlemen, sold Spectrum Labs to Repligen Corporation in June 2017 for \$367 million (9.1x LTM Revenues)⁽¹⁾; in February 2019 Danaher Corporation purchased BioPharma business of General Electric for \$21 billion (7.1x LTM Revenues, 18x LTM EBITDA)⁽¹⁾
- Leading players in bioprocessing industry already have been licensing the company's sensor technologies for years
- Potential opportunity to become the leading player in the bioprocessing sensor marketplace expanding beyond current lead in dissolved oxygen and PH sensors
 - Strategic relationship with University of Maryland, Baltimore County - Center for Advanced Sensor Technology
 - M&A consolidation opportunities
- Solid balance sheet with zero funded debt and over \$7 million of cash and equivalents pro forma for June 2020 capital raise

1. Source: CapitalIQ.

Business Overview

Shares Outstanding ⁽¹⁾

2.85 MILLION

Market Capitalization

\$21.1 MILLION

Net Cash ⁽²⁾

\$6.4 MILLION

Enterprise Value

\$14.7 MILLION

- Scientific Industries, Inc., (“SCND”) established in 1954, designs, manufactures, and markets benchtop laboratory equipment, customized catalyst research instruments, and through Scientific Bioprocessing, Inc. (“SBI”), is engaged in the licensing and development of bioprocessing systems and products
- 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, and in June 2020 closed a \$6 million capital raise to support a new five-year business plan and product roll-out

1. Based on 1,502,773 shares outstanding as of May 7, 2020 (per latest Form 10-Q) plus 1,349,850 shares issued in June 2020 capital raise.
2. Based on March 31, 2020 balance sheet data (per latest Form 10-Q) plus \$6,074,325 of capital raised in June 2020 capital raise. Excludes Operating Lease obligations and PPP loans of \$563,700 received in April 2020. Current balance sheet value of Contingent Consideration included as funded debt in calculation.

Income Statement Summary

(\$ in thousands)				CAGR
Fiscal Year Ending June 30,	2017	2018	2019	'17-'19
Total Revenues	\$8,149	\$8,481	\$10,200	11.9%
Growth	—	4.1%	20.3%	
Gross Profit	\$2,879	\$3,222	\$4,367	23.2%
Margin	35.3%	38.0%	42.8%	
SG&A	(\$3,040)	(\$3,227)	(\$3,591)	8.7%
% of Revenues	37.3%	38.1%	35.2%	
Operating Profit	(\$160)	(\$6)	\$776	NM
Margin	NM	NM	7.6%	
Net Income	(\$74)	(\$161)	\$646	NM
Margin	NM	NM	6.3%	
EBITDA				
Reported EBITDA	\$196	\$300	\$1,033	129.9%
Margin	2.4%	3.5%	10.1%	
Non-Cash P&L Impact of Contingent Consideration ⁽¹⁾	\$140	\$254	\$521	
Stock Based Compensation ⁽¹⁾	\$2	\$30	\$47	
Impairment of Intangibles	\$48	\$0	\$0	
Adjusted EBITDA	\$386	\$583	\$1,601	103.8%
Margin	4.7%	6.9%	15.7%	

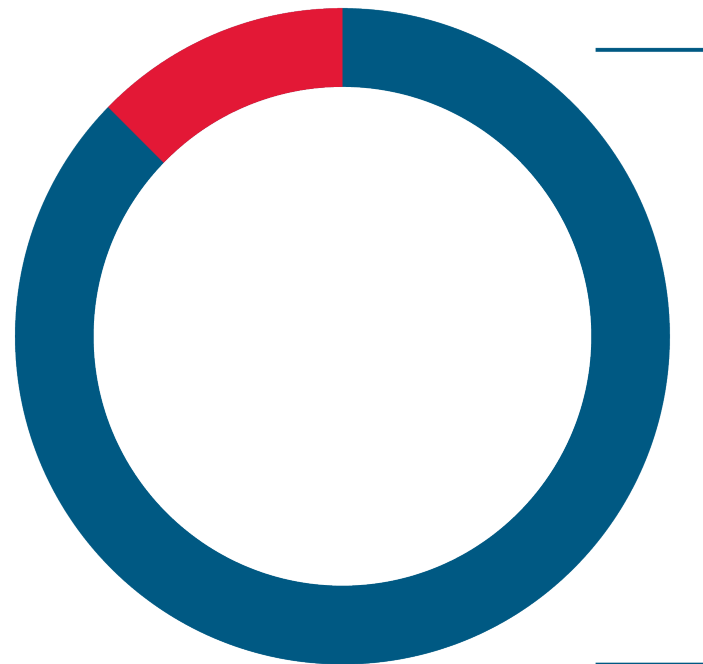
1. Per Company's Statement of Cash Flows

Two Primary Business Platforms

- One platform, a longstanding player and trusted brand in the life sciences equipment market
- The other platform, historically an owner of intellectual property and royalty recipient, now poised to execute on a new business plan to become the leading provider of sensors to the bioprocessing and cell culture industries



- \$1.3 million of 2019 Revenues, 100% derived from 3rd party royalty payments
- \$6 million capital raise in June 2020 directed toward new product development, establishment of sales & marketing function, build-out of manufacturing capacity, and wherewithal to execute on new five-year business plan



- **\$7.0 million of 2019 Revenues derived from Benchtop Laboratory Equipment segment (Scientific Industries, Torbal brands)**
 - Vortex Genie 2 Mixer product represented ~32% of total company revenue in 2019
- **\$1.8 million of 2019 Revenues derived from Catalyst Research Systems (Altamira Instruments)**

Recent Segment Financials

<i>(\$ In thousands)</i>	Fiscal Year Ending June 30:		Nine Months Ending:		
	2018	2019	3/31/19	3/31/20	LTM 3/31/20
<u>Reported Segment Revenues</u>					
Benchtop Laboratory Equipment	\$6,403	\$7,079	\$5,228	\$5,320	\$7,172
<i>Growth</i>	--	10.5%	--	1.8%	--
Catalyst Research Instruments	\$1,409	\$1,815	\$953	\$420	\$1,282
<i>Growth</i>	--	28.8%	--	(55.9%)	--
Bioprocessing Systems	\$669	\$1,306	\$1,075	\$914	\$1,146
<i>Growth</i>	--	95.2%	--	(14.9%)	--
Total Revenues	\$8,481	\$10,200	\$7,255	\$6,655	\$9,599
<u>Reported EBITDA ⁽¹⁾</u>					
Benchtop Laboratory Equipment	\$562	\$760	\$571	\$422	\$610
<i>Margin</i>	8.8%	10.7%	10.9%	7.9%	8.5%
Catalyst Research Instruments	(\$245)	(\$130)	(\$146)	(\$360)	(\$344)
<i>Margin</i>	NM	NM	NM	NM	NM
Bioprocessing Systems	(\$17)	\$404	\$310	\$173	\$266
<i>Margin</i>	NM	30.9%	28.9%	18.9%	23.2%
Total Reported EBITDA	\$300	\$1,033	\$736	\$235	\$533

1. Reported segment Income from Operations plus Depreciation & Amortization.

Pro Forma Balance Sheet

- In addition to the \$6.1 million of cash raised in the June 2020 capital raise, Scientific Industries received a \$563,700 PPP loan in April 2020
- Scientific Industries boasts a debt-free balance sheet with cash-on-hand to execute on the Scientific Bioprocessing business plan

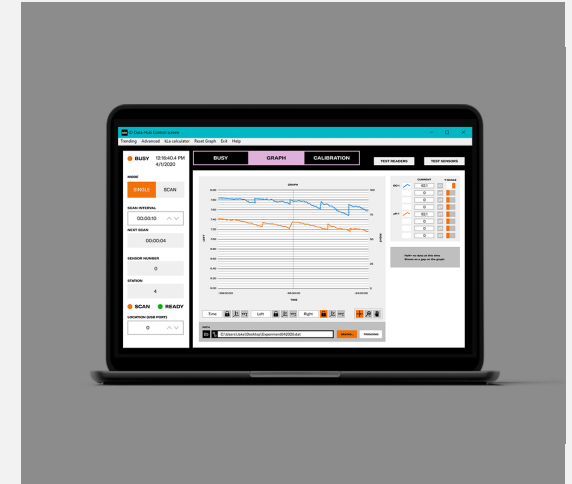
	3/31/20 Per Form 10-Q	June 2020 Capital Raise	3/31/20 Pro Forma
<u>Assets</u>			
Cash	\$0.7	\$6.1	\$6.8
Investment Securities	0.3		0.3
Total Cash & Equivalents	\$1.0		\$7.1
Other Current Assets	\$5.3		\$5.3
Property & Equipment	0.3		0.3
Goodwill & Intangibles	0.8		0.8
Other Assets	0.1		0.1
Deferred Taxes	0.5		0.5
Operating Lease Right-of-use-Assets	0.9		0.9
Total Assets	\$8.9		\$15.0
<u>Liabilities & Equity</u>			
Operating Current Liabilities	\$1.3		\$1.3
Operating Lease Liabilities (Current & Non-Current)	0.9		0.9
Contingent Consideration (Current & Non-Current)	0.7		0.7
Total Liabilities	\$2.9		\$2.9
Shareholders Equity	\$6.0	\$6.1	\$12.1
Total Liabilities & Equity	\$8.9		\$15.0
<u>Net Cash</u>			
Total Cash & Equivalents	\$1.0		\$7.1
Less: Contingent Consideration	(0.7)		(0.7)
Net Cash	\$0.4		\$6.4

Key Product Offerings

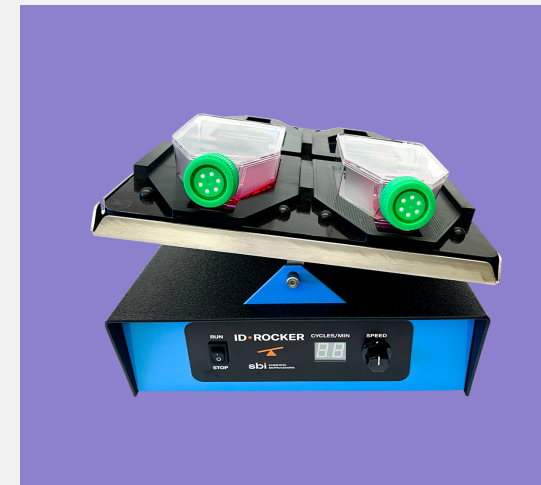
- Historical revenue streams for Scientific Bioprocessing has derived from royalties received from product manufacturers in the bioprocessing industry which use SBI sensor technologies in their own products
- Going forward, SBI has the opportunity to be the first mover in an exciting new category – real-time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



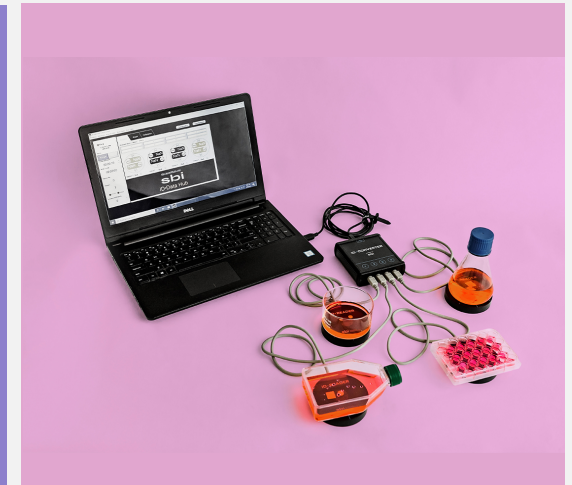
ID.SHAKE



ID.DATA HUB



ID.ROCKER



ID.DEVELOPER'S KIT

Key Product Offerings

- Scientific Industries position as a trusted provider of life sciences tools and equipment dates back to the 1950's with their development and introduction of the Vortex Genie mixer
- 2014 acquisition of Fulcrum Inc. added in the Torbal family of mechanical scales and a laboratory and pharmacy balance and digital scales business
- Altamira division produces catalyst research systems used in industrial and research applications
- Recently Scientific Industries has continued to be an innovator, most recently introducing a pharmacy pill counter product that has been well received in the market



Key Management

- Helena Santos, *CEO, CFO and Director*
- John Moore, *Chairman; President – SBI*
- Joe Cremonese, *Director; Chief Scientific Officer - SBI*
- Bucky Polk, *Chief Commercial Officer – SBI*
- Rob Nichols, *President of Genie Products Division*
- Karl Nowosielski, *President of Torbal Products Division*

Non-Management Directors and Board Observers

- Reinhard Vogt, *Director & Chairman of SBI; former Executive Vice President and Member of the Executive Board of Sartorius AG*
- Marcus Frampton, *Director; Chief Investment Officer, Alaska Permanent Fund Corporation*
- John Watkins, *Director; Partner, Reitler Kailas & Rosenblatt LLC*
- Chris Cox, *Board Observer; Partner Cadwalader, Wickersham & Taft LLP; former EVP & Chief Corporate Development Officer, The Medicines Company*

Other Major Shareholders / Participants in June Capital Raise

- Roy Eddleman, *Former CEO of Spectrum Labs*
- 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



sartorius



**The
Medicines
Company**

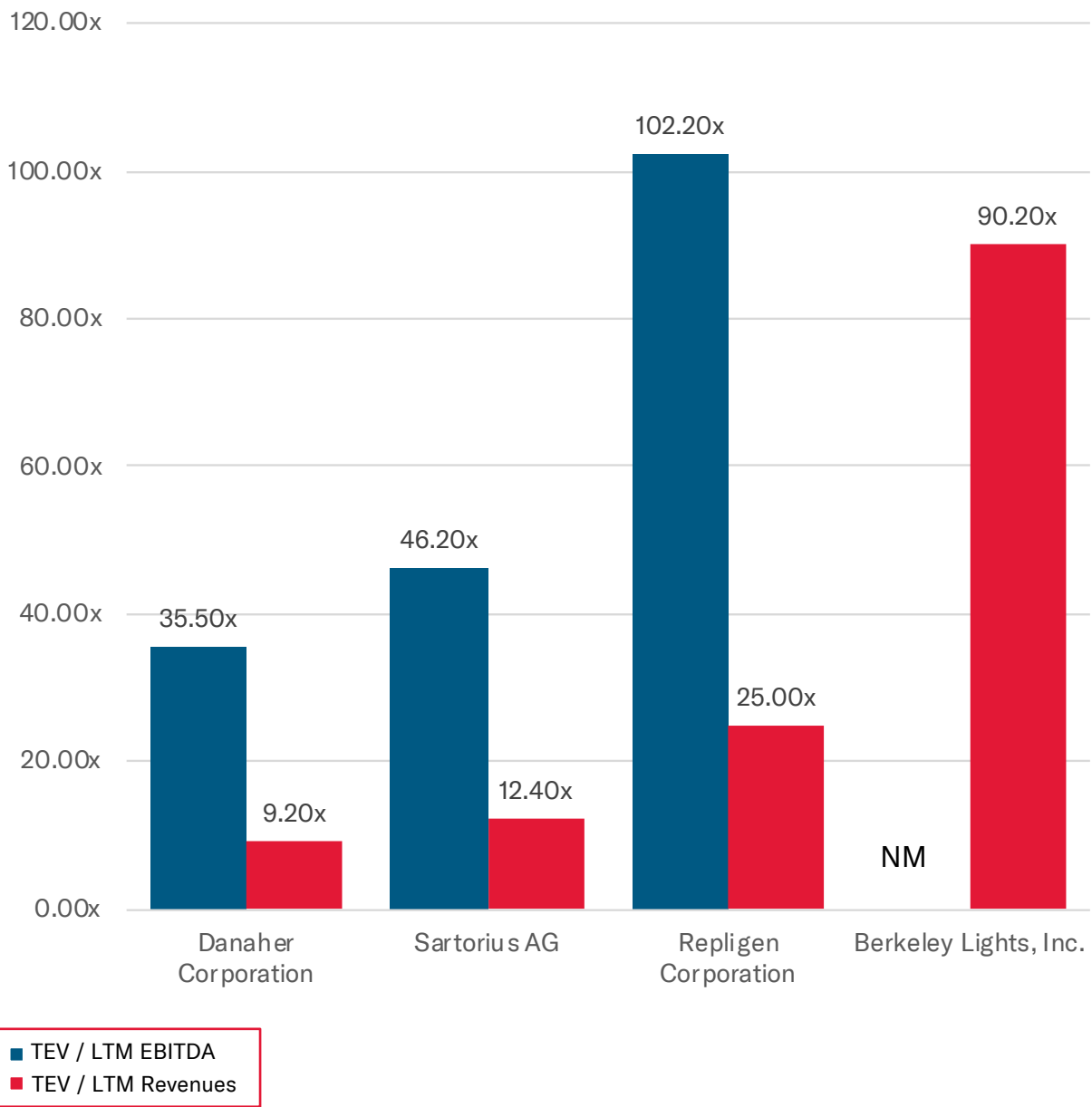
ThermoFisher
S C I E N T I F I C

DYNAMK
— CAPITAL —

PHILIPS
Healthcare

Attractive Bioprocessing & Cell Culture Market Opportunity

TRADING MULTIPLES OF
BIOPROCESSING
& CELL CULTURE LEADERS



Data Source: CapitalIQ as of October 2, 2020.



“We view RGEN as one of those unique stocks where a company led by a best-in-class management team has positioned itself within the right area of a rapidly growing industry.”

Pure-play on attractive biologics and bioprocessing end markets. We see RGEN as a company in the right place at the right time.”

Stephens Equity Research, August 22, 2019

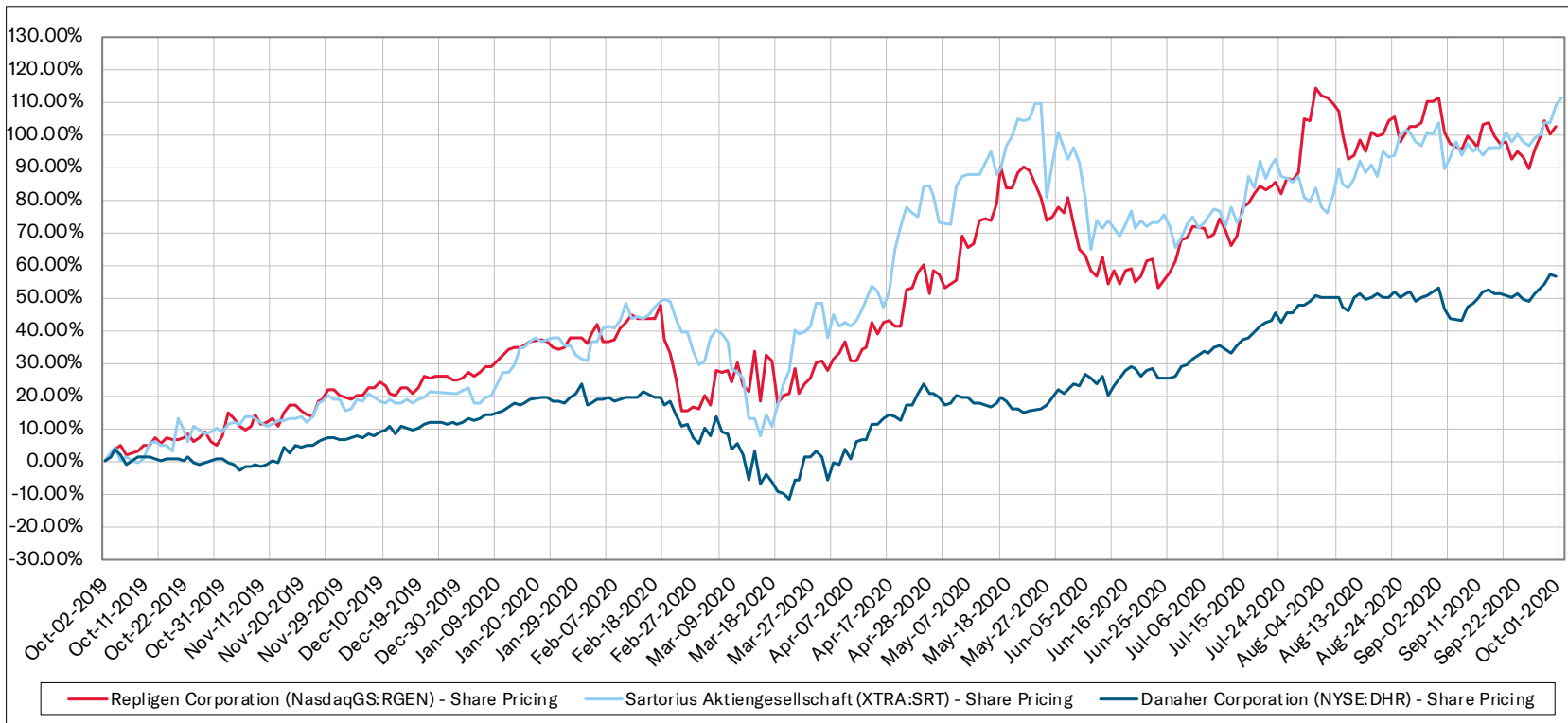


“When DHR announced the acquisition of GE Life Science, they set out initial guidance of 6-7% core growth. As we dig deeper into the bioproduction market, we continue to view this guidance as extremely conservative based on: (1) GE Life Sciences has posted 20% and 12% revenue growth in 1Q19 and 2Q19, respectively, (2) peers (TMO, RGEN) are reporting double-digit bioprocess growth, (3) CPhI (research group) estimates the demand for biologics manufacturing to increase 14% per annum from 2017-2022, and (4) biologics are 20% of the \$1.2 trillion in global therapeutic sales but represent 40% of R&D pipelines.”

Janney Equity Research, September 27, 2019

Bioprocessing Shares Have Held Up Well During COVID

TWELVE MONTHS SHARE PRICE PERFORMANCE- LEADING BIOPROCESSING SHARES

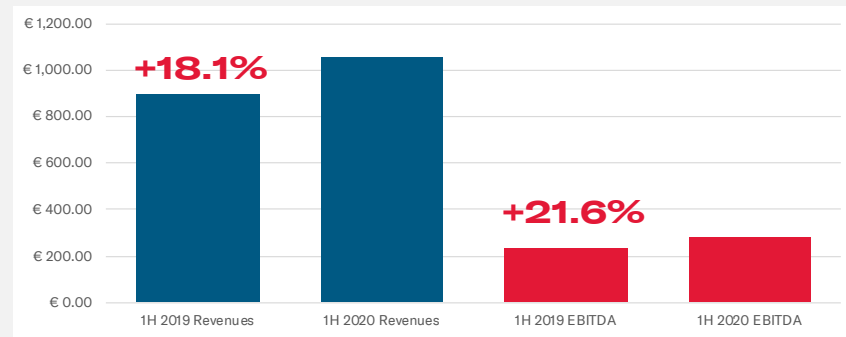


SRT +111%
RGEN +103%
DHR +57%

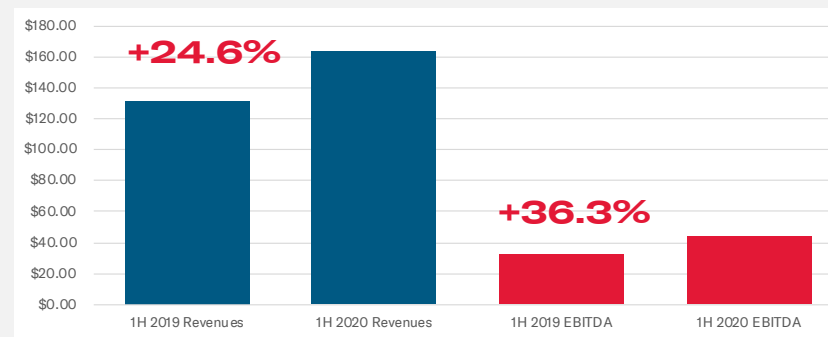
- Reflecting robust market appetite for the bioprocessing and cell culturing theme, Berkeley Lights (Nasdaq: BLI) closed its IPO at \$22.00 per share in July; now trading at over \$78 per share with associated market value of ~\$5 bn
 - BLI has generated LTM Revenues of \$57 million

Reflecting Continued Strong Financial Performance

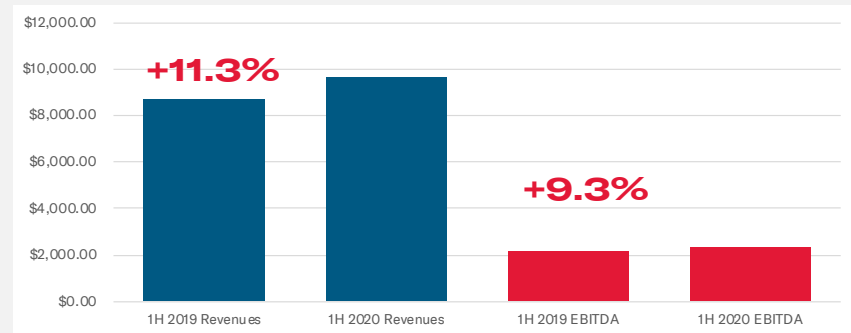
SARTORIUS AG (*Euros in millions*)



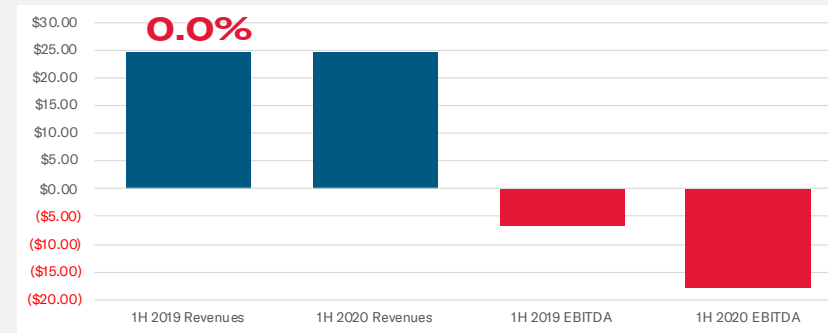
Repligen Corporation (*\$ mm*)



Danaher Corporation (*\$ mm*)



Berkeley Lights, Inc. (*\$ mm*)



Cell Culture and Bioprocessing technology, product and service providers represent avenues to achieve exposure to the mega trend of increasing relevance of biologics in modern healthcare; minimal exposure to macroeconomic risk factors such as unemployment & consumer spending

Markets are forgiving Berkeley Lights stock for muted recent financial performance given its position as an early-stage, well positioned cell culture business

Data Source: CapitalIQ

Investment Case for Scientific Bioprocessing, Inc.



- Scientific Industries shares represent an opportunity to invest in a Venture Capital-phase business opportunity at Scientific Bioprocessing through a long-established publicly-traded vehicle
- The opportunity features:
 - Reasonable valuation vis-à-vis early stage VC investments
 - Seasoned industry veterans in management, on the Board of Directors, and as key shareholders
 - Early stage exposure to explosive growth opportunity in cell culturing and bioprocessing through an industry participant poised to emerge as the leader in sensor technology for the category
 - Overall platform that is well known as a leader in life sciences tools and equipment space dating back to the 1950's and a long-term consistent SEC Filer traded on OTCQB
 - EBITDA-positive mature base business

Data Source: Pitchbook NVCA Data Monitor.

US VC Median Pre-value (\$M) by Stage

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020*
Angel	\$4.3	\$4.6	\$4.1	\$4.1	\$4.8	\$4.0	\$3.5	\$4.0	\$4.0	\$5.0	\$4.8	\$5.0	\$5.0	\$7.0	\$6.9
Seed	\$3.8	\$2.4	\$3.7	\$2.7	\$3.3	\$3.7	\$4.0	\$4.6	\$5.0	\$5.3	\$5.5	\$6.2	\$7.0	\$7.7	\$7.5
Early VC	\$10.0	\$9.8	\$10.0	\$8.3	\$8.4	\$9.6	\$10.0	\$11.8	\$14.3	\$16.0	\$17.5	\$18.4	\$24.0	\$28.0	\$30.0
Late VC	\$37.1	\$37.5	\$35.3	\$30.4	\$31.9	\$38.9	\$40.7	\$40.3	\$49.7	\$54.8	\$48.0	\$51.4	\$70.0	\$75.0	\$120.0
SCND Market Capitalization															\$21.1
SCND Market Capitalization - % Discount to Early VC Median Valuation															29.6%
*As of 6/30/2020															