



# Third Quarter Fiscal 2023 Financial Results

10 August 2023



applieddnasciences

Nasdaq: APDN

# Safe Harbor Statement

The statements made by Applied DNA in this presentation may be "forward-looking" in nature within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Forward-looking statements describe Applied DNA's future plans, projections, strategies, and expectations, and are based on assumptions and involve a number of risks and uncertainties, many of which are beyond the control of Applied DNA. Actual results could differ materially from those projected due to its history of net losses, limited financial resources, unknown future demand for its biotherapeutics products and services, the unknown amount of revenues and profits that will result from the Linea™ IVT platform, limited market acceptance for its supply chain security products and services, the declining demand for Applied DNA's COVID-19 testing services, the fact that there has never been a commercial drug product utilizing PCR-produced DNA technology and/or the Linea IVT platform approved for therapeutic use, and various other factors detailed from time to time in Applied DNA's SEC reports and filings, including its Annual Report on Form 10-K filed on December 14, 2022, as amended, its 10-Q filed on February 9, 2023, May 11, 2023, and August 10, 2023, and other reports it files with the SEC, which are available at [www.sec.gov](http://www.sec.gov). Applied DNA undertakes no obligation to update publicly any forward-looking statements to reflect new information, events, or circumstances after the date hereof or to reflect the occurrence of unanticipated events, unless otherwise required by law.



	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues</b>				
Product revenues	\$ 316,950	\$ 219,765	\$ 1,130,800	\$ 1,454,427
Service revenues	425,694	182,796	826,813	570,759
Clinical laboratory service revenues	2,174,697	3,893,810	10,630,094	12,584,174
<b>Total revenues</b>	<b>2,917,341</b>	<b>4,296,371</b>	<b>12,587,707</b>	<b>14,609,360</b>
<b>Cost of product revenues</b>	<b>368,902</b>	<b>307,049</b>	<b>1,103,843</b>	<b>1,211,959</b>
Cost of clinical laboratory service revenues	1,279,121	2,950,064	6,029,428	8,760,520
<b>Total cost of revenues</b>	<b>1,648,023</b>	<b>3,257,113</b>	<b>7,133,271</b>	<b>9,972,479</b>
<b>Gross profit</b>	<b>1,269,318</b>	<b>1,039,258</b>	<b>5,454,436</b>	<b>4,636,881</b>
<b>Operating expenses:</b>				
Selling, general and administrative	3,292,304	3,032,877	9,440,734	11,341,176
Research and development	836,123	863,025	2,796,171	3,013,162
<b>Total operating expenses</b>	<b>4,128,427</b>	<b>3,895,902</b>	<b>12,236,905</b>	<b>14,354,338</b>
<b>LOSS FROM OPERATIONS</b>	<b>(2,859,109)</b>	<b>(2,856,644)</b>	<b>(6,782,469)</b>	<b>(9,717,457)</b>
Interest income	26,783	—	34,108	5,813
Transaction costs allocated to warrant liabilities	—	—	—	(391,335)
Unrealized (loss) gain on change in fair value of warrants classified as a liability	(278,400)	1,758,200	334,700	2,540,700
Other (expense) income, net	(3,469)	(26,352)	6,396	(43,226)
<b>Loss before provision for income taxes</b>	<b>(3,114,195)</b>	<b>(1,124,796)</b>	<b>(6,407,265)</b>	<b>(7,605,505)</b>
Provision for income taxes	—	—	—	—
<b>NET LOSS</b>	<b>\$ (3,114,195)</b>	<b>\$ (1,124,796)</b>	<b>\$ (6,407,265)</b>	<b>\$ (7,605,505)</b>
Less: Net loss attributable to noncontrolling interest	14,429	576	52,470	833
NET LOSS attributable to Applied DNA Sciences, Inc.	\$ (3,099,766)	\$ (1,124,220)	\$ (6,354,795)	\$ (7,604,672)
Deemed dividend related to warrant modification	—	—	—	110,105
NET LOSS attributable to common stockholders	\$ (3,099,766)	\$ (1,124,220)	\$ (6,354,795)	\$ (7,714,777)
Net loss per share attributable to common stockholders-basic and diluted	\$ (0.24)	\$ (0.13)	\$ (0.49)	\$ (0.94)
Weighted average shares outstanding- basic and diluted	12,908,520	8,982,520	12,908,520	8,184,807

## Comparative Quarterly Statement of Operations (unaudited)



# Quarterly Consolidated EBITDA (unaudited)

	Three Month Period Ended June 30,	
	2023	2022
Net Loss	\$ (3,114,195)	\$ (1,124,796)
Interest income	(26,783)	-
Depreciation and amortization	349,146	321,185
Change in provision for bad debt	34,169	-
Unrealized loss (gain) on change in fair value of Common Warrants	278,400	(1,758,200)
Stock based compensation expense	340,042	272,914
Total non-cash items	974,974	(1,164,101)
Consolidated Adjusted EBITDA (loss)	\$ (2,139,221)	\$ (2,288,897)





	<u>June 30,</u>	<u>September 30,</u>
	<u>2023</u>	<u>2022</u>
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 10,756,235	\$ 15,215,285
Accounts receivable, net of allowance of \$75,000 and \$330,853 at June 30, 2023 and September 30, 2022, respectively	682,701	3,067,544
Inventories	276,422	602,244
Prepaid expenses and other current assets	524,904	1,058,056
Total current assets	<u>12,240,262</u>	<u>19,943,129</u>
Property and equipment, net	1,168,038	2,222,988
Other assets:		
Restricted cash	750,000	—
Capitalized transaction costs	275,726	—
Operating right of use asset	1,355,508	—
Deposits	—	98,997
Total assets	<u>\$ 15,789,534</u>	<u>\$ 22,265,114</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,127,908	\$ 3,621,751
Operating lease liability, current	487,425	—
Deferred revenue	275,885	563,557
Total current liabilities	<u>2,891,218</u>	<u>4,185,308</u>
Long term accrued liabilities	31,467	31,467
Operating lease liability, long term	868,081	—
Warrants classified as a liability	4,804,700	5,139,400
Total liabilities	<u>8,595,466</u>	<u>9,356,175</u>
Commitments and contingencies		
Applied DNA Sciences, Inc. stockholders' equity:		
Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized; -0- shares issued and outstanding as of June 30 2023 and September 30, 2022, respectively	—	—
Series A Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized; -0- issued and outstanding as of June 30, 2023 and September 30, 2022, respectively	—	—
Series B Preferred stock, par value \$0.001 per share; 10,000,000 shares authorized; -0- issued and outstanding as of June 30, 2023 and September 30, 2022, respectively	—	—
Common stock, par value \$0.001 per share; 200,000,000 shares authorized as of June 30, 2023 and September 30, 2022, 12,908,520 shares issued and outstanding as of June 30, 2023 and September 30, 2022	12,909	12,909
Additional paid in capital	306,091,402	305,399,008
Accumulated deficit	(298,854,883)	(292,500,088)
Applied DNA Sciences, Inc. stockholders' equity	7,249,428	12,911,829
Noncontrolling interest	(55,360)	(2,890)
Total equity	<u>7,194,068</u>	<u>12,908,939</u>
Total liabilities and equity	<u>\$ 15,789,534</u>	<u>\$ 22,265,114</u>

## Quarterly Consolidated Balance Sheet





**Linea<sup>TM</sup> IVT**  
Better RNA...Faster

**LineaRx<sup>TM</sup>**

# mRNA Manufacturing Pain Points

Bacterially derived plasmid DNA is currently the starting material for mRNA

Long lead times increase mRNA production timeline

Struggles with complex DNA sequences such as Poly(a) tails

Requires expensive enzymatic linearization and additional filtration steps

Increased regulatory scrutiny



Plasmid DNA



Double Stranded RNA

Problematic inflammatory byproduct of conventional IVT

dsRNA removal is essential for safe and effective mRNA products

Currently removed via expensive and complex purification methods

Can cause quality control issues

Increased regulatory scrutiny



# Next Generation mRNA Production

## linearDNA™ IVT Templates

- Cell free enzymatic production platform
- Rapid production timelines
- Eliminates the need for Plasmid linearization and purification
- Primer induced modifications enable simple 3' and 5' IVT template customization
- Stable homopolymer amplification

## Linea™ RNA Polymerase (RNAP)

- Reduces or eliminates dsRNA contamination
- mRNA yields that meet or exceed conventional IVT
- Proprietary and patent pending RNAP
- Includes DNA binding domain and high-fidelity T7
- High binding affinity for chemically modified linearDNA IVT templates

The logo for LineaIVT, featuring the word "Linea" in a black sans-serif font and "IVT" in a blue sans-serif font. To the left of the text is a stylized graphic of a DNA double helix with blue dots representing base pairs.

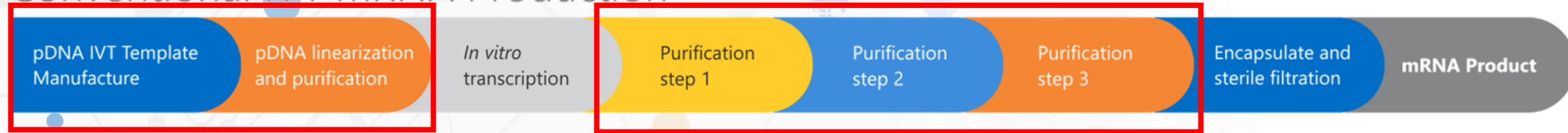
Significantly simplified mRNA production  
**Reduced or eliminated dsRNA contamination**  
Delivery of commercial scale IVT templates  
in as little as 14 days  
**Integrable into current mRNA workflows**  
better RNA...faster





# Simplified mRNA Production

## Conventional IVT mRNA Production



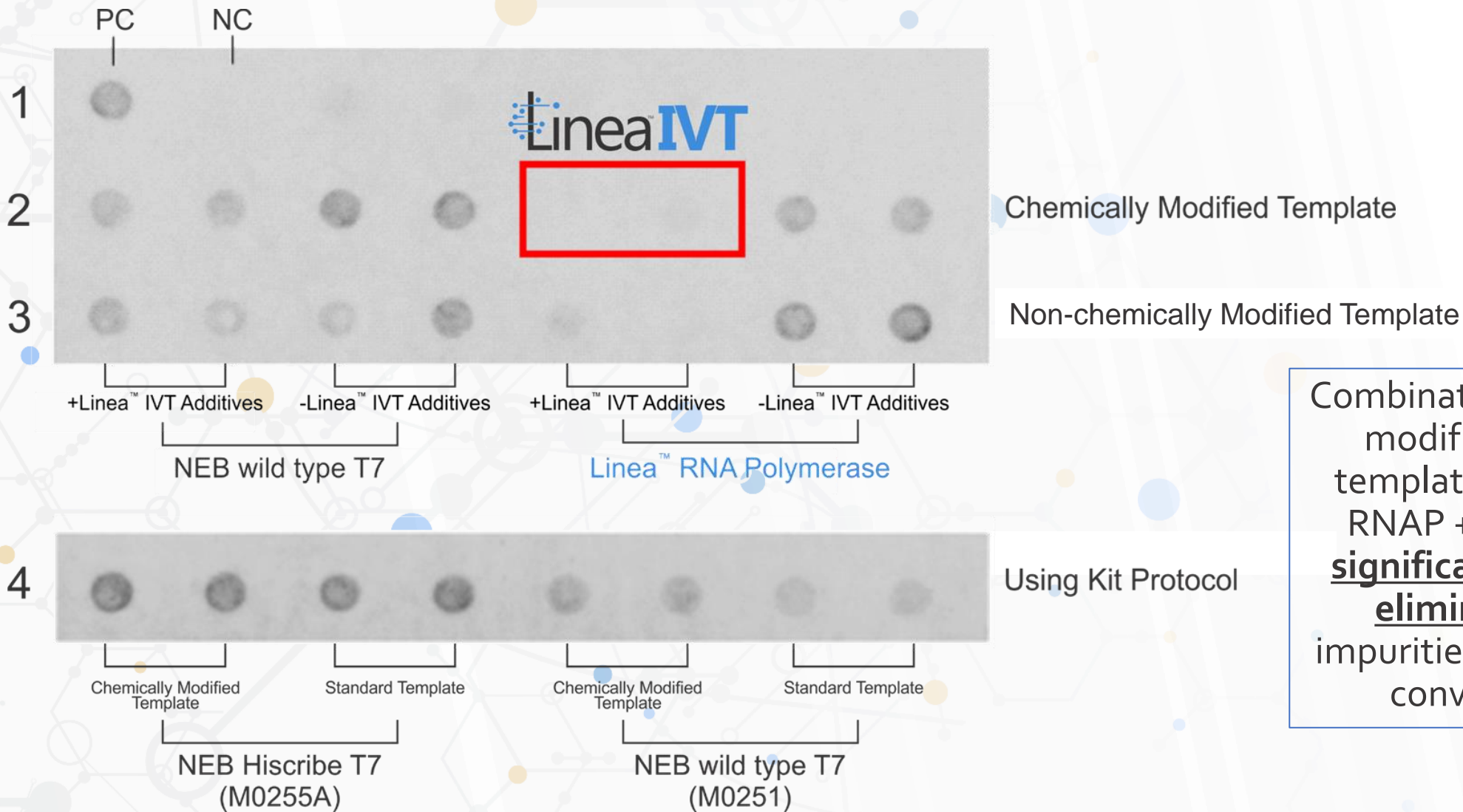
## Linea™ IVT mRNA Production



Process step reduced or eliminated by Linea IVT



# Elimination or Significant Reduction of dsRNA Impurities

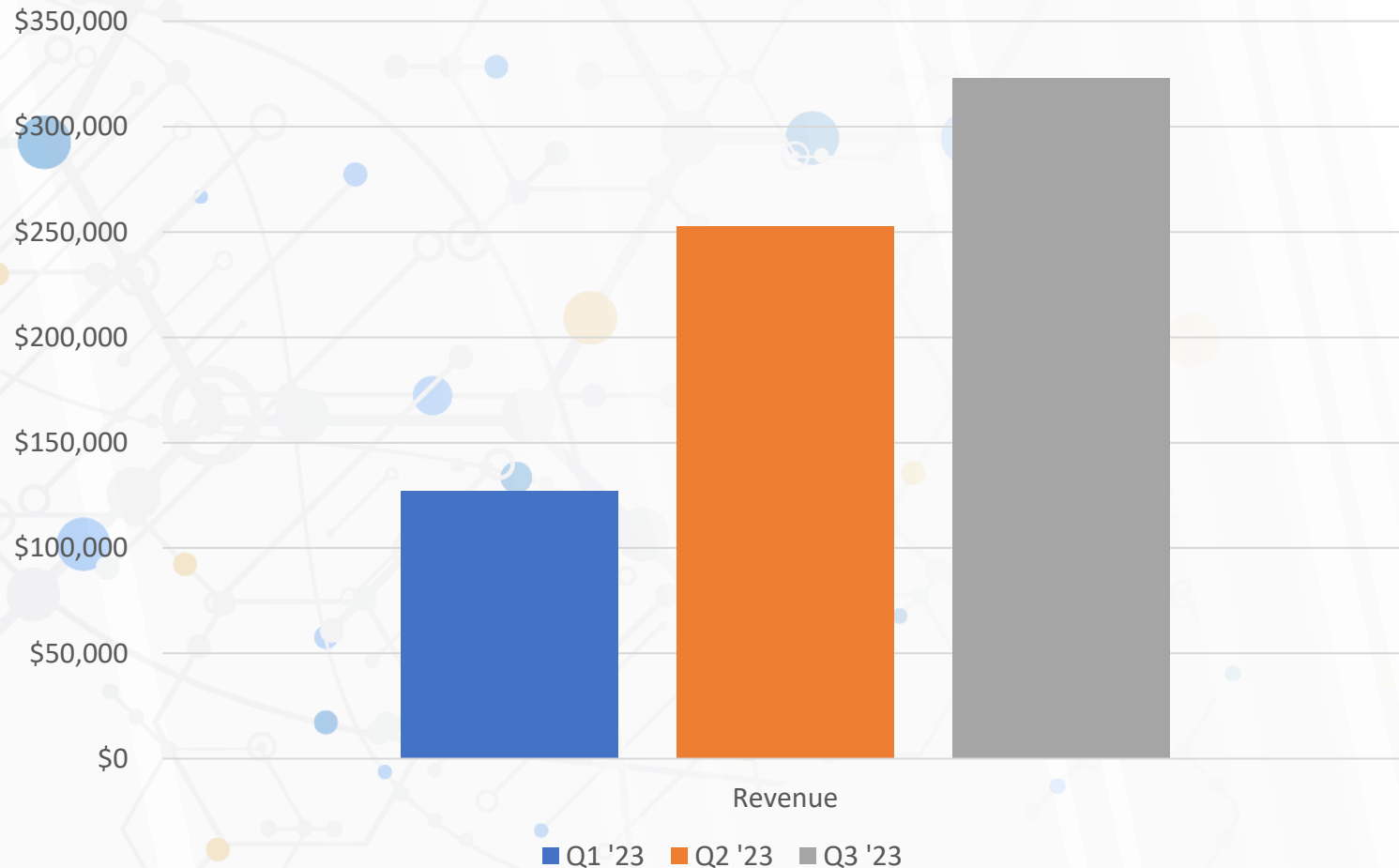


Combination of chemically modified linearDNA templates + proprietary RNAP + buffer system **significantly reduces or eliminates dsRNA** impurities as compared to conventional IVT



# Revenue Growth Opportunities linearDNA in Diagnostics

Single Diagnostic Customer - Revenue Trend FY'23



# Revenue Opportunities - Textiles &

Figures

Targeting Source Verification Customers Globally

Active DNA Tagging Opportunities



**50+ CertainT** 

Source Verification customers added since service start.







Thank you!  
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