

Biomerica Announces Fiscal Year End 2019 Financial Results

IRVINE, CA -- August 30, 2019 -- Biomerica, Inc. (Nasdaq: BMRA), a global provider of advanced medical products, today reported net sales for the fiscal year 2019 were \$5,200,682 versus net sales of \$5,564,185 in fiscal 2018. Net loss was \$2,393,060 for fiscal 2019 compared to net loss of \$1,465,828 for fiscal 2018. Research and Development investment was \$1,679,098 for fiscal year 2019 compared to \$1,398,368 the previous year, an increase of \$280,730, or 20%.

Fiscal Year 2019 Highlights

- We signed an exclusive distribution agreement in China for our EZ Detect colorectal screening test with a total minimum purchase requirement of \$17 million over 7 years and an upfront pre-payment of \$1 million. It is estimated that there are over 400 million people over the age of 50 in China, which could benefit from this test that screens for early warning sign for colon cancer.
- We made significant progress in finalizing the clinical trials and product validation to submit to the United States Food and Drug Administration (FDA) for final clearance of the Company's H. Pylori diagnostic product. The Company plan to submit to FDA for clearance by the end of the calendar year. Helicobacter pylori (H. pylori) infection is one of the most common, chronic, bacterial infections affecting humans and complications include ulcers, inflammation of the stomach lining and stomach cancer.
- We were granted our first U.S. Patent covering a Diagnostic Guided Therapy for Irritable Bowel Syndrome (IBS). This initial U.S. patent covers the Company's InFoods® family of products that allow for revolutionary new treatment options for patients suffering from Irritable Bowel Syndrome (IBS) and other gastrointestinal diseases. It is estimated that over 45 million Americans suffer from IBS and the symptoms are often triggered by consumption of specific foods (which are unique in each sufferer). The total cost (direct + indirect) of IBS has been estimated at \$30 billion annually in the United States. The company has filed for and expects to receive additional patents for the InFoods® IBS and the InFoods® family of products.
- The Company continues to receive significant interest from leading medical institutions and researchers in the IBS field and expects to add new leading clinical sites in the near future to help expedite completion of the clinical trial underway for the InFoods® IBS therapy. We will be announcing a progress report on the InFoods® IBS trial in the upcoming months.
- The country of Colombia's food and drug regulatory agency granted clearance for Biomerica's EZ Detect colorectal screening test to be sold in Colombia. The Company is in negotiations to secure a possible Columbian distribution partner for this product who will be focused on sales to the Columbian government and other markets.

“We have seen continued increases in sales in Latin America and we are excited about the prospect for growth in this region. Sales to our new distribution partner in Mexico continue to grow, and we're in discussion with additional new distributors in three other countries in the region. These increases partly offset decreases in sales in Europe. In order to expand our European and Latin America distribution and sales network, we have hired a new sales and marketing director with extensive distributor relationships in Europe and South America, many of whom are evaluating our products for distribution. Our focus in fiscal 2019 was 1) expand distribution and gain country regulatory approvals for our EZ Detect colorectal cancer screening product , 2) support and expand the clinical trials for our InFoods® IBS product, which we see as a blockbuster opportunity, 3) prepare our H. Pylori product, (called hp+detect), for final FDA submission and market launch, 4) development of additional InFoods® diagnostic/therapeutic products for other disease states, , 5) begin transition from R&D focus to manufacture and distribution focus by starting to build out a global distribution network who will launch these new products and expand sales of our existing products, and 6) secure Intellectual Property (IP) protection for the many new products we are developing, beginning with the a USA

patent position for the InFoods® technology. Many of our InFoods® patents are now in final examination. Our focus on R&D and IP protection did require a significant increase in patent related legal expenses which, combined with costs related to our clinical trials, negatively impacted earnings in fiscal 2019. However, we see these IP and clinical expenses as an incredible investment opportunity with potential for inordinate returns, as these new products achieve FDA clearance and we hopefully begin to launch them into the market in the near future. At the same time, since many of the expenses related to the national phase of our InFoods® patents have already been paid and we expect to soon conclude our hp+detect clinical trials, we expect these reductions in expenses should positively impact our financial performance,” stated Zackary Irani, CEO of Biomerica.

About Biomerica (NASDAQ: [BMRA](#))

Biomerica, Inc. (www.biomerica.com) is a global biomedical company that develops, manufactures and markets advanced diagnostic products used at the point-of-care (in home and in physicians' offices) and in hospital/clinical laboratories for the early detection 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 focuses on products for Gastrointestinal Disease, Diabetes and esoteric testing.

The Biomerica InFoods® IBS product identifies patient specific foods that when removed may alleviate an individual's IBS symptoms. This patent-pending, diagnostic-guided therapy is designed to allow for a patient specific, guided dietary regimen to improve Irritable Bowel Syndrome (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 will 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 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.

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 intended launch dates, minimum purchases, sales potential, positive impact in financial performance, significant benefits, market size, prospects, new products, favorable outlook, new distributors, expansion, increases in productivity and margins, expected orders, leading market positions, anticipated future sales or production volume of the Company, the launch or success of product and new product offerings. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future, and accordingly, such results may differ materially from those expressed in any forward-looking statements made by or on behalf of Biomerica. The 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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