UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

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

For the transition period from _____ to _____.

Commission File Number: **1-10986**

MISONIX, INC.
(Exact name of registrant as specified in its charter)

Delaware	84-1856018
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*
1938 New Highway Farmingdale, New York	11735
(Address of principal executive offices)	*(Zip code)*

(631) 694-9555
(Registrant's telephone number, including area code)

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 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 ☐
Non-accelerated filer ☒

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. ☐

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.0001 par value	MSON	Nasdaq Global Market

Indicate the number of shares outstanding of the issuer's common stock as of the latest practicable date: As of May 3, 2021, there were 17,406,845 shares of the registrant's common stock, $.0001 par value, outstanding.

PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

Misonix, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	March 31, 2021 (Unaudited)	June 30, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 30,913,686	$ 37,978,809
Accounts receivable, less allowance for doubtful accounts of $2,265,401 and $2,573,968, respectively	12,034,563	11,064,768
Inventories, net	14,413,671	14,010,684
Prepaid expenses and other current assets	785,859	1,668,244
Total current assets	58,147,779	64,722,505
Property, plant and equipment, net of accumulated amortization and depreciation of $14,720,985 and $12,715,917, respectively	8,860,056	7,304,258
Patents, net of accumulated amortization of $1,462,069 and $1,341,976, respectively	763,900	784,318
Goodwill	108,234,664	108,310,350
Intangible assets	20,112,955	21,281,136
Lease right-of-use assets	1,108,454	1,098,830
Other assets	307,909	322,310
Total assets	$ 197,535,717	$ 203,823,707
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 5,850,797	$ 4,273,568
Accrued expenses and other current liabilities	7,862,497	7,515,751
Current portion of lease liabilities	508,924	414,058
Current portion of notes payable	4,621,766	5,099,744
Total current liabilities	18,843,984	17,303,121
Non-current liabilities:		
Notes payable	38,773,482	38,595,505
Lease liabilities	645,804	723,553
Deferred tax liabilities	33,293	33,293
Other non-current liabilities	227,599	516,665
Total liabilities	58,524,162	57,172,137
Commitments and contingencies		
Shareholders' equity		
Common stock, $.0001 par value; shares authorized 40,000,000; 17,405,845 and 17,369,435 shares issued and outstanding in each period	1,741	1,737
Additional paid-in capital	188,321,138	185,961,104
Accumulated deficit	(49,311,324)	(39,311,271)
Total shareholders' equity	139,011,555	146,651,570
Total liabilities and shareholders' equity	$ 197,535,717	$ 203,823,707

See Accompanying Notes to Condensed Consolidated Financial Statements

Misonix, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	For the three months ended March 31,		For the nine months ended March 31,	
	2021	2020	2021	2020
Revenue	$ 18,347,180	$ 17,902,512	$ 54,338,932	$ 48,770,419
Cost of revenue	5,402,754	5,311,565	15,778,053	14,493,321
Gross profit	12,944,426	12,590,947	38,560,879	34,277,098
Operating expenses:				
Selling expenses	10,891,292	11,609,943	30,284,046	28,611,090
General and administrative expenses	3,631,175	4,463,467	12,002,453	13,820,989
Research and development expenses	1,317,036	1,842,837	3,535,587	3,701,697
Total operating expenses	15,839,503	17,916,247	45,822,086	46,133,776
Loss from operations	(2,895,077)	(5,325,300)	(7,261,207)	(11,856,678)
Other income (expense):				
Interest income	4,519	37,785	8,531	61,954
Interest expense	(866,464)	(755,528)	(2,749,292)	(1,624,659)
Other	218	(434)	1,915	(1,578)
Total other expense	(861,727)	(718,177)	(2,738,846)	(1,564,283)
Loss from operations before income taxes	(3,756,804)	(6,043,477)	(10,000,053)	(13,420,961)
Income tax benefit	-	455,000	-	4,540,000
Net loss	$ (3,756,804)	$ (5,588,477)	$ (10,000,053)	$ (8,880,961)
Net loss per share:				
Basic	$ (0.22)	$ (0.34)	$ (0.58)	$ (0.64)
Diluted	$ (0.22)	$ (0.34)	$ (0.58)	$ (0.64)
Weighted average shares - Basic	17,226,181	16,619,981	17,219,221	13,841,032
Weighted average shares - Diluted	17,226,181	16,619,981	17,219,221	13,841,032

See Accompanying Notes to Condensed Consolidated Financial Statements

Misonix, Inc. and Subsidiaries
Condensed Consolidated Statements of Shareholders' Equity
(Unaudited)

	Common Stock		Additional paid-in capital	Accumulated deficit	Total shareholders' equity
	Number of shares	Amount			
Balance, December 31, 2019	15,491,560	$ 1,549	$ 152,802,535	$ (25,185,379)	$ 127,618,705
Net loss	-	-	-	(5,588,479)	(5,588,479)
Proceeds from exercise of stock options	1,375	-	10,332	-	10,332
Stock registration fees	-	-	(2,497,644)	-	(2,497,644)
Equity Offering	1,868,750	187	34,571,875	-	34,572,062
Stock-based compensation	-	-	482,203	-	482,203
Balance, March 31, 2020	17,361,685	$ 1,736	$ 185,369,301	$ (30,773,858)	$ 154,597,179
Balance, June 30, 2019	9,646,728	$ 96,468	$ 43,500,478	$ (21,892,897)	$ 21,704,049
Net loss	-	-	-	(8,880,961)	(8,880,961)
Proceeds from exercise of stock options	143,125	14	1,185,402	-	1,185,416
Equity restructuring	-	(151,964)	151,964	-	-
Issuance of shares for acquisition of Solsys	5,703,082	57,031	108,586,679	-	108,643,710
Stock registration fees	-	-	(3,859,036)	-	(3,859,036)
Equity Offering	1,868,750	187	34,571,875	-	34,572,062
Stock-based compensation	-	-	1,231,939	-	1,231,939
Balance, March 31, 2020	17,361,685	$ 1,736	$ 185,369,301	$ (30,773,858)	$ 154,597,179
Balance, December 31, 2020	17,377,748	$ 1,738	$ 187,504,189	$ (45,554,520)	$ 141,951,407
Net loss	-	-	-	(3,756,804)	(3,756,804)
Proceeds from exercise of stock options	24,983	3	223,735	-	223,738
Stock-based compensation	-	-	607,693	-	607,693
Issuance of common stock	10,000	-	137,300	-	137,300
Shares released from escrow	(6,886)	-	(150,000)	-	(150,000)
Payments for fractional shares released from escrow	-	-	(1,779)	-	(1,779)
Balance, March 31, 2021	17,405,845	$ 1,741	$ 188,321,138	$ (49,311,324)	$ 139,011,555
Balance, June 30, 2020	17,369,435	$ 1,737	$ 185,961,104	$ (39,311,271)	146,651,570
Net loss	-	-	-	(10,000,053)	(10,000,053)
Proceeds from exercise of stock options	33,296	4	247,676	-	247,680
Stock-based compensation	-	-	2,126,837	-	2,126,837
Issuance of common stock	10,000	-	137,300	-	137,300
Shares released from escrow	(6,886)	-	(150,000)	-	(150,000)
Payments for fractional shares released from escrow	-	-	(1,779)	-	(1,779)
Balance, March 31, 2021	17,405,845	$ 1,741	$ 188,321,138	$ (49,311,324)	$ 139,011,555

See Accompanying Notes to Condensed Consolidated Financial Statements

Misonix, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the nine months ended March 31,	
	2021	2020
Operating activities		
Net loss	$ (10,000,053)	$ (8,880,961)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:		
Depreciation and amortization	3,297,747	2,447,359
Rent expense from operating lease right-of-use asset	450,392	354,810
Bad debt expense	547,212	207,010
Reserve for contract asset	-	960,000
Stock-based compensation	2,126,837	1,231,939
Issuance of common stock	137,300	-
Release of valuation allowance on deferred tax assets	-	(4,540,000)
Changes in operating assets and liabilities:		
Accounts receivable	(1,191,558)	(3,317,969)
Inventories	(3,929,284)	(9,000,757)
Prepaid expenses and other current assets	732,385	(852,408)
Operating leases and other assets	(432,904)	617,028
Accounts payable, accrued expenses and other	1,393,212	(537,552)
Net cash used in operating activities	(6,868,714)	(21,311,501)
Investing activities		
Acquisition of property, plant and equipment	(34,569)	(304,855)
Additional patents	(99,675)	(104,694)
Cash from acquisition of Solsys Medical, LLC	-	5,525,601
Net cash (used in) provided by investing activities	(134,244)	5,116,052
Financing activities		
Proceeds from notes payable	25,900,000	28,750,000
Repayments of notes payable	(26,200,001)	(12,569,940)
Proceeds from exercise of stock options	247,680	1,185,416
Stock registration and investment bank fees	-	(3,859,036)
Proceeds from equity offering	-	34,572,062
Payments of finance lease	(8,065)	-
Payments for fractional shares released from escrow	(1,779)	-
Net cash (used in) provided by financing activities	(62,165)	48,078,502
Net (decrease) increase in cash and cash equivalents	(7,065,123)	31,883,053
Cash and cash equivalents at the beginning of the period	37,978,809	7,842,403
Cash and cash equivalents at the end of the period	$ 30,913,686	$ 39,725,456
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 2,663,206	$ 1,397,191
Income taxes	$ -	$ 550
Transfer of inventory to property, plant and equipment for consignment of product	$ 3,526,297	$ 3,536,488
Stock issued for the acquisition of Solsys Medical, LLC	$ -	$ 108,643,710
Shares released from escrow	$ 150,000	$ -

See Accompanying Notes to Condensed Consolidated Financial Statements

1. Basis of Presentation, Organization and Business and Summary of Significant Accounting Policies

Basis of Presentation

These Condensed Consolidated Financial Statements of Misonix, Inc. ("Misonix" or the "Company") include the accounts of Misonix and its subsidiaries, each of which is 100% owned. All significant intercompany balances and transactions have been eliminated.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, these Condensed Consolidated Financial Statements do not include all the information and footnotes required by U.S. GAAP for complete financial statements. As such, they should be read with reference to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2020 (the "2020 Form 10-K"), which provides a more complete explanation of the Company's accounting policies, financial position, operating results, business properties and other matters. In the opinion of management, these Condensed Consolidated Financial Statements reflect all adjustments, which are of a normal recurring nature, considered necessary for a fair statement of interim results.

Organization and Business

Misonix designs, manufactures, markets, sells and distributes minimally invasive surgical ultrasonic medical devices and markets, sells and distributes skin allografts and wound care products used to support healing of wounds, and which complement Misonix's ultrasonic medical devices. Misonix's ultrasonic products are used for precise bone sculpting, removal of soft and hard tumors and tissue debridement, primarily in the areas of neurosurgery, orthopedic surgery, general surgery, plastic surgery, wound care and maxillo-facial surgery.

The Company strives to have its proprietary procedural solutions become the standard of care and enhance patient outcomes throughout the world. The Company intends to accomplish this, in part, by utilizing its best-in-class surgical ultrasonic technology to improve patient outcomes in spinal surgery, neurosurgery and wound care. The Company's neXus generator combines the capabilities of its three legacy ultrasonic products into a single system that can be used to perform soft and hard tissue resections. The Company continues to market and sell these legacy ultrasonic products, which are:

- BoneScalpel Surgical System, or BoneScalpel, which is used for surgical procedures involving the precise cutting and sculpting of bone while sparing soft tissue. BoneScalpel is now recognized by many surgeons globally as a critical surgical tool enabling improved patient outcomes in the spine surgery arena.

- SonaStar Surgical Aspirator, or SonaStar, which is used to emulsify and remove soft and hard tumors, primarily in the neuro and general surgery fields.

- SonicOne Wound Debridement System, or SonicOne, which offers tissue specific debridement and cleansing of wounds and burns for effective removal of devitalized tissue and fibrin deposits while sparing viable cells.

Each of the Company's medical device systems consist of a proprietary console and handpiece that function to convert electrical current into ultrasonic energy, ultimately delivered via a disposable titanium tip, to produce a therapeutic effect.

neXus®

neXus is a next generation integrated ultrasonic surgical platform that combines all the features of the Company's existing solutions, including BoneScalpel, SonicOne and SonaStar, into a single fully integrated platform that will also serve to power future solutions. The neXus platform is driven by a new proprietary digital algorithm that results in more power, efficiency, and control. The device incorporates Smart Technology that allows for easier setup and use.

neXus' increased power improves tissue resection rates for both soft and hard tissue removal making it a unique surgical platform for a variety of different surgical specialties. In addition, neXus' ease of use enables physicians to fully leverage neXus' impressive set of capabilities via its digital touchscreen display and smart system setup. The Company's current ultrasonic applications; BoneScalpel, SonaStar and SonicOne all work on the neXus generator. This allows a hospital to access all of the Company's product offerings on this all in one console. neXus received FDA 510(k) clearance in June 2019 and received its CE mark clearance in July 2019 for sale in Europe. neXus is principally sold in the United States.

BoneScalpel®

The BoneScalpel is a state of the art, ultrasonic bone cutting and sculpting system capable of enabling precise cuts with minimal necrosis, minimal burn artifact, minimal inflammation and minimal bone loss. The device is also capable of preserving surrounding soft tissue structures because of its ability to differentiate soft tissue from rigid bone. This device can make precise linear or curved cuts, on any plane, with precision not normally associated with powered instrumentation. The Company believes BoneScalpel offers the speed and convenience of a powered instrument without the dangers associated with conventional rotary devices. The effect on surrounding soft tissue is minimal due to the elastic and flexible structure of healthy tissue. This is a significant advantage in anatomical regions like the spine where patient safety is of primary concern. In addition, the linear motion of the blunt, tissue-impacting tips avoids accidental 'trapping' of soft tissue while largely eliminating the high-speed spinning and tearing associated with rotary power instruments. The BoneScalpel allows surgeons to improve on existing surgical techniques by creating new approaches to bone cutting and sculpting and removal, leading to substantial time-savings and increased operation efficiencies.

SonaStar®

The SonaStar System provides powerful and precise aspiration following the ultrasonic ablation of soft tissue. The SonaStar has been used for a wide variety of surgical procedures applying both open and minimally invasive approaches, including neurosurgery and general surgery. The SonaStar may also be used with OsteoSculpt® probe tips, which enable the precise shaping or shaving of bony structures that prevent open access to partially or completely hidden soft tissue masses.

SonicOne®

The SonicOne Ultrasonic Cleansing and Debridement System is a highly innovative, tissue specific approach for the effective removal of devitalized or necrotic tissue and fibrin deposits while sparing viable, surrounding cellular structures. The tissue specific capability is, in part, due to the fact that healthy and viable tissue structures have a higher elasticity and flexibility than necrotic tissue and are more resistant to destruction from the impact effects of ultrasound. The ultrasonic debridement process separates devitalized tissue from viable tissue layers, allowing for a more defined treatment and, usually, a reduced pain sensation. The Company believes SonicOne establishes a new standard in wound bed preparation, the essential first step in the healing process, while contributing to a faster patient healing.

TheraSkin®

TheraSkin is a biologically active human skin allograft that has all of the relevant characteristics of human skin needed to heal wounds, including living cells, growth factors, and a collagen matrix. TheraSkin is derived from human skin tissue from consenting and highly screened donors and is regulated by the FDA as a Human Cells, Tissues, and Cellular and Tissue-Based Product. LifeNet processes and supplies TheraSkin to the Company under a supply and distribution agreement that gives the Company exclusive rights to sell TheraSkin in the United States. TheraSkin is indicated for use on all external skin tissue wounds, including but not limited to difficult to heal diabetic foot ulcers, venous leg ulcers, dehisced surgical wounds, necrotizing fasciitis, burns, Mohs and wounds with exposed structures.

Therion®

Therion is indicated for use as a cover and barrier for homologous use for wound care and surgical procedures. Therion is a dehydrated and terminally sterilized chorioamniotic allograft derived from human placental membrane and is regulated by the FDA as a Human Cells, Tissues, and Cellular and Tissue-Based Product. CryoLife processes and supplies Therion to the Company under a supply and distribution agreement that gives the Company exclusive rights to distribute the product in the United States. CryoLife processes Therion using a proprietary process that removes the maternal-derived decidua cells from the placental membrane, leaving the amnion and chorion layers in their native configuration.

TheraGenesis®

TheraGenesis is a Bilayer Wound Matrix and Meshed Bilayer Wound Matrix consisting of a porcine collagen sponge layer and a silicone film layer that provides a scaffold for cellular invasion and capillary growth for management of wounds including partial and full-thickness wounds, chronic wounds, surgical wounds, trauma wounds and draining wounds. The Company obtains TheraGenesis under an exclusive supply and distribution agreement with Gunze Limited that gives the Company exclusive rights to distribute the product in the United States.

Sales and Distribution; Reportable Segments

In the United States, the Company sells its products through its direct sales force, in addition to a network of commissioned agents assisted by Misonix personnel. Outside of the United States, the Company sells BoneScalpel and SonaStar through distributors who then resell the products to hospitals. The Company sells to all major markets in the Americas, Europe, Middle East, Asia Pacific, and Africa.

The Company manufactures and sells its products in two global reportable business segments: the Surgical segment and the Wound segment. The Company's sales force also operates as two segments, Surgical and Wound Care.

Risks and Uncertainties

The Company's business is subject to material risks and uncertainties as a result of the coronavirus ("COVID-19") pandemic. The extent of the impact of the COVID-19 pandemic on the Company's business is highly uncertain and difficult to predict, as the response to the pandemic continues to rapidly evolve. As a result of COVID-19, the Company's customers diverted resources to treat COVID-19 patients and deferred elective surgical procedures, both of which have and are likely to continue to impact demand for the Company's products. While we expect to see gradual improvement during the remainder of fiscal 2021 as elective surgical procedure volumes return to pre-COVID-19 levels in some jurisdictions, we could experience further variable impacts on our business if a resurgence of the virus emerges and/or elective procedures continue to be deferred. The Company is also monitoring news reports that indicate that several jurisdictions are experiencing new increases in the rate of infection by COVID-19 which could result in further mitigation efforts. Furthermore, capital markets and economies worldwide have also been negatively impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic disruption could have a material adverse effect on the Company's business as hospitals and surgery centers curtail and reduce capital and overall spending. Policymakers around the globe have responded with fiscal policy actions to support the healthcare industry and economy as a whole. The magnitude and overall effectiveness of these actions and the Company's ability to benefit from them remains uncertain.

The severity of the impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Company's customers, all of which are uncertain and cannot be predicted. The Company's future results of operations and liquidity could be materially and adversely impacted by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions and uncertain demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operations challenges faced by its customers. As of the date of issuance of these Condensed Consolidated Financial Statements, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity, or results of operations is uncertain.

Acquisition of Solsys Medical, LLC

On September 27, 2019, the Company completed the acquisition (the "Solsys Acquisition") of Solsys Medical, LLC ("Solsys"), a privately held regenerative medical company, in an all-stock transaction valued at approximately $109 million. Solsys is the exclusive marketer and distributor of TheraSkin in the United States, through an agreement with LifeNet Health ("LifeNet"). Solsys owns the TheraSkin® brand name, which was commercially launched in January 2010. As a result of the Solsys Acquisition, the Company became the parent public-reporting company of the combined entity; Misonix, Inc., a New York corporation, now known as Misonix Opco, Inc., and Solsys became direct, wholly owned subsidiaries of the Company. After the completion of the Solsys Acquisition, the Company's shareholders immediately prior to the closing owned 64% of the combined entity, and Solsys unitholders immediately prior to the closing owned 36%. The Company issued 5,703,082 shares in connection with this transaction. Transaction fees were approximately $4.5 million, of which $1.4 million were capitalized as additional paid in capital in connection with the registration of these shares. The Solsys assets, liabilities and results of operations are included in the Company's financial statements from the acquisition date.

The Company's common stock was created with a par value per share of $.0001, whereas the par value of Misonix Opco, Inc. was $.01. Accordingly, the Company recorded a reclassification of $151,964 between common stock and additional paid in capital during the three months ended September 30, 2019 to account for this change.

Major Customers and Concentration of Credit Risk

For the three and nine months ended March 31, 2021 and 2020, the Company did not have any customers exceeding 10% of total revenue.

At March 31, 2021 and June 30, 2020, the Company's accounts receivable with customers outside the United States were approximately $2.1 million and $2.0 million, respectively, and $0.3 million and $0.8 million were over 90 days past due at March 31, 2021 and June 30, 2020.

If one or more of the Company's major customers continues to be adversely affected by COVID-19 or otherwise as a result of the current market environment, that may result in a material decline in the Company's business received from them. Additionally, the Company may face an increased risk of its customers' inability to make payments or remain solvent.

Earnings Per Share

Earnings per share ("EPS") is calculated using the two-class method, which allocates earnings among common stock and participating securities to calculate EPS when an entity's capital structure includes either two or more classes of common stock or common stock and participating securities. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities. As such, unvested restricted stock awards of the Company are considered participating securities. The dilutive effect of options and their equivalents (including non-vested stock issued under stock-based compensation plans), is computed using the "treasury" method.

Basic income per common share is based on the weighted average number of common shares outstanding during the period. Diluted income per common share includes the dilutive effect of potential common shares outstanding. The following table sets forth the reconciliation of the Company's basic and diluted earnings per share calculation:

	For the three months March 31,		For the nine months March 31,	
	2021	2020	2021	2020
Basic weighted average shares outstanding	17,226,181	16,619,981	17,219,221	13,841,032
Dilutive effect of restricted stock awards (participating securities)	-	-	-	-
Denominator for basic earnings per share	17,226,181	16,619,981	17,219,221	13,841,032
Dilutive effect of stock options	-	-	-	-
Diluted weighted average shares outstanding	17,226,181	16,619,981	17,219,221	13,841,032

Diluted EPS for the three and nine months ended March 31, 2021 as presented is the same as basic EPS as the inclusion of the effect of common share equivalents then outstanding would be anti-dilutive. Accordingly, excluded from the calculation of basic and diluted EPS are the dilutive effect of options to purchase 407,413 and 398,920 shares of common stock for the three months ended March 31, 2021 and 2020, respectively, and the dilutive effect of options to purchase 268,495 and 562,388 shares of common stock for the nine months ended March 31, 2021 and 2020, respectively. Also excluded from the calculation of earnings per share for the three and nine months ended March 31, 2021 and 2020 are the unvested restricted stock awards that were issued in December 2016.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instrument ("ASU 2016-13"). ASU 2016-13 replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. ASU 2016-13 is effective for SEC small business filers for fiscal years beginning after December 15, 2022. Management is currently assessing the impact that ASU 2016-13 will have on the Company.

There are no other recently issued accounting pronouncements that are expected to have a material effect on the Company's financial position, results of operations or cash flows.

Critical Accounting Policies and Use of Estimates

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but not limited to, establishing the allowance for doubtful accounts, valuation of inventory, depreciation, valuation of assets acquired and liabilities assumed in business combinations, asset impairment evaluations, establishing deferred tax assets and related valuation allowances, and stock-based compensation accounting. Actual results could differ from those estimates.

2. Revenue Recognition

The Company has made the following accounting policy elections and elected to use certain practical expedients, as permitted by the FASB, in applying Accounting Standards Codification ("ASC") Topic 606 "Revenue from Contracts with Customers, as amended" ("ASC Topic 606"): 1) the Company accounts for amounts collected from customers for sales and other taxes net of related amounts remitted to tax authorities; 2) 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; 3) 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, general and administrative expenses; 4) 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; 5) the Company utilizes the right-to-invoice practical expedient with regard to the recognition of revenue upon the purchase of consumable goods in connection with a product placement/consignment arrangement.

Recognition of Revenue

The Company generates revenue from the sale and leasing of medical equipment, from the sale of consumable products used with medical equipment in surgical procedures, from the sale of TheraSkin, Therion and TheraGenesis, and from product supply and licensing arrangements. In the United States, the Company's products are marketed primarily through a hybrid sales approach that includes direct sales representatives, managed by regional sales managers, along with independent distributors. Outside the United States, the Company sells BoneScalpel, SonaStar, and SonicOne to specialty distributors who purchase products to resell to their clinical customer bases. The Company sells to all major markets in the Americas, Europe, Middle East, Asia Pacific, and Africa. Revenue is disaggregated from contracts between products under ship and bill arrangements and licensing agreements, and by geography, which the Company believes best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors.

The Company satisfies performance obligations either over time, or at a point in time, upon which control transfers to the customer.

Revenue derived from the shipping and billing of product is recorded upon shipment, when transfer of control occurs for products shipped freight on board ("F.O.B.") shipping. Products shipped F.O.B. destination are recorded as revenue when received at the point of destination when the transfer of control is completed. Shipments under agreements with distributors are not subject to return, and payment for these shipments is not contingent on sales by the distributor. Accordingly, the Company recognizes revenue on shipments to distributors in the same manner as with other customers under the ship and bill process.

Revenue derived from the rental of equipment is recorded on a monthly basis over the term of the lease. Shipments of consumable products to these rental customers is recorded as orders are received and shipments are made F.O.B. destination or F.O.B. shipping.

Revenue derived from consignment agreements is earned as consumables product orders are fulfilled. Therefore, revenue is recognized as control passes to the customer, which is typically when shipments are made F.O.B shipping or F.O.B destination.

Revenue derived from service and maintenance contracts is recognized evenly over the life of the service agreement as the services are performed.

The following table disaggregates the Company's product revenue by sales channel and geographic location:

	For the three months ended March 31,		For the nine months ended March 31,	
	2021	2020	2021	2020
Total				
Surgical	$ 10,351,130	$ 9,102,711	$ 29,569,718	$ 28,702,566
Wound	7,996,050	8,799,801	24,769,214	20,067,853
Total	$ 18,347,180	$ 17,902,512	$ 54,338,932	$ 48,770,419
Domestic:				
Surgical	$ 6,940,825	$ 6,052,548	$ 19,927,462	$ 16,819,950
Wound	7,872,060	8,725,868	24,454,340	19,762,087
Total	$ 14,812,885	$ 14,778,416	$ 44,381,802	$ 36,582,037
International:				
Surgical	$ 3,410,305	$ 3,050,163	$ 9,642,256	$ 11,882,616
Wound	123,990	73,933	314,874	305,766
Total	$ 3,534,295	$ 3,124,096	$ 9,957,130	$ 12,188,382

The Company's international sales include a concentration in China, aggregating $0.4 million and $1.4 million for the three and nine months ended March 31, 2021, respectively, and $0 million and $3.1 million for the three and nine months ended March 31, 2020, respectively.

Beginning with the quarter ended March 31, 2020, Misonix adopted certain changes in its quarterly financial results related to the presentation of its sales performance supplemental data to more accurately reflect the Company's two separate sales channels - its Surgical and Wound product divisions. The Surgical division includes the Company's neXus, BoneScalpel and SonaStar product lines, and the Wound division includes the Company's SonicOne, TheraSkin, Therion, and TheraGenesis product lines. As a result, the Company presents total, domestic and international sales performance supplemental data for its Surgical and Wound divisions. In addition, in the third quarter of 2020, the Company began operating in two business segments, and disclosing the Surgical and Wound businesses as its two segments.

3. Fair Value of Financial Instruments

The Company follows a three-level fair value hierarchy that prioritizes the inputs to measure the fair value of the Company's financial instruments. This hierarchy requires entities to maximize the use of "observable inputs" and minimize the use of "unobservable inputs." The three levels of inputs that the Company uses to measure fair value are as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect assumptions that market participants would use in pricing an asset or liability.

At March 31, 2021 and June 30, 2020, all of the Company's cash and cash equivalents, trade accounts receivable and trade accounts payable were short term in nature, and their carrying amounts approximate fair value. The Company's current and long-term debt arrangements are classified as level 2 financial instruments.

4. Inventories

Inventories are summarized as follows:

	March 31, 2021	June 30, 2020
Raw material	$ 7,660,367	$ 7,000,453
Work-in-process	657,878	467,037
Finished goods	6,671,421	6,813,034
	14,989,666	14,280,524
Less obsolescence reserve	(575,995)	(269,840)
Inventory, net	$ 14,413,671	$ 14,010,684

5. Property, Plant and Equipment

Depreciation and amortization of property, plant and equipment was $2.1 million and $1.6 million for the nine months ended March 31, 2021 and 2020, respectively. Inventory items used for demonstration purposes, subject to a rental agreement or provided on consignment are included in property, plant and equipment and are depreciated using the straight-line method over estimated useful lives of 3 to 5 years. Depreciation of generators that are consigned to customers is expensed over a 5-year period, and depreciation is charged to selling expenses.

6. Goodwill

Under accounting guidelines, goodwill is not amortized, but must be tested for impairment annually, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below the carrying amount. The Company reviews goodwill for impairment annually and whenever events or changes indicate that the carrying value of an asset may not be recoverable. These events or circumstances could include a significant change in the business climate, legal factors, operating performance indicators, competition, or sale or disposition of significant assets or products. Application of these impairment tests requires significant judgments, including estimation of cash flows, which is dependent on internal forecasts, estimation of the long-term rate of growth for the Company's business, the useful lives over which cash flows will occur and determination of the Company's weighted average cost of capital. The Company also compares its market capitalization to the value of its goodwill to review for evidence of impairment. The Company completes its annual goodwill impairment tests as of March 31 of each year. There were no goodwill impairments recorded during the three and nine months ended March 31, 2021 and 2020.

	Surgical	Wound	Total
Balance as of June 30, 2019	$ 1,701,094	$ -	$ 1,701,094
Acquisition of Solsys	-	109,086,682	109,086,682
Purchase price accounting adjustments	-	(2,217,026)	(2,217,026)
Goodwill (gross)	1,701,094	106,869,656	108,570,750
Accumulated impairment losses	-	-	-
Balance as of March 31, 2020	$ 1,701,094	$ 106,869,656	$ 108,570,750
Balance as of June 30, 2020	$ 1,701,094	$ 106,609,256	$ 108,310,350
Purchase price accounting adjustments		(75,686)	(75,686)
Goodwill (gross)	1,701,094	106,533,570	108,234,664
Accumulated impairment losses	-	-	-
Balance as of March 31, 2021	$ 1,701,094	$ 106,533,570	$ 108,234,664

7. Patents

The costs of acquiring or processing patents are capitalized at cost. These amounts are being amortized using the straight-line method over the estimated useful lives of the underlying assets, which is approximately 17 years. Patents, net of accumulated amortization, totaled $0.8 million and $0.8 million at March 31, 2021 and June 30, 2020, respectively. Amortization expense for the nine months ended March 31, 2021 and 2020 was $120,000 and $98,000, respectively. The following is a schedule of estimated future patent amortization expenses by fiscal year as of March 31, 2021:

2021	$ 36,833
2022	97,369
2023	96,143
2024	86,874
2025	79,815
Thereafter	366,866
	$ 763,900

8. Intangible Assets

In connection with the Solsys Acquisition, the Company acquired intangible assets primarily consisting of customer relationships, trade names and non-competition agreements. Amortization expense for the nine months ended March 31, 2021 and 2020 were $1.2 million and $0.8, respectively. The table below summarizes the intangible assets acquired:

	March 31, 2021	June 30, 2020	Amortization Period
Customer relationships	$ 9,500,000	$ 9,500,000	15 years
Trade names	12,800,000	12,800,000	15 years
Non-competition agreements	200,000	200,000	1 year
Total	22,500,000	22,500,000	
Less accumulated amortization	(2,387,045)	(1,218,864)	
Net intangible assets	$ 20,112,955	$ 21,281,136	

The following is a schedule of estimated future intangible asset amortization expense by fiscal year as of March 31, 2021:

2021	$ 372,462
2022	1,489,848
2023	1,489,848
2024	1,489,848
2025	1,489,848
Thereafter	13,781,101
	$ 20,112,955

9. Accrued Expenses and Other Current Liabilities

The following summarizes accrued expenses and other current liabilities:

	March 31, 2021	June 30, 2020
Accrued payroll, payroll taxes and vacation	$ 2,752,852	$ 2,277,752
Accrued bonus	1,185,249	417,000
Accrued commissions	1,434,985	1,678,966
Professional fees	185,701	355,145
Vendor, tax and other accruals	2,303,710	2,786,888
Accrued expenses and other current liabilities	$ 7,862,497	$ 7,515,751

10. Stock-based Compensation Plans

Stock Option Awards

For the three months ended March 31, 2021 and 2020, the compensation cost relating to stock option awards that has been charged against income for the Company's stock option plans, excluding the compensation cost for restricted stock, was $0.6 million and $0.4 million, respectively. For the nine months ended March 31, 2021 and 2020, the compensation cost relating to stock option awards that has been charged against income for the Company's stock option plans, excluding the compensation cost for restricted stock, was $1.9 million and $0.9 million, respectively.

As of March 31, 2021, there was approximately $5.1 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements to be recognized over a weighted-average period of 2.6 years, which includes $0.3 million of unrecognized compensation expense on restricted stock awards.

Stock options typically expire 10 years from the date of grant and vest over service periods, which typically are four years. All options are granted at fair market value, as defined in the applicable plans.

The fair value of each option award was estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. The expected volatility represents the historical price changes of the Company's stock over a period equal to that of the expected term of the option. The Company uses the simplified method for determining the option term. The risk-free rate was based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield is based upon historical and projected dividends. The Company has historically not paid dividends, and it does not expect to do so in the near term.

There were options to purchase 48,000 and 185,500 shares granted during the nine months ended March 31, 2021 and 2020, respectively. The fair value was estimated based on the weighted average assumptions of:

	For the nine months ended March 31, 2021	
	2021	2020
Risk-free interest rates	0.44%	1.67%
Expected option life in years	5.73	6.25
Expected stock price volatility	59.32%	54.69%
Expected dividend yield	0%	0%

A summary of option activity under the Company's equity plans as of March 31, 2021, and changes during the nine months ended March 31, 2021 is presented below:

	Options		
	Outstanding Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
Outstanding as of June 30, 2020	1,778,070	$ 11.81	$ 5,164,938
Vested and exercisable at June 30, 2020	683,442	$ 9.16	$ 3,156,051
Granted	48,000	13.37	
Exercised	(33,296)	7.44	
Forfeited	(82,664)	12.50	
Expired	-	-	
Outstanding as of March 31, 2021	1,710,110	$ 11.90	$ 13,475,442
Vested and exercisable at March 31, 2021	933,434	$ 10.47	$ 8,597,840

The number and weighted-average grant-date fair value of stock options which vested during the nine months ended March 31, 2021 was 288,046 and $7.14, respectively. The number and weighted-average grant-date fair value of non-vested stock options at March 31, 2021 was 776,676 and $7.28, respectively.

Restricted Stock Awards

On December 15, 2016, the Company issued 400,000 shares of restricted stock to its Chief Executive Officer. The awards were valued using a Monte Carlo valuation model using a stock price at the date of grant of $9.60, a term of 3 to 5 years, a risk-free interest rate of 1.6% to 2.1% and a volatility factor of 66.5%. These awards vest over a period of up to five years, subject to meeting certain service, performance and market conditions. These awards were valued at approximately $3.6 million at the date of grant. Compensation expense recorded in the three months ended March 31, 2021 and 2020 related to these awards was $0.1 million and $0.1 million, respectively. Compensation expense recorded in the nine months ended March 31, 2021 and 2020 related to these awards was $0.4 million and $0.4 million, respectively.

As of March 31, 2021, there was approximately $0.3 million of total unrecognized compensation cost related to non-vested restricted stock awards to be recognized over a weighted-average period of 0.6 years. The awards contain a combination of vesting terms that include time vesting, performance vesting relating to revenue achievement, and market vesting related to obtaining certain levels of Company stock prices. At March 31, 2021, the Company has estimated that it is probable that the performance conditions of the outstanding awards will be met. As of March 31, 2021, 240,200 shares from this set of awards have vested.

11. Commitments and Contingencies

Leases

The Company has entered into operating leases primarily for real estate and to a lesser extent for office copiers. The Company has entered into one finance lease for manufacturing equipment. The Company does not expect finance leases to become material. All leases generally have terms that range from 1 year to 6 years. Operating leases are included in "Lease right-of-use assets" and Finance leases are included in "Other assets" on the Company's Condensed Consolidated Balance Sheets and represent the Company's right to use the underlying asset for the lease term. The Company's obligation to make lease payments on operating leases are included in "Current portion of lease liabilities" and "Lease liabilities". The Company's obligation to make lease payments on finance leases are included in "Accrued expenses and other current liabilities" and "Other non-current liabilities" on the Company's Condensed Consolidated Balance sheets. Based on the present value of the lease payments for the remaining lease term of the Company's existing leases, the Company recognized right-of-use assets of approximately $0.4 million and lease liabilities for operating leases of approximately $0.4 million on July 1, 2019. Lease right-of-use assets and liabilities commencing after July 1, 2019 are recognized at their commencement date based on the present value of lease payments over the lease term. The Company has entered into various short-term operating leases with an initial term of 12 months or less. These leases are not recorded on the Company's Condensed Consolidated Balance Sheets. Lease expense for operating leases is recognized on a straight-line basis over the lease term, within "Operating expenses" in the Company's Condensed Consolidated Statements of Operations. Lease expense for finance leases is recorded as Depreciation expense within "Operating expenses", and in "Interest expense".

During the nine months ended March 31, 2021 and 2020, the Company recognized approximately $0.5 million and $0.4 million, respectively, in total operating lease costs for right-of-use assets.

Because the rate implicit in each operating lease is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of the lease payments. The incremental borrowing rate used for operating leases entered into during the nine months ended March 31, 2021 was 10.9%. The finance lease contains a stated rate of 3.0%, and therefore the rate explicit in the lease was used for the finance lease. There were no new leases entered into in the prior period. The incremental borrowing rate used upon transition to ASC 842 was 10.5%.

Information related to the Company's right-of-use assets and related lease liabilities were as follows:

		March 31,	
	Balance Sheet Classification	2021	2020
Right-of-use assets			
Operating leases	Lease right-of-use assets	$ 1,108,454	$ 1,266,237
Finance leases	Other assets	80,779	-
		$ 1,189,233	$ 1,266,237
Short-term Lease Liabilities			
Operating leases	Current portion of lease liabilities	$ 508,924	$ 342,658
Finance leases	Accrued expenses and other current liabilities	16,064	-
		$ 524,988	$ 342,658
Long-term Lease Liabilities			
Operating leases	Lease liabilities	$ 645,804	$ 765,627
Finance leases	Other non-current liabilities	61,666	-
		$ 707,470	$ 765,627

	March 31,	
	2021	2020
Cash paid for lease liabilities		
Operating leases	$ 446,212	$ 355,381
Finance leases	$ 8,065	$ -
Right-of-use assets obtained in exchange for new lease obligations		
Operating leases	$ 361,999	$ 1,378,409
Finance leases	$ 85,185	$ -
Weighted-average remaining lease term (in years)		
Operating leases	2.98	4.00
Finance leases	4.58	-
Weighted-average discount rate		
Operating leases	10.6%	10.5%
Finance leases	3.0%	-

Maturities of lease liabilities as of March 31, 2021 were as follows:

	Operating Leases	Finance Leases
2021	151,869	4,542
2022	522,469	18,169
2023	273,917	18,169
2024	274,512	18,169
2025	129,211	18,169
Thereafter	1,644	6,056
	1,353,622	83,274
Less imputed interest	(198,894)	(5,544)
Total lease liabilities	$ 1,154,728	$ 77,730

Former Chinese Distributor – Litigation

On March 23, 2017, the Company's former distributor in China, Cicel (Beijing) Science & Technology Co., Ltd., filed a lawsuit against the Company and certain of its officers and directors in the United States District Court for the Eastern District of New York, alleging that the Company improperly terminated its contract with the former distributor. The complaint sought various remedies, including compensatory and punitive damages, specific performance and preliminary and post judgment injunctive relief, and asserted various causes of action, including breach of contract, unfair competition, tortious interference with contract, fraudulent inducement, and conversion. On October 7, 2017, the court granted the Company's motion to dismiss each of the tort claims asserted against the Company, and also granted the individual defendants' motion to dismiss all claims asserted against them. On January 23, 2020, the Court granted Cicel's motion to amend its complaint, to include claims for alleged defamation and theft of trade secrets in addition to the breach of contract claim. The Company believes that it has various legal and factual defenses to the allegations in the complaint and intends to defend the action vigorously. Fact discovery in the case is ongoing, and there is no trial date currently set.

12. Financing Arrangements

Notes payable consists of the following as of March 31, 2021 and June 30, 2020:

	March 31, 2021	June 30, 2020
Revolving credit facility	$ 8,100,000	$ 8,400,000
PPP Note Payable	5,199,487	5,199,487
Term loans	30,095,761	30,095,762
	43,395,248	43,695,249
Less current portion of notes payable	(4,621,766)	(5,099,744)
Notes payable	$ 38,773,482	$ 38,595,505

Following are the scheduled maturities of the notes payable for the twelve-month periods ending June 30:

2021	$ -
2022	6,449,487
2023	13,100,000
2024	5,000,000
2025	18,845,761
	$ 43,395,248

Revolving Credit Facility

Through the Solsys Acquisition, the Company became party to a $5.0 million revolving line of credit loan agreement with Silicon Valley Bank, originally effective January 22, 2019 (as amended and supplemented, the "Prior Solsys Credit Agreement"). The line of credit had an original maturity date of January 22, 2021.

On December 26, 2019 (the "Effective Date"), the Company entered into a Loan and Security Agreement (the "New Loan and Security Agreement") among the Company, Misonix OpCo, Inc. and Solsys, as borrowers, and Silicon Valley Bank. The New Loan and Security Agreement provides for a revolving credit facility (the "New Credit Facility") in an aggregate principal amount of up to $20.0 million, including borrowings and letters of credit. The New Loan and Security Agreement replaces the $5.0 million Prior Solsys Credit Agreement. The Company did not incur any early termination penalties in connection with the termination of the Prior Solsys Credit Agreement.

Borrowings under the New Credit Facility were used in part to repay the amount of $3.75 million outstanding under the Prior Solsys Credit Agreement, and the balance may be used by the Company for general corporate purposes and working capital. The New Credit Facility matures on December 26, 2022. Interest on outstanding indebtedness under the New Credit Facility accrues at a rate equal to the greater of the "Prime Rate" and 5.25%. In addition, on each year anniversary of the Effective Date, the Company is required to pay an anniversary fee of $0.1 million.

The New Loan and Security Agreement contains representations and warranties and covenants that the Company believes are customary for agreements of this type, including covenants applicable to the Company and its subsidiaries limiting indebtedness, liens, substantial asset sales and mergers as well as financial maintenance covenants and other provisions. The New Loan and Security Agreement contains customary events of default. Upon the occurrence of an event of default, the lender may accelerate the indebtedness under the New Credit Facility, provided, that in the case of certain bankruptcy or insolvency events of default, the indebtedness under the New Credit Facility will automatically accelerate. If the New Credit Facility or the New Loan and Security Agreement terminates before the maturity date of December 26, 2022, then the Company must pay the then-owing amounts, in addition to a termination fee equal to 1% of the New Credit Facility at that time. The termination fee would not apply if the New Credit Facility or the New Loan and Security Agreement terminates before the maturity date for either of the following reasons: (1) the New Credit Facility is replaced with another new credit facility from Silicon Valley Bank or (2) Silicon Valley Bank sells, transfers, assigns or negotiates its obligations, rights and benefits under the New Loan and Security Agreement and related loan documentation to another person or entity that is not an affiliate of Silicon Valley Bank and the Company terminates the New Loan and Security Agreement or the New Credit Facility within sixty days thereof (unless the Company consented to that sale, transfer, assignment or negotiation).

As of March 31, 2021, the outstanding principal balance of the New Credit Facility is $8.1 million.

Notes Payable

On September 27, 2019, the Company entered into an amended and restated credit agreement ("SWK Credit Agreement") with SWK Holdings Corporation ("SWK") pursuant to a commitment letter whereby SWK (a) consented to the Solsys Acquisition and (b) agreed to provide financing to the Company. Through the Solsys Acquisition, the Company became party to a $20.1 million note payable to SWK. The SWK credit facility originally provided an additional $5.0 million in financing, totaling approximately $25.1 million, a maturity date of June 30, 2023, and an interest rate that varied between LIBOR plus 7.00% and LIBOR plus 10.25% (depending on the Company's consolidated EBITDA or market capitalization).

On December 23, 2019 the parties amended the SWK Credit Agreement (as so amended, the "Amended SWK Credit Agreement") to, among other things, provide an additional $5 million of term loans, for total aggregate borrowings of up to approximately $30.1 million, to modify the interest payable to between LIBOR plus 7.50% and LIBOR plus 10.25% (depending on the Company's consolidated EBITDA or market capitalization), and to amend the financial covenants thereunder.

On December 16, 2020 the parties further amended the SWK Credit Agreement to, among other things, (1) modify the interest payable to accrue interest at a variable rate of the greater of 2.0% or the three-month LIBOR, with a maximum variable rate of 3%, plus a margin of between 7.5% and 10.25% (depending on the Company's EBITDA or market capitalization), (2) extend the interest only period such that quarterly principal payments of $1.25 million will begin in May, 2022, (3) extend the maturity date to June 30, 2024, (4) increase the exit fee to 2.0% of the principal amount of all loans advanced to the Company, and (5) extend the period during which the Company is obligated to pay a prepayment penalty to March, 2023.

The Company may prepay the loans subject to a prepayment fee of (a) 3.2% of the amount prepaid if such prepayment is made prior to September 27, 2021, (b) 1.00% of the amount prepaid if such prepayment is made on or after September 27, 2021 and prior to March 31, 2023 or (c) $0 if such prepayment is made on or after March 31, 2023.

As of March 31, 2021, the outstanding principal balance of the term loans under the Amended SWK Credit Agreement is approximately $30.1 million.

Under the terms of the Amended SWK Credit Agreement, the Company is required to meet certain additional financial covenants requiring, among other things, (a) a minimum amount of unencumbered liquid assets that varies based on the Company's market capitalization, (b) minimum aggregate revenue of specified amounts for the nine month period ending March 31, 2020, and for the 12 month period ending on the last day of the subsequent fiscal quarters and (c) minimum EBITDA at levels that will vary based on the Company's market capitalization. The Company's obligations under the Amended SWK Credit Agreement are (i) guaranteed by Misonix OpCo, Inc., and (ii) secured by a first lien on substantially all assets of the Company, Solsys and Misonix OpCo, Inc. and a second lien position on accounts receivable and inventory of the same entities

Paycheck Protection Program Loan

On April 5, 2020, the Company applied for an unsecured $5.2 million loan under the Paycheck Protection Program (the "PPP Loan"). The Paycheck Protection Program (or "PPP") was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration ("SBA"). On April 10, 2020, the PPP loan was approved and funded. Misonix entered into a promissory note with JP Morgan Chase evidencing the unsecured $5.2 million loan. In accordance with the requirements of the CARES Act, the Company used the proceeds from the PPP Loan primarily for payroll costs.

The PPP Loan has a maturity date of April 4, 2022 and accrues interest at an annual rate of 0.98%. In October 2020, the SBA released guidance that allows borrowers an additional ten months of deferral of the start of principal and interest payments. Therefore, interest and principal payments are now deferred for the first sixteen months of the loan. Thereafter, monthly interest and principal payments are due until the loan is fully satisfied at the end of 24 months. The promissory note evidencing the PPP Loan contains customary events of default relating to, among other things, payment defaults and provisions of the promissory note. The PPP permits borrowers to apply for forgiveness for some or all of the loans based on meeting certain criteria. The SBA continues to issue guidance surrounding the criteria for loan forgiveness, and although the Company intends to use the proceeds from the PPP Loans for qualified expenses and to apply for forgiveness, there can be no assurance whether such application for forgiveness will be approved by the SBA.

13. Related Party Transactions

Minoan Medical (Pty) Ltd. ("Minoan") (formerly Applied BioSurgical) is an independent distributor for the Company in South Africa. The chief executive officer of Minoan is also the brother of Stavros G. Vizirgianakis, the Company's Chief Executive Officer.

Set forth below is a table showing the Company's net revenues for the nine months ended March 31, 2021 and 2020 and accounts receivable at

March 31, 2021 and 2020 with Minoan:

	For the nine months ended March 31,	
	2021	2020
Sales	$ 1,258,179	$ 1,435,662
Accounts receivable	$ 396,018	$ 299,421

14. Income Taxes

There was no income tax expense or benefit for the three and nine months ended March 31, 2021. For the three and nine months ended March 31, 2020, the Company recorded an income tax benefit of $0.5 million and $4.5 million, respectively. For the three and nine months ended March 31, 2021, the effective tax rate was 0% and 0%, respectively. For the three and nine months ended March 31, 2020, the effective tax rate was 7.5% and 34%, respectively. The effective tax rate varied from the U.S. federal statutory rate primarily due to the recording of a full valuation allowance on the deferred tax assets, and the business combination related to the Solsys Acquisition.

On March 27, 2020, President Trump signed into law the CARES Act. The CARES Act contains various corporate tax provisions; however, these benefits do not impact Company's current tax provision.

15. Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision-maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance of the segment. Starting with the quarter ended March 31, 2020, the Company began operating in two segments, organized by its sales channels and product types

– the Surgical and the Wound segment. Prior to the quarter ended March 31, 2020, the Company operated as one segment. Prior period information has been presented on the basis of the new segmentation. The Surgical segment consists of the Company's neXus, BoneScalpel, and SonaStar products and the Wound segment consists of the Company's SonicOne, TheraSkin, Therion and TheraGenesis products. The Company has concluded that its Chief Executive Officer is the CODM as he is the ultimate decision maker for key operating decisions, determining the allocation of resources and assessing the financial performance of the Company. The CODM evaluates the segments using gross profit and gross profit margin. The Company does not allocate its assets by segment, and therefore does not disclose assets by segment.

Segment gross profit include:

	Surgical	Wound	Consolidated
For the three months ended March 31, 2021			
Total revenue	$ 10,351,130	$ 7,996,050	$ 18,347,180
Gross profit	$ 7,125,159	$ 5,819,267	$ 12,944,426

	Surgical	Wound	Consolidated
For the nine months ended March 31, 2021			
Total revenue	$ 29,569,718	$ 24,769,214	$ 54,338,932
Gross profit	$ 20,524,517	$ 18,036,362	$ 38,560,879

	Surgical	Wound	Consolidated
For the three months ended March 31, 2020			
Total revenue	$ 9,102,711	$ 8,799,801	$ 17,902,512
Gross profit	$ 6,175,222	$ 6,415,725	$ 12,590,947

	Surgical	Wound	Consolidated
For the nine months ended March 31, 2020			
Total revenue	$ 28,702,566	$ 20,067,853	$ 48,770,419
Gross profit	$ 19,588,322	$ 14,688,776	$ 34,277,098

Worldwide revenue for the Company's products is categorized as follows:

	For the three months ended March 31,		For the nine months ended March 31,	
	2021	2020	2021	2020
Domestic	$ 14,812,885	$ 14,778,416	$ 44,381,802	$ 36,582,037
International	3,534,295	3,124,096	9,957,130	12,188,382
Total	$ 18,347,180	$ 17,902,512	$ 54,338,932	$ 48,770,419

All of the Company's long-lived assets are located in the United States. The Company's international revenue includes a concentration in China, aggregating $0.4 million and $1.4 million for the three and nine months ended March 31, 2021, respectively, and $0 and $3.1 million for the three and nine months ended March 31, 2020, respectively.

16. Acquisitions Solsys Medical, LLC

On September 27, 2019, the Company completed the Solsys Acquisition. The purchase price was approximately $108.6 million, based on the Company's issuance of 5,703,082 shares of Misonix common stock as acquisition consideration, valued at $19.05 per share. In addition, the Company incurred business transaction costs in connection with the acquisition of $4.5 million. Of these transaction costs, $3.1 million were charged to general and administrative expenses on the Condensed Consolidated Statement of Operations and $1.4 million of the transaction costs were capitalized to additional paid in capital, in connection with the registration of the underlying stock issued in the transaction. For the six months ended December 31, 2019, transaction costs expensed in general and administrative expenses were $1.8 million. As of December 31, 2019, transaction costs capitalized to additional paid in capital were $1.4 million.

The transaction was accounted for using the acquisition method of accounting in accordance with FASB ASC Topic 805. U.S. GAAP requires that one of the companies in the transactions be designated as the acquirer for accounting purposes based on the evidence available. Misonix was treated as the acquiring entity for accounting purposes.

The purchase price allocation of the Solsys acquisition was completed as of September 30, 2020, and is shown in the following table:

Cash	$ 5,525,601
Accounts receivable	6,173,371
Inventory	98,911
Prepaid expenses	88,863
Indemnified asset - sales tax	150,000
Property and equipment	673,353
Lease assets	946,617
Customer relationships	9,500,000
Trade names	12,800,000
Non-competition agreements	200,000
Accounts payable and other current liabilities	(4,694,878)
Lease liabilities	(860,490)
Deferred tax liability	(4,575,507)
Notes payable	(23,915,701)
Total identifiable net assets	2,110,140
Goodwill	106,533,570
Total consideration	$ 108,643,710

The fair values of the Solsys assets and liabilities were determined based on estimates and assumptions that management believes are reasonable. The goodwill from the acquisition of Solsys, which is fully deductible for tax purposes, consists largely of synergies and economies of scale expected from combining the operations of Solsys and the Company's existing business.

The estimate of fair value of the Solsys identifiable intangible assets was determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows either through the use of the multi-period excess earnings method or the relief-from-royalty method. Some of the more significant assumptions inherent in the development of intangible asset values include: the amount and timing of projected future cash flows, the discount rate selected to measure the risks inherent in the future cash flows, the assessment of the intangible asset's life cycle, revenue growth rates and EBITDA margins, as well as other factors. The following table summarizes key information underlying intangible assets related to the Solsys Acquisition:

	March 31, 2021	June 30, 2020	Amortization Period
Customer relationships	$ 9,500,000	$ 9,500,000	15 years
Trade names	12,800,000	12,800,000	15 years
Non-competition agreements	200,000	200,000	1 year
Total	22,500,000	22,500,000	
Less accumulated amortization	(2,387,045)	(1,218,864)	
Net intangible assets	$ 20,112,955	$ 21,281,136	

Solsys' operations were consolidated with those of the Company for the period September 27, 2019 through December 31, 2020. Had the acquisition occurred as of the beginning of fiscal 2018, revenue and net loss, on a pro forma basis excluding transaction fees and the one-time tax benefit, for the combined company would have been as follows:

	For the nine months ended March 31,	
	2021	2020
Revenue	$ 54,338,932	$ 57,151,615
Net loss	$ (10,000,053)	$ (11,542,176)

Pro forma net loss for the nine months ended March 31, 2020 was adjusted to exclude $4.3 million of acquisition-related costs, exclude $4.5 million of acquisition-related income tax benefit, include $0.2 million of additional interest expense related to new and refinanced borrowings that occurred as a result of the acquisition, and to include $0.4 million of amortization expense related to the intangible assets acquired.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Management's Discussion and Analysis of Financial Condition and Results of Operations of Misonix and its subsidiaries, which we refer to as the "Company", "Misonix", "we", "our" and "us", should be read in conjunction with the accompanying unaudited Condensed Consolidated Financial Statements included in Part I - Item 1 "Financial Statements" of this Report and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission (the "SEC") on September 3, 2020, for the fiscal year ended June 30, 2020 ("2020 Form 10-K"). Item 7 of the 2020 Form 10-K describes the application of our critical accounting policies, for which there have been no significant changes during the nine months ended March 31, 2021.

Forward Looking Statements

With the exception of historical information contained in this Form 10-Q, content herein may contain "forward looking statements" that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. Investors are cautioned that forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the statements made. These factors include general economic conditions, the impact of COVID-19, or other pandemics, including the potential effects of new strains of the virus and any increased rates in infection, vaccine roll-out globally and the efficacy of such vaccines, and the impact of related governmental, individual and business responses. This includes our ability to obtain or forecast accurate surgical procedure volume in the midst of the COVID-19 pandemic; the risk that the COVID-19 pandemic could lead to further material delays and cancellations of, or reduced demand for, surgical or wound care procedures; curtailed or delayed capital spending by hospitals and surgical centers; potential closures of our facilities; delays in gathering clinical evidence; diversion of management and other resources to respond to the COVID-19 outbreak; the impact of global and regional economic and credit market conditions on healthcare spending; the risk that the COVID-19 virus disrupts local economies and causes economies in our key markets to enter prolonged recessions; the ability of our staff to travel to work, our ability to maintain adequate inventories and delivery capabilities, the impact on our customers and supply chain, and the impact on demand in general. These forward-looking statements are also subject to uncertainties and change resulting from delays and risks associated with the performance of contracts; risks associated with international sales and currency fluctuations; uncertainties as a result of research and development; acceptable results from clinical studies, including publication of results and patient/procedure data with varying levels of statistical relevancy; risks involved in introducing and marketing new products, potential acquisitions, consumer and industry acceptance, litigation and/or court proceedings, including the timing and monetary requirements of such activities, the timing of finding strategic partners and implementing such relationships; regulatory risks including clearance of pending and/or contemplated 510(k) filings; our ability to achieve and maintain profitability in the our business lines, access to capital, and other factors discussed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020, subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. We disclaim any obligation to update any forward-looking statements.

Acquisition of Solsys Medical, LLC

On September 27, 2019, we completed our acquisition of Solsys Medical, LLC ("Solsys"), a medical technology company focused on the regeneration and healing of soft tissue associated with chronic wounds and surgical procedures. Solsys' primary product is TheraSkin, a living cell wound therapy indicated to treat all external wounds from head-to-toe. The purchase price was approximately $108.6 million, representing 5,703,082 shares of Misonix common stock, valued at $19.05 per share. In addition, we incurred business transaction costs in connection with the acquisition of $4.5 million. Of these transaction costs, $3.1 million were charged to general and administrative expenses on the Condensed Consolidated Statement of Operations and $1.4 million of the transaction costs were capitalized to additional paid in capital, in connection with the registration of the underlying stock issued in the transaction. The results of operations of Solsys are included in our Condensed Consolidated Statement of Operations beginning on September 27, 2019.

Overview

We design, manufacture, market, sell and distribute minimally invasive surgical ultrasonic medical devices. These products are used for precise bone sculpting, removal of soft and hard tumors, and tissue debridement, primarily in the areas of neurosurgery, orthopedic surgery, plastic surgery, wound care and maxillo-facial surgery. We also exclusively market, sell and distribute skin allografts and wound care products used to support healing of wounds, and which complement our ultrasonic medical devices.

We strive to have our proprietary procedural solutions become the standard of care and enhance patient outcomes throughout the world. We intend to accomplish this, in part, by utilizing our best-in-class surgical ultrasonic technology to improve patient outcomes in spinal surgery, neurosurgery and wound care. Our neXus generator combines the capabilities of our three legacy ultrasonic products into a single system that can be used to perform soft and hard tissue resections. We also continue to market and sell these legacy ultrasonic products, which are:

- BoneScalpel Surgical System, or BoneScalpel, which is used for surgical procedures involving the precise cutting and sculpting of bone while sparing soft tissue. BoneScalpel is now recognized by many surgeons globally as a critical surgical tool enabling improved patient outcomes in the spine surgery arena.
- SonaStar Surgical Aspirator, or SonaStar, which is used to emulsify and remove soft and hard tumors, primarily in the neuro and general surgery fields.
- SonicOne Wound Debridement System, or SonicOne, which offers tissue specific debridement and cleansing of wounds and burns for effective removal of devitalized tissue and fibrin deposits while sparing viable cells.

These devices primarily serve the following clinical specialties: neurosurgery, orthopedic surgery, general surgery, plastic surgery, wound care and maxillo-facial surgery.

Each of our medical device systems consist of a proprietary console and handpiece that function to convert electrical current into ultrasonic energy, ultimately delivered via a disposable titanium tip, to produce a therapeutic effect.

neXus®

neXus is a next generation integrated ultrasonic surgical platform that combines all the features of our existing solutions, including BoneScalpel, SonicOne and SonaStar, into a single fully integrated platform that will also serve to power future solutions. The neXus platform is driven by a new proprietary digital algorithm that results in more power, efficiency, and control. The device incorporates Smart Technology that allows for easier setup and use.

neXus' increased power improves tissue resection rates for both soft and hard tissue removal making it a unique surgical platform for a variety of different surgical specialties. In addition, neXus' ease of use enables physicians to fully leverage neXus' impressive set of capabilities via its digital touchscreen display and smart system setup. Our current ultrasonic applications, which are BoneScalpel, SonaStar and SonicOne, all work on the neXus generator. This allows a hospital to access all of our product offerings on this all in one console. We principally sell neXus in the United States.

BoneScalpel®

The BoneScalpel is a state of the art, ultrasonic bone cutting and sculpting system capable of enabling precise cuts with minimal necrosis, minimal burn artifact, minimal inflammation and minimal bone loss. The device is also capable of preserving surrounding soft tissue structures because of its ability to differentiate soft tissue from rigid bone. This device can make precise linear or curved cuts, on any plane, with precision not normally associated with powered instrumentation. We believe that BoneScalpel offers the speed and convenience of a powered instrument without the dangers associated with conventional rotary devices. The effect on surrounding soft tissue is minimal due to the elastic and flexible structure of healthy tissue. This is a significant advantage in anatomical regions like the spine where patient safety is of primary concern. In addition, the linear motion of the blunt, tissue-impacting tips avoids accidental 'trapping' of soft tissue while largely eliminating the high-speed spinning and tearing associated with rotary power instruments. The BoneScalpel allows surgeons to improve on existing surgical techniques by creating new approaches to bone cutting and sculpting and removal, leading to substantial time-savings and increased operation efficiencies.

SonaStar®

The SonaStar System provides powerful and precise aspiration following the ultrasonic ablation of soft tissue. The SonaStar has been used for a wide variety of surgical procedures applying both open and minimally invasive approaches, including neurosurgery and general surgery. The SonaStar may also be used with OsteoSculpt® probe tips, which enable the precise shaping or shaving of bony structures that prevent open access to partially or completely hidden soft tissue masses.

SonicOne®

The SonicOne Ultrasonic Cleansing and Debridement System is a highly innovative, tissue specific approach for the effective removal of devitalized or necrotic tissue and fibrin deposits while sparing viable, surrounding cellular structures. The tissue specific capability is, in part, due to the fact that healthy and viable tissue structures have a higher elasticity and flexibility than necrotic tissue and are more resistant to destruction from the impact effects of ultrasound. The ultrasonic debridement process separates devitalized tissue from viable tissue layers, allowing for a more defined treatment and, usually, a reduced pain sensation. We believe that SonicOne establishes a new standard in wound bed preparation, the essential first step in the healing process, while contributing to a faster patient healing.

TheraSkin®

TheraSkin is a biologically active human skin allograft that has all of the relevant characteristics of human skin needed to heal wounds, including living cells, growth factors, and a collagen matrix. TheraSkin is derived from human skin tissue from consenting and highly screened donors and is regulated by the FDA as a Human Cells, Tissues, and Cellular and Tissue-Based Product. LifeNet processes and supplies TheraSkin to us under a supply and distribution agreement that gives us exclusive rights to sell TheraSkin in the United States. TheraSkin is indicated for use on all external skin tissue wounds, including but not limited to difficult to heal diabetic foot ulcers, venous leg ulcers, dehisced surgical wounds, necrotizing fasciitis, burns, Mohs and wounds with exposed structures.

Therion®

Therion is indicated for use as a cover and barrier for homologous use for wound care and surgical procedures. Therion is a dehydrated and terminally sterilized chorioamniotic allograft derived from human placental membrane and is regulated by the FDA as a Human Cells, Tissues, and Cellular and Tissue-Based Product. CryoLife processes and supplies Therion to us under a supply and distribution agreement that gives us exclusive rights to distribute the product in the United States. CryoLife processes Therion using a proprietary process that removes the maternal-derived decidua cells from the placental membrane, leaving the amnion and chorion layers in their native configuration.

TheraGenesis®

TheraGenesis is a Bilayer Wound Matrix and Meshed Bilayer Wound Matrix consisting of a porcine collagen sponge layer and a silicone film layer that provides a scaffold for cellular invasion and capillary growth for management of wounds including partial and full-thickness wounds, chronic wounds, surgical wounds, trauma wounds and draining wounds. We obtain TheraGenesis under an exclusive supply and distribution agreement with Gunze Limited that gives us exclusive rights to distribute the product in the United States.

Sales and Distribution; Reportable Segments

In the United States, we sell our products through our direct sales force, in addition to a network of commissioned agents assisted by Misonix personnel. Outside of the United States, we sell BoneScalpel and SonaStar through distributors who then resell the products to hospitals. We sell to all major markets in the Americas, Europe, Middle East, Asia Pacific, and Africa.

We manufacture and sell our products in two global reportable business segments: the Surgical segment and the Wound segment. Our sales force also operates as two segments, Surgical and Wound Care.

Impact of COVID-19 Pandemic

In March of 2020, the World Health Organization designated the novel coronavirus disease (COVID-19) as a global pandemic. In March of 2020, the impact of COVID-19 and related actions to attempt to control its spread began to impact our consolidated operating results. Principally beginning in March 2020, year-over-year consolidated revenue trends began to weaken rapidly and materially. This trend continued through the end of our fiscal year ended June 30, 2020. While we have seen consolidated revenue trends improve, we cannot be certain that these improving trends will continue. Overall, we expect consolidated revenue to be impacted negatively and materially in fiscal 2021 and for negative impacts to continue until COVID-19 and related economic and medical conditions improve.

We continue to execute on our business continuity plans and our crisis management response to address the challenges related to the COVID-19 pandemic. Since March, our headquarters have remained open, however, many of our employees have been working from home, with only certain essential employees not working remotely. For employees who are not working remotely, we have instituted social distancing protocols, increased the level of cleaning and sanitizing at those sites and undertaken other actions to make these sites safer. We have also significantly reduced employee travel to only essential business needs. We are generally following the requirements and protocols published by the U.S. Centers for Disease Control and the World Health Organization, and state and local governments and we continue to monitor the latest public health and government guidance related to COVID-19, including vaccine availability to our employees. We have begun to lift the actions put in place as part of our business continuity plans, including work from home requirements and travel restrictions. As of the date of this filing, we do not believe our work from home protocol has adversely affected our internal controls, financial reporting systems or our operations.

Our sales teams are focused on how to meet changing needs of our customers in this environment.

As a result of the COVID-19 pandemic, we experienced a disruption to our global supply chain of our products and a decrease in sales due to a decrease in elective surgical procedures, as described in more detail below. While this disruption began to alleviate during the quarter ended December 31, 2020 and continues to gradually improve, we could experience further variable impacts on our business if a resurgence of the virus emerges, elective procedures continue to be deferred or disruptions in the global supply chain worsen. The ultimate effect of these disruptions, including the extent of their adverse effect on our financial and operational results, will be impacted by the length of time that such disruptions continue, which will, in turn, depend on the currently unknown duration of the COVID-19 pandemic, the efficacy of any vaccines and related distributions, the number of cases presenting in the jurisdictions in which we operate, and the effect of governmental regulations and other restrictions that might be imposed in response to the pandemic.

Due to these effects and measures, we have experienced and may continue to experience significant and unpredictable reductions in the demand for our products as healthcare customers diverted medical resources and priorities towards the treatment of that disease. In addition, our customers may delay, cancel, or redirect planned capital expenditures in order to focus resources on COVID-19 or in response to economic disruption related to COVID-19. For example, as mentioned above, we have experienced and may continue to experience a significant decline in procedure volume in the U.S., as healthcare systems diverted resources to meet the increasing demands of managing COVID-19. While many countries are past their initial peak with COVID-19, many regions are now experiencing new increases in the rate of infection by COVID-19. To the extent individuals and hospital systems further de-prioritize, delay or cancel elective medical procedures, our business, cash flows, financial condition and results of operations will further be negatively affected.

Capital markets and worldwide economies have also been significantly impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic recession could have a material adverse effect on our long-term business as hospitals and surgical centers curtail and reduce capital and overall spending. The COVID-19 pandemic and local actions, such as “shelter-in-place” orders and restrictions on our salesforce’s ability to travel and access our customers or temporary closures of our facilities or the facilities of our suppliers and their contract manufacturers, could further significantly reduce our sales and our ability to ship our products and supply our customers. We are continuing to monitor closely indications that several jurisdictions are experiencing new increases in the rate of infection by COVID-19, which could result in further mitigation efforts, the impact of these new increases on all aspects of our business and geographies, including its impact on our customers, employees, suppliers, business partners, and distribution channels. Any of these events could negatively impact the number of surgical procedures performed using our products and have a material adverse effect on our business, financial condition, results of operations, or cash flows. There are certain limitations on our ability to mitigate the adverse financial impact of these items, including the fixed costs of our businesses. COVID-19 also makes it more challenging for us to estimate the future performance of our businesses, particularly over the near to medium term. As a response to the ongoing COVID-19 pandemic, we have implemented plans to manage our costs. To the extent the business disruption continues for an extended period, additional cost reductions will be considered.

The extent to which the COVID-19 global pandemic impacts our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and are difficult to predict; these developments include, but are not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the virus or address its impact including vaccine distribution and efficacy, U.S. and foreign government actions to respond to the reduction in global economic activity, and how quickly and to what extent normal economic and operating conditions can resume. Even after the COVID-19 outbreak has subsided, we may continue to experience materially adverse impacts on our financial condition and results of operations. The duration and severity of the resulting economic downturn and the broader impact that COVID-19 could have on our business, financial condition and operating results remains highly uncertain.

For more information, see “Item 1A. Risk Factors” in our 2020 Form 10-K - “Our business and operations could be adversely affected by health epidemics, such as the recent COVID-19 pandemic, impacting the markets and communities in which we and our customers operate” and “The COVID-19 global pandemic has disrupted our operations and if we are unable to re-commence normal operations in the near-term, we may be out of compliance with certain covenants in our debt facilities.”

Impact of Coronavirus Aid, Relief, and Economic Security Act

The Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) was enacted in March 2020, in response to the COVID-19 pandemic. The CARES Act and related rules and guidelines include several significant provisions, including delaying certain payroll tax payments, mandatory transition tax payments, and estimated income tax payments that we are deferring to future periods. While the CARES Act contains these and various other corporate tax provisions; these benefits do not impact our current tax provision.

On April 5, 2020, we applied for an unsecured $5.2 million loan under the Paycheck Protection Program, or the PPP Loan. The Paycheck Protection Program, or PPP, was established under CARES Act and is administered by the U.S. Small Business Administration. On April 10, 2020, the PPP loan was approved and funded. We entered into a promissory note with JP Morgan Chase evidencing the unsecured $5.2 million loan. In accordance with the requirements of the CARES Act, we used the proceeds from the PPP Loan primarily for payroll costs. In October 2020, the SBA released guidance that allows borrowers an additional ten months of deferral of the start of principal and interest payments. Therefore, interest and principal payments are now deferred for the first sixteen months of the loan. Thereafter, monthly interest and principal payments are due until the loan is fully satisfied at the end of 24 months. The promissory note has a maturity date of April 4, 2022 and accrues interest at an annual rate of 0.98%. The promissory note evidencing the PPP Loan contains customary events of default relating to, among other things, payment defaults and provisions of the promissory note. The PPP permits borrowers to apply for forgiveness for some or all of the loans based on meeting certain criteria. The SBA continues to issue guidance surrounding the criteria for loan forgiveness, and although the Company intends to use the proceeds from the PPP Loans for qualified expenses and to apply for forgiveness, there can be no assurance whether such application for forgiveness will be approved by the SBA.

Other than as outlined above, we do not currently expect the CARES Act to have a material impact on our financial results, including on our annual estimated effective tax rate or on our liquidity. We will continue to monitor and assess the impact the CARES Act may have on our business and financial results.

Results of Operations

The following discussion and analysis provides information that our management believes is relevant to an assessment and understanding of our results of operations and financial condition. This discussion should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto appearing elsewhere herein.

Three months ended March 31, 2021 and 2020

Our revenues by category for the three months ended March 31, 2021 and 2020 are as follows:

	For the three months ended March 31,		Net change	
	2021	2020	$	%
Total				
Surgical	$ 10,351,130	$ 9,102,711	$ 1,248,419	13.7%
Wound	7,996,050	8,799,801	(803,751)	-9.1%
Total	$ 18,347,180	$ 17,902,512	$ 444,668	2.5%
Domestic:				
Surgical	$ 6,940,825	$ 6,052,548	$ 888,277	14.7%
Wound	7,872,060	8,725,868	(853,808)	-9.8%
Total	$ 14,812,885	$ 14,778,416	$ 34,469	0.2%
International:				
Surgical	$ 3,410,305	$ 3,050,163	$ 360,142	11.8%
Wound	123,990	73,933	50,057	67.7%
Total	$ 3,534,295	$ 3,124,096	$ 410,199	13.1%

Revenues

Total revenue increased 2.5%, or $0.4 million, to $18.3 million in the third quarter of fiscal 2021, from $17.9 million in the third quarter of fiscal 2020.

The revenue increase is principally attributable to a $1.2 million increase in surgical product sales, while wound sales declined by $0.8 million. Our Wound sales have been more significantly impacted by the effects of COVID-19 than Surgical sales in the United States. Domestic surgical revenue increased by 14.7%, or $0.9 million. International revenue strengthened with an increase of 13.1% or $0.4 million.

Gross profit

Gross profit in the third quarter of fiscal 2021 was 70.6% of revenue, consistent with the 70.3% gross profit margin recorded in the third quarter of fiscal 2020.

Selling expenses

Selling expenses decreased by $0.7 million, or 6.2%, to $10.9 million in the third quarter of fiscal 2021 from $11.6 million in the prior year period. The decrease in selling expenses is primarily attributable to lower costs for travel, meals, meetings and trade shows due to the COVID-19 pandemic.

General and administrative expenses

General and administrative expenses decreased by $0.8 million, or 18.6%, to $3.6 million in the third quarter of fiscal 2021 from $4.5 million in the prior year period. The decrease is primarily due to cost reductions implemented in fiscal 2021, along with a $0.4 million reduction of a VAT tax liability.

Research and development expenses

Research and development expenses decreased by $0.5 million, or 28.5%, to $1.3 million in the third quarter of fiscal 2021 from $1.8 million in the prior year period due to higher clinical research costs in the prior year.

Income taxes

There was no income tax expense or benefit for the three months ended March 31, 2021. For the three months ended March 31, 2020, the Company recorded an income tax benefit of $0.5 million. For the three months ended March 31, 2021 and 2020, the effective rate of 0% and 7.5% varied from the U.S. federal statutory rate primarily due to the recording of a full valuation allowance on the deferred tax assets and the business combination related to the Solsys acquisition.

Nine months ended March 31, 2021 and 2020

Our revenues by category for the nine months ended March 31, 2021 and 2020 are as follows:

	For the nine months ended March 31,		Net change	
	2021	2020	$	%
Total				
Surgical	$ 29,569,718	$ 28,702,566	$ 867,152	3.0%
Wound	24,769,214	20,067,853	4,701,361	23.4%
Total	$ 54,338,932	$ 48,770,419	$ 5,568,513	11.4%
Domestic:				
Surgical	$ 19,927,462	$ 16,819,950	$ 3,107,512	18.5%
Wound	24,454,340	19,762,087	4,692,253	23.7%
Total	$ 44,381,802	$ 36,582,037	$ 7,799,765	21.3%
International:				
Surgical	$ 9,642,256	$ 11,882,616	$ (2,240,360)	-18.9%
Wound	314,874	305,766	9,108	3.0%
Total	$ 9,957,130	$ 12,188,382	$ (2,231,252)	-18.3%

Revenues

Total revenue increased 11.4%, or $5.6 million, to $54.3 million in the first three quarters of fiscal 2021, from $48.8 million in the corresponding period of fiscal 2021.

The revenue increase is principally attributable to the increase of $4.7 million of domestic Wound product sales, $3.3 million of which is attributable to TheraSkin, resulting from the Solsys Acquisition on September 27, 2019. International revenue decreased 18.3%, or $2.2 million, due in part to the weakness resulting from the COVID-19 pandemic, which impacted international markets, including China.

Gross profit

Gross profit in the first three quarters of fiscal 2021 was 71.0% of revenue, slightly higher than the 70.3% gross profit margin recorded in the first three quarters of fiscal 2020, due to shifts in product mix and the mix of domestic and international revenues.

Selling expenses

Selling expenses increased by $1.7 million, or 5.8%, to $30.3 million in the first three quarters of fiscal 2021 from $28.6 million in the prior year period. The increase is primarily due to the acquisition of Solsys on September 27, 2019.

General and administrative expenses

General and administrative expenses decreased by $1.8 million, or 13.2%, to $12.0 million in the first three quarters of fiscal 2021 from $13.8 million in the comparable prior year period. The decrease is primarily due to the decrease in professional and transaction fees relating to the acquisition of Solsys on September 27, 2019, along with cost reductions implemented in fiscal 2021, and a $0.4 million VAT tax liability reduction.

Research and development expenses

Research and development expenses decreased by $0.2 million or 4.5% to $3.5 million in the first three quarters of fiscal 2021 from $3.7 million in the comparable prior year period.

Income taxes

For the nine months ended March 31, 2021 and 2020, the Company recorded an income tax benefit of $0 and $4.5 million, respectively. For the nine months ended March 31, 2021 and 2020, the effective rate of 0% and 34% varied from the U.S. federal statutory rate primarily due to the recording of a full valuation allowance on the deferred tax assets, and the business combination related to the Solsys Acquisition.

The acquisition of Solsys resulted in the recognition of deferred tax liabilities of approximately $4.5 million in related primarily to intangible assets. Prior to the business combination, the Company had a full valuation allowance on its deferred tax assets. The deferred tax liabilities generated from the business combination is netted against the Company’s pre-existing deferred tax assets. Consequently, this resulted in a release of $4.5 million of the pre-existing valuation allowance against the deferred tax assets and corresponding deferred tax benefit.

Liquidity and Capital Resources

General

Our liquidity position and capital requirements may be impacted by a number of factors, including the following:

- our ability to generate revenue, including a potential decline in revenue resulting from COVID-19;
- fluctuations in gross margins, operating expenses and net loss; and
- fluctuations in working capital.

Our primary short-term capital needs, which are subject to change, include expenditures related to:

- expansion of our sales, marketing and distribution activities;
- expansion of our research and development activities; and
- maintaining sufficient inventory to supply our sales volume.

Nine Month Period Ending March 31, 2021

Working capital at March 31, 2021 was $39.3 million. For the nine months ended March 31, 2021, cash used in operations was $6.9 million, principally due to an increase in inventory of $3.9 million, an increase in accounts receivable of $1.2 million, our loss from operations for the period plus non-cash items of $3.4 million, offset partially by an increase in accounts payable and accrued expenses of $1.4 million.

Cash used by investing activities during the nine-month period ended March 31, 2021 was $0.1 million, and consisted of purchases of property, plant and equipment, as well as acquisition of additional patents.

Cash used by financing activities during the nine-months period ended March 31, 2021 was $0.1 million, principally due to net repayments on borrowings on our term loan and revolving credit facility, partially offset by proceeds from the exercise of stock option.

We have $4.6 million of debt principal payments due during the 12-month period ending March 31, 2022. We estimate that we will make approximately $3.1 million in debt interest payments from April 1, 2021 through March 31, 2022.

As of March 31, 2021, we had cash and cash equivalents of approximately $30.9 million. The COVID-19 global pandemic has negatively impacted the global economy, disrupted consumer spending and created significant volatility and disruption of financial markets. As a result, we experienced a significant decline in revenue since March 2020 and the pandemic has made it more challenging for our management to estimate future performance of our businesses and liquidity needs, particularly over the near to medium term. However, management currently believes that we have sufficient cash to finance operations for at least the next 12 months following the issuance date of the Condensed Consolidated Financial Statements included herein.

We have also been actively monitoring the global outbreak and spread of COVID-19 and taking steps to mitigate the potential risks to us posed by its spread and related circumstances and impacts. We are focused on navigating these recent challenges presented by the COVID-19 global pandemic through preserving our liquidity and managing our cash flow through taking preemptive action to enhance our ability to meet our short-term liquidity needs. We cannot assure you that our assumptions used to estimate our liquidity requirements will be correct because we have never previously experienced this type of disruption to our operations, and as a consequence, our ability to be predictive is uncertain.

Nine Month Period Ending March 31, 2020

As of March 31, 2020, we had a cash and cash equivalents of approximately $39.7 million.

Working capital at March 31, 2020 was $55.2 million. For the nine months ended March 31, 2020, cash used in operations was $21.3 million, mainly due to an increase in inventory of $9.0 million, and an increase in accounts receivable of $3.3 million and from the Company’s loss from operations for the period plus non-cash items, of $8.2 million.

Cash provided by investing activities at March 31, 2020 was $5.1 million, principally from the $5.5 million of cash acquired in the Solsys Acquisition.

Cash provided by financing activities at March 31, 2020 was $48.1 million, principally from the $34.6 million received from our equity offering and from $16.2 million of net additional borrowings on the Company’s term loan and revolving credit facility.

Financing Transactions

See Note 12 to our Condensed Consolidated Financial Statements included herein for a summary of our financing transactions.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to us.

Other

In the opinion of management, inflation has not had a material effect on our operations.

Recent Accounting Pronouncements

See Note 1 to our Condensed Consolidated Financial Statements included herein.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments and estimations that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. We consider our accounting policies relating to goodwill, intangible assets and income taxes to be critical policies that require judgments or estimations in their application where variances in those judgments or estimations could make a significant difference to future reported results. These critical accounting policies and estimates are more fully discussed in our 2020 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

The principal market risks (*i.e.*, the risk of loss arising from adverse changes in market rates and prices) to which we are exposed are interest rates on cash and cash equivalents and certain items in inventory.

Capital markets and worldwide economies have also been significantly impacted by the COVID-19 pandemic, and it is possible that it could cause a local and/or global economic recession. Such economic recession could have a material adverse effect on our long-term business as hospitals and surgical centers curtail and reduce capital and overall spending. The COVID-19 impact on the capital markets could also impact our ability and cost to borrow under financing arrangements. There are certain limitations on our ability to mitigate the adverse financial impact of these items, including the fixed costs of our businesses.

Interest Rate Risk

We earn interest on cash balances and pay interest on any debt incurred. In light of our existing cash, results of operations and projected borrowing requirements, we do not believe that a 10% change in interest rates would have a significant impact on our consolidated financial position.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

All internal control systems, no matter how well designed and tested, have inherent limitations, including, among other things, the possibility of human error, circumvention or disregard. Therefore, even those systems of internal control that have been determined to be effective can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We carried out an evaluation, under the supervision and with the participation of management, of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2021. Based on that evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2021.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Former Chinese Distributor – Litigation

On March 23, 2017, our former distributor in China, Cicel (Beijing) Science & Technology Co., Ltd., filed a lawsuit against us and certain of our officers and directors in the United States District Court for the Eastern District of New York. The complaint alleged that we improperly terminated our contract with the former distributor. The complaint sought various remedies, including compensatory and punitive damages, specific performance and preliminary and post judgment injunctive relief, and asserted various causes of action, including breach of contract, unfair competition, tortious interference with contract, fraudulent inducement, and conversion. On October 7, 2017, the court granted our motion to dismiss each of the tort claims asserted against us, and also granted the individual defendants' motion to dismiss all claims asserted against them. On January 23, 2020, the Court granted Cicel's motion to amend its complaint, to include claims for alleged defamation and theft of trade secrets in addition to the breach of contract claim. We believe that we have various legal and factual defenses to the allegations in the complaint and intend to defend the action vigorously. Fact discovery in the case is ongoing, and there is no trial date currently set.

We expect that from time to time in the future we will be, party to, or a defendant in, various other claims or lawsuits that are generally incidental to our business. We expect that we will vigorously contest any such claims or lawsuits and believe that the ultimate resolution of any such known claim or lawsuit will not have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors.

Please refer to the information set out under the heading "Risk Factors" in the 2020 Form 10-K for the fiscal year ended June 30, 2020. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this report. We do not believe there have been any material changes in these risk factors. Additional risks not currently known to us or that we do not currently consider material may also materially adversely affect our financial condition and results of operations in the future.

Item 6. Exhibits

Exhibit No.	Description
31.1	Chief Executive Officer-Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer-Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer-Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
32.2	Chief Financial Officer-Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Scheme Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MISONIX, INC.

Dated: May 6, 2021

By: */s/ Stavros G. Vizirgianakis*
Stavros G. Vizirgianakis
Chief Executive Officer

By: */s/ Joseph P. Dwyer*
Joseph P. Dwyer
Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Stavros G. Vizirgianakis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Misonix, 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. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our 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 in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our 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.

Dated: May 6, 2021

By: */s/ Stavros G. Vizirgianakis*
Stavros G. Vizirgianakis
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Joseph P. Dwyer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Misonix, 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. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in 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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our 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 in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our 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.

Dated: May 6, 2021

By: */s/ Joseph P. Dwyer*
Joseph P. Dwyer
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Misonix, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stavros G. Vizirgianakis, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: May 6, 2021

By: */s/ Stavros G. Vizirgianakis*
Stavros G. Vizirgianakis
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Misonix, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph P. Dwyer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: May 6, 2021

By: */s/ Joseph P. Dwyer*
Joseph P. Dwyer
Chief Financial Officer