



NASDAQ: CEMI



RAPID tests for
EARLIER treatment

Investor Presentation

August 2014



Forward-Looking Statements

Statements contained herein that are not historical facts are forward-looking statements within the meaning of the Securities Act of 1933, as amended. Those statements include statements regarding the intent, belief or current expectations of Chembio and its management. Such statements reflect management's current views, are based on certain assumptions, and involve risks and uncertainties. Actual results, events, or performance may differ materially from the above forward-looking statements due to a number of important factors, and will be dependent upon a variety of factors, including, but not limited to, Chembio's ability to develop, manufacture, market and finance new products and the demand for Chembio's products. Chembio undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in Chembio's expectations with regard to these forward-looking statements or the occurrence of unanticipated events. Other factors that may impact Chembio's success are more fully disclosed in Chembio's most recent public filings with the U.S. Securities and Exchange Commission.

Our Vision & Mission



We are a provider of Point-of-Care diagnostic tests and solutions, helping people live longer and healthier lives.

Our Mission is to become a key provider in the market for rapid diagnostic Point of Care (POC) testing, through the development, manufacture, and commercialization of proprietary technology with superior performance and technical service.



- Develops, Manufactures & Markets Point-of-Care Diagnostic Tests (POCTs)
 - Global Sales – Direct and Through Partnerships
 - \$8B Total Global Market with Current Pipeline Addressing \$650MM Segment
- Five Consecutive Years of Profitability & Revenue Growth
 - 2013 Revenues and Product Gross Margin Increased by 15% and 8% respectively vs. 2012
- Patented DPP[®] - A Platform POCT Technology
 - Uniquely Enables Multiplexing for Higher Value Tests & Increased Sensitivity
 - DPP[®] Oral Fluid HIV Test – FDA-Approved - CLIA waiver pending
 - DPP[®] HIV-Syphilis Test – Strong outlook for ex-US sales in 2014
- Pipeline of DPP[®] POCT Products
 - DPP[®] HCV Ab & HIV Ag-Ab Test

Chembio Products are well Positioned for Growth in \$8.0 Billion Global Market

USA

- Branded Chembio products marketed in the U.S. beginning in 2014
- SURECHECK® lateral flow product marketed exclusively in U.S. by a distribution partner
- DPP® HIV PMA approval (Dec'12) / CLIA pending
- Funded Research Collaborations with CDC, DOD, NIH (6% FY13 revenue)

EU

- CE mark approval for SURECHECK® (July'13)
- CE mark for STATPAK®, DPP® HIV HIV/Syphilis pending

ASIA

Feb. 2014 License, Distribution, Tech. Transfer and Contract Manufacturing Agreements

SOUTH/CENTRAL AMERICA

- Strong OEM Partnerships (FIOCRUZ, Labtest); Branded products sold to NGOs, private distributors (45% FY13 revenue)

AFRICA

- Procurements primarily funded by PEPFAR, Global Fund, and WHO
- Sales channel; NGO-direct & through distributors (14% FY13 revenue)
- Commercial resource deployment

Chembio Invests in Next Generation Technology

Technologies to Address An Array of Diseases and Conditions

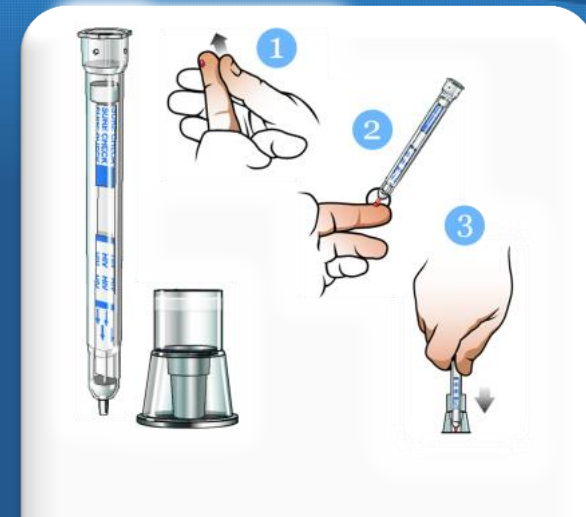
**Lateral Flow
Technology**
Single
Parameter
Tests

**DPP®
Technology
Enabling**
Improved
Sensitivity,
Multiplexing

Ongoing R&D

Chembio's Lateral Flow Rapid HIV Tests Marketed World-Wide

- Total \$20.2MM FY 2013
 - 50% Increase vs. FY2012
 - 5-8.5% Royalties Ending Feb. 2015
- In U.S. Chembio Markets HIV 1/2 STAT PAK[®] and an exclusive distributor Markets Sure Check[®]
 - \$8.9MM in FY 2013
 - 14% Increase vs. FY2012
- International Market Sold Through Multiple Channels
 - \$11.8MM in FY2013
 - 84.5% Increase vs. FY2012



Chembio SURE CHECK[®] HIV 1/2
Alere Clearview Complete[®] HIV 1/2

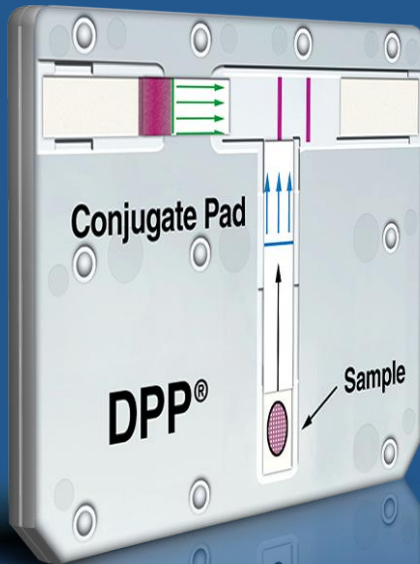


Chembio HIV 1/2 STAT-PAK[®]

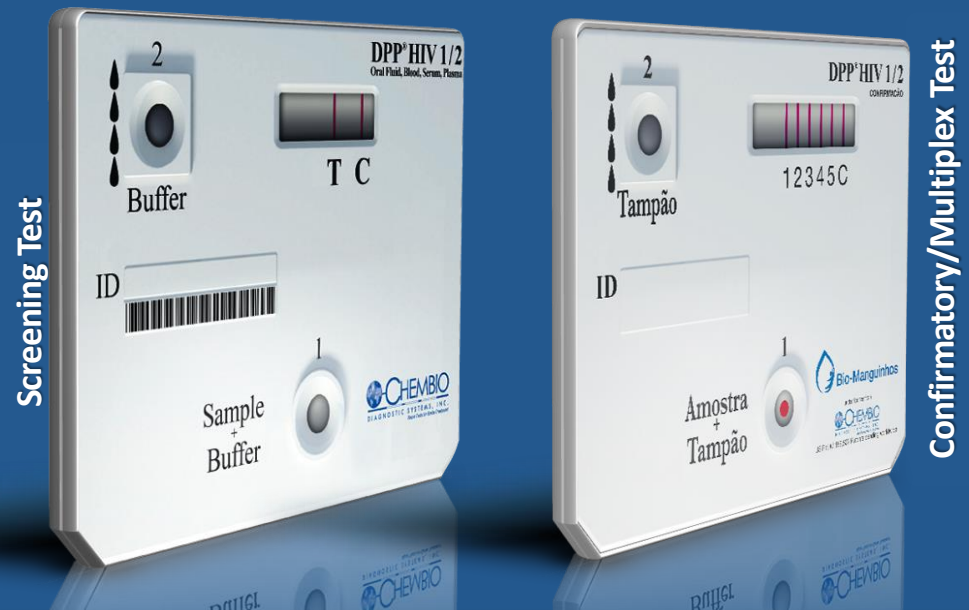
Chembio's Dual Path Platform (DPP®) Patented Point-of-Care Test Technology

- Proprietary Platform Technology that Uniquely Enables Multiplexing for Higher Value Tests
- Increases Sensitivity as Compared with Lateral Flow Technology
- Validated with Numerous Partners, Regulatory Agencies
- New DPP® Patents Issued in 2013

Mechanism



Result



Chembio's Pipeline: \$650MM Total Addressable Market

Chembio Pipeline POCT	Total Estimated Market Opportunity	Targeted Launch
HIV POCT - U.S.	\$75 MM	\$8.9MM Product Sales 2013 ; New Oral Fluid Product Launch 2014
HIV-Syphilis - U.S.	\$75 MM	2015
Hepatitis C POCT – U.S.	\$100 MM	2016
Combined Estimated Market for Above Products – ex-U.S.	\$400 MM	\$27.5MM Product Sales in FY2013 Significant Growth Opportunities with Current and New Products
Total:	\$650 MM	

Chembio POCT Market Opportunities: HIV Rapid POCTS

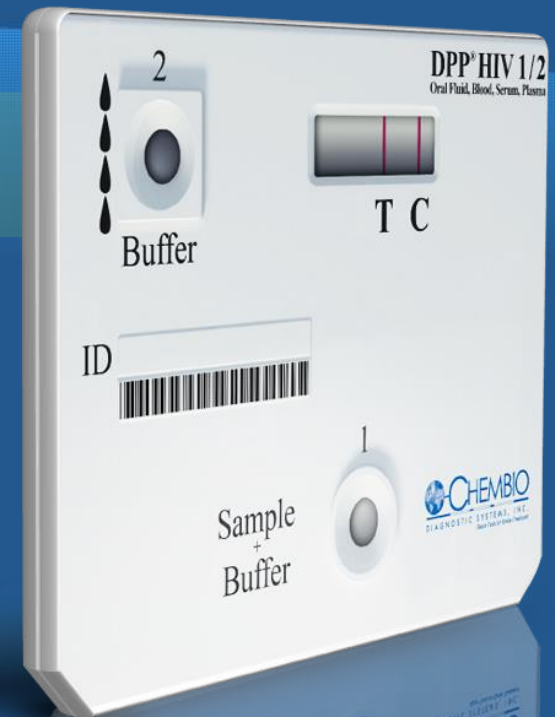
Established, Growing Markets

U.S.

- ~50,000 New Infections in 2012
- USPSTF Recommends Routine Testing
 - ACA Expanding Coverage by 25MM+

International

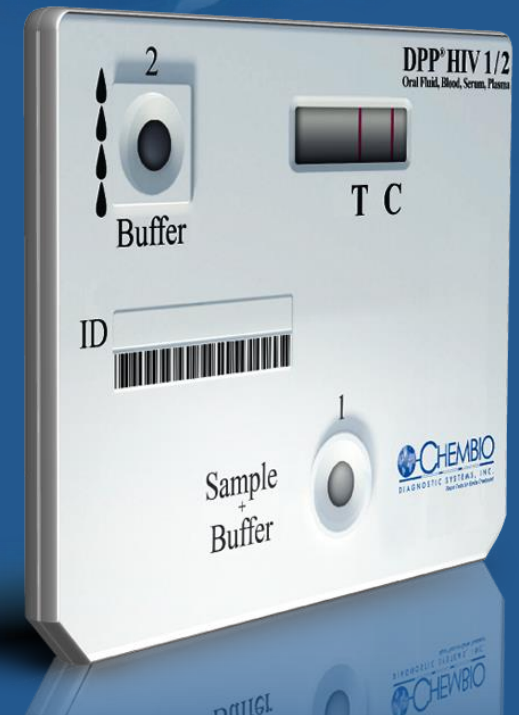
- 2.5 MM New Infections Worldwide in 2012
- Designation in PEPFAR & Other Donor-Funded Countries' Testing Protocols



Chembio DPP® HIV 1/2 Assay FDA-Approved Dec. '12

CLIA Waiver Application Filed with FDA , November 2013
Anticipated Launch in 2nd Half of 2014

- Build on Established Position/Performance of Our FDA Lateral Flow Products with Only Alternative to Current ~\$35MM Oral Fluid Product
- Superior Blood Matrix Performance over Top 4 Market Share Products in Early Detection Study
- Superior Oral Fluid Sensitivity v. Market Leader in Only Head-to-Head Study
- User Friendly, Safe and Efficient SampleTainer™ Sample Collection System
- Separate and Reagent-Free Oral Fluid Collection Device



DPP[®] HIV-Syphilis Multiplex Assay

- Large Global Market Opportunities for Pre-Natal and MSM Screening
- Higher Prevalence of Syphilis (1.9MM) than HIV (1.5MM) in Pregnant Women
- International & US Regulatory Approval Applications and Commercialization Efforts Underway
- Up to 70% HIV-Syphilis Co-Infection in MSM
 - First Such Test to be USAID-approved
 - Strong Start and Outlook 2014

OEM & License Agreements

Expanding Relationships and Sales Opportunities

Oswaldo Cruz Foundation

- Five DPP® Products , ~\$6MM 2013 revenues
- Brazilian MOH Supplier

Collaboration with LabTest Brazil

- Assembly & Distribution - DPP® Co-branded
- 2014 Plan = Initial Products Registrations

Agreement with RVR Malaysia

- License, Distribution, Tech. Transfer and Contract Manufacturing

Bio-Rad Laboratories

- Exclusive Licensee for DPP® HIV Confirmatory Application
- CE Marked 2013, FDA Pending

Commercial Strategy: Top Line Growth (Sales)

Build a Sales & Marketing Organization to Increase Our Revenue and Maximize Profits

**Tactic
#1**

**Move up Value Stream in US Diagnostics Market
“USA Direct” for Certain Products**

**Tactic
#2**

**Future Growth –
New Markets and
New Applications**

**Tactic
#3**

**Maximize
Opportunities in
Developing World
Markets**

Additional Priorities & Areas of Focus: Technology

Technology Investment

- New Product Launch (DPP[®] HIV/SYP)
- Develop New Technologies (HIV 4G, HCV) that Address Healthcare Concerns
- Identify Additional Technologies to License/Acquire that will Complement our Commercial Strategy



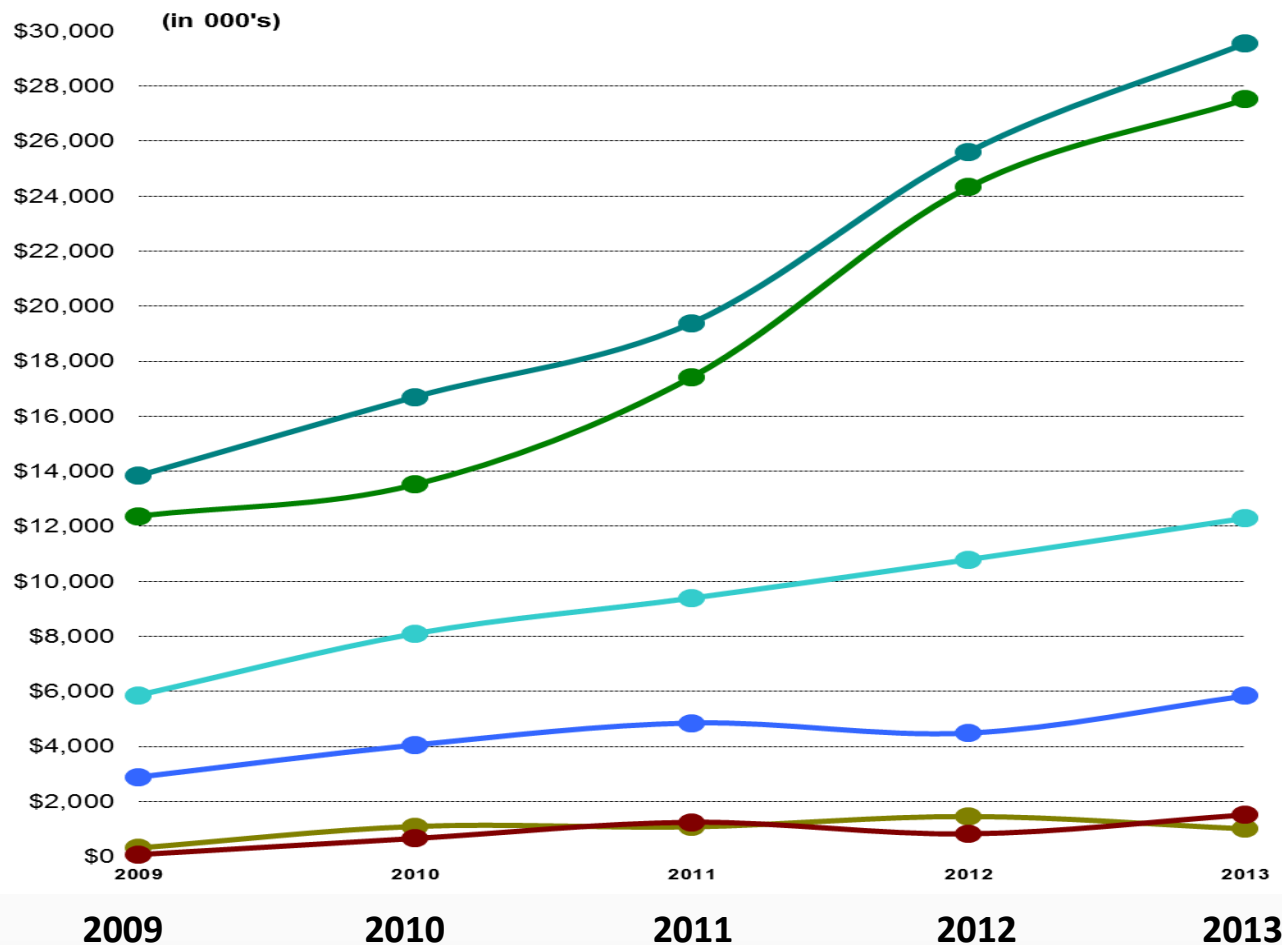
Organization & Facility

- FDA- and USDA-Approved Development & Manufacturing Facility in 39,660 Sq. Ft. Leased Facility in Medford, NY
- Company Warehouse in 21,450 Sq. Ft. Leased Facility in Holbrook, NY



TOTAL EMPLOYMENT: Approximately 175

Selected Financial Data FY2009 –2013



2013

Total Revenue
\$29,550

Product Revenue
\$27,516

Gross Profit
\$12,300

R&D Expense*
\$5,834

Pre-Tax Income
\$530,800

Clinical Trial Expense
\$1,515

SIX MONTHS 2014-2013 - Selected Financial Highlights

Six Months Ended (in 000's)	June 30, 2014		June 30, 2013			
Net Product Revenues	\$	12,153	\$	11,375		
TOTAL REVENUES		13,236		12,072		
GROSS MARGIN		5,255	40%	4,975	41%	
INCOME FROM OPERATIONS		(616)		107		
NET INCOME	\$	(371)	-3%	\$	76	1%
CASH AS OF	\$	6,835	\$	9,650		

2013-2014 YTD Milestones Achieved

Product Development/Regulatory

- Received FDA PMA Approval of DPP Oral Fluid HIV Test
- Substantial Progress on CLIA waiver studies
- Received CE Mark for Sure Check HIV 1/2 Assay
- USAID Approval, Initial Sales of HV-Syphilis Test

Corporate/Operations

- Achieved Fifth Straight Year of Sales Growth and Profitability with Strong Gains in Domestic and International Segments
- Strengthened Balance Sheet with Common Stock Issuance, Establishing Institutional Shareholder Base
- Increased Production Capacity to Meet Sales Growth

Commercialization

- Entered International Assembly & Distribution Agreement w/Labtest of Brazil
- Established Distribution, License , Tech. Transfer, Contract Manufacturer in Asia
- Initial International Registrations for HIV-Syphilis ; Receiving Significant Initial Orders

Anticipated Milestones - 2014

Product Development/Regulatory

- Oral Fluid HIV Test CLIA Waiver & Launch
- CE Marks for HIV 1/2 STAT-PAK[®], DPP[®] HIV & HIV-Syphilis Products
- International Sales Growth of DPP[®] HIV-Syphilis Test

Corporate/Operations

- Increase Production Capacity
- Pursue Acquisitions or Licenses of Complementary Products/Technologies

Commercialization

- Implement US & International Commercial Strategy, Expand Market and Sales Opportunities
- Expand International Revenues for Lateral Flow and DPP[®] Products
- New Distribution, Contract Development & OEM Deals

Leadership - Executive Team

Executive	Previous Experience	Joined
John J. Sperzel III Chief Executive Officer	2011-2013, President and CEO of ITC.; 1987-2011 Axis-Shield, Bayer Diagnostics, Instrumentation Laboratory and Boehringer Mannheim	2014
Richard Larkin, CPA Chief Financial Officer	2000-2003 CFO of Visual Technology Group; 1987-2000 CFO of Protex International Corp.	2003
Sharon Klugewicz, M.S. Chief Operating Officer	20+ Years at Pall Corporation, most recently as Sr. VP - Scientific & Laboratory Services	2012
Javan Esfandiari, M.S. Chief Science and Technology Officer	1993-1997, R&D Director On-Site Biotech; 1997-2000, Co-Founder of Sinovus Biotech AB (Sweden), which was acquired by Chembio in 2000	2000
Thomas Ippolito VP Regulatory & Clinical Affairs	25 years experience in the development of vaccines, therapeutics and IVDs working with several major pharmaceutical, vaccine and diagnostic companies	2005
Michael Steele VP Sales, Marketing & Bus. Dev.	20 years of business development and strategy execution at life sciences companies Sera Care Life Sciences, Serologicals, Inc. and Corautus Genetics.	2012

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