

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
GO TO THE HEARING ON JUNE 5, 2023	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel on or before May 15, 2023.
DO NOTHING	Receive no payment. You will, however, still be a Member of the Class, which means that you give up your right to ever be part of any other lawsuit against the Defendants or any other Released Defendant Parties about the legal claims being resolved by this Settlement and you will be bound by any judgments or orders entered by the Court in the Action.

SUMMARY OF THIS NOTICE

Statement of Class Recovery

Pursuant to the Settlement described herein, an \$8.1 million settlement fund has been established. Based on Lead Plaintiffs' estimate of the number of shares of Chembio common stock eligible to recover under the Settlement, the average distribution per share under the Plan of Allocation is approximately \$0.65 before deduction of any taxes on the income earned on the Settlement Amount thereof, notice and administration costs, and the attorneys' fees and expenses as determined by the Court. **Class Members should note, however, that these are only estimates.** A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's claims as compared to the total claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member may receive more or less than this estimated average amount. See Plan of Allocation set forth and discussed at pages 9-12 below for more information on the calculation of your claim.

Statement of Potential Outcome of Case

The Settling Parties disagree on both liability and damages and do not agree on the amount of damages that would be recoverable if the Class prevailed on each claim alleged. Defendants deny that they are liable to the Class and deny that the Class has suffered any damages. The issues on which the parties disagree are many, but include: (1) whether Defendants engaged in conduct that would give rise to any liability to the Class under the federal securities laws; (2) whether Defendants have valid defenses to any such claims of liability; (3) the appropriate economic model for determining the amount by which the prices of Chembio common stock were allegedly artificially inflated (if at all) during the Class Period; (4) the amount, if any, by which the prices of Chembio common stock were allegedly artificially inflated (if at all) during the Class Period; (5) the effect of various market forces on the prices of Chembio common stock at various times during the Class Period; (6) the extent to which external factors influenced the prices of Chembio common stock at various times during the Class Period; (7) the extent to which the various matters that Lead Plaintiffs alleged were materially false or misleading influenced (if at all) the prices of Chembio common stock at various times during the Class Period; and (8) the extent to which the various allegedly adverse material facts that Lead Plaintiffs alleged were omitted influenced (if at all) the prices of Chembio common stock at various times during the Class Period.

Statement of Attorneys' Fees and Expenses Sought

Since the Action's inception, Lead Counsel have expended considerable time and effort in the prosecution of this Action on a wholly contingent basis and have advanced the expenses of the Action in the expectation that if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. Lead Counsel will apply to the Court for an award of attorneys' fees not to exceed twenty-seven-and-one-half percent (27.5%) of the Settlement Amount, plus expenses not to exceed \$50,000, plus interest earned on both amounts at the same rate as earned by the Settlement Fund. In addition, one or more Lead Plaintiffs may seek awards not to exceed \$4,000 for their representation of the Class. If the amounts requested are approved by the Court, the average cost per share of Chembio common stock will be approximately \$0.18.

Further Information

For further information regarding the Action, this Notice or to review the Stipulation, please contact the Claims Administrator toll-free at 1-866-796-2048, or visit the website www.ChembioSecuritiesSettlement.com.

You may also contact a representative of counsel for the Class: Greg Wood, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, settlementinfo@rgrdlaw.com, www.rgrdlaw.com.

Please Do Not Call the Court or Defendants with Questions About the Settlement.

Reasons for the Settlement

Lead Plaintiffs' principal reason for entering into the Settlement is the benefit to the Class now, without further risk or the delays inherent in continued litigation. The cash benefit under the Settlement must be considered against the significant risk that a smaller recovery – or, indeed, no recovery at all – might be achieved after contested motions, trial, and likely appeals, a process that could last several years into the future. For the Defendants, who have denied and continue to deny, all allegations of liability, fault, or wrongdoing whatsoever, the principal reason for entering into the Settlement is to eliminate the uncertainty, risk, costs, and burdens inherent in any litigation, especially in complex cases such as this Action. Defendants have concluded that further conduct of this Action could be protracted and distracting.

BASIC INFORMATION

1. Why did I get this Notice package?

This Notice was sent to you pursuant to an Order of a U.S. District Court because you or someone in your family or an investment account for which you serve as custodian may have purchased Chembio common stock during the period between March 12, 2020 through and including June 16, 2020 (the "Class Period"), including purchases of Chembio common stock directly in or traceable to Chembio's public offering of common stock pursuant to a Prospectus Supplement dated May 7, 2020 (the "May 2020 Offering").

This Notice explains the class action lawsuit, the Settlement, Class Members' legal rights in connection with the Settlement, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the Action is the United States District Court for the Eastern District of New York, and the case is known as *In re Chembio Diagnostics, Inc. Sec. Litig.*, No. 2:20-cv-02706-ARR-JMW. The case has been assigned to the Honorable Allyne R. Ross. The funds representing the Class are the Lead Plaintiffs, and the company, individuals and underwriters they sued and who have now settled are called the Defendants.

2. What is this lawsuit about?

Lead Plaintiffs' Consolidated Amended Complaint for Violations of the Federal Securities Laws (the "Complaint"), filed on February 12, 2021, alleged that Defendants violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 (the "Securities Act") and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"). More specifically, Lead Plaintiffs alleged that, throughout the Class Period (between March 12, 2020 through June 16, 2020, inclusive), Defendants made false and/or misleading statements regarding the Company's Dual Path Platform ("DPP") COVID-19 Test, including that the test could determine current or past exposure to the COVID-19 virus, that the test provided high sensitivity and specificity, and that the test was 100% accurate for total antibodies 11 days post the onset of symptoms, causing the price of the Company's common stock to trade at artificially inflated prices. Lead Plaintiffs further alleged that a Prospectus, a Prospectus Supplement dated May 7, 2020 and Registration Statement pursuant to which the Company conducted a secondary stock offering in May 2020 (the "May 2020 Offering") contained inaccurate and misleading statements and omitted facts necessary to render statements made not misleading. On June 16, 2020, the FDA announced that it had revoked the Company's Emergency Use Authorization ("EUA") for its DPP COVID-19 Test, which Lead Plaintiffs alleged caused the Company's share price to significantly decline.

On February 18, 2021, the Chembio Defendants and the Underwriter Defendants submitted letters to the Court requesting a pre-motion conference. Lead Plaintiffs filed their responses on February 24, 2021. On March 26, 2021, the Chembio Defendants moved to dismiss the Complaint for failure to state a claim under Rules 9(b) and 12(b)(6) of the Federal Rules of Civil Procedure and under the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §78u-4(b)(2). The Underwriter Defendants joined in the motion. Lead Plaintiffs opposed the motion on April 16, 2021. The Chembio Defendants filed their reply on April 30, 2021. The Underwriter Defendants moved to join in that reply. On February 23, 2022, the Court granted the motion for joinder and entered an Opinion Order granting in part the motion to dismiss. The Court dismissed with prejudice the Exchange Act claims asserted against all Defendants and dismissed the Securities Act claims asserted against the Chembio Defendants with leave to replead. The Court denied the motion to dismiss with respect to the Securities Act Sections 11 and 12(a)(2) claims against the Underwriter Defendants.

On March 9, 2022, Lead Plaintiffs moved for partial reconsideration of the Court's February 23, 2022 Opinion and Order. The Chembio Defendants filed their opposition to the motion on March 23, 2022, and Lead Plaintiffs filed their reply on March 30, 2022. The Court issued a Memorandum Decision & Order denying Lead Plaintiffs' motion for reconsideration in its entirety.

On July 26, 2022, Lead Plaintiffs filed their Second Consolidated Amended Complaint for Violations of Federal Securities Laws (the "Amended Complaint"). The Amended Complaint alleged violations of Sections 11, 12(a)(2) and 15 of the Securities Act.

On July 14, 2022, the Lead Plaintiffs, the Chembio Defendants, and the Underwriter Defendants participated in a full-day confidential mediation with Jed Melnick, Esq., of JAMS, a highly experienced mediator of complex commercial matters (including securities class actions). The mediation was preceded by the submission and exchange of extensive

mediation statements. The parties engaged in good-faith negotiations, but did not reach a settlement at the mediation. Following the mediation, the Settling Parties continued, with the assistance of the mediator, to engage in arm's-length negotiations. On August 26, 2022, the Settling Parties reached an agreement-in-principle to resolve the Action, subject to the negotiation of mutually acceptable terms of a settlement agreement and necessary Court approval. The agreement-in-principle included, among other things, the Settling Parties' agreement to settle the Action in return for a cash payment of \$8,100,000 for the benefit of the Class, subject to the negotiation of the terms of a Stipulation and Agreement of Settlement and related papers and approval by the Court. The Stipulation (together with the Exhibits thereto) reflects the final and binding agreement, and a compromise of all matters that are in dispute, between the Settling Parties.

Defendants deny each and all of the claims and contentions of wrongdoing alleged by Lead Plaintiffs in the Action, as well as any and all allegations of fault, liability, wrongdoing, or damages whatsoever arising out of any of the conduct, statements, acts, or omissions that have been alleged, or that could have been alleged, in the Action. Defendants contend that they did not make any materially false or misleading statements, that they disclosed all material information required to be disclosed by the federal securities laws, and that any alleged misstatements or omissions were not made with the requisite intent or knowledge of wrongdoing. Defendants also contend that any losses allegedly suffered by Members of the Class were not caused by any allegedly false or misleading statements by them and/or were caused by intervening events. Defendants continue to believe that the claims asserted against them in the Action are without merit and should be dismissed, and that the Action itself should not be certified as a class action for purposes of trial or adjudication of liability and damages. Defendants also maintain that they have meritorious defenses to all claims that were raised or could have been raised in the Action.

3. Why is there a settlement?

The Court has not decided in favor of Defendants or of the Lead Plaintiffs. Instead, both sides agreed to the Settlement to avoid the distraction, costs, and risks of further litigation, and Lead Plaintiffs also agreed to the Settlement in order to ensure that Class Members will receive compensation.

WHO IS IN THE SETTLEMENT

4. How do I know if I am a Member of the Class?

The Court directed that everyone who fits this description is a Class Member: (a) all Persons who purchased Chembio common stock directly in or traceable to Chembio's May 2020 Offering, and (b) all other Persons who purchased or otherwise acquired Chembio common stock during the period between March 12, 2020 through June 16, 2020, inclusive, except those Persons and entities that are excluded.

Excluded from the Class are: (a) Defendants; (b) the Immediate Family of the Individual Defendants; (c) any person who was an officer or director of Chembio or an Underwriter Defendant during the Class Period; (d) any firm, trust, corporation or other entity in which any Defendant has or had a controlling interest (provided, however, that any Investment Vehicle shall not be excluded from the Class); and (e) the legal representatives, affiliates, heirs, successors-in-interest, or assigns of any such excluded Person. Also excluded from the Class are those Persons who timely and validly exclude themselves therefrom by submitting a request for exclusion in accordance with the requirements set forth in question 11 below.

Please Note: Receipt of this Notice does not mean that you are a Class Member or that you will be entitled to receive a payment from the Settlement. If you are a Class Member and you wish to be eligible to participate in the distribution of proceeds from the Settlement, you are required to submit the Proof of Claim that is being distributed with this Notice and the required supporting documentation as set forth therein postmarked or submitted online on or before June 23, 2023.

5. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at 1-866-796-2048, or you can fill out and return the Proof of Claim form enclosed with this Notice package, to see if you qualify.

THE SETTLEMENT BENEFITS – WHAT YOU GET

6. What does the Settlement provide?

The Settlement provides that, in exchange for the release of the Released Plaintiffs' Claims (defined below) and dismissal of the Action with prejudice, Defendants have agreed to pay (or cause to be paid) \$8.1 million in cash to be distributed after taxes, tax expenses, notice and claims administration expenses, and approved fees and expenses, *pro rata*, to Class Members who send in a valid Proof of Claim form pursuant to the Court-approved Plan of Allocation. The Plan of Allocation is described in more detail at the end of this Notice.

7. How much will my payment be?

Your share of the Net Settlement Fund will depend on several things, including the total value of Chembio common shares represented by the valid Proof of Claim forms that Class Members send in, compared to the value of your claim, all as calculated under the Plan of Allocation discussed below.

HOW YOU GET A PAYMENT – SUBMITTING A CLAIM FORM

8. How can I get a payment?

To be eligible to receive a payment from the Settlement, you must submit a Proof of Claim form. A Proof of Claim form is enclosed with this Notice or it may be downloaded at www.ChembioSecuritiesSettlement.com. Read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and **mail or submit it online at www.ChembioSecuritiesSettlement.com so that it is postmarked or received no later than June 23, 2023.**

9. When would I get my payment?

The Court will hold a Settlement Hearing on June 5, 2023, at 11:00 a.m., to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals. It is always uncertain whether appeals can be resolved, and if so, how long it would take to resolve them. It also takes time for all the Proofs of Claim to be processed. Please be patient.

10. What am I giving up to get a payment or to stay in the Class?

Unless you timely and validly exclude yourself, you are staying in the Class, and that means you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or their Related Parties about the Released Plaintiffs' Claims (as defined below) in this case. It also means that all of the Court's orders will apply to you and legally bind you. If you remain a Class Member, and if the Settlement is approved, you will give up all "Released Plaintiffs' Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Defendant Parties" (as defined below):

- "Released Plaintiffs' Claims" means any and all claims and causes of action of every nature and description, whether known or Unknown Claims (as defined below), accrued or unaccrued, in law or in equity, whether arising under federal, state, common or foreign law, whether direct, indirect, or derivative, that Lead Plaintiffs or any other member of the Class (a) asserted in the Action, or (b) could have asserted in the Action or in any forum, that arise out of, relate to, or are based upon the allegations, transactions, facts, matters, or occurrences, representations or omissions involved, set forth, or referred to in the Action and relate to or arise from the purchase or acquisition of Chembio common stock during the Class Period. Notwithstanding the foregoing, "Released Plaintiffs' Claims" do not include: (i) the derivative claims alleged in *Wong v. Eberly, et al.*, Case No. 1:20-cv-04269 (E.D.N.Y.) and *Chen v. Eberly, et al.*, Index No. 606168/2022 (N.Y. Sup. Ct. Suffolk Cty.); (ii) any claims related to the enforcement of the Settlement; and (iii) claims of any Person who submits a request for exclusion that is accepted by the Court.
- "Released Defendants' Claims" means any and all claims and causes of action of every nature and description whatsoever, whether known or Unknown Claims, whether arising under federal, state, common or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims against Defendants, except for any claims relating to the enforcement of the Settlement and the derivative claims alleged in *Wong v. Eberly, et al.*, Case No. 1:20-cv-04269 (E.D.N.Y.) and *Chen v. Eberly, et al.*, Index No. 606168/2022 (N.Y. Sup. Ct. Suffolk Cty.).
- "Released Defendant Parties" means each and all of the Defendants, Defendants' Counsel, and all of their Related Parties.
- "Related Parties" means any Person's former, present or future parents, subsidiaries, divisions, controlling persons, associates, related entities and affiliates, any entity in which a Person has a controlling interest, and each and all of their respective present and former employees, members, partners, principals, officers, directors, controlling shareholders, agents, attorneys, advisors (including financial or investment advisors), accountants, auditors, consultants, underwriters, investment bankers, commercial bankers, entities providing fairness opinions, general or limited partners or partnerships, limited liability companies, members, joint ventures and insurers and reinsurers or co-insurers of each of them; as well as the predecessors, successors, estates, Immediate Family, spouses, heirs, executors, trusts, trustees, administrators, agents, legal or personal representatives, assigns, and assignees of each of them, in their capacity as such.

- “Unknown Claims” means (a) any and all Released Plaintiffs’ Claims which any of the Releasing Plaintiff Parties do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Defendant Parties, or might have affected his, her, or its decision(s) with respect to the Settlement, including, but not limited to, whether or not to object to this Settlement; and (b) any and all Released Defendants’ Claims that any of the Released Defendant Parties do not know or suspect to exist in his, her, or its favor at the time of the release of the Lead Plaintiffs, the Class and Lead Counsel, which, if known by him, her, or it, might have affected his, her, or its settlement and release of Lead Plaintiffs, the Class and Lead Counsel. With respect to (a) any and all Released Plaintiffs’ Claims against the Released Defendant Parties, and (b) any and all Released Defendants’ Claims against Lead Plaintiffs, the Class and Lead Counsel, the Settling Parties stipulate and agree that, upon the Effective Date, the Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

The Settling Parties shall expressly waive, and each Releasing Plaintiff Party and Released Defendant Party shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code §1542. The Releasing Plaintiff Parties and Released Defendant Parties acknowledge that they may hereafter discover facts, legal theories or authorities in addition to or different from those which he, she, it or their counsel now knows or believes to be true with respect to the subject matter of the Released Plaintiffs’ Claims or Released Defendants’ Claims, but (a) the Releasing Plaintiff Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and each Releasing Plaintiff Party shall be deemed to have waived, compromised, settled, discharged, extinguished, and released, and upon the Effective Date, and by operation of the Judgment shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Plaintiffs’ Claims against the Released Defendant Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, accrued or unaccrued, whether or not concealed or hidden, which now exist, or heretofore have existed, or may hereafter exist, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities, and (b) the Released Defendant Parties shall expressly fully, finally, and forever waive, compromise, settle, discharge, extinguish and release, and upon the Effective Date, and by operation of the Judgment, shall have waived, compromised, settled, discharged, extinguished, and released, fully, finally, and forever, any and all Released Defendants’ Claims against Lead Plaintiffs, the Class and Lead Counsel, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and the Releasing Plaintiff Parties and Released Defendant Parties shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is an essential element of the Settlement of which this release is a part.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to participate in this Settlement, and you want to keep the right to potentially sue the Defendants and the other Released Defendant Parties, on your own, about the claims being released by the Settlement, then you must take steps to remove yourself from the Settlement. This is called excluding yourself—or is sometimes referred to as “opting out.” If you are requesting exclusion because you want to bring your own lawsuit based on the matters alleged in this Action, you may want to consult an attorney and discuss whether any individual claim that you may wish to pursue would be time-barred by the applicable statutes of limitation or repose.

11. How do I get out of the Class and the proposed Settlement?

To exclude yourself from the Class and the Settlement, you must send a letter by First-Class Mail stating that you “request exclusion from the Class in the *Chembio Securities Settlement*.” Your letter must include your purchases of Chembio common stock during the Class Period, including the dates, the number of shares of Chembio common stock purchased, and price paid for each such purchase. In addition, you must include your name, address, telephone number, and your signature. You must submit your exclusion request so that it is **postmarked no later than May 15, 2023** to:

Chembio Securities Settlement
Claims Administrator
c/o Gilardi & Co LLC
ATTN: EXCLUSIONS
P.O. Box 5100
Larkspur, CA 94977-5100

If you ask to be excluded, you will not get any payment from the Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue the Defendants and the other Released Defendant Parties about the Released Plaintiffs’ Claims in the future.

12. If I do not exclude myself, can I sue the Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights you may potentially have to sue the Defendants and the other Released Defendant Parties for any and all Released Plaintiffs’ Claims. If you have a pending lawsuit against the Released Defendant Parties, speak to your lawyer in that case immediately. You must exclude yourself from the Class in this Action to continue your own lawsuit. Remember, the exclusion deadline is May 15, 2023.

13. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you should not send in a Proof of Claim to ask for any money. If you exclude yourself, you may have the right to potentially sue or be part of a different lawsuit against the Defendants and the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court ordered that the law firms of Robbins Geller Rudman & Dowd LLP and Rolnick Kramer Sadighi LLP represent the Class Members. These lawyers are called Lead Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers be paid?

Lead Counsel will apply to the Court for an award of attorneys’ fees not to exceed twenty-seven-and-one-half percent (27.5%) of the Settlement Amount and for expenses, costs and charges in an amount not to exceed \$50,000 in connection with prosecuting the Action, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. In addition, one or more of the Lead Plaintiffs may seek an award not to exceed \$4,000 in connection with their representation of the Class. Such sums as may be approved by the Court will be paid from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or any part of it.

16. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you can comment on or object to the proposed Settlement, the proposed Plan of Allocation and/or Lead Counsel’s fee and expense application. You can write to the Court setting out your comment or objection. The Court will consider your views. To comment or object, you must send a signed letter saying that you wish to comment on or object to the proposed Settlement in the *Chembio Securities Settlement*. Include your name, address, telephone number, and your signature, identify the date(s), price(s), and number of shares of Chembio common stock you purchased and sold during the Class Period, and state with specificity your comments or the reasons why you object to the proposed Settlement, Plan of Allocation and/or fee and expense application, including any legal support for such objection. Any objection must state whether it applies only to the objector, to a specific subset of the Class, or to the entire Class. You must also include copies of documents demonstrating such purchase(s) and/or sale(s). Your comments or objection must be filed with the Court and mailed or delivered to each of the following addresses such that it is **received no later than May 15, 2023**:

COURT

CLERK OF THE COURT
 UNITED STATES DISTRICT COURT
 EASTERN DISTRICT OF NEW YORK
 225 Cadman Plaza East
 Brooklyn, NY 11201

LEAD COUNSEL

ROBBINS GELLER RUDMAN &
 DOWD LLP
 ELLEN GUSIKOFF STEWART
 655 West Broadway, Suite 1900
 San Diego, CA 92101

ROLNICK KRAMER SADIGHI LLP
 LAWRENCE M. ROLNICK
 1251 Avenue of the Americas
 New York, NY 10020

DEFENDANTS' COUNSEL

K&L GATES LLP
 JOHN W. ROTUNNO
 70 West Madison Street
 Suite 3300
 Chicago, IL 60602

JOANNA A. DIAKOS
 599 Lexington Avenue
 New York, NY 10022

LATHAM & WATKINS LLP
 COLLEEN C. SMITH
 12670 High Bluff Drive
 San Diego, CA 92130

17. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object **only** if you stay in the Class.

Excluding yourself is telling the Court that you do not want to recover money from the Settlement and do not want to release any claims you think you may have against Defendants and their Related Parties. If you exclude yourself, you cannot object to the Settlement because it does not affect you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend and you may ask to speak, but you do not have to.

18. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at **11:00 a.m., on June 5, 2023**, in Courtroom 8C South before the Honorable Allyne R. Ross, at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, NY 11201. At the hearing, the Court will consider whether the Settlement and the Plan of Allocation are fair, reasonable, and adequate. If there are objections, the Court will consider them, even if you do not ask to speak at the hearing. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Lead Counsel and Lead Plaintiffs. After the Settlement Hearing, the Court will decide whether to approve the Settlement and the Plan of Allocation. We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel or the Settlement website, www.ChembioSecuritiesSettlement.com, beforehand to be sure that the date and/or time has not changed.

In addition, the Court may decide to conduct the Settlement Hearing by video or telephonic conference, or otherwise allow Class Members to appear at the hearing by phone or video, without further written notice to the Class. **In order to determine whether the date and time of the Settlement Hearing have changed, or whether Class Members must or may participate by phone or video, it is important that you monitor the Court's docket and the Settlement website, www.ChembioSecuritiesSettlement.com, before making any plans to attend the Settlement Hearing. Any and all updates regarding the Settlement Hearing, including any changes to the date or time of the hearing or updates regarding in-person or remote appearances at the hearing, will be posted to the Settlement website, www.ChembioSecuritiesSettlement.com. Also, if the Court requires or allows Class Members to participate in the Settlement Hearing by telephone or video, access information will be posted to the Settlement website, www.ChembioSecuritiesSettlement.com.**

19. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

20. May I speak at the hearing?

If you object to the Settlement, the Plan of Allocation, and/or the fee and expense application, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see question 16 above) a statement saying that it is your “Notice of Intention to Appear in the *Chembio Securities Settlement*.” Persons who intend to object to the Settlement, the Plan of Allocation, and/or any attorneys’ fees and expenses to be awarded to Lead Counsel or Lead Plaintiffs and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and the exhibits they intend to introduce into evidence at the Settlement Hearing. Your notice of intention to appear must be **received no later than May 15, 2023**, and addressed to the Clerk of the Court, Lead Counsel, and Defendants’ Counsel, at the addresses listed above in question 16.

You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

21. What happens if I do nothing?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants and their Related Parties about the Released Plaintiffs’ Claims in this case.

GETTING MORE INFORMATION

22. How do I get more information?

For even more detailed information concerning the matters involved in this Action, you can obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at 1-866-796-2048 or by email at info@ChembioSecuritiesSettlement.com. Reference is also made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court and to the other Settlement-related papers filed in the Action, which are posted on the Settlement website at www.ChembioSecuritiesSettlement.com, and which may be inspected at the Office of the Clerk of the United States District Court for the Eastern District of New York, during regular business hours. For a fee, all papers filed in this Action are available at www.pacer.gov.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Settlement Amount of \$8.1 million and any interest earned thereon is the “Settlement Fund.” The Settlement Fund, less all taxes, tax expenses, notice and claims administration expenses, and approved fees and expenses (the “Net Settlement Fund”) shall be distributed to Class Members who submit timely and valid Proof of Claim forms to the Claims Administrator (“Authorized Claimants”). The Plan of Allocation will determine whether you will be eligible to participate in the distribution of the Net Settlement Fund.

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Class Members based on their respective claims and alleged economic losses resulting from the securities law violations alleged in the Action.

The Claims Administrator shall determine each Class Member’s share of the Net Settlement Fund based upon the recognized loss formula (the “Recognized Loss”) described below. A Recognized Loss will be calculated for each share of Chembio common stock purchased during the Class Period. The calculation of Recognized Loss will depend upon several factors, including when the Chembio common stock was purchased and in what amounts, whether shares were purchased pursuant and/or traceable to the May 2020 Offering, whether the shares were sold, and, if so, when they were sold and for what amounts. Please note that given Lead Plaintiffs’ assessment of the relative strength of Lead Plaintiffs’ claims, 37.16% of the Net Settlement Fund shall be allocated to Recognized Losses under the Exchange Act, and 62.84% shall be allocated to Recognized Losses under the Securities Act.

The Recognized Loss is not intended to estimate the amount a Class Member may have been able to recover after a trial, nor to estimate the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. The allocation below is based on the following inflation per share amounts for Class Period share purchases and sales, as estimated by Lead Plaintiffs, as well as the statutory PSLRA 90-day look-back amount of \$4.57 per share.² Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share shall be \$0.00.

² Under Section 21(D)(e)(1) of the Exchange Act, “in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price

In addition, for each Chembio share purchased or acquired during the Class Period or in connection with the May 7, 2020 Offering, a Claimant's Recognized Loss Amount for such share purchase or acquisition will be the greater of (a) the Recognized Loss Amount for such purchase using the Section 11 calculations, or (b) the Recognized Loss Amount for such purchase using the Section 10(b) calculations.

A "claim" will be calculated as follows:

Section 11 - May 2020 Secondary Public Offering

62.84% of the Net Settlement Fund shall be allocated to these claims

Initial Public Offering Price: \$11.75 per share

Closing price on the date the lawsuit was filed³: \$5.30 per share

For Chembio common stock purchased pursuant to and/or traceable to the Company's May 2020 Offering pursuant to a Prospectus Supplement dated May 7, 2020, and:

- 1) sold prior to August 17, 2020, the claim per share is \$11.75 less the sales price.
- 2) sold on or after August 17, 2020 through September 14, 2020, the claim per share is the lesser of: (i) \$6.45 (\$11.75 less \$5.30); or (ii) \$11.75 less the sales price.
- 3) retained after September 14, 2020, the claim per share is \$6.45 (\$11.75 less \$5.30).

Section 10(b)

37.16% of the Net Settlement Fund shall be allocated to these claims

The allocation below is based on the following inflation per share amount for Class Period common stock purchases and sales, as estimated by Lead Plaintiffs (see Table A) as well as the statutory PSLRA 90-day look-back amount of \$4.57 (see Table B). Furthermore, if any of the formulas set forth below yield an amount less than \$0.00, the claim per share is \$0.00.

TABLE A

Inflation Period	Inflation per Share
March 12, 2020 – June 16, 2020	\$6.04

For shares of Chembio common stock purchased, or acquired, on or between March 12, 2020 through and including June 16, 2020, the claim per share shall be as follows:

- a) If sold prior to June 17, 2020, the claim per share is \$0.00.
- b) If retained at the end of June 16, 2020 and sold on or before September 14, 2020, the claim per share shall be the least of: (i) the inflation per share at the time of purchase; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price and the average closing price up to the date of sale as set forth in Table B below.
- c) If retained at the close of trading on September 14, 2020, or sold thereafter, the claim per share shall be the least of: (i) the inflation per share at the time of purchase; (ii) the difference between the purchase price and the selling price; and (iii) the difference between the purchase price and \$4.57.

of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market (the "90-day look-back period")." Consistent with the requirements of the statute, Recognized Loss Amounts for Chembio common stock are reduced to an appropriate extent by taking into account the closing prices of Chembio common stock during the 90-day look-back period. The mean (average) closing price for Chembio common stock during this 90-day look-back period was \$4.57 per share as shown in Table B.

³ Class Action Complaint with a Section 11 Claim was filed on August 17, 2020.

TABLE B

Date	Closing Price	Average Closing Price	Date	Closing Price	Average Closing Price
6/17/2020	\$3.89	\$3.89	7/31/2020	\$5.53	\$4.38
6/18/2020	\$3.76	\$3.82	8/3/2020	\$5.87	\$4.43
6/19/2020	\$3.55	\$3.73	8/4/2020	\$5.90	\$4.47
6/22/2020	\$3.67	\$3.72	8/5/2020	\$5.93	\$4.51
6/23/2020	\$3.41	\$3.66	8/6/2020	\$5.44	\$4.54
6/24/2020	\$3.52	\$3.63	8/7/2020	\$5.49	\$4.57
6/25/2020	\$3.46	\$3.61	8/10/2020	\$5.69	\$4.60
6/26/2020	\$3.27	\$3.57	8/11/2020	\$5.35	\$4.61
6/29/2020	\$3.18	\$3.52	8/12/2020	\$5.43	\$4.64
6/30/2020	\$3.25	\$3.50	8/13/2020	\$5.09	\$4.65
7/1/2020	\$3.28	\$3.48	8/14/2020	\$5.24	\$4.66
7/2/2020	\$4.18	\$3.53	8/17/2020	\$5.30	\$4.68
7/6/2020	\$4.03	\$3.57	8/18/2020	\$5.28	\$4.69
7/7/2020	\$3.81	\$3.59	8/19/2020	\$5.50	\$4.71
7/8/2020	\$4.27	\$3.64	8/20/2020	\$5.22	\$4.72
7/9/2020	\$4.43	\$3.68	8/21/2020	\$5.07	\$4.73
7/10/2020	\$4.24	\$3.72	8/24/2020	\$4.93	\$4.73
7/13/2020	\$4.65	\$3.77	8/25/2020	\$4.70	\$4.73
7/14/2020	\$5.46	\$3.86	8/26/2020	\$4.59	\$4.73
7/15/2020	\$5.10	\$3.92	8/27/2020	\$3.78	\$4.71
7/16/2020	\$5.01	\$3.97	8/28/2020	\$4.10	\$4.70
7/17/2020	\$5.00	\$4.02	8/31/2020	\$4.10	\$4.68
7/20/2020	\$4.94	\$4.06	9/1/2020	\$3.90	\$4.67
7/21/2020	\$5.46	\$4.12	9/2/2020	\$3.82	\$4.65
7/22/2020	\$4.98	\$4.15	9/3/2020	\$3.64	\$4.64
7/23/2020	\$5.12	\$4.19	9/4/2020	\$3.51	\$4.62
7/24/2020	\$5.07	\$4.22	9/8/2020	\$3.80	\$4.60
7/27/2020	\$5.30	\$4.26	9/9/2020	\$4.08	\$4.59
7/28/2020	\$5.07	\$4.29	9/10/2020	\$4.10	\$4.59
7/29/2020	\$5.06	\$4.31	9/11/2020	\$4.12	\$4.58
7/30/2020	\$5.36	\$4.35	9/14/2020	\$4.32	\$4.57

The date of purchase or sale is the “contract” or “trade” date as distinguished from the “settlement” date.

For Class Members who held Chembio common stock at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the First-In, First-Out (“FIFO”) method will be applied to such holdings, purchases and sales for purposes of calculating a claim. Under the FIFO method, sales of Chembio common stock during the Class Period will be matched, in chronological order, first against Chembio common stock held at the beginning of the Class Period. The remaining sales of Chembio common stock the Class Period will then be matched, in chronological order, against Chembio common stock purchased during the Class Period.

To the extent a claimant had a market gain with respect to his, her, or its overall transactions in Chembio common stock during the Class Period, the value of the claimant’s Recognized Claim shall be zero. Such claimants shall in any event be bound by the Settlement. To the extent that a claimant suffered an overall market loss with respect to his, her, or its overall transactions in Chembio common stock during the Class Period, but that market loss was less than the total Recognized Claim calculated above, then the claimant’s Recognized Claim shall be limited to the amount of the actual market loss.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if a Class Member had a recognized loss under the Exchange Act or the Securities Act. However, the proceeds from sales of Chembio common stock that have been matched against Chembio common stock during the beginning of the Class Period will not be used in the calculation of such net loss. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

A purchase or sale of Chembio common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. All purchase and sale prices shall exclude any fees and commissions. The receipt or grant by gift, devise, or operation of law of Chembio common stock during the Class Period shall not be deemed a purchase, acquisition or sale of Chembio common stock for the calculation of a claimant’s recognized claim nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such share unless specifically

provided in the instrument of gift or assignment. The receipt of Chembio common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Chembio common stock.

With respect to Chembio common stock purchased or sold through the exercise of an option, the purchase/sale date of the Chembio common stock is the exercise date of the option and the purchase/sale price of the Chembio common stock is the exercise price of the option. Any recognized claim arising from the purchase of Chembio common stock acquired during the Class Period through the exercise of an option on Chembio common stock shall be computed as provided for other purchases of Chembio common stock in the Plan of Allocation.

Distributions will be made to Authorized Claimants after all claims have been processed, after the Court has finally approved the Settlement, and after any appeals are resolved. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the initial date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), the Claims Administrator shall, if feasible, reallocate such balance among Authorized Claimants on a pro rata basis. These redistributions shall be repeated until the balance remaining in the Net Settlement Fund is no longer economically feasible to distribute to Class Members. Thereafter, any balance that still remains in the Net Settlement Fund shall be donated to any appropriate non-sectarian, non-profit charitable organization(s) serving the public interest.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are dissatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth above shall be conclusive against all Authorized Claimants. Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. No Person shall have any claim against Lead Plaintiffs, Lead Counsel, the Claims Administrator, or other Person designated by Lead Counsel, Defendants, or Defendants' Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who fail to complete and submit a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Chembio common stock during the Class Period for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such Chembio common stock during such time period, or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) days mail the Notice and Proof of Claim form via First Class Mail directly to the beneficial owners of the Chembio common stock referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at notifications@gilardi.com or:

Chembio Securities Settlement
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 301134
Los Angeles, CA 90030-1134

DATED: FEBRUARY 3, 2023

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK