

BIOMERICA INC  
Form 10-Q  
January 17, 2017

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934

Commission File Number: 0-8765

**BIOMERICA, INC.**

-----  
(Exact name of registrant as specified in its charter)

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Delaware

95-2645573

-----  
(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

17571 Von Karman Avenue, Irvine, CA

92614

-----  
(Address of principal executive offices)

(Zip Code)

Registrant's telephone number including area code: (949) 645-2111

-----  
(Former name, former address and former fiscal year, if changed since last report.)

(TITLE OF EACH CLASS)

(NAME OF EACH EXCHANGE ON WHICH REGISTERED)

-----  
Common, par value \$.08

-----  
NASDAQ Capital Market

Securities registered pursuant to Section 12(g) of the Act:

(TITLE OF EACH CLASS)

COMMON STOCK, PAR VALUE \$0.08

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Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (paragraph 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No

Indicate the number of shares outstanding of each of the registrant's common stock, as of the latest practicable date: 8,459,423 shares of common stock, par value \$0.08, as of January 11, 2017.

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## PART I - FINANCIAL INFORMATION

## SUMMARIZED FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS  
BIOMERICA, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

## AND COMPREHENSIVE LOSS(UNAUDITED)

	Six Months Ended		Three Months Ended	
	November 30, 2016	November 30, 2015	November 30, 2016	November 30, 2015
Net sales	\$ 2,842,317	\$ 2,452,073	\$ 1,432,206	\$ 1,165,080
Cost of sales	(1,708,666)	(1,618,611)	(875,522)	(753,039)
Gross profit	1,133,651	833,462	556,684	412,041
Operating Expenses:				
Selling, general and administrative	893,906	731,263	475,257	391,603
Research and development	525,208	388,206	300,963	230,212
Total operating expenses	1,419,114	1,119,469	776,220	621,815
Loss from operations	(285,463)	(286,007)	(219,536)	(209,774)
Other Income (Expense):				
Dividend and interest income	27,043	17,958	16,829	14,024
Interest expense	(180)	(54)	(180)	(18)
Total other income	26,863	17,904	16,649	14,006
Loss before income tax	(258,600)	(268,103)	(202,887)	(195,768)
Income tax benefit	--	(129,000)	--	(129,000)
Net loss	\$ (258,600)	\$ (139,103)	\$ (202,887)	\$ (66,768)
Basic net loss per common share	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.01)
Diluted net loss per common share	\$ (0.03)	\$ (0.02)	\$ (0.02)	\$ (0.01)
Weighted average number of common and common equivalent shares:				
Basic	8,208,672	7,584,333	8,189,066	7,586,635
Diluted	8,208,672	7,584,333	8,189,066	7,586,635
Net loss	\$ (258,600)	\$ (139,103)	\$ (202,887)	\$ (66,768)
Other comprehensive loss, net of tax:				
Foreign currency translation	(760)	(1,366)	(786)	(1,023)
Comprehensive loss	\$ (259,360)	\$ (140,469)	\$ (203,673)	\$ (67,791)

The accompanying notes are an integral part of these statements.



BIOMERICA, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

sets:

ash equivalents

receivable, less allowance for doubtful accounts of \$30,326 and \$8,405

ember 30, 2016 and May 31, 2016, respectively



, net

penses and other

ent Assets

and Equipment, net of accumulated depreciation and amortization of \$1,479,082 and 3,900 as of November 30, 2016 and May 31, 2016, respectively

ax Assets

S

Assets, net

ts

ts

and Shareholders' Equity

abilities:

payable and accrued expenses

compensation

ent Liabilities

ents and Contingencies (Note 5)

ers' Equity:

stock, no par value authorized 5,000,000 shares , none issued and none outstanding at  
r 30, 2016 and May 31, 2016

stock, \$0.08 par value authorized 25,000,000 shares, issued and outstanding 8,300,548 and 8,169,673 at Nover

paid-in-capital

ed other comprehensive loss

ed deficit

holders' Equity

lities and Shareholders' Equity

The accompanying notes are an integral part of these statements.



BIOMERICA, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (UNAUDITED)

	2016	Six Months Ended November 30, 2015
Cash flows from operating activities:		
Net loss	\$ (258,600)	\$ (139,103)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization		110,994
Stock option expense		116,396
Change in provision for allowance for doubtful accounts		1,237
Inventory reserve		2,562
		21,921
		(8,653)
		4,216



Decrease in deferred rent liability

(3,604)

(13,072)

Increase in deferred tax assets

--

(129,000)

Changes in assets and liabilities:

Accounts receivable

(193,134)

(52,362)

Inventories

(8,188)

(214,238)

Prepaid expenses and other

(32,768)

49,986

Accounts payable and accrued expenses

41,174