UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 23, 2019 (November 6, 2018)**

CHEMBIO DIAGNOSTICS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**0-30379**	**88-0425691**
(State or Other Jurisdiction of Incorporation or Organization)	*(Commission File Number)*	*(I.R.S. Employer Identification No.)*

3661 Horseblock Road, Medford, New York 11763
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **(631) 924-1135**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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. ☐

EXPLANATORY NOTE

As discussed more fully in our Current Report on Form 8-K filed with the Securities and Exchange Commission on November 13, 2018, which we refer to as the Original Filing, we completed our acquisition of opTricon GmbH, or opTricon, on November 6, 2018 pursuant to a share purchase agreement dated October 17, 2018.

We are filing this Amendment No. 1 on Form 8-K/A to amend the Original Filing solely to include the historical financial statements and pro forma financial information described below. Except for such historical financial statements and pro forma financial information, which are required by Item 9.01 of Form 8-K but, in accordance with rules of the Securities and Exchange Commission, were not filed with the Original Filing, this Amendment No. 1 on Form 8-K/A does not amend or restate the Original Filing, nor does it modify or update the disclosures in the Original Filing affected by subsequent events or discoveries.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of opTricon as of and for the year ended December 31, 2017 are included as Exhibit 99.01 to this Amendment No. 1 on Form 8-K/A and are incorporated by reference herein. The consent of opTricon's independent registered public accounting firm is included as Exhibit 23.01 to this Amendment No. 1 on Form 8-K/A.

The unaudited condensed financial statements of opTricon as of and for the nine months ended September 30, 2018 are included as Exhibit 99.02 to this Amendment No. 1 on Form 8-K/A and are incorporated by reference herein.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial statements of Chembio Diagnostics, Inc. and opTricon for the year ended December 31, 2017 and as of and for the nine months ended September 30, 2018 are included as Exhibit 99.03 to this Amendment No. 1 on Form 8-K/A and are incorporated by reference herein. Such unaudited pro forma condensed combined financial statements were prepared under pro forma requirements and are illustrative only. They do not purport to represent the the operating results or financial position that actually would have been achieved if the opTricon acquisition had been in effect on the dates indicated or that may be achieved in future periods.

(d) Exhibits

Exhibit No.	Description
23.01	Consent of BDO AG
99.01	Audited financial statements of opTricon GmbH as of and for the year ended December 31, 2017, including notes thereto.
99.02	Unaudited condensed financial statements of opTricon GmbH as of and for the nine months ended September 30, 2018, including notes thereto.
99.03	Unaudited pro forma condensed combined financial statements for the year ended December 31, 2017 and as of and for the nine months ended September 30, 2018, including notes thereto.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be filed on its behalf by the undersigned hereunto duly authorized.

		CHEMBIO DIAGNOSTICS, INC.
Dated: January 23, 2019	By:	/s/ JOHN J. SPERZEL III
		John J. Sperzel III
		Chief Executive Officer and President

Exhibit 23.01

CONSENT OF INDEPENDENT AUDITOR

We consent to the incorporation by reference in the Registration Statements of Chembio Diagnostics, Inc. listed below:

(1) Registration Statement No. 333-151785 on Form S-8;

(2) Registration Statement No. 333-203633 on Form S-8;

(3) Registration Statement No. 333-227398 on Form S-3; and

(4) Registration Statement No. 333-215813 on Form S-3

of our report dated January 21, 2019 with respect to the financial statements of opTricon Entwicklungsgesellschaft für Optische Technologien mbH included in this Current Report on Form 8-K/A of Chembio Diagnostics, Inc.

/s/ BDO AG

BDO AG
Wirtschaftsprüfungsgesellschaft
Berlin, Germany
January 22, 2019

Exhibit 99.01

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH

Index to Financial Statements

Independent Auditor's Report

opTricon Entwicklungsgesellschaft für
Optische Technologien mbH
Berlin, Germany

We have audited the accompanying financial statements of opTricon Entwicklungsgesellschaft für Optische Technologien mbH, which comprise the balance sheet as of December 31, 2017, and the related statements of operations, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of opTricon Entwicklungsgesellschaft für Optische Technologien mbH as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ BDO AG

BDO AG
Wirtschaftsprüfungsgesellschaft
Berlin, Germany
January 21, 2019

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
BALANCE SHEET
AS OF DECEMBER 31, 2017

– ASSETS –		
CURRENT ASSETS:		
Cash and cash equivalents	€	87,674
Accounts receivable, net		354,887
Inventories, net		224,548
Prepaid expenses and other current assets		46,216
TOTAL CURRENT ASSETS		713,325
FIXED ASSETS, net of accumulated depreciation		135,722
Deposits and other assets		10,309
TOTAL ASSETS	€	859,356
– LIABILITIES AND STOCKHOLDERS' EQUITY –		
CURRENT LIABILITIES:		
Accounts payable	€	96,226
Related party debt		492,175
Deferred revenue		79,800
Other accrued liabilities		117,494
TOTAL CURRENT LIABILITIES		785,695
NON-CURRENT LIABILITIES:		
Other non-current liabilities		15,299
TOTAL LIABILITIES		800,994
COMMITMENTS AND CONTINGENCIES (Note 9)		
STOCKHOLDERS' EQUITY:		
Subscribed capital		69,765
Additional paid-in capital		1,636,527
Accumulated deficit		(1,647,930)
TOTAL STOCKHOLDERS' EQUITY		58,362
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	€	859,356

See accompanying notes to financial statements

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
STATEMENT OF OPERATIONS

		For the year ended December 31, 2017
REVENUES:		
Net product sales	€	1,748,474
R&D, milestone and grant revenue		321,272
		2,069,746
COSTS AND EXPENSES:		
Cost of product sales		944,824
Research and development expenses		474,576
Selling, general and administrative expenses		438,602
		1,858,002
PROFIT FROM OPERATIONS		211,744
OTHER INCOME (EXPENSE):		
Other income		15,763
Interest expense		(27,456)
		(11,693)
PROFIT BEFORE INCOME TAXES		200,051
Income taxes		36,078
NET PROFIT	€	163,973

See accompanying notes to financial statements

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Subscribed Capital		Additional Paid-in-Capital	Accumulated Deficit	Total
	Shares	Amount	Amount	Amount	Amount
Balance at January 1, 2017	69,765	€ 69,765	€ 1,636,527	€ (1,811,903)	€ (105,611)
Net profit		–	–	163,973	163,973
Balance at December 31, 2017	69,765	€ 69,765	€ 1,636,527	€ (1,647,930)	€ 58,362

See accompanying notes to financial statements

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED

		December 31, 2017
OPERATING ACTIVITIES:		
Net profit	€	163,973
Adjustments:		
Depreciation		40,040
Deferred income taxes		36,078
Other		(4,041)
Changes in current assets and current liabilities:		
Accounts receivable		(92,403)
Inventories		(12,356)
Prepaid expenses and other current assets		(45,938)
Accounts payable and other accrued liabilities		30,501
Deferred revenue		45,300
Net cash provided by operating activities		161,154
INVESTING ACTIVITIES:		
Capital expenditures		(45,468)
Net cash used in investing activities		(45,468)
FINANCING ACTIVITIES:		
Bank overdraft		(28,253)
Net cash used in financing activities		(28,253)
INCREASE IN CASH AND CASH EQUIVALENTS		87,433
Cash and cash equivalents - beginning of the period		241
Cash and cash equivalents - end of the period	€	87,674
Supplemental Schedule of Cash Flow Information		
Cash paid during the period for interest	€	27,456

See accompanying notes to financial statements

NOTE 1 — COMPANY AND DESCRIPTION OF BUSINESS:

Established in 2005, opTricon Entwicklungsgesellschaft fuer Optische Technologien mbH, Berlin, Germany, (the "Company" or "opTricon") is an Original Equipment Manufacturer (OEM), which develops diagnostic devices used to detect and monitor diseases and controlled substances. The Company earns the majority of its revenue from its Cube Reader devices, which are small, cost effective devices used by medical laboratories and hospitals, government and public health entities, and medical professionals. The Company also receives grants from the German government to support research and development activities.

As of December 31, 2017, the Company was jointly owned by members of its management, along with outside investors.

NOTE 2 — BASIS OF PRESENTATION:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as issued by the Financial Accounting Standards Board ("FASB").

These financial statements are presented in Euro, which is the Company's functional currency.

NOTE 3 — SIGNIFICANT ACCOUNTING POLICIES:

(a) Use of Estimates:

The preparation of the financial statements in conformity with U.S. GAAP requires management to make assumptions and estimates that affect the amounts reported in the financial statements and accompanying notes. Judgments and estimates of uncertainties are required in applying the Company's accounting policies in certain areas. Generally, matters subject to estimation and judgment include accounts receivable realization, inventory obsolescence, asset impairments, recognition of revenue, useful lives of intangible and fixed assets, and deferred tax asset valuation allowances. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from those estimates.

(b) Fair Value of Financial Instruments:

Certain assets and liabilities are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The carrying values of the Company's cash and cash equivalents, accounts receivable, related party debt, and accounts payable, approximate fair value due to the immediate or short-term maturity of these financial instruments.

(c) Cash and Cash Equivalents:

Cash and cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less.

(d) Concentrations of Credit Risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and accounts receivable. Cash and cash equivalents are maintained at accredited financial institutions. The Company has never experienced any losses related to these balances and does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with financial institutions.

(e) Inventories:

The Company's inventory balances primarily consist of raw materials to be used in the production and fulfillment of customer orders. The Company does maintain immaterial amounts of work-in-process and finished goods inventory for unfulfilled customer orders. Inventories are stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method.

(f) Prepaid Expenses and Other Current Assets:

Prepaid expenses totaled €14,670 as of December 31, 2017. Other current assets primarily consist of value-added tax receivables of €28,005.

(g) Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from one to 11 years. Fixed assets are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. No impairment of fixed assets was recorded for the year ended December 31, 2017.

(h) Revenue Recognition:

The Company recognizes revenue for product sales in accordance with ASC 605, whereby revenue is recognized when there is persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed and determinable, and collectability is reasonably assured. Revenue typically is recognized at time of shipment. Sales are recorded net of discounts, rebates and returns.

R&D, milestone and grant revenue primarily consists of services performed, including third-party product development contracts. The Company recognizes revenue under the milestone method for certain product development projects defining milestones at the inception of the agreement.

(i) Sales Concentration:

The Company's 10 largest customers accounted for approximately 69% of Net sales, with two customers accounting each for more than 10%. Three customers accounted for greater than 10% of the Company's net accounts receivable balance as of December 31, 2017.

To manage risk, the Company performs ongoing credit evaluations of its customers' financial condition. The Company generally does not require collateral on accounts receivable. As of December 31, 2017, the Company's allowance for doubtful accounts was €0.

(j) Research and Development:

Research and development (R&D) costs are expensed as incurred.

(k) ***Income Taxes:***

The Company accounts for income taxes under an asset and liability approach that recognizes deferred tax assets and liabilities based on the difference between the financial statement carrying amounts and the tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse.

The Company follows a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. The guidance relates to, among other things, classification, accounting for interest and penalties associated with tax positions, and disclosure requirements. Any interest and penalties accrued related to uncertain tax positions are recorded in tax expense.

The Company assesses the realizability of its net deferred tax assets on an annual basis. If, after considering all relevant positive and negative evidence, it is more likely than not that some portion or all of the net deferred tax assets will not be realized, the Company will reduce the net deferred tax assets by a valuation allowance. The realization of net deferred tax assets is dependent on several factors, including the generation of sufficient taxable income prior to the expiration of net operating loss carryforwards.

(l) ***Deferred Revenue:***

The Company performs maintenance and technical support services. The Company generally invoices customers for these services in advance, on a quarterly basis. The Company classifies unearned amounts under these arrangements as deferred revenue.

(m) ***Recent Accounting Pronouncements Affecting the Company:***

In May 2014, the FASB issued converged guidance on recognizing revenue in contracts with customers, Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers*. The intent of the new standard is to improve financial reporting and comparability of revenue globally. The core principle of the standard is for a company to recognize revenue in a manner that depicts the transfer of goods or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price, and in certain circumstances, allowing estimates of variable consideration to be recognized before contingencies are resolved. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The standard is effective for nonpublic business entities for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the provisions of this standard to determine the impact on the Company’s financial statements.

In November 2015, the FASB issued ASU) 2015-17, Income Taxes (Topic 740) Balance Sheet Classification of Deferred Assets. This ASU is intended to simplify the presentation of deferred taxes on the balance sheet and will require an entity to present all deferred tax assets and deferred tax liabilities as non-current on the balance sheet. Under the current guidance, entities are required to separately present deferred taxes as current or non-current. Netting deferred tax assets and deferred tax liabilities by tax jurisdiction will still be required under the new guidance. The Company early adopted this ASU and presents its deferred tax balances as non-current on the balance sheet.

In February 2016, the FASB issued ASU 2016-02, which amends the ASC and creates Topic 842, Leases. Topic 842 will require lessees to recognize lease assets and lease liabilities for those leases classified as operating leases under previous U.S. GAAP on the balance sheet. This guidance is effective for nonpublic business entities for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Company is in the initial stages of evaluating the effect of the standard on its financial statements and will continue to evaluate. While not yet in a position to assess the full impact of the application of the new standard, the Company expects that the impact of recording the lease liabilities and the corresponding right-to-use assets will have a significant impact on its total assets and liabilities with a minimal impact on equity.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which provides guidance related to cash flows presentation and is effective for annual reporting periods beginning after December 15, 2018. The guidance in ASU 2016-15 is generally consistent with the Company’s current cash flow classifications, and adoption of this standard is not expected to have a material impact on its financial statements.

NOTE 4 — INVENTORIES:

Inventories consist of the following at:

		December 31, 2017
Raw materials	€	200,540
Work-in-process		2,460
Finished goods		34,610
Less: Allowance for inventory obsolescence		(13,062)
Inventories, net	€	224,548

NOTE 5 — FIXED ASSETS:

Fixed assets consist of the following:

		December 31, 2017
Machinery and equipment	€	324,061
Furniture and fixtures		99,041
Less accumulated depreciation		(287,380)
Fixed assets, net of accumulated depreciation	€	135,722

Depreciation expense related to property and equipment was €40,040 for the years ended December 31, 2017.

There were no capital leases as of December 31, 2017.

NOTE 6 — OTHER ACCRUED LIABILITIES:

Other accrued liabilities consist of the following:

		December 31, 2017
Accrued interest	€	75,178
Employee benefits		19,280
Other liabilities		23,036
Total	€	117,494

NOTE 7 — INCOME TAXES:

The provision for income taxes consists of the following:

		Year ended December 31, 2017
Current		
Corporate income tax	€	–
Trade tax		–
Total current		–
Deferred		
Corporate income tax		18,921
Trade tax		17,157
Total deferred		36,078
Total income tax expense	€	36,078

At December 31, 2017, the Company had net operating loss carry-forwards for both corporate income tax and trade tax purposes, each amounting to €567,182, which may be carried forward indefinitely.

As of December 31, 2017, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

		2017
Net operating loss carry-forwards	€	171,147
Deferred revenue		18,105
Other		27,886
Deferred tax assets		217,138
Other assets		(2,176)
Deferred tax liabilities		(2,176)
Net deferred tax assets before valuation allowance		214,692
Less valuation allowances		(214,692)
Net deferred taxes	€	–

The profit before income taxes resulted from German operations only.

The Company's combined statutory income tax rate for 2017 was 30.2%. A reconciliation of the statutory income tax rate to the effective rate applicable to profit before income taxes is as follows:

	Year ended December 31, 2017
Statutory income tax rate	30.2%
Change in valuation allowance	(12.2)%
Effective tax rate	18.0%

As of December 31, 2017, the Company did not have a liability for uncertain tax positions.

The Company files corporate income and trade tax returns. The Company is subject to audit by federal, state, local and foreign income tax authorities. As of December 31, 2017, statute of limitations for tax years 2013 through 2017 remain open to examination by German tax authorities. At 31 December 2017, there were no tax returns under audit.

NOTE 8 — EMPLOYEE BENEFITS:

Employee Participation Plan

The Company has an employee participation plan with key employees. In the event of a sale of the Company to a third party, the terms of the plan award grant recipients a share of the sale proceeds. As of December 31, 2017, plan participants were entitled to a total of 4.5% of any future sale proceeds.

Per the terms of the employee awards, the sale of opTricon represents a performance condition under ASC 718. Consistent with ASC 718, the Company recognizes compensation cost for awards with performance conditions when achievement of the performance condition is probable. As of December 31, 2017, the Company had not recognized any cost under the employee participation plan, because achievement of the performance condition was outside the Company's control and the probability of achievement could not be assessed.

Defined Contribution Plan:

The employer's contribution to the statutory pension scheme in Germany is based on 9.35% of employee salary in accordance with Article 20 section 2 of the Fourth Book of the German Code of Social Law ("SGB IV") for the year ended December 31, 2017. Defined contribution expenses totaled €58,882 for the year ended December 31, 2017.

NOTE 9 — COMMITMENTS AND CONTINGENCIES:

Obligations Under Operating Leases:

The Company leases equipment and a building to support its operations. As of December 31, 2017, the Company did not have any remaining lease commitments on equipment. The leased building in Berlin, Germany houses the Company's operations and comprises all of the Company's lease commitments as of December 31, 2017. The building lease required a monthly rent payment of €9,807 during 2017. The lease contains an automatic renewal option, which can be extended for an additional year, unless one of the lease parties objects in writing at the latest three months before the end of the contract. The lease provides for an annual rent increases of 2%.

The following is a schedule of future minimum rental commitments for the years ending December 31,

Year		**Operating Leases**
2018	€	129,121
Thereafter		–
Total	€	129,121

Total rent expense was €91,868 for the year ended December 31, 2017.

NOTE 10 — RELATED PARTY TRANSACTIONS:

The Company entered into certain loan agreements with its shareholders that are classified as related party debt. The Company repaid such loans in November 2018, as part of the sale to a wholly-owned subsidiary of Chembio Diagnostics Inc. ("Chembio") (see Note 11). The table below summarizes the Company's outstanding related party debt as of December 31, 2017:

Shareholder loans (issued September 24, 2010)	€	246,825
Convertible shareholder loans (issued October 14, 2013)		245,350
Total related party debt	€	492,175

Shareholder loans

Prior to 2017, the Company entered into a series of loan agreements with five of its shareholders. These shareholder loans had an original aggregate principal amount of €246,825, to be repaid over various repayment terms. The loans had fixed interest rates of 5%. As of December 31, 2017, the Company had accrued interest of €12,477.

Convertible shareholder loans

On October 14, 2013, the Company entered into a subordinate convertible loan agreement with its shareholders. The convertible loan agreement had an original principal amount of €245,350, bearing a nominal non-compounding annual interest rate of 8%. As of December 31, 2017, the loan was convertible into 5,706 shares of the Company's common stock at the discretion of the individual lenders.

As of the commitment date, the Company's common stock had a fair value in excess of the conversion price, resulting in a beneficial conversion feature of €66,641. The Company recorded the intrinsic value of the beneficial conversion feature as additional paid-in capital and as a discount on the debt. The Company amortized the discount as interest expense over the original term of the loan, from October 2013 until January 2015.

The Company subsequently amended the convertible loan agreement on January 28, 2015, March 9, 2015, and January 2, 2017, extending the repayment of the loan principal and all accrued interest until June 30, 2017. On July 18, 2017, the Company again extended the terms of the loan through December 31, 2017, with an immediate payment of accrued interest of €11,449 and monthly interest payments at the stated coupon interest rate of 8%. Total interest expense incurred for the year ended December 31, 2017 was €19,628.

Subsequent to December 31, 2017, the Company again amended the convertible loan agreement on February 14, 2018 (Amendment 5). Under the terms of Amendment 5, the Company paid all accrued interest incurred since October 2013.

NOTE 11 — SUBSEQUENT EVENT:

The Company has evaluated subsequent events through January 21, 2019, the date the financial statements were available to be issued. No subsequent events have been identified that require recognition or disclosure, other than the event described below.

On November 6, 2018, through a wholly-owned subsidiary, Chembio acquired 100% of the outstanding shares of the Company, pursuant to a share purchase agreement dated October 17, 2018 for a purchase price of US$5.5 million. In connection with the sale of the Company, employee participation plan participants received a share of the sale proceeds.

Exhibit 99.02

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH

Index to Condensed Interim Financial Statements

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
CONDENSED BALANCE SHEETS

– ASSETS –

	Unaudited September 30, 2018	December 31, 2017
CURRENT ASSETS:		
Cash and cash equivalents	€ 75,781	€ 87,674
Accounts receivable, net	140,704	354,887
Inventories, net	306,697	224,548
Prepaid expenses and other current assets	60,883	46,216
TOTAL CURRENT ASSETS	584,065	713,325
FIXED ASSETS, net of accumulated depreciation	113,619	135,722
Deposits and other assets	8,570	10,309
TOTAL ASSETS	€ 706,254	€ 859,356

– LIABILITIES AND STOCKHOLDERS' EQUITY –

	Unaudited September 30, 2018	December 31, 2017
CURRENT LIABILITIES:		
Accounts payable	€ 126,784	€ 96,226
Related party debt	492,175	492,175
Bank overdrafts	22,367	–
Deferred revenue	34,125	79,800
Other accrued liabilities	80,118	117,494
TOTAL CURRENT LIABILITIES	755,569	785,695
Other non-current liabilities	15,299	15,299
TOTAL LIABILITIES	770,868	800,994
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Subscribed capital	69,765	69,765
Additional paid-in capital	1,636,527	1,636,527
Accumulated deficit	(1,770,906)	(1,647,930)
TOTAL STOCKHOLDERS' EQUITY	(64,614)	58,362
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	€ 706,254	€ 859,356

See accompanying notes to unaudited condensed interim financial statements

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
CONDENSED STATEMENTS OF OPERATIONS
FOR THE NINE MONTHS ENDED
(Unaudited)

	September 30, 2018	September 30, 2017
REVENUES:		
Net product sales	€ 1,245,256	€ 1,241,800
R&D, milestone and grant revenue	442,441	232,188
Total revenues	1,687,697	1,473,988
COSTS AND EXPENSES:		
Cost of product sales	657,764	555,087
Research and development expenses	592,898	385,064
Selling, general and administrative expenses	454,982	325,290
Acquisition transaction expenses	100,014	–
	1,805,658	1,265,441
(LOSS) / PROFIT FROM OPERATIONS	(117,961)	208,547
OTHER INCOME (EXPENSE):		
Other income	11,822	11,822
Interest expense	(16,837)	(20,678)
	(5,015)	(8,856)
(LOSS) / PROFIT BEFORE INCOME TAXES	(122,976)	199,691
Income tax provision	–	36,013
NET (LOSS) / PROFIT	€ (122,976)	€ 163,678

See accompanying notes to unaudited condensed interim financial statements

OPTRICON ENTWICKLUNGSGESELLSCHAFT FUER OPTISCHE TECHNOLOGIEN MBH
CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED
(Unaudited)

		September 30, 2018		September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net (loss) profit	€	(122,976)	€	163,678
Adjustments:				
Depreciation		31,237		27,177
Deferred income taxes		–		36,013
Other		1,739		(1,976)
Changes in current assets and current liabilities:				
Accounts receivable		214,183		(179,193)
Inventories		(82,149)		(2,199)
Prepaid expenses and other current assets		(14,667)		(644)
Accounts payable and other accrued liabilities		(6,818)		21,372
Deferred revenue		(45,675)		91,300
Net cash (used in) provided by operating activities		(25,126)		155,528
CASH FLOWS FROM INVESTING ACTIVITIES:				
Capital expenditures		(9,134)		(14,653)
Net cash used in investing activities		(9,134)		(14,653)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Bank overdraft		22,367		(28,253)
Net cash provided by (used in) financing activities		22,367		(28,253)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(11,893)		112,622
Cash and cash equivalents - beginning of the period		87,674		241
Cash and cash equivalents - end of the period	€	75,781	€	112,863
Supplemental Schedule of Cash Flow Information				
Cash paid during the period for interest		92,015		20,678

See accompanying notes to unaudited condensed interim financial statements

NOTE 1 — COMPANY AND DESCRIPTION OF BUSINESS:

Established in 2005, opTricon Entwicklungsgesellschaft fuer Optische Technologien mbH, Berlin, Germany, (the “Company” or “opTricon”) is an Original Equipment Manufacturer (OEM), which develops diagnostic devices used to detect and monitor diseases and controlled substances. The Company earns the majority of its revenue from its Cube Reader devices, which are small, cost effective devices used by medical laboratories and hospitals, government and public health entities, and medical professionals. The Company also receives grants from the German government to support research and development activities.

As of December 31, 2017, the Company was jointly owned by members of its management, along with outside investors.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Presentation:

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as issued by the Financial Accounting Standards Board (“FASB”). Certain information and footnote disclosures, that are normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to provide for fair presentation. The accompanying financial statements and notes should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2017.

These financial statements are presented in Euro, which is the Company’s functional currency.

(b) Use of Estimates:

The preparation of the financial statements in conformity with U.S. GAAP requires management to make assumptions and estimates that affect the amounts reported in the financial statements and accompanying notes. Judgments and estimates of uncertainties are required in applying the Company’s accounting policies in certain areas. Generally, matters subject to estimation and judgment include accounts receivable realization, inventory obsolescence, asset impairments, recognition of revenue, useful lives of intangible and fixed assets, and deferred tax asset valuation allowances. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from those estimates.

(c) Fair Value of Financial Instruments:

Certain assets and liabilities are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The carrying values of the Company’s cash and cash equivalents, accounts receivable, related party debt, and accounts payable, approximate fair value due to the immediate or short-term maturity of these financial instruments.

(d) Cash and Cash Equivalents:

Cash and cash equivalents are defined as short-term, highly liquid investments with original maturities of three months or less.

(e) Concentrations of Credit Risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, cash equivalents and accounts receivable. Cash and cash equivalents are maintained at accredited financial institutions. The Company has never experienced any losses related to these balances and does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with financial institutions.

(f) Inventories:

The Company's inventory balances primarily consist of raw materials to be used in the production and fulfillment of customer orders. The Company does maintain immaterial amounts of work-in-process and finished goods inventory for unfulfilled customer orders. Inventories are stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method.

(g) Prepaid Expenses and Other Current Assets:

Prepaid expenses and other current assets consisted primarily of value-added tax receivables of €55,150 and €28,005 as of September 30, 2018 and December 31, 2017, respectively.

(h) Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from one to 11 years. Fixed assets are analyzed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. No impairment of fixed assets was recorded for the nine months ended September 30, 2018, and for the year ended December 31, 2017.

(i) Revenue Recognition:

The Company recognizes revenue for product sales in accordance with ASC 605, whereby revenue is recognized when there is persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed and determinable, and collectability is reasonably assured. Revenue typically is recognized at time of shipment. Sales are recorded net of discounts, rebates and returns.

R&D, milestone and grant revenue primarily consists of services performed, including third-party product development contracts. The Company follows recognizes revenue under the milestone method for certain product development projects defining milestones at the inception of the agreement.

(j) Sales Concentration:

The Company's 10 largest customers accounted for approximately 76% and 81% of Net sales for the nine months ended September 30, 2018 and 2017, respectively. Three customers and two customers accounted for more than 10% of Net sales for the nine months ended September 30, 2018 and 2017, respectively. Three customers accounted for greater than 10% of the Company's net accounts receivable balance as of September 30, 2018, and December 31, 2017.

To manage risk, the Company performs ongoing credit evaluations of its customers' financial condition. The Company generally does not require collateral on accounts receivable. The Company regularly reviews its receivable balances for collectability and maintains an allowance for doubtful accounts based on its assessment of the collectability of accounts receivable. As of September 30, 2018, the Company had an allowance for doubtful accounts of €56,802 related to one customer. As of December 31, 2017, the Company had a €0 allowance for doubtful accounts.

(k) Research and Development:

Research and development (R&D) costs are expensed as incurred.

(l) Income Taxes:

The Company recorded an income tax provision in the amount of €0 and €36,013 for the nine months ended September 30, 2018, and 2017, resulting in an effective tax rate of 0% and 18.0%. The absence of a tax provision for the nine months ended September 30, 2018 reflects a valuation allowance on all deferred tax assets. The valuation allowance reflects the Company's evaluation of the positive and negative evidence concerning the Company's future profitability within the relevant tax jurisdictions. The 18.0% effective tax rate for the nine months ended September 30, 2017 reflects the Company's statutory tax rate of 30.2%, combined with movement in the existing valuation allowance on net operating loss carryforwards.

(n) *Deferred Revenue:*

The Company performs maintenance and technical support services. The Company generally invoices customers for these services in advance, on a quarterly basis. The Company classifies unearned amounts under these arrangements as deferred revenue.

(o) *Recent Accounting Pronouncements Affecting the Company:*

In May 2014, the FASB issued converged guidance on recognizing revenue in contracts with customers, Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. The intent of the new standard is to improve financial reporting and comparability of revenue globally. The core principle of the standard is for a company to recognize revenue in a manner that depicts the transfer of goods or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price, and in certain circumstances, allowing estimates of variable consideration to be recognized before contingencies are resolved. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for nonpublic business entities for annual reporting periods beginning after December 15, 2018. The Company is currently evaluating the provisions of this standard to determine the impact on the Company's financial statements.

In November 2015, the FASB issued ASU 2015-17, Income Taxes (Topic 740) Balance Sheet Classification of Deferred Assets. This ASU is intended to simplify the presentation of deferred taxes on the balance sheet and will require an entity to present all deferred tax assets and deferred tax liabilities as non-current on the balance sheet. Under the current guidance, entities are required to separately present deferred taxes as current or non-current. Netting deferred tax assets and deferred tax liabilities by tax jurisdiction will still be required under the new guidance. The Company early adopted this ASU and presents its deferred tax balances as non-current on the balance sheet.

In February 2016, the FASB issued ASU 2016-02, which amends the ASC and creates Topic 842, Leases. Topic 842 will require lessees to recognize lease assets and lease liabilities for those leases classified as operating leases under previous U.S. GAAP on the balance sheet. This guidance is effective for nonpublic business entities for fiscal years beginning after December 15, 2019 and early adoption is permitted. The Company is in the initial stages of evaluating the effect of the standard on its financial statements and will continue to evaluate. While not yet in a position to assess the full impact of the application of the new standard, the Company expects that the impact of recording the lease liabilities and the corresponding right-to-use assets will have a significant impact on its total assets and liabilities with a minimal impact on equity.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which provides guidance related to cash flows presentation and is effective for annual reporting periods beginning after December 15, 2018. The guidance in ASU 2016-15 is generally consistent with the Company's current cash flow classifications, and adoption of this standard is not expected to have a material impact on its financial statements.

NOTE 3 — INVENTORIES:

Inventories consist of the following at:

	September 30, 2018	December 31, 2017
Raw materials	€ 253,665	€ 200,540
Work in process	46,444	2,460
Finished goods	18,025	34,610
Less allowance for inventory obsolescence	(11,437)	(13,062)
Inventory carrying value	€ 306,697	€ 224,548

NOTE 4 — FIXED ASSETS:

Fixed assets consist of the following at:

	September 30, 2018	December 31, 2017
Machinery and equipment	€ 324,061	€ 324,061
Furniture and fixtures	108,175	99,041
Less accumulated depreciation and amortization	(318,617)	(287,380)
Fixed assets, net of accumulated depreciation	€ 113,619	€ 135,722

Depreciation expense related to property and equipment was €31,237 and €27,177 for the nine months ended September 30, 2018 and 2017, respectively.

There were no capital leases as of September 30, 2018, and December 31, 2017.

NOTE 5 — OTHER ACCRUED LIABILITIES:

Other accrued liabilities consist of the following at:

	September 30, 2018	December 31, 2017
Accrued interest	€ –	€ 75,178
Employee benefits	52,009	19,280
Accrued sales and other taxes	12,791	10,222
Other liabilities	15,318	12,814
Total	€ 80,118	€ 117,494

NOTE 6 — EMPLOYEE BENEFITS:

Employee Participation Plan

The Company has an employee participation plan with key employees. In the event of a sale of the Company to a third party, the terms of the plan award grant recipients a share of the sale proceeds. As of September 30, 2018, plan participants were entitled to a total of 4.5% of any future sale proceeds.

Per the terms of the employee awards, the sale of opTricon represents a performance condition under ASC 718. Consistent with ASC 718, the Company recognizes compensation cost for awards with performance conditions when achievement of the performance condition is probable. As of September 30, 2018, the Company had not recognized any cost under the employee participation plan, because achievement of the performance condition was outside the Company’s control and the probability of achievement could not be assessed.

Defined Contribution Plan:

The employer’s contribution to the statutory pension scheme in Germany is based on 9.3% of employee salary in accordance with Article 20 section 2 of the Fourth Book of the German Code of Social Law (“SGB IV”) for both the nine months ended September 30, 2018 and 2017, respectively. Defined contribution expenses totaled €50,852 and €43,650 for the nine months ended September 30, 2018 and 2017, respectively.

NOTE 7 — RELATED PARTY TRANSACTIONS:

The Company entered into certain loan agreements with its shareholders that are classified as related party debt. The Company repaid such loans in November 2018, as part of the sale to a wholly-owned subsidiary of Chembio Diagnostics, Inc. (“Chembio”) (see Note 8). The table below summarizes the Company’s related party debt as of:

	September 30, 2018	December 31, 2017
Shareholder loans (issued September 24, 2010)	€ 246,825	€ 246,825
Convertible shareholder loans (issued October 14, 2013)	245,350	245,350
Total related party debt	€ 492,175	€ 492,175

Shareholder loans

Prior to 2017, the Company entered into a series of loan agreements with five of its shareholders. These shareholder loans had an aggregate principal amount of €246,825, to be repaid over various repayment terms. The loans had a fixed interest rate of 5%. For a number of periods, the Company and its shareholders agreed to defer principal and interest repayments.

As of September 30, 2018 and December 31, 2017, the Company had accrued interest of €0 and €12,477, respectively.

Convertible shareholder loans

On October 14, 2013, the Company entered into a subordinate convertible loan agreement with its current shareholders with an original principal amount of €245,300, bearing nominal non-compounding interest of 8%. The loan is convertible into shares of the Company's common shares at the discretion of the lenders.

The Company amended the convertible loan agreement on February 14, 2018. Under the terms of the amendment, the Company paid all accrued interest incurred since the loan's origination.

NOTE 8 — SUBSEQUENT EVENT:

The Company has evaluated subsequent events through January 21, 2019, the date the financial statements were available to be issued. No subsequent events have been identified that require recognition or disclosure, other than the event described below.

On November 6, 2018, through a wholly-owned subsidiary, Chembio acquired 100% of the outstanding shares of the Company, pursuant to a share purchase agreement dated October 17, 2018 for a purchase price of US$5.5 million. In connection with the sale of the Company, employee participation plan participants received a share of the sale proceeds.

Exhibit 99.03

CHEMBIO DIAGNOSTICS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On November 6, 2018, Chembio Diagnostics, Inc. ("Chembio" or the "Company") completed the acquisition (the "Acquisition") of opTricon GmbH ("opTricon"), a developer and manufacturer of hand-held analyzers for rapid diagnostic tests, for $5,500,000 in cash pursuant to the terms of the Share Purchase Agreement dated as of October 17, 2018 (the "Purchase Agreement").

The following sets forth unaudited pro forma condensed combined financial statements as at and for the periods indicated. The unaudited pro forma condensed combined financial statements have been prepared by us and give pro forma effect of the Acquisition and the payment of certain fees and expenses that had been incurred during the periods indicated. For a more detailed discussion of the basis of presentation, see Note 1 to the unaudited pro forma condensed combined financial statements. The pro forma information does not purport to represent what the Company's actual results of operations or financial position would have been had the matters described above occurred on the dates assumed, nor is it necessarily indicative of the Company's future operating results or financial position.

Both the Company and opTricon prepare their financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

CHEMBIO DIAGNOSTICS, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of September 30, 2018
Unaudited

	Historical		Pro Forma		November 2018 Offering Pro Forma	Pro Forma
	Chembio	opTricon	Adjustments	Notes	Adjustments (Note 5)	Combined
- ASSETS -						
CURRENT ASSETS:						
Cash and cash equivalents	$ 6,848,583	$ 87,939	$ (5,500,000)	4c	$ 16,515,949	$ 17,952,471
Accounts receivable, net	7,794,014	163,279	(9,507)	4b	-	7,947,786
Inventories, net	5,978,426	355,903	-		-	6,334,329
Prepaid expenses and other current assets	1,579,750	70,651	-		-	1,650,401
TOTAL CURRENT ASSETS	22,200,773	677,772	(5,509,507)		16,515,949	33,884,987
FIXED ASSETS, net of accumulated depreciation	2,372,896	131,848	-		-	2,504,744
OTHER ASSETS:						
Intangible assets, net	1,431,921	-	-		-	1,431,921
Goodwill	1,628,864	-	5,003,841	4d	-	6,632,705
Deposits and other assets	331,423	9,944	-		-	341,367
	3,392,208	9,944	5,003,841		-	8,405,993
TOTAL ASSETS	$ 27,965,877	$ 819,564	$ (505,666)		$ 16,515,949	$ 44,795,724
- LIABILITIES AND STOCKHOLDERS' EQUITY -						
CURRENT LIABILITIES:						
Accounts payable and accrued liabilities	$ 6,798,600	$ 147,125	$ (145,751)	4a, 4b	$ -	$ 6,799,974
Deferred revenue	760,750	39,600	-		-	800,350
Current portion of note payable	202,096	-	-		-	202,096
Related party debt	-	571,140	(571,140)	4e	-	-
Bank overdrafts	-	25,956	-		-	25,956
Other accrued liabilities	-	92,972	(92,972)	4b	-	-
TOTAL CURRENT LIABILITIES	7,761,446	876,793	(809,863)		-	7,828,376
OTHER LIABILITIES:						
Notes payable	207,694	-	-		-	207,694
Deferred tax liability	333,318	-	-		-	333,318
Other non-current liabilities	-	17,752	-		-	17,752
TOTAL LIABILITIES	8,302,458	894,545	(809,863)		-	8,387,140
COMMITMENTS AND CONTINGENCIES						
STOCKHOLDERS' EQUITY:						
Subscribed capital	-	80,958	(80,958)	4f	-	-
Preferred stock	-	-	-		-	-
Common stock	141,736	-	-		27,260	168,996
Additional paid-in capital	74,108,046	1,899,091	(1,899,091)	4f	16,488,689	90,596,735
Accumulated deficit	(54,739,124)	(2,055,030)	2,284,246	4f	-	(54,509,908)
Accumulated other comprehensive income	152,761	-	-		-	152,761
TOTAL STOCKHOLDERS' EQUITY	19,663,419	(74,981)	304,197		16,515,949	36,408,584
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 27,965,877	$ 819,564	$ (505,666)		$ 16,515,949	$ 44,795,724

See notes to unaudited pro forma condensed combined financial statements

CHEMBIO DIAGNOSTICS, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the nine months ended September 30, 2018
Unaudited

	Historical		Pro Forma		Pro Forma
	Chembio	opTricon	Adjustments	Notes	Combined
REVENUES:					
Net product sales	$ 21,112,126	$ 1,487,584	$ (10,863)	4b	$ 22,588,847
License and royalty revenue	707,010	-	-		707,010
R&D, milestone and grant revenue	3,995,115	528,540	-		4,523,655
TOTAL REVENUES	25,814,251	2,016,124	(10,863)		27,819,512
COSTS AND EXPENSES:					
Cost of product sales	16,827,956	785,765	-		17,613,721
Research and development expenses	5,736,265	708,276	(10,863)	4b	6,433,678
Selling, general and administrative expenses	7,987,914	543,522	(136,203)	4a	8,395,233
Acquisition transaction expenses	-	119,477	(119,477)	4a	-
	30,552,135	2,157,040	(266,543)		32,442,632
LOSS FROM OPERATIONS	(4,737,884)	(140,916)	255,680		(4,623,120)
OTHER INCOME (EXPENSE):					
Other income	-	14,123	-		14,123
Interest income, net	42,985	-	-		42,985
Interest expense	-	(20,113)	20,113	4e	-
	42,985	(5,990)	20,113		57,108
LOSS BEFORE INCOME TAXES	(4,694,899)	(146,906)	275,793		(4,566,012)
Income tax provision	-	-	-		-
NET LOSS	$ (4,694,899)	$ (146,906)	$ 275,793		$ (4,566,012)
Basic loss per share	$ (0.34)			6	$ (0.28)
Diluted loss per share	$ (0.34)			6	$ (0.28)
Weighted average number of shares outstanding, including shares from proceeds to be used for other corporate purposes – basic	13,872,055			6	16,598,055
Weighted average number of shares outstanding, including shares from proceeds to be used for other corporate purposes - diluted	13,872,055			6	16,598,055

See notes to unaudited pro forma condensed combined financial statements

CHEMBIO DIAGNOSTICS, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended December 31, 2017
Unaudited

	Historical		Pro Forma		Pro Forma
	Chembio	**opTricon**	**Adjustments**	**Notes**	**Combined**
REVENUES:					
Net product sales	$ 19,322,302	$ 1,976,802	$ (462,772)	4b	$ 20,836,332
License and royalty revenue	741,534	-	-		741,534
R&D, milestone and grant revenue	3,951,591	363,226	(84,794)	4b	4,230,023
TOTAL REVENUES	24,015,427	2,340,028	(547,566)		25,807,889
COSTS AND EXPENSES:					
Cost of product sales	12,921,157	1,068,206	(462,772)	4b	13,526,591
Research and development expenses	8,555,381	480,020	(84,794)	4b	8,950,607
Selling, general and administrative expenses	9,021,439	552,407	-		9,573,846
	30,497,977	2,100,633	(547,566)		32,051,044
LOSS FROM OPERATIONS	(6,482,550)	239,395	-		(6,243,155)
OTHER INCOME (EXPENSE):					
Other income	-	17,821	-		17,821
Interest income	25,430	-	-		25,430
Interest expense	(2,945)	(31,041)	31,041	4e	(2,945)
	22,485	(13,220)	31,041		40,306
LOSS BEFORE INCOME TAXES (BENEFIT)	(6,460,065)	226,175	31,041		(6,202,849)
Income tax provision (benefit)	(88,305)	40,789	9,374	4e	(38,142)
NET LOSS	$ (6,371,760)	$ 185,386	$ 21,667		$ (6,164,707)
Basic loss per share	$ (0.52)			6	$ (0.41)
Diluted loss per share	$ (0.52)			6	$ (0.41)
Weighted average number of shares outstanding, including shares from proceeds to be used for other corporate purposes – basic	12,300,031			6	15,026,031
Weighted average number of shares outstanding, including shares from proceeds to be used for other corporate purposes - diluted	12,300,031			6	15,026,031

See notes to unaudited pro forma condensed combined financial statements

Note 1. Basis of Presentation

The unaudited pro forma condensed combined balance sheet of Chembio as of September 30, 2018 has been prepared by the Company after giving effect to the business combination between Chembio and opTricon as if it had occurred on September 30, 2018. The unaudited pro forma condensed combined statements of operations of Chembio for the nine months ended September 30, 2018 and for the year ended December 31, 2017 have been prepared by the Company after giving effect to the business combination between Chembio and opTricon as if it had occurred on January 1, 2017.

These unaudited pro forma condensed combined financial statements have been compiled from, and include:

(a) a pro forma condensed combined balance sheet combining the unaudited consolidated balance sheet of Chembio as at September 30, 2018 and the unaudited balance sheet of opTricon as of September 30, 2018;

(b) a pro forma condensed combined statement of operations combining the unaudited consolidated statement of operations of Chembio for the nine months ended September 30, 2018 and the unaudited statement of operations for opTricon for the nine months ended September 30, 2018; and

(c) a pro forma condensed combined statement of operations combining the audited consolidated statement of operations of Chembio for the year ended December 31, 2017 and the audited statement of operations for opTricon for the year ended December 31, 2017.

The financial statements of Chembio and opTricon have been prepared in conformity with U.S. GAAP. Effective January 1, 2018, Chembio adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). There is no material difference to the historical total revenues of opTricon for the nine months ended September 30, 2018 if they were to be recorded in accordance with ASC 606, and thus no pro forma adjustment has been recorded. The Company adopted the provisions of ASC 606 utilizing the modified retrospective method, and as such no adjustments were made to periods prior to adoption.

The unaudited pro forma condensed combined financial statements have been prepared for illustrative purposes only and are not necessarily indicative of the consolidated financial position or results of operations in future periods or the results that actually would have been achieved had the Company and opTricon been a combined company during the respective periods presented. The assumptions and adjustments to reflect the Acquisition as of the applicable dates are described in Note 4 to the pro forma condensed combined financial statements.

The Acquisition is reflected in the unaudited pro forma condensed combined financial statements as being accounted for based on the acquisition method in accordance with the Accounting Standards Codification Topic 805, *Business Combinations* ("ASC 805"). Under the acquisition method, the total estimated purchase price is calculated as described in Note 3. In accordance with ASC 805, the assets acquired and liabilities assumed have been measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurements utilized estimates based on key assumptions of the Acquisition. The pro forma information is based on preliminary estimates; the final amounts recorded for the Acquisition (as defined in Note 3) may differ materially from the information presented.

The unaudited pro forma condensed combined financial statements do not reflect cost savings (or associated costs to achieve such savings) from operating efficiencies, synergies or other restructuring that could result from the Acquisition. The unaudited pro forma condensed combined statements of operations do not reflect any non-recurring charges directly related to the Acquisition that the combined company may subsequently incur.

The unaudited pro forma condensed combined financial statements should be read in conjunction with Chembio's unaudited interim consolidated financial statements as of and for the nine months ended September 30, 2018, and the audited consolidated financial statements for the year ended December 31, 2017, in addition to opTricon's unaudited interim financial statements as of and for the nine months ended September 30, 2018, and the audited financial statements for the year ended December 31, 2017.

Note 2. Significant Accounting Policies

The accounting policies used in the preparation of these unaudited pro forma condensed combined financial statements are those set out in Chembio's audited consolidated financial statements as of and for the year ended December 31, 2017 and unaudited interim consolidated financial statements as of and for the nine months ended September 30, 2018. opTricon follows U.S. GAAP, as outlined in opTricon's unaudited financial statements as of and for the nine months ended September 30, 2018 and audited financial statements as of and for the year ended December 31, 2017.

The pro forma condensed combined financial statements are presented in U.S. dollars ("$" or "dollars"), Chembio's reporting currency. opTricon's historical financial statements are presented in Euros ("€"). Chembio translated opTricon's balance sheet to dollars using the exchange rate as of September 30, 2018 ($1.16 to €1.00) and translated opTricon's statements of operations at the average rate of exchange for the nine months ended September 30, 2018 ($1.19 to €1.00) and at the average rate of exchange for the year ended December 31, 2017 ($1.13 to €1.00).

Note 3. Acquisition

The Company completed the acquisition of opTricon for cash consideration of $5,500,000, of which $850,000 was placed in escrow pending future potential working capital adjustments and satisfaction of potential claims as defined in the Purchase Agreement. The Acquisition has been accounted for as a business combination, using the acquisition method of accounting, which results in acquired assets and assumed liabilities being measured at their estimated fair values as of September 30, 2018, the date of the latest balance sheet for purposes of the pro forma condensed combined financial statements. Goodwill is measured as the excess of consideration transferred, which is also generally measured at fair value of the net assets acquired.

The following table summarizes the preliminary allocation of the purchase price as of September 30, 2018.

Current assets	$	677,772
Property, plant and equipment		131,848
Goodwill		5,003,841
Other non-current assets		9,944
Total assets acquired		5,823,405
Accounts payable and accrued liabilities		147,125
Deferred revenue		39,600
Other liabilities		136,680
Total liabilities assumed		323,405
Net assets acquired	$	5,500,000

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the unaudited pro forma condensed combined financial statements herein. The Company may make changes to the above purchase price allocation within the measurement period (one year from the acquisition date) due to identification of additional long-lived intangible assets and changes to goodwill related to completion of valuation procedures, and other changes to assets and liabilities, including deferred tax assets and liabilities, principally related to final net working capital adjustments. Accordingly, the final allocation could differ materially from the preliminary allocation used in the pro forma adjustments.

The Company expects to finalize the accounting for the business combination as soon as practicable within the measurement period in accordance with ASC 805, but in no event later than one year from November 6, 2018.

Note 4. Pro Forma Assumptions and Adjustments

The unaudited pro forma condensed combined financial statements include the following pro forma assumptions and adjustments and are based on our preliminary estimates and assumptions that are subject to change. To the extent applicable, the pro forma adjustments that follow have been tax effected at a rate of 30.2%, reflecting the German statutory tax rate for opTricon.

(a) Reflects the elimination of direct, incremental transaction costs incurred by Chembio and opTricon during the period's presented related to the acquisition. The impact of these direct, incremental transaction costs have been eliminated in the unaudited pro forma condensed combined statement of operations because these are nonrecurring in nature. These charges include financial advisory fees, legal, accounting and other professional fees incurred by Chembio and opTricon that are directly related to the Acquisition.

The adjustment to opTricon's Acquisition transaction expenses was $119,477 for the nine months ended September 30, 2018. The adjustment to opTricon's Accounts payable and accrued liabilities as of September 30, 2018 was $93,013.

The adjustments to Chembio's Accounts payable and accrued liabilities and Selling, general and administrative expenses were each $136,203 as of and for the nine months ended September 30, 2018 related to Acquisition transaction expenses.

(b) Prior to the acquisition, Chembio purchased analyzers and development services from opTricon. The pro forma financial statements include the following adjustments to related to this purchase activity and a reclass to conform to Chembio's historical financial statement presentation:

	Amount	**Description**
Pro Forma Condensed Combined Balance Sheet as of September 30, 2018		
$	9,507	Eliminated from Accounts receivable, net and Accounts payable and accrued liabilities
$	92,972	Reclass Other accrued liabilities to Accounts payable and accrued liabilities
Pro Forma Condensed Combined Statements of Operations for the nine months ended September 30, 2018		
$	10,863	Eliminated from Net product sales and Research and development expenses
Pro Forma Condensed Combined Statements of Operations for the year ended December 31, 2018		
$	462,772	Eliminated from Net product sales and Cost of product sales
$	84,794	Eliminated from R&D, milestone and grant revenue and Research and development expenses

(c) The approximate purchase price for the opTricon acquisition was $5,500,000 cash. A portion of the purchase price was deposited in escrow for a potential purchase price adjustment based on the net working capital of opTricon and to satisfy potential claims that the Company may make against the sellers in accordance with the Purchase Agreement.

(d) The preliminary purchase price allocation resulted in $5,003,841 of goodwill. As described in Note 3, the Company may make changes to the amount allocated to goodwill as it finalizes the purchase accounting for the business combination.

(e) As part of the acquisition, opTricon's historical shareholder loans were repaid in full, resulting in the elimination of opTricon's historical Related party debt and Interest expense balances.

(f) Represents elimination of opTricon's historical equity accounts.

Note 5. November 2018 Secondary Offering

The Company completed a secondary offering of its common stock on November 5, 2018. The net proceeds from the offering were approximately $16.5 million. As intended, the Company used $5.5 million of the net proceeds from the offering to fund the Acquisition. The Company intends to use the remaining proceeds (a) to support its business growth strategy, including broadening its U.S. manufacturing automation and expanding and improving its facilities, and (b) for other general corporate purposes, which may include future acquisitions.

Note 6. Net Loss per Common Share

The unaudited pro forma net loss per common share, both basic and diluted, is computed by dividing the pro forma net loss by the pro forma weighted average number of common shares outstanding on a basic or diluted basis, which includes shares from proceeds used to complete the Acquisition as well as shares from proceeds to be used for other corporate purposes. The calculation uses the weighted average number of Chembio's common shares for the nine months ended September 30, 2018 and for the year ended December 31, 2017, inclusive of all common shares issued upon completion of Chembio's secondary offering of its common stock on November 5, 2018 (as further described in Note 5) as if those shares were outstanding as of January 1, 2017.

The following table sets forth the computation of unaudited pro forma basic and diluted loss per share attributable to common stockholders as presented in the pro forma statements of operations for the following periods:

	Nine months ended September 30, 2018	Year ended December 31, 2017
Pro forma net loss	$ (4,566,012)	$ (6,164,707)
Historical weighted average shares of common stock outstanding – basic and diluted	13,872,055	12,300,031
Pro forma adjustment to reflect the assumed issuance of common stock, including shares from proceeds to be used for other corporate purposes	2,726,000	2,726,000
Weighted average shares of common stock outstanding used in computing pro forma net loss per share – basic and diluted	16,598,055	15,026,031
Pro forma net loss per share – basic and diluted	$ (0.28)	$ (0.41)

The following table sets forth the computation of unaudited pro forma basic and diluted loss per share attributable to common stockholders, excluding shares from proceeds to be used for acquisition transaction costs or other corporate purposes:

	Nine months ended September 30, 2018	Year ended December 31, 2017
Pro forma net loss	$ (4,566,012)	$ (6,164,707)
Historical weighted average shares of common stock outstanding – basic and diluted	13,872,055	12,300,031
Pro forma adjustment to reflect the assumed issuance of common stock for the acquisition purchase price, excluding shares from proceeds to be used for acquisition transaction costs or other corporate purposes	814,815	814,815
Weighted average shares of common stock outstanding used in computing pro forma net loss per share – basic and diluted	14,686,870	13,114,846
Pro forma net loss per share – basic and diluted	$ (0.31)	$ (0.47)