BIOMERICA

NEWS

Biomerica Reports Fiscal 2021 1st Quarter Financial Results

IRVINE, Calif., October 16, 2020 (GLOBE NEWSWIRE) -- Biomerica, Inc. (Nasdaq: BMRA), a global provider of advanced medical products, today reported financial results for the fiscal quarter ended August 31, 2020.

Net sales for the three months ended August 31, 2020 were $1.14 million compared to net sales of $1.19 million for the same period of 2019. Net loss was $1.6 million for the three months ended August 31, 2020 compared to a net loss of $0.5 million for the same period in the previous year. Research and Development (R&D) expense was $0.7 million for the three months ended August 31, 2020 compared to $0.4 million the same period in the previous year, an increase of over 80%. The increase in R&D investment expense was primarily due to the development of several COVID-19 tests, including a new antigen test for COVID-19. The Company is working to complete the validation testing of this product, which if successful, will enable the launch of the new antigen test in several weeks, pending international regulatory clearances. The Company also expects R&D investment to decrease as it prepares to move its remaining COVID-19 test products out of development and into manufacturing and sales. Selling, general and administrative expenses for the three months ended August 31, 2020 were $1.2 million, compared to $0.5 million, for the same period in the previous year. This increase was due to an increase in reserves for aged receivables, an increase in legal fees and to a lesser extent, higher salaries due to several new employees hired to help manage the company's projected growth.

Cash and cash equivalents were $7.0 million, and current assets were $13.1 million on August 31, 2020.

"By leveraging our technology and expertise, we were able to develop tests to detect COVID-19 antibodies quickly. While we wait for the FDA to issue an Emergency Use Authorization (EUA) for our COVID-19 antibody ELISA lab-based serology blood test, we are completing work on our COVID test line. As part of these efforts, we are planning to launch an antigen test, preparing to launch the ELISA product outside of the US under a CE mark, and filing for other point of care applications for certain products. We believe that the introduction of an antigen test will enable us to offer a more complete line of point of care products for COVID-19 testing. In addition, we have also worked diligently to differentiate our products from the competition by focusing on a simple finger-prick blood collection device, which enables blood samples to be collected virtually anywhere (corporation, university or other organization) by a trained professional. This device is used in conjunction with our ELISA lab-based serology test," said Zackary Irani, CEO of Biomerica.

"International demand for our disposable point-of-care antibody test decreased during the quarter. I believe this decrease was due in part from a lower daily infection rate during the summer months in the international markets in which we operate, as well as an increase in customer focus on virus testing (PCR and antigen tests). Importantly, as we enter the fall and winter months, the daily rate of new infections is rising, and the number of persons who have been infected by COVID-19 continues to increase, we are seeing increases in demand for both antigen and antibody tests. In addition, I am encouraged to see revenues of our non-COVID related products, which have been negatively affected by the pandemic, now starting to recover." concluded Mr. Irani.

About Biomerica (NASDAQ:)
Biomerica, Inc. (www.biomerica.com) is a global biomedical technology company that develops, patents, manufactures and markets advanced diagnostic and therapeutic products used at the point-of-care (in home and in physicians' offices) and in hospital/clinical laboratories for detection and/or treatment of medical conditions and diseases. The Company's products are designed to enhance the health and well-being of people, while reducing total healthcare costs. Biomerica primarily focus is on gastrointestinal and inflammatory diseases where the Company has multiple diagnostic and therapeutic products in development.

About InFoods®

The Biomerica InFoods® IBS product is designed to allow physicians to identify patient specific foods (e.g. eggs, broccoli, wheat, potatoes, corn, etc.), that when removed from the diet, may alleviate or improve an individual's IBS symptoms including, but not limited to, constipation, diarrhea, bloating, pain and indigestion. This patented, diagnostic-guided therapy is designed to allow for a patient specific, guided dietary regimen to improve IBS outcomes. The point-of-care product is being developed to allow physicians to perform the test in-office using a finger stick blood sample while a clinical lab version of the product is expected to be the first for which the company will seek regulatory approval. A billable CPT code that can be used by both clinical labs and physicians' offices is already available for InFoods® diagnostic products. Since the InFoods® product is a diagnostic-guided therapy, and not a drug, it has no drug type side effects. An estimated 45 million people in America currently suffer from IBS making it a leading cause for patient doctor visits.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this press release (as well as information included in oral statements or other written statements made or to be made by Biomerica) contains statements that are forward-looking, such as statements relating to the efficacy of the Company's COVID-19 tests, FDA clearance, EUA clearance, the rapidity of testing results, uniqueness of a product, pricing of the Company's test kits, increase in demand, demand for international orders, availability of the Company's COVID-19 test kits, and patent protection on the test technology. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, including, without limitation: results of studies testing the efficacy of the Company's COVID-19 tests; regulatory approvals necessary prior to commercialization of the Company's COVID-19 tests; availability of the Company's COVID-19 test kits; capacity, resource and other constraints on our suppliers; completion of validation testing; dependence on our third party manufacturers; dependence on international shipping carriers; governmental import/export regulations; demand for our various COVID-19 tests; competition from other similar products and from competitors that have significantly more financial and other resources available to them; governmental virus control regulations that make it difficult or impossible for the company to maintain current operations; regulations and the Company's ability to obtain patent protection on any aspects of its rapid test technology. Accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of Biomerica. Additionally, potential risks and uncertainties include, among others, fluctuations in the Company's operating results due to its business model and expansion plans, downturns in international and or national economies, the Company's ability to raise additional capital, the competitive environment in which the Company will be competing, and the Company's dependence on strategic relationships. The Company is under no obligation to update any forward-looking statements after the date of this release.

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