



January 11, 2023

Dear ABMC Shareholder:

You are cordially invited to attend a special meeting of the shareholders of American Bio Medica Corporation ("ABMC") on Wednesday, February 15, 2023 at 11:00 a.m., Eastern Time, at ABMC's corporate offices located at 122 Smith Road, Kinderhook, New York 12106 (the "2023 Special Meeting of Shareholders").

As described in more detail in the enclosed proxy statement (the "**Proxy Statement**"), on December 19, 2022, ABMC entered into an Asset Purchase Agreement (the "**Asset Purchase Agreement**") with Healgen Scientific Limited Liability Company, a Texas limited liability company ("Healgen"), pursuant to which ABMC agreed, subject to the approval of ABMC Shareholders, to sell substantially all of the operating assets of ABMC (excluding ABMC's cash, receivables and certain other assets) to Healgen (the "**Asset Sale**").

At the 2023 Special Meeting of Shareholders, you will be asked to consider and vote on a proposal to approve the Asset Sale. ABMC's Board of Directors (the "Board") believes shareholders will be more likely to realize greater value through the Asset Sale than through ABMC's continued operation of manufacturing and distribution of lateral flow testing products (primarily for the detection of drugs of abuse).

After carefully weighing the facts and circumstances associated with the Asset Sale to Healgen as well as alternative courses of action, the Board has unanimously concluded that the proposed Asset Sale is the best available alternative to maximize value for shareholders.

The Board believes ABMC's status as a public company is an asset which may be sufficiently attractive to induce others to enter into business combinations with ABMC. ABMC is exploring strategic transactions which may result in ABMC entering a new line of business.

The Board has carefully reviewed the Asset Purchase Agreement, as well as other relevant materials and has unanimously concluded that the Asset Sale, pursuant to the Asset Purchase Agreement, in its opinion, is advisable and fair to and in the best interests of ABMC and its Shareholders, and should be presented to the Shareholders for approval.

The affirmative vote of the holders of a majority of the issued and outstanding shares of common stock will be required to complete the Asset Sale. **Your participation is extremely important, and your early response will be greatly appreciated.**

The Proxy Statement sets forth information about the background and details of the Asset Sale and the 2023 Special Meeting of Shareholders. The Board recommends that you consider the enclosed materials carefully. The Proxy Statement additionally requests Shareholder approval of, and contains information with respect to, the grant of authority of the Board to adjourn the Meeting, even if a quorum is present, if necessary or appropriate in the sole discretion of the Board, including to solicit additional proxies in the event that there are insufficient shares present in person or by proxy voting in favor of the Asset Sale.

The Board unanimously recommends that Shareholders vote in favor of both proposals.

Sincerely yours,

A handwritten signature in black ink that reads "Melissa A. Waterhouse". The signature is written in a cursive style and is positioned above a horizontal line.

Melissa A. Waterhouse
Chief Executive Officer
Principal Financial Officer

NOTICE OF THE 2023 SPECIAL MEETING OF SHAREHOLDERS REGARDING THE ASSET SALE

Wednesday, February 15, 2023

11:00 a.m., Eastern Standard Time

Company's Corporate Offices

122 Smith Road

Kinderhook, New York 12106

At the 2023 Special Meeting of Shareholders, the following business will be conducted:

1. To consider and vote upon a proposal to approve the Asset Purchase Agreement, dated as of December 19, 2022, between American Bio Medica Corporation ("ABMC") and Healgen Scientific Limited Liability Company for the Asset Sale of substantially all of ABMC's assets (the "Asset Sale").
2. To grant authority to the Board of Directors of ABMC (the "Board") to adjourn the 2023 Special Meeting of Shareholders, even if a quorum is present, if necessary or appropriate in the sole discretion of the Board, including to solicit additional proxies in the event that there are insufficient shares present in person or by proxy voting in favor of the Asset Sale (the "Adjournment Proposal").

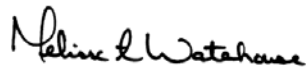
Only shareholders of ABMC who owned ABMC's common stock at the close of business on December 22, 2022 (the "Record Date") can vote at the 2023 Special Meeting of Shareholders, or any adjournment or postponement of the 2023 Special Meeting of Shareholders.

All shareholders of ABMC are cordially invited to attend the 2023 Special Meeting of Shareholders in person. To assure your representation at the 2023 Special Meeting of Shareholders, however, **you are urged to mark, sign and return the enclosed proxy as promptly as possible in the postage-prepaid envelope for that purpose, or vote via telephonic or electronic means provided.** If you later desire to revoke your proxy for any reason, you may do so in the manner provided in the accompanying proxy statement. Your shares of ABMC's common stock will be voted in accordance with the instructions you have given in the proxy. You will find more instructions on how to vote in the accompanying proxy statement.

Accompanying this Notice of the 2023 Special Meeting of Shareholders are (a) a proxy statement and attached annexes and (b) a form of proxy (or a voting instruction form if you hold shares of common stock through a broker or other intermediary).

The enclosed materials require ABMC's shareholders to make important decisions with respect to ABMC. Please read carefully the accompanying proxy statement and its annexes, as these documents contain detailed information relating to, among other things, the Asset Sale. If you are in doubt as to how to make these decisions, please consult your financial, legal or other professional advisors.

By Order of the Board of Directors



Melissa A. Waterhouse
Chief Executive Officer
Principal Financial Officer

Kinderhook, New York
January 11, 2023

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2023 SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 15, 2023

The Notice of the 2023 Special Meeting of Shareholders and the Proxy Statement are available on American Bio Medica Corporation's website, at: <https://abmc.com/investor/2023specialproxy>.

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Annex A	Asset Purchase Agreement, dated December 19, 2022, by and between American Bio Medica Corporation and Healgen Scientific Limited Liability Company. *The foregoing annex excludes confidential disclosure schedules that are part of the Asset Purchase Agreement.
Annex B	Sections 623 and 910 of the NY Business Corporation Law
Annex C	Loan Promissory Note and Security Agreement, as amended
Annex D	Historical and Pro Forma Financial Statements Proxy

QUESTIONS AND ANSWERS ABOUT THE PROPOSED ASSET SALE

Q. WHAT PROPOSALS WILL I BE VOTING ON AT THE ANNUAL MEETING?

A. You are being asked to consider and vote upon a proposal to approve the Asset Sale for \$3 million in cash pursuant to the Asset Purchase Agreement, dated as of December 19, 2022, between ABMC and Healgen Scientific Limited Liability Company. A copy of the Asset Purchase Agreement is attached to this proxy statement as Annex A. You are also being asked to approve a proposal granting authority to the Board of Directors of ABMC (the "Board") to adjourn the 2023 Special Meeting of Shareholders, even if a quorum is present, if necessary or appropriate in the sole discretion of the Board, including to solicit additional proxies in the event that there are insufficient shares present in person or by proxy voting in favor of the Asset Sale (the "Adjournment Proposal").

Q. HOW DOES THE BOARD RECOMMEND I VOTE?

A. The Board recommends a vote "FOR" both proposals set forth above.

Q. CAN I STILL SELL MY SHARES?

A. Yes. Neither the Asset Sale nor the Asset Purchase Agreement will affect your right to sell or otherwise transfer your shares of ABMC's common stock.

Q. WHY IS SHAREHOLDER APPROVAL BEING SOUGHT FOR THE ASSET SALE?

A. Under the New York Business Corporation Law, the Asset Sale requires approval by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of common stock on the record date. Accordingly, ABMC is submitting the Asset Sale to a shareholder vote.

Q. HOW MANY SHARES MUST BE PRESENT TO HOLD THE MEETING?

A. A quorum is necessary to hold the Meeting and conduct business. The presence, either in person or represented by proxy, of shareholders who can direct the vote of at least a majority of the outstanding shares of Common Stock as of the Record Date is considered a quorum. A shareholder will be counted present at the Meeting if:

the Shareholder is present and votes in person at the Meeting; or

the Shareholder has submitted a proxy properly.

Shares of Common Stock that are not voted by the broker who is the record holder of the shares because the broker is not instructed to vote and does not have discretionary authority to vote (i.e., broker non-votes), and shares that are not voted in other circumstances in which proxy authority is defective or has been withheld, will be counted for purposes of establishing a quorum.

If a quorum is not present, the Meeting will be adjourned until a quorum is obtained.

In addition, even if a quorum is present, the Board may hold a vote on the Adjournment Proposal, if in its sole discretion, it determines that it is necessary or appropriate for any reason to adjourn the Meeting to a later date, including seeking more votes in favor of the Asset Sale. See "Proposal No. 2 –Adjournment Proposal".

Q. WHO IS ENTITLED TO VOTE ON THE ASSET SALE?

A. Only holders of record of ABMC common stock as of the close of business on December 22, 2022 will be entitled to notice of and to vote at the annual meeting to approve the Asset Sale.

Q. WHEN AND WHERE IS THE ANNUAL MEETING?

A. The annual meeting will be held on February 15, 2023, at 11:00 a.m., Eastern Time, at the corporate office of ABMC located at 122 Smith Road, Kinderhook, NY 12106.

Q. IF MY SHARES ARE HELD IN "STREET NAME" BY MY BROKER, WILL MY BROKER VOTE MY SHARES FOR ME?

A. Your broker will only vote your shares if you have provided them with instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Call your broker today with instructions to execute the proxy.

Q. MAY I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY CARD?

A. Yes. Just send in a written revocation or a later dated, signed proxy card before the annual meeting or attend the annual meeting and vote in person.

Q. WHAT DO I NEED TO DO NOW?

A. PLEASE VOTE YOUR SHARES AS SOON AS POSSIBLE, SO THAT YOUR SHARES MAY BE REPRESENTED AT THE ANNUAL MEETING. You may vote by signing your proxy card and mailing it in the enclosed return envelope, or you may vote electronically or telephonically as indicated in the Proxy you received, or you may vote in person at the Meeting. Because a vote of a majority of the outstanding ABMC shares is required to approve the Asset Sale, your failure to vote is the same as if you voted against the Asset Sale.

Q. WHOM SHOULD I CALL IF I HAVE QUESTIONS?

A. If you have questions about the Asset Sale or the Asset Purchase Agreement, you may call Melissa A. Waterhouse, Chief Executive Officer, at 800-227-1243 or send an email to IR@abmc.com.

Q. WHY DID THE CORPORATION ENTER INTO THE ASSET PURCHASE AGREEMENT?

A. Entering into the Asset Purchase Agreement is the result of an extensive review by the Board of various strategic alternatives available to ABMC. The Board determined that the proposed Asset Sale would maximize value for the shareholders and eliminate future business risk. See "Proposal No. 1 – Sale" below.

Q. WHAT WILL HAPPEN IF THE ASSET SALE IS APPROVED BY SHAREHOLDERS?

A. If the holders of at least a majority of all of the outstanding shares of Common Stock approve the Asset Sale, and the conditions to closing the Asset Sale as set forth in the Asset Purchase Agreement are satisfied or waived, ABMC will sell substantially all of their assets to the Buyer for cash. As soon as practicable after the closing of the Asset Sale, ABMC plans to use net proceeds from the Asset Sale to address the outstanding liabilities of ABMC and continue to seek strategic acquisitions using ABMC's publicly traded stock as transaction consideration. Such strategic acquisitions would result in ABMC entering a new line of business.

Q. WHAT WILL HAPPEN IF THE ASSET SALE IS NOT APPROVED BY SHAREHOLDERS?

A. If ABMC fails to obtain approval of the shareholder of the Asset Sale, the Asset Sale will not occur and the loans from the Buyer would become due and payable (see "Loan from Buyer"). Given ABMC's current financial condition, it is unlikely ABMC could make the required payments. This inability could result in the Buyer taking possession of the assets collateralizing the loan thereby making it impossible for ABMC to continue operations.

Q. HOW WAS THE PURCHASE PRICE DETERMINED?

A. The purchase price was determined using factors such as the value, condition and marketability of the assets being sold. In the case of the real estate being purchased, the depreciated value (book value) along with market value (using appraisals) was considered. In the case of machinery and equipment ("M&E"), the book value, age and marketability (due to its specialized nature) of the M&E was considered. In the case of the value of the business, market conditions and marketability of ABMC's products was considered.

Q. WHEN IS THE CLOSING OF THE ASSET SALE EXPECTED TO OCCUR?

A. If the Asset Sale is approved by shareholders and all conditions to completing the Asset Sale are satisfied or waived, the Asset Sale is expected to occur as soon as practicable after the Meeting on February 15, 2023 but, in no case later than February 28, 2023.

SUMMARY TERM SHEET

*The following is a summary of certain information contained elsewhere in this Proxy Statement or in its annexes. This information is not, and is not intended to be, complete. This is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Proxy Statement and the annexes hereto. **Shareholders are urged to review carefully the entirety of this Proxy Statement and all annexes hereto.***

The Parties

The Seller under the Asset Purchase Agreement is ABMC. ABMC develops, manufactures and distributes accurate, cost-effective immunoassay test kits; primarily onsite tests for drugs of abuse. ABMC also provides contract manufacturing services related to certain infectious diseases; such as malaria and RSV and, distributes rapid tests to detect infectious diseases. ABMC's principal executive office is located at 122 Smith Road, Kinderhook, NY 12106, and its website is: <https://www.abmc.com>.

The Buyer under the Asset Purchase Agreement is Healgen Scientific Limited Liability Company ("Healgen"). Healgen has more than 15 years' experience developing, manufacturing and commercializing in-vitro diagnostic test systems worldwide. Healgen's product portfolio spans multiple testing categories and analytes to meet various clinical and laboratory needs. Healgen's testing platforms include rapid testing, molecular diagnostics, and multiplex flow cytometry. Healgen's corporate address is 3818 Fuqua Street, Houston, TX 77047 and its website is <https://www.healgen.com>.

Prior to entering into the Asset Purchase Agreement, ABMC did distribute Healgen's toxicology products and rapid tests for Covid-19. Apart from this distribution relationship, there was no other business of a material nature between ABMC and Healgen.

The Asset Sale

This section summarizes selected information about the proposed Asset Sale from this proxy statement and may not contain all of the information that is important to you. To understand the Asset Sale fully, we encourage you to read carefully this entire proxy statement. We have included a copy of the Asset Purchase Agreement in this proxy statement as Annex A.

Following is a summary of the principal terms of the Asset Purchase Agreement:

- ABMC will sell to Healgen substantially all of the operating assets of ABMC, with the exception of: 1) ABMC's corporate web domain, 2) all corporate trademarks (e.g. ABMC logo trademarks) wherever issued, 3) an expected refund in the amount of \$202,000 for Employee Retention Credits, 4) security deposits, 5) prepaid expenses and 6) right of use assets.
- Healgen will assume limited, specific liabilities of ABMC; primarily any liabilities arising under or related to specific customer contracts of ABMC, two copier leases and one waste service contract.
- The total consideration for the Asset Sale is \$3 million in cash (the "Purchase Price"). Closing will occur once shareholders have approved the Asset Sale and all closing conditions have been met. \$300,000 of the Purchase Price will be held back as a Retention Fund to cover potential indemnification claims, and certain other claims that may arise during the six months following Closing. At Closing, the remaining \$2.7 million of the Purchase Price will be paid to ABMC; less any prior amounts advanced to ABMC by Healgen in the form of loans (the "Healgen Loans"). Principal Conditions to the Asset Sale, the Purchase Price, the Retention

Fund and the Healgen Loans are more specifically described in the Asset Purchase Agreement and elsewhere in this Proxy Statement.

Principal Conditions to the Asset Sale

The obligations of ABMC and Healgen to complete the Asset Sale are subject to several conditions. All of which are included in the Asset Purchase Agreement. These obligations include, but are not limited to:

- The Asset Purchase Agreement must be approved by ABMC's shareholders.
- ABMC's and Healgen's representations and warranties in the Asset Purchase Agreement must be true and correct.
- ABMC must have executed all required assignments related to the purchased intangible assets.
- ABMC must have executed all documents required to transfer the purchased Real Estate (i.e. the facility located at 122 Smith Road, Kinderhook, NY 12106).
- ABMC must have executed all required corporate documents to complete the Asset Sale.
- ABMC must have received all consents from third parties necessary to complete the Asset Sale.
- Executed Employment Agreements between Healgen and Melissa A. Waterhouse and Lawrence Ferrigno that become effective upon Closing. As of the date of this Proxy Statement, the final forms of the employment agreements have not been completed. However, as generally agreed by the parties, the base salary, bonus, and other benefits (other than equity compensation) will be substantially commensurate, in the aggregate, with the cash compensation and benefits provided by ABMC immediately prior to the Closing. The term of each employment agreement is expected to be one to two years. Ms. Waterhouse currently serves as ABMC's sole executive officer and as a member of the Board. Under Ms. Waterhouse's ABMC employment agreement, she receives a base salary of \$160,000 per year (although she has voluntarily deferred 20% of her salary since April 2022 and for several years before (from August 2013 until June 2020). All costs related to Ms. Waterhouse's health insurance are also borne by ABMC. ABMC does not currently offer a bonus program.
- Healgen must wire the Purchase Price (less the Retention Fund and any amounts due under the Healgen Loans) to ABMC.
- Healgen must have executed all required corporate documents to complete the Asset Sale.

Termination of Asset Purchase Agreement

ABMC and Healgen may mutually agree to terminate the Asset Purchase Agreement at any time before Closing. In addition, either company may terminate the Asset Purchase Agreement if specified events described in the Asset Purchase Agreement occur, including if the Closing has not occurred by February 28, 2023.

Certain United States Federal Income Tax Consequences of the Asset Sale

The Asset Sale will be treated as a taxable transaction for U.S. federal and state income tax purposes. Any gain resulting from the Asset Sale will be offset by ABMC's net operating losses and accordingly ABMC does not expect any federal or state income tax liabilities resulting from the Asset Sale. There will be no direct federal or state income tax consequences to the holders of ABMC's Common Stock resulting from the Asset Sale.



122 Smith Road
Kinderhook, New York 12106
PROXY STATEMENT

FOR THE 2023 SPECIAL MEETING OF SHAREHOLDERS
To be held on February 15, 2023

Introduction

This Proxy Statement (“**Proxy Statement**”) is furnished in connection with the solicitation of proxies from the holders of shares of the issued and outstanding common stock (“**Common Stock**”) of American Bio Medica Corporation (“**ABMC**”) to be voted at the 2023 Special Meeting of Shareholders to be held on February 15, 2023 at 11:00 a.m., Eastern Time (the “**Meeting**”).

The enclosed proxy is solicited by the Board of Directors of ABMC (the “**Board**”). These proxy materials have been prepared for the Board by ABMC’s management. This Proxy Statement and the proxy card are first being mailed to the holders of Common Stock entitled to vote at the Meeting (“**Shareholders**”) on or about January 16, 2023.

The mailing address of ABMC’s principal executive office is 122 Smith Road, Kinderhook, New York 12106.

The terms “we,” “our,” or “us” refer to ABMC, American Bio Medica Corporation.

Record Date

If a shareholder owned common stock of ABMC at the close of business on December 22, 2022, (the “Record Date”), the shareholder is entitled to vote at the Meeting, or any adjournments or postponements thereof. On the Record Date, ABMC had one class of voting shares outstanding – common shares, \$.01 par value per share (“common shares”) and there were 48,098,476 shares of common stock outstanding and no shares of preferred stock outstanding.

Quorum

A quorum is necessary to hold the Meeting and conduct business. The presence, either in person or represented by proxy, of shareholders who can direct the vote of at least a majority of the outstanding shares of Common Stock as of the Record Date is considered a quorum. A shareholder is counted present at the Meeting if (a) the shareholder is present and votes in person at the meeting or (b) the shareholder has properly submitted a proxy.

Even if a quorum is present, the Board may hold a vote on the Adjournment Proposal, if in its sole discretion, it determines that it is necessary or appropriate for any reason to adjourn the Meeting to a later date. See “**Proposal No. 2 –Adjournment Proposal.**”

If a quorum is not present, the Meeting will be adjourned until a quorum is obtained.

Voting

Each shareholder is entitled to one vote at the Meeting for each common share of ABMC that is owned as of the Record Date. The number of shares owned (and that may be voted) is listed on the proxy card. Shareholders can vote using one of the following methods:

Voting by attending the meeting. A shareholder may vote their shares in person at the Meeting. A shareholder planning to attend the Meeting should bring proof of identification for entrance to the Meeting. If the shares are not registered in your own name, you will need appropriate documentation to confirm

ownership so you may vote at the Meeting. Examples of such documentation include a broker's statement, letter or other document that will confirm ownership of the ABMC shares.

Submitting Proxies Via the Internet or by Telephone. Many shareholders who hold their shares through a broker or bank have the option to submit their proxies or voting instructions via the Internet or by telephone. If your shares are held in "street name", please check the voting instruction card that has been provided to you by your broker and follow the instructions that have been provided for Internet or telephone voting on that card.

Voting by proxy card. All shares entitled to vote and represented by properly executed proxy cards received prior to the Meeting and not revoked, will be voted at the Meeting in accordance with the instructions indicated on those proxy cards. If no instructions are indicated on a properly executed proxy card, the shares represented by that proxy card will be voted as recommended by the Board. If any other matters are properly presented for consideration at the Meeting, including, among other things, consideration of a motion to adjourn the Meeting (see "**Proposal No. 2**") to another time or place (including, without limitation, for the purpose of soliciting additional proxies and/or to solicit more votes in favor of the Asset Sale), the persons named in the enclosed proxy card and acting thereunder generally will have discretion to vote on those matters in accordance with their best judgment. ABMC does not currently anticipate that any other matters will be raised at the Meeting.

Shareholders are invited to attend the Meeting; however, to ensure representation at the Meeting, shareholders are urged to vote via the Internet or telephone, or mark, sign, date and return the enclosed proxy card as promptly as possible in the postage-prepaid envelope enclosed for that purpose. Any shareholder of record attending the Meeting may vote in person even if they have voted via the Internet or telephone, or returned a proxy card. By voting in person, you automatically revoke any prior proxy given by Internet, telephone or proxy card.

If a shareholder returns a signed proxy form indicating abstention or attends the Meeting but, chooses to abstain from voting on any proposal (revoking the proxy), the shareholder will be considered present at the Meeting and not voting in favor of the proposal. Because a vote of a majority of the outstanding ABMC shares is required to approve the Asset Sale, a shareholder's failure to vote or abstention from voting is the same as if the shareholder voted against the Asset Sale.

Holders of common shares are not entitled to cumulative voting rights.

Effect of Broker Non-Votes

Certain shareholder nominees (such as brokers, banks and other nominees) have the discretion to vote on routine matters, but they do not have authority to vote on the matters being considered at the Meeting as they are non-routine matters. Therefore, a broker is not entitled to vote your shares on either of the proposals being considered at the Meeting unless you have provided them with voting instructions. **ABMC encourages you to provide instructions to your broker, bank or other nominee. This ensures your shares will be voted at the Meeting.**

Revocability of Proxy/Dissenter's Rights

Any proxy card given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. A proxy card may be revoked (1) by filing with the Corporate Secretary of ABMC, at or before the taking of the vote at the Meeting, a written notice of revocation or a duly executed proxy card, in either case dated no later than the prior proxy card relating to the same shares, or (2) by attending the Meeting and voting or abstaining in person (although attendance at the Meeting will not of itself revoke a proxy). Any written notice of revocation or subsequent proxy card must be received by the Corporate Secretary of ABMC prior to the taking of the vote at the Meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to the Corporate Secretary of ABMC or should be sent so as to be delivered to American Bio Medica Corporation, 122 Smith Road, Kinderhook, New York 12106, Attention: Corporate Secretary.

Shareholders are entitled to dissenters' rights under the NY BSC in connection with the Asset Sale; provided shareholders comply with the procedures prescribed by the NY BSC. For a description of the procedures a shareholder wishing to exercise dissenters' rights are required to follow, see "The Asset Sale--Dissenters' Rights."

Solicitation of Proxies

ABMC will pay the costs of soliciting proxies from its shareholders. Directors, officers or employees of ABMC may solicit proxies by mail, telephone, and other electronic forms of communication or in person without additional compensation.

ABMC will also reimburse banks, brokers, nominees and other fiduciaries for the expenses they incur in forwarding the proxy materials to you. Arrangements may also be made with brokerage firms or other custodians, nominees or fiduciaries for the forwarding of soliciting material to the beneficial owners of common shares of ABMC held of record by such persons; and ABMC will reimburse such respective banks, brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses incurred by them. Broadridge Financial Solutions, Inc. has been retained to assist in soliciting proxies at a fee of approximately \$7,000, not including distribution costs and other costs and expenses.

Householding of Proxy Materials

Some banks, brokers, and other intermediaries may participate in the practice of "householding" proxy statements, annual reports and related notices. This rule allows ABMC to send a single copy of this proxy statement to any household at which two or more shareholders reside, if ABMC believes that the shareholders are members of the same family. This rule benefits both ABMC and its shareholders as it reduces the volume of duplicate information received at a shareholder's house and helps reduce ABMC's expenses. Each shareholder, however, will continue to receive individual proxy cards or voting instructions forms. Shareholders that have previously received a single set of disclosure documents may request their own copy by contacting their bank, broker or other intermediary. We will also deliver a separate copy of this proxy statement to any shareholder upon written request to American Bio Medica Corporation, Attn: Corporate Secretary, 122 Smith Road, Kinderhook, New York 12106.

Note Regarding Forward-Looking Statements

This Proxy Statement contains or incorporates by reference statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact made in this Proxy Statement are forward-looking. In particular, statements regarding ABMC's future financial condition, cash flows, financing plans, business strategy, and operations after the proposed Asset Sale of substantially all of ABMC's assets are forward-looking statements. Words such as "anticipate," "estimate," "expect," "project," "intend," and similar expressions are intended to identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements are subject to risks, uncertainties and assumptions. All of these forward-looking statements are based on estimates and assumptions made by ABMC's management and Board which, although believed by ABMC's management and Board to be reasonable, are inherently uncertain. Shareholders are cautioned that these forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various considerations, including the considerations described in this Proxy Statement.

DISCUSSION OF PROPOSALS RECOMMENDED BY BOARD

Proposal No. 1 – The Asset Sale

At the Meeting, ABMC's shareholders will be asked to vote on a proposal to approve the Asset Purchase Agreement and the Asset Sale. Attached to this Proxy Statement as Annex A is a copy of the Asset Purchase Agreement. The summary description of the Asset Purchase Agreement is qualified in its entirety by reference to the full text of the Asset Purchase Agreement as attached hereto.

ABMC History

ABMC develops, manufactures and distributes accurate, cost-effective immunoassay test kits; primarily point of collection tests for drugs of abuse. ABMC also provides contract manufacturing services related to certain infectious diseases; such as malaria and RSV and, distributes rapid tests to detect infectious diseases.

With a few exceptions, ABMC sales have been declining year over year since 2008. The start of the decline was due to the global economic crisis in the latter part of 2008 and this negative impact continued for several years. In addition, in 2009 ABMC received a warning letter from the U.S. Food and Drug Administration (“FDA”) related to the sale of its oral fluid drug test in the workplace testing market. The warning letter indicated that ABMC was marketing its point of collection oral fluid drug test, OralStat®, in workplace settings without marketing clearance or approval. ABMC communicated to the FDA its belief (based on legal opinion) that marketing clearance was not required in non-clinical markets. FDA continued to disagree with ABMC’s interpretation, and the FDA continued to assert jurisdiction over drug testing performed in the workplace.

In 2010, sales increased slightly as there was some sporadic improvement in drug test sales along with improved contract manufacturing sales of a product ABMC was manufacturing (since 2006) to detect fetal amniotic rupture. In December 2010, ABMC filed a complaint against two senior-management employees and two other unrelated companies. The complaint indicated that the two employees were performing illegal, competitive, employment-related services for the two unrelated companies during their employment with ABMC, and using ABMC resources to perform such services.

In 2011, sales decreased again due to lower drug test sales; a portion of which was due to a temporary and voluntary cessation of marketing and selling OralStat in the workplace market but, this decline was partially offset by increased contract manufacturing sales (the same fetal amniotic rupture product). It was also in 2011 that ABMC started to see an increased number of less expensive, foreign manufactured competitive products on the market. The costs to make ABMC’s 100% “U.S. Made” drug tests are significantly higher than the cost to make the same drugs tests outside the U.S.

Sales in 2012 were relatively flat; drug test sales declined as the number of less expensive, foreign manufactured drug tests in the market continued to increase. Contract manufacturing sales increased enough to almost entirely offset the declines.

During these years, ABMC made efforts to decrease operating expenses wherever possible and even with increased legal fees due to the FDA jurisdictional issue and the complaint ABMC filed in 2010, expenses declined in 2009 through 2011. Unfortunately, legal fees associated with the FDA jurisdictional issue and the legal complaint filed in December 2010 did result in increased expenses in 2012.

In November 2013, ABMC was informed that the FDA determined that OralStat was not substantially equivalent to the predicate market device. This meant that ABMC had to immediately cease marketing and selling OralStat to the workplace market. This, along with increasing price competition in ABMC markets, resulted in lower drug test sales. Contract manufacturing sales also declined in 2013 (although the decrease in contract manufacturing sales was due to an unexpected delay earlier in 2013 that resulted in decreased shipments to one of ABMC’s customers). In August 2013, ABMC settled the complaint filed in December 2010. Operating expenses in 2013 increased even though more severe actions were taken in the latter part of 2013 after ABMC received the notice from the FDA. The increased expenses were primarily a result of costs associated with filing a 510(k) marketing application for OralStat with the FDA and higher bank service fees associated with debt financings. In August 2013 a salary and commission deferral program (the “Deferral Program”) was put in place to improve cash flow. The Deferral Program consisted of a 20% salary deferral for our sole executive officer CEO Melissa Waterhouse (“Waterhouse”), and a non-executive VP Operations, as well as a 20% commission deferral for a sales consultant, and a 25% commission deferral of employee sales commissions.

In 2014, ABMC lost OralStat workplace sales (which typically amounted to 15% of ABMC’s annual sales), the loss of a government account, and continued price pressures from foreign competitors all

negatively impacted drug test sales. Increased contract manufacturing sales were not enough to offset the lower drug test sales. The cost reductions implemented in the latter part of 2013 did result in significantly reduced operating expenses in 2014. One of the cost reductions involved consolidation of our New Jersey facility in December 2014; the facility was downsized from three units to one unit, and certain operations were moved up to ABMC's (owned) New York facility. The Deferral Program continued throughout 2014.

In the first quarter of 2015, ABMC launched a urine-based, all-inclusive drug test (Rapid TOX Cup® II) that contained multiple drugs on one test strip in efforts to compete with the less expensive, foreign manufactured drug tests (that contained one test on each single test strip). With a number of customers, the time between initial contact and the receipt of an order can be quite long so this launch did not have a positive impact on 2015 drug test sales. Contract manufacturing sales declined slightly in 2015 so, even with the new product, sales continued to decline in 2015. ABMC applied to the FDA in late 2015 for a marketing clearance to sell Rapid TOX Cup II to customers requiring a CLIA waived product (thereby increasing the product's marketability). Even with reduced sales, operating results improved in 2015 due to the cost containment actions taken in 2013 and 2014. ABMC also refinanced substantially all of its debt to reduce interest costs. The Deferral Program continued throughout 2015 (although the deferral of employee commissions was reduced from 50% to 25% in July 2015).

Even with the introduction of the Rapid TOX Cup II, ABMC's ability to maintain and/or increase sales continued to be negatively impacted by a very cost-competitive market dominated by less expensive products made outside of the U.S. At the end of 2016, ABMC was still in the process of applying to the FDA for marketing clearance to sell Rapid TOX Cup II to customers requiring a CLIA waived product. In September 2016, contract manufacturing sales began to decrease. The customer contracting with ABMC to manufacture their fetal amniotic rupture product was acquired. The acquirer was a much larger company and informed ABMC that they planned to manufacture the product going forward. However, ABMC was paid a tech transfer fee in the amount of \$300,000. Operating expenses did decline in 2016 even though there were increased costs related to the 510(k) application. The Deferral Program continued throughout 2016; 20% salary deferral for Waterhouse, and non-executive VP Operations, as well as a 20% commission deferral for a sales consultant (the sales employee deferrals were discontinued in January 2016). In efforts to diversify the ABMC revenue stream, late in the first quarter of 2016, ABMC signed an independent agent agreement with an entity that would allow ABMC to sell a toxicology management service to its customers. In addition, later in 2016, ABMC entered into an agreement to offer an additional testing product, a breath analyzer. Waterhouse continued making efforts to identify and secure new contract work and possible additional diversification alternatives.

As expected, the loss of the contract manufacturing customer in September 2016 resulted in further declining sales in 2017. ABMC also lost two government drug test accounts; one in early 2017 and one in the latter part of 2017. The loss of these two accounts resulted in litigation filed by ABMC in February 2017 against a number of parties, including but not limited to, a former VP, Sales & Marketing/Sales Consultant of ABMC. Over the course of 2017, ABMC reorganized and restructured its sales and marketing department. More sales diversification alternatives were also secured in 2017; products for the detection of alcohol, alternative sample options for drug testing (such as lab based oral fluid testing and hair testing). In 2017, ABMC also started offering customers lower-cost, foreign manufactured drug tests via a distribution relationship with Healgen Scientific Limited Liability Company ("Healgen"; the Buyer in the Asset Sale). ABMC also received FDA marketing clearance for the Rapid TOX Cup II in August 2017. Operating expenses decreased once again in 2017 but, gross profit margins continued to erode as sales continued to decline; most of which was due to manufacturing inefficiencies. The majority of ABMC overhead costs are fixed and when absorbed over fewer testing strips/products produced (due to decreased sales) ABMC's cost of goods increases. The Deferral Program continued throughout 2017 for Waterhouse and a non-executive VP Operations.

In January 2018, ABMC retained an individual to act as its Director of Clinical Sales to spearhead marketing efforts of the Rapid TOX Cup II in clinical markets since the appropriate marketing clearance was received in August 2017. Unfortunately, ABMC sales did not improve in 2018 despite the efforts that were undertaken in prior years and into 2018. Although the lower cost products ABMC was distributing did

result in new sales for ABMC, the full negative impact of the account lost in the latter part of 2017 was felt in 2018. Gross profit margin continued to decline as a result of decreased sales. Operating expenses continued to decline as more expense reductions were made, including personnel reductions. The Deferral Program continued throughout 2018 for Waterhouse and a non-executive VP Operations.

The account lost in 2018 continued to impact sales in 2019. Drug tests; more specifically urine drug tests which were the bulk of ABMC sales; were being considered commodities with price being the primary factor when deciding what drug test to buy; especially in sales to government entities. Apart from the lower cost drug test ABMC was offering via distribution, the new offerings did not positively impact sales. However, in 2019, ABMC did obtain two new contract manufacturing customers and there were some sales generated by both of these new customers in 2019. Once again, gross profit margin declined due to manufacturing inefficiencies as well as certain situations where pricing was lowered to retain sales. Operating expenses declined due to continued expense cuts to offset the declining sales despite increased legal fees in connection with the litigation ABMC filed in 2017. As a result of the continuing sales declines and working capital, ABMC did agree to settle the 2017 litigation (including the counterclaim that was filed under which deferred compensation was claimed). The Deferral Program continued throughout 2019 for Waterhouse but, the non-executive VP retired in November 2019 and as a result, ABMC was required to pay back their deferred compensation over time and those payments began upon their retirement.

In March 2020, the World Health Organization declared Covid-19 a pandemic. That same month, ABMC signed a distribution agreement with Healgen that enabled ABMC to market and sell Healgen's rapid Covid-19 antibody test in accordance with an EUA granted to Healgen. In December 2020, ABMC also started offering a rapid antigen test for Covid-19 (which was also from Healgen). Unfortunately, drug test sales were negatively impacted by the pandemic and sales to the new contract manufacturing customers also ceased due to the pandemic. Sales of the Covid-19 rapid tests were greater than the declines and ABMC was able to report increased sales in 2020. Gross profit still declined because although net sales increased, the increase was a result of products ABMC distributed and sales of products ABMC manufactured declined further which, resulted in continued manufacturing inefficiencies. Operating expenses did increase in 2020 due to increased commission expenses (due to the Covid-19 rapid test sales) and increased costs associated with debt. The Deferral Program continued for Waterhouse until it ceased in early June 2020 considering the length of time the deferral was in place for Waterhouse (almost 7 years) and the increasing balance owed. Payments continued to be made to the retired non-executive VP in 2020 with the expectation that the total amount owed would be paid by May 2021. In April 2020, ABMC received proceeds (\$332,000) from a loan under the Small Business Administration ("SBA") Paycheck Protection Program ("PPP"). The PPP loan was unsecured, with an interest rate of 1.00% per annum, with principal and interest payments deferred for the first six months, and maturity in two years. In December 2020, ABMC signed a purchase agreement for an equity line of credit with Lincoln Park Capital Fund, LLC ("Lincoln Park"). Proceeds from sales under the Lincoln Park purchase agreement were used for working capital and to support growth initiatives. In 2020, ABMC raised \$125,000 through the sale of ABMC securities to Lincoln Park.

Throughout 2021, drug test sales continued to be impacted by the pandemic and the commoditization of urine drug test products. Covid-19 testing turned from antibody testing (the tests ABMC sold in 2020 that contributed \$1.6M to sales) to rapid antigen testing. ABMC did secure distribution of the Healgen rapid Covid-19 antigen test in December 2020 and was able to generate sales in the same month. However, in early 2021 Healgen informed ABMC that ABMC could no longer offer the rapid Covid-19 antigen test for sale in the U.S. Although ABMC did secure another distribution relationship for rapid Covid-19 antigen tests in May 2021, ABMC lost Covid-19 test sales (and customers) due to the several months test sales were disrupted. These events led to a significant decline in sales in 2021 (even when compared to the pre-pandemic year of 2019). Gross profit margin continued to decline; due to the same manufacturing inefficiencies and increased costs of manufacturing (material and labor costs associated with manufacturing). ABMC did implement a price increase in July 2021 to improve the gross profit margin; however, raising prices on commoditized products can lead to lost customers or lower sales to

customers. Operating expenses declined again in 2021 and, a large portion of the decline was due to less sales employees due to terminations (for lack of performance). After ABMC paid all deferred compensation to the former non-executive VP in May 2021, ABMC began making deferred compensation payments to Waterhouse. In 2021, ABMC was able to raise an additional \$639,000 through the sale of ABMC securities under the Lincoln Park purchase agreement. In June 2021, ABMC applied for forgiveness of the PPP loan in the amount of \$332,000 under PPP guidelines and the PPP loan (and all accrued interest) was forgiven in August 2021. During the first, second and third quarters of 2021, ABMC qualified for refunds under the Employee Retention Credit (“ERC”) program. In 2021, ABMC (through its payroll provider) sought refunds for these three quarters in the amounts of \$202,000 (Q1 2021), \$198,000 (Q2 2021) and \$137,000 (Q3 2021). ABMC received its refund for Q3 2021 in December 2021.

In February 2022, ABMC’s largest customer informed ABMC that they were purchasing drug tests from another supplier for one of their market segments (a rather large market segment that ABMC previously supplied on an exclusive basis). The customer indicated that ABMC would continue to supply the other market segment. Although the customer indicated that ABMC would still receive orders for the larger market segment, the customer did not submit any further orders. This resulted in another significant decline in sales. In the nine months ended September 30, 2022 (ABMC’s most recent financial report available), ABMC reported a gross loss (this was after a gross loss reported in the second quarter of 2022 for the first time in ABMC history). High costs of manufacturing in the U.S. and price competition played a part in the gross loss, along with the loss of the largest customer. The larger market segment that ABMC was supplying exclusively to this customer was a higher margin market while the secondary market ABMC did retain was a very low margin market. Previously the higher margin market, when blended with the low margin, produced an acceptable gross profit margin. Without the higher margin sales to this customer, the gross margin is now at a very low profit. Operating expenses decreased in the nine months ended September 30, 2022 as ABMC continued to reduce costs. In April 2022, Waterhouse voluntarily deferred her salary once again along with another member of senior management. Due to a depressed stock price, ABMC was not able to raise any money under the Lincoln Park purchase agreement in 2022. ABMC did receive the ERC refund (\$198,000) for Q2 2021 in June 2022. As of the date of this Proxy Statement, ABMC has not received the ERC refund for Q1 2021 (\$202,000).

Rationale Behind the Asset Sale

ABMC believes the losses it has reported over the last several years and most recently the significant loss reported for the nine months ended September 30, 2022 will continue as (i) its primary business (onsite drugs of abuse tests) has become a commoditized market where price is the primary consideration for purchase and ABMC cannot compete with the low pricing offered by its competitors who manufacture outside of the U.S. when ABMC manufactures its drug testing products completely in the U.S. and (ii) ABMC has not been able to obtain new business to replace the significant loss of business (which began in late 2021) from its largest customer. These two issues are further exacerbated by the continuing impact of the Covid-19 pandemic.

Part of the inability to attain new customers is due to expense reductions that ABMC has undertaken over the last several years to combat losses. Many of these expense reductions, such as reduced selling and marketing and research and development expenditures, along with reduced and deferred salaries of a number of employees, are incompatible with growing or even maintaining ABMC’s business both in the short and the long term. In addition, ABMC’s cash position has deteriorated, and continues to deteriorate, due to operating losses and payments required under its debt facilities.

Over the last several years, ABMC has been able to access loans from shareholders and raise funds via private equity financings. As time goes on and the financial results continue to deteriorate, these options are no longer available to ABMC. Waterhouse has also extended loans to ABMC and in addition to salary deferral, Waterhouse is owed currently salary.

Over the last several years, ABMC has retained financial consultants to seek out alternative solutions; most recently in early 2022. The consultants were seeking solutions including but not limited to potential mergers, acquisitions, investment in ABMC, and strategic relationships. Simultaneously, ABMC

management was seeking alternative solutions and began discussions with the Buyer. With the current financial condition of ABMC, ABMC was not able to find a suitable alternative apart from the Asset Sale.

After carefully weighing the facts and circumstances associated with the Asset Sale to the Buyer, as well as alternative courses of action, ABMC's Board has unanimously concluded that the proposed sale of substantially all of ABMC's assets is the best available alternative to maximize value for shareholders.

The Board believes ABMC's status as a fully reporting public company is an asset which may be sufficiently attractive to induce others to enter into business combinations with ABMC. ABMC is exploring strategic transactions which may result in ABMC entering into a new line of business (subject to specific competitive limitations under the Asset Purchase Agreement; found in Section 4.1 of the Asset Purchase Agreement). ABMC believes strategic acquisitions using ABMC's publicly traded stock as transaction consideration could enhance shareholder value. Nonetheless, the Board may later determine to dissolve ABMC and distribute its remaining assets to ABMC shareholders if ABMC is unable to make any strategic acquisitions.

The business being acquired by the Buyer is the only area of operations in which ABMC is engaged. If the Asset Sale is approved by the shareholders and the sale of the business is completed, ABMC will no longer engage in the development, manufacturing and selling of point of collection diagnostic products, including onsite drug test products and instead intends to pursue opportunities in other areas. Upon the consummation of the Asset Sale, ABMC will no longer engage in the business, which accounted for all of ABMC's revenues, costs and expenses, and earnings for all fiscal years prior to January 1, 2022 and for the nine months September 30, 2022.

In this Proxy Statement under Annex D, ABMC has included audited historical financial statements of ABMC; or in the case of the most recent interim period, historical financial statements that have been reviewed by ABMC's auditors, and unaudited pro forma financial statements showing the effect of the Asset Sale on ABMC. The unaudited pro forma financial statements are derived from the historical financial statements of ABMC as of and for the year ended December 31, 2021 and the nine months ended September 30, 2022. The unaudited pro forma financial statements are presented to reflect adjustments to ABMC's financial statements as if the Asset Sale were completed at the beginning of the most recent full fiscal year and subsequent interim period.

Board approval; Third-Party Valuation

The Board of Directors has unanimously determined that the terms of the Asset Sale are advisable, fair to and in the best interests of the ABMC shareholders and, accordingly, recommends that shareholders as of the Record Date vote "FOR" the proposal to approve the Asset Sale.

Over the last several years, although efforts have been made by both management and financial advisory firms ABMC has retained, no firm offers have been made to ABMC with respect to any merger or consolidation, the sale or other transfer of all or any substantial part of our assets or the purchase of a controlling share of our securities. The Board of Directors did not believe this fact was relevant to its consideration of the fairness of the Asset Sale.

The Board of Directors did not obtain a valuation from a third party because it determined that the expense associated with obtaining such valuation was not justified in light of the current financial condition of ABMC, including, but not limited to the lack of cash flow to obtain the third party valuation as well as the fact that the bulk of the purchase price (more than 50%) was real estate, M&E and inventory. All of these assets can be readily valued using past appraisals and current market conditions (in the case of the Real Estate) along with the recorded book value of the assets (in the case of M&E and inventory).

Past Contracts, Transactions and Negotiations

Loans from Buyer: Buyer has extended loans to ABMC in the amount of \$715,000; such loans to be paid back to Buyer in full at Closing with all interest waived by Buyer. The loan is secured by a first security interest in all ABMC assets with the exception of those assets already encumbered by the loan with Cherokee Financial, LLC (i.e. the real property and machinery and equipment). If shareholders do not

approve the Asset Sale on February 15, 2023, ABMC will be required to make the first of three payments under the loan agreement with the Buyer. The first payment is in the amount of \$251,000 with payments of the same amount due on March 15, 2023 and April 15, 2023. See Annex C – Loan Promissory Note and Security Agreement, as amended.

Distribution Relationship: Prior to entering into the Asset Purchase Agreement, ABMC did distribute Buyer’s toxicology products and rapid tests for Covid-19. Apart from this distribution relationship and the recent loans against the Purchase Price, there was no other business of a material nature between ABMC and Healgen.

Negotiations Related to Asset Sale: On July 11, 2022, the Buyer and ABMC began discussions related to the Asset Sale after Buyer informed ABMC that Buyer was interested in acquiring the Assets. From July 2022 through September 2022, a number of site visits were performed by Buyer and information related to the Assets was provided to the Buyer by ABMC (under the terms of a confidentiality agreement). After these visits and other information was exchanged, ABMC and the Buyer negotiated the terms of a non-binding Letter of Intent to Purchase Assets (“LOI”), which was approved by the Board on September 27, 2022 and fully executed on October 3, 2022, along with a Loan Promissory Note and Security Agreement (see Annex C). The negotiation of the terms and conditions of the LOI were performed on an arm’s-length basis between ABMC and the Buyer. Thereafter, ABMC and the Buyer participated jointly, along with their respective attorneys, in the negotiation and drafting of the Asset Purchase Agreement. Negotiations were related to a number of terms within the Asset Purchase Agreement, including but not limited to, the term and amount of the escrow, indemnity provisions, liability provisions, and ABMC’s responsibilities and obligations after the Closing Date. There were a series of drafts of the Asset Purchase Agreement exchanged between ABMC and the Buyer through their respective attorneys. The Board approved the Asset Purchase Agreement and authorized ABMC Chief Executive Officer Melissa Waterhouse to execute the Asset Purchase Agreement on December 19, 2022 and the Asset Purchase Agreement was signed on December 19, 2022.

Risk Factors

For a description of certain risk factors in respect of the business of ABMC, see the risk factors set forth in ABMC’s Annual Report on Form 10-K for the year ended December 31, 2021 and in subsequent periodic reports filed with the U.S. Securities and Exchange Commission (“SEC”).

Other risks more specific to the Asset Sale include, but are not limited to:

- The Sale, even if approved by the Shareholders, may not be completed.
- If Shareholders do not approve the Asset Sale, the loans from the Buyer would become due and payable (see “Loan from Buyer”). Given ABMC’s current financial condition, it is unlikely ABMC could make the required payments. This inability could result in the Buyer taking possession of the assets collateralizing the loan thereby making it impossible for ABMC to continue operations.
- Shareholders could vote against the Asset Sale, thereby making the Sale impossible and adding great uncertainty as to the ability of ABMC to continue operations.
- Any delay in the closing of the Asset Sale will result in ABMC’s inability to pay off its existing debt with Cherokee Financial, LLC that is due on February 15, 2023. This inability could result in Cherokee Financial LLC taking possession of the facility in Kinderhook, NY and all of ABMC’s machinery and equipment, thereby making it impossible for ABMC to continue operations.
- Any delay in the closing of the Asset Sale could decrease the funds available to pay off ABMC’s other creditors because ABMC will continue to be subject to ongoing operating expenses.

- The occurrence of certain events, changes or other circumstance could give rise to the termination of the Asset Purchase Agreement, which would result in the Asset Sale not being consummated.
- The Asset Sale process may disrupt current plans and operations and ABMC may face difficulties in employee retention.
- ABMC will continue to incur the expenses of complying with public company reporting requirements.

Dissenters' Rights

The management and board of directors of ABMC believe that the Asset Sale is in the best interest of, and represents a fair value to, the shareholders. Shareholders who are entitled to vote on the Asset Purchase Agreement and who object to its terms, however, may be entitled to certain rights under the NY BSC provided that they comply with the conditions of Sections 623 and 910 of the NY BSC. Shareholders who vote for the Asset Sale will be waiving their rights to dissent from the Asset Sale.

Sections 623 and 910 of the NY BSC are reprinted in their entirety as Annex B of this Proxy Statement. The following discussion is not a complete statement of the law regarding dissenters' rights and is qualified in its entirety by reference to Annex B. This discussion and Annex B should be reviewed carefully by any shareholder who wishes to exercise statutory dissenters' rights or who wishes to preserve the right to do so. Failure to comply with the procedures set forth in Section 623 and 910 of the NY BSC will result in the loss of dissenters' rights

Generally, the NY BSC provides that shareholders of a corporation that sells substantially all of its assets to another corporation who are entitled to dissent from the sale and who have perfected their dissenters' rights may require purchase of their shares for cash based on the fair value of those shares in lieu of retaining their shares of ABMC's common stock. The fair value will be determined as of the day prior to the closing of the Asset Sale, and this determination will exclude any appreciation or depreciation in anticipation of the Asset Sale.

A holder of ABMC's common stock who properly follows the procedure for exercising dissenters' rights for his or her shares pursuant to Section 623 of the NY BCS may be entitled to receive in cash the "fair value" of his or her shares in lieu of retaining those shares of ABMC's common stock. The "fair value" of a dissenting shareholder's shares will be the value of those shares on the close of business on the day prior to the shareholders' authorization date, excluding any appreciation or depreciation in anticipation of the Asset Sale, unless exclusion would be inequitable. The "fair value" could be more than, equal to or less than the market value of ABMC's common stock on close of business on the day prior to the shareholders' authorization date. In the event the dissenting shareholder and ABMC cannot agree on the "fair value" of the dissenter's common stock, "fair value" may ultimately be determined by the supreme court in the judicial district in which the State of New York.

To properly exercise dissenters' rights with respect to the Asset Sale and to be entitled to payment under Section 623 of the NY BCS, a holder of ABMC's common stock must, among other things, (i) prior to the Meeting or at the Meeting but before the vote is taken, deliver to ABMC, written notice of the shareholder's intent to demand payment for his or her shares if the Asset Sale is approved; (ii) not vote his or her shares in favor of the Asset Sale; and (iii) upon receipt of a dissenters' notice from ABMC (as described below), timely deliver a demand for payment and timely deposit the shareholder's certificates in accordance with the terms of the dissenters' notice.

Thus, any holder of ABMC's common stock who wishes to dissent and who executes and returns a proxy on one of the accompanying forms must specify that the holder's shares are to be voted against the Asset Sale or that the proxy holder should abstain from voting the holder's shares in favor of the Asset Sale. A vote against the Asset Sale is a proper exercise of dissenters' rights. If the shareholder returns a proxy without voting instructions, or with instructions to vote in favor of the Asset Sale, the holder's shares will automatically be voted in favor of the Asset Sale, and the shareholder will lose any dissenters' rights.

A beneficial shareholder may assert dissenters' rights as to shares held on the beneficial shareholder's behalf only if (i) the beneficial shareholder submits to ABMC the record shareholder's written consent to the dissent not later than the time the beneficial shareholder asserts dissenters' rights and (ii) the beneficial shareholder does so with respect to all shares of which the shareholder is the beneficial shareholder or over which the shareholder has power to direct the vote.

Within 10 days after the shareholders' authorization date, ABMC will send a written dissenters' notice to each holder of ABMC's common stock who satisfied the requirements of clauses (i) and (ii) above giving written notice of such authorization or consent to each shareholder who filed written objection.

Within 15 days after the expiration of the period within which shareholders may file their notices of election to dissent, or 15 days after the shareholders' authorization date, whichever is later (but in no case later than 90 days from the shareholders' authorization date), ABMC will make a written offer to each shareholder who has filed such notice of election to pay for the shares at a specified price which ABMC considers to be their fair value. Such offer shall be accompanied by a statement setting forth the aggregate number of shares with respect to which notices of election to dissent have been received and the aggregate number of holders of such shares. If the corporate action has been consummated, the offer shall also be accompanied by (1) advance payment, if the shareholder has already submitted their certificates representing the shares to ABMC, of an amount equal to eighty percent of the amount of such offer, or (2) if the shareholder has not yet submitted the certificates, a statement that advance payment to them in an amount equal to eighty percent of the amount of such offer will be made by ABMC promptly upon submission of the certificates.

If the corporate action has not been consummated at the time of the making of the written offer, the advance payment or statement as to advance payment will be sent to each shareholder entitled upon consummation of the corporate action. Every advance payment or statement as to advance payment will include advice to the shareholder that acceptance of such payment does not constitute a waiver of their dissenters' rights. If the corporate action has not been consummated upon the expiration of the 90 day period after the shareholders' authorization date, the offer may be conditioned upon the consummation of such action. The offer will be made at the same price per share to all dissenting shareholders and shall be accompanied by an ABMC balance sheet as of the latest available date, which will not be earlier than 12 months before ABMC made the written offer, and an income statement for not less than a 12 month period ended on the date of the balance sheet. If within thirty (30) days after the making of such offer, ABMC and any shareholder agree upon the price, payment shall be made within 60 days after the making of such offer or the consummation of the proposed corporate action, whichever is later, upon the surrender of the certificates representing the shares.

If ABMC fails to make an offer within the required time period, or if any dissenting shareholder or shareholders disagree with the offer and they fail to agree within 30 days after the offer, ABMC will institute a special proceeding in the supreme court in the judicial district in New York State to determine the rights of dissenting shareholders and to fix the fair value of their shares. If ABMC does not institute the proceeding within the required time frame, any dissenting shareholder may institute the proceeding within a required time frame (which would result in all dissenting shareholders being parties to the proceeding). Any failure to do so would result in all dissenters' right being lost, unless the court directs otherwise. Within the proceeding, the court shall make determinations including the fair value of the shares and any interest that the court determines to be fair and equitable. ABMC and dissenting shareholders would each bear their own costs and expenses related to such a proceeding unless the court, in its discretion, determines otherwise. ABMC would be required to pay each dissenting shareholder the amount determined by the court upon surrender of any certificate representing the shares.

No payment would be required to be made to a dissenting shareholder at a time when ABMC is insolvent or when such payment would make ABMC insolvent. In such event, the dissenting shareholder has specific options under Section 623(j) of the NY BCS.

Vote required to Approve the Asset Sale

Under section 909 of the New York Business Corporation Law (NY BSC), the Asset Sale requires approval by the affirmative vote of the holders of at least a majority of the voting power of all outstanding shares of common stock on the record date. Accordingly, ABMC is submitting the Asset Sale to a shareholder vote.

Each share of ABMC common stock is entitled to one vote. IF A SHAREHOLDER DOES NOT VOTE AT THE MEETING, EITHER IN PERSON OR BY PROXY, IT WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE ASSET SALE.

ABMC Recommendation to Shareholders

THE ABMC BOARD OF DIRECTORS BELIEVES THE TERMS OF THE ASSET SALE ARE FAIR TO AND IN THE BEST INTERESTS OF ABMC AND ITS SHAREHOLDERS AND RECOMMENDS THAT YOU VOTE FOR THE ASSET SALE.

No Regulatory Approval

There are no federal or state regulatory requirements that must be complied with or approval must be obtained from in connection with the Asset Sale.

The Board of Directors unanimously recommends a vote “FOR” the approval of the Asset Sale.

Proposal 2 – The Adjournment Proposal

General

If necessary, including if, at the Meeting, the number of shares of ABMC common stock, present or represented by proxy and voting in favor of the approval of the Asset Sale is insufficient to approve such proposal under the New York Business Corporation Law, ABMC intends to move to adjourn the Meeting in order to enable the Board to solicit additional proxies in respect of the approval of the Asset Sale. In that event, ABMC will ask ABMC shareholders to vote only upon the Adjournment Proposal, and not upon the other proposal to be acted on at the Meeting.

In the Adjournment Proposal, ABMC is asking you to authorize the holder of any proxy solicited by the Board to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Meeting to another time and place for the purpose of soliciting additional proxies. If shareholders approve the Adjournment Proposal, ABMC could adjourn the Meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from shareholders that have previously voted.

Vote Required to Approve the Adjournment Proposal

The affirmative vote of a majority of the outstanding shares of ABMC's common stock present in person or by proxy at the Meeting is required to approve the Adjournment Proposal. This means that, of the shares present in person or by proxy at the Meeting, a majority must vote in favor of the Adjournment Proposal in order for the Adjournment Proposal to be approved.

Abstentions will have the effect of a vote against, but broker non-votes will have no effect on the determination of this proposal.

ABMC Recommendation to Shareholders

The Board believes that if the number of shares of ABMC's common stock present or represented by proxy at the Meeting and voting in favor of the Asset Sale is insufficient to approve such proposal, it is in the best interests of ABMC's shareholders to enable ABMC to continue to seek to obtain a sufficient number of additional votes to bring about the approval of the Asset Sale.

The Board of Directors unanimously recommends a vote “FOR” the Adjournment Proposal.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of December 22, 2022, there were 48,098,476 common shares outstanding. The following table sets forth, as of December 22, 2022, the beneficial ownership of ABMC's common shares by (i) each director, (ii) the ABMC CEO/PFO (ABMC's only executive officer), (iii) all directors and the executive officer of ABMC as a group, and (iv) each shareholder, known to management of ABMC, to beneficially own more than five percent of the outstanding common shares.

The number and percentage of shares beneficially owned is determined under the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days after December 22, 2022 through the exercise of any stock option, exchange of exchangeable shares or other right. Unless otherwise indicated, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned. Unless otherwise noted, the address of each person is c/o American Bio Medica Corporation, 122 Smith Road, Kinderhook, New York 12106.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common	Melissa A. Waterhouse	1,225,000 ⁽¹⁾	2.48%
Common	Jean Neff	186,226 ⁽²⁾	*
Common	Peter Jerome	120,610 ⁽³⁾	*
Common	Directors and Executive Officers as a group (3 persons)	1,531,836 ⁽⁴⁾	3.10%
Common	MP Biomedicals LLC	4,738,601 ⁽⁵⁾	9.85%
Common	Stuart Sternberg	4,444,964 ⁽⁶⁾	9.24%
Common	Chaim Davis	3,309,047 ⁽⁷⁾	6.87%
Common	John J. Moroney	2,486,108 ⁽⁸⁾	5.17%

* Less than one percent (1%).

- (1) Includes 1,225,000 shares of common stock subject to stock options exercisable within 60 days of December 22, 2022, or February 20, 2023.
- (2) Includes 66,226 shares issued to Jean Neff in connection with her attendance at meetings of our Board of Directors in the years ended December 31, 2020 and December 31, 2019 as well as 120,000 shares subject to stock options exercisable within 60 days of December 22, 2022, or February 20, 2023.
- (3) Includes 80,610 shares issued to Peter Jerome in connection with his attendance at meetings of our Board of Directors in the years ended December 31, 2020 and December 31, 2019, as well as

40,000 shares subject to stock options exercisable within 60 days of December 22, 2022, or February 20, 2023.

- (4) Includes an aggregate of 1,385,000 shares subject to stock options exercisable within 60 days of December 22, 2022, or February 20, 2023.
- (5) Information based on the last Section 16(a) filing made by MP Biomedicals LLC on December 22, 2015. The last known address for MP Biomedical LLC is 3 Hutton Centre Drive, Suite 100, Santa Ana, CA 92707.
- (6) Information based on the last Schedule 13G/A filed by Stuart Sternberg on November 30, 2021. The address for Mr. Sternberg (indicated on the Schedule 13G/A) is 555 5th Ave NE, Unit 1043, St Petersburg, FL 33701.
- (7) Information based on the last Form 4 filings made by Chaim Davis on July 2, 2020 and March 3, 2020. Also includes 90,000 shares subject to stock options exercisable within 60 days of December 22, 2022, or February 20, 2023.
- (8) Information based on last Form 4 filed by John J. Moroney, a principal of Landmark Pegasus, Inc. on July 19, 2021 and a Schedule 13D filed on July 26, 2021 which both indicated ownership of 1,986,108 shares plus the addition of 500,000 shares issued to Landmark Pegasus on March 14, 2022 in connection with a Financial Advisory Agreement. The address for Mr. Moroney (indicated on the Form 4 and Schedule 13D) is 118 Pegasus Drive, Jupiter, FL 33477.

Interests of Certain Persons in Matters to be Acted Upon

ABMC is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director, executive officer or any associate or affiliate of any of the foregoing in any matter, to be acted upon at the Meeting.

Procedure for Submitting Shareholder Proposals

This is not a regularly scheduled Meeting. Therefore, in order for a proposal to be included in this Proxy Statement, the proposal must be received by ABMC in a reasonable time before ABMC begins to print and send its proxy materials to shareholders.

The deadline for submitting proposals for ABMC's Annual Meeting of Shareholder later in 2023 can be found in the Proxy Statement filed with the SEC on April 28, 2022.

Where you can find Additional Information/Incorporation by Reference

ABMC is subject to the reporting and information requirements of the Exchange Act and, as a result, file, or will file, periodic reports, proxy statements and other information with the SEC. These periodic reports and other information are available for inspection and copying at the SEC's public reference room and the website of the SEC, in each case, referred to below. ABMC also maintains a website at <http://www.abmc.com> and makes available free of charge through this website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act. ABMC makes these reports available through its website as soon as reasonably practicable after ABMC electronically files such reports with, or furnish such reports to, the SEC. The information contained on, or that can be accessed through, ABMC's website is not a part of this prospectus. The reference to the ABMC web address does not constitute incorporation by reference of the information contained in, or that can be accessed through, the ABMC website. These documents are also available without charge by writing to: Corporate Secretary, American Bio Medica Corporation, 122 Smith Road, Kinderhook, NY 12106.

ABMC incorporates by reference in this Proxy Statement any future filings that ABMC may make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Proxy Statement and before the date of the Meeting. Such documents are considered to be a part of this Proxy Statement, effective as of the date such documents are filed. In the event of conflicting information in these documents, the information in the latest filed document should be considered correct.

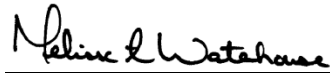
If you have questions about the Meeting, the Asset Sale or the Adjournment Proposal or if you would like additional copies of this Proxy Statement or the proxy card, you should contact our Corporate Secretary by writing to 122 Smith Road, Kinderhook, NY 12106.

You should rely only on the information contained in this Proxy Statement. ABMC has not authorized anyone to provide you with information that is different from or that adds to what is contained in this Proxy Statement. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date indicated on the cover of this document, unless the information specifically indicates that another date applies. The mailing of this Proxy Statement to ABMC shareholders does not create any implication to the contrary.

Other Matters

The Board of Directors is not aware of any matter to be presented for action at the Meeting other than the matters set forth herein. Should any other matter requiring a vote of shareholders arise, the proxies confer upon the person or persons entitled to vote the shares represented by such proxies the authority to vote the proxies in their discretion.

BY ORDER OF THE BOARD OF DIRECTORS



Melissa A. Waterhouse
Chief Executive Officer
Principal Financial Officer

January 11, 2023

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this “Agreement”) is made and entered into as of December 19, 2022, by and between American Bio Medica Corporation (“Seller”) and Healgen Scientific Limited Liability Company (“Buyer”).

RECITALS

- A. Seller is engaged in the business of manufacturing and distributing point of care tests in the clinical, forensic, employment, criminal justice and insurance markets for pregnancy, women’s health, infectious disease, toxicology (urine, orals, and hair) (collectively, the “Business”);
- B. Buyer desires to purchase from Seller, and Seller wishes to sell and assign to Buyer, substantially all properties, business, and assets of Seller used and/or useful in the operation of the Business (“Acquired Assets”), and Buyer wishes to purchase Acquired Assets. Buyer shall not assume any liabilities except for specific Assumed Liabilities (as defined herein); and
- C. Buyer and Seller desire to enter into this Agreement for the purpose of setting forth their mutual understandings and agreements with respect to the foregoing; and
- D. Capitalized terms used but not defined in the context of the Section in which such terms first appear shall have the meanings set forth in Section 8.9.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants, and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article I. PURCHASE AND SALE OF ASSETS.

Section 1.1. Purchase and Sale of Assets. Upon the terms and subject to the conditions set forth in this Agreement, Seller hereby sells, transfers, assigns, conveys, and delivers to Buyer, and Buyer hereby purchases and acquires from Seller, all of the Seller’s right, title and interest in, to and under the Acquired Assets, free and clear of all Liens except Permitted Liens. “Acquired Assets” means all of the tangible and intangible assets, properties and rights of every kind and nature and wherever located (other than the Excluded Assets), which relate to, or are used or held for use in connection with, the Business, which assets, properties and rights include, without limitation, the following:

- (a) The Owned Real Property;
- (b) Intentionally omitted
- (c) All tangible personal property (whether as owner, lessor, lessee or otherwise), including, without limitation, all machinery, equipment, instruments and vehicles;
- (d) Except as set forth on Section 1.2(b) of the Disclosure Schedule, all Intellectual Property, associated goodwill, related licenses and sublicenses (in each case, whether granted or obtained), and other rights, remedies against infringements of, and rights to protection of interests in Intellectual Property under the Laws of all jurisdictions;
- (e) The contracts listed on Section 1.1(e) of the Disclosure Schedule and all associated rights of Seller (the “Contracts”);

(f) To the extent permitted by applicable Law, all Permits obtained by, on behalf of, or for the benefit of Seller from any Governmental Authority used in the operation of the Business;

(g) All books, records and other printed or written materials used and/or useful in the operation of the Business;

(h) All choses in action, causes of action (except for those causes of action that are related exclusively to any of the Excluded Assets), claims, and demands of Seller (whether known or unknown, matured or unmatured, accrued or contingent), including rights to returned or repossessed goods and rights as an unpaid vendor; rights of recovery, rights of warranty and indemnity, rights to product liability insurance proceeds, rights of set-off and rights of recoupment; all security deposits, utility deposits and other deposits; all marketing and advertising materials, all supplies and miscellaneous assets; the Uniform Product Code Symbols of Seller; and the use of any telephone numbers that are used in the operation of the Business;

(i) All assets identified on Section 1.1(i) of the Disclosure Schedule;

(j) All inventories of Seller, wherever located, including all finished goods, work in process, raw materials, spare parts and all other materials and supplies to be used or consumed by Seller in the production of finished goods (“Inventories”); and

(k) All claims of Seller against third parties relating to the Acquired Assets, whether choate or inchoate, known or unknown, contingent or noncontingent.

Section 1.2. Excluded Assets. “Excluded Assets” means:

- (a) all cash, cash equivalents, accounts receivable, short-term investments and marketable securities of Seller wherever located;
- (b) the assets, properties, and rights specifically listed and described on Section 1.2(b) of the Disclosure Schedule; and
- (c) all other assets of Seller not used or held for use in the operation of the Business.

Section 1.3. Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, Buyer agrees to assume and become responsible for the Assumed Liabilities as of the Closing. Buyer shall not assume or have any responsibility with respect to any liability of Seller that is not an Assumed Liability. “Assumed Liabilities” means obligations of Seller arising from and after Closing directly relating to the Acquired Assets, and specifically limited to the following:

- (a) all Liabilities arising under or relating to the Contracts listed on Section 1.1(e) of the Disclosure Schedule that occur after the Closing Date resulting from the Buyer’s actions or inactions; and
- (b) all Liabilities for Taxes relating to the Acquired Assets or the Assumed Liabilities beginning after the Closing Date.

Section 1.4. Retained Liabilities. Notwithstanding anything to the contrary contained in Section 1.3 or elsewhere in this Agreement, Seller shall maintain sole responsibility of, and solely shall retain, pay, perform, any Liabilities other than the Assumed Liabilities (collectively, the “Retained Liabilities”), including, but not limited to:

- (a) any Liabilities arising out of or relating to the operation of Seller’s business prior to the Closing Date;

- (b) Liabilities relating to or arising out of the Excluded Assets;
- (c) any Liability of Seller under this Agreement or any other transaction documents related hereto and the transactions contemplated hereby and thereby, including any Liability of Seller for fees and expenses of counsel, accountants, consultants, advisers and others; and
- (d) any Liability of Seller that is not an Assumed Liability.

Section 1.5. Purchase Price. The aggregate purchase price for the Acquired Assets (the “Purchase Price”) shall be equal to Three Million Dollars (\$3,000,000).

Section 1.6. Debt Repayment Amount. At the Closing, Buyer shall deliver to the creditors of the Seller set forth in Section 1.6 of the Disclosure Schedule, by wire transfer of immediately available funds, all amounts necessary to repay in full all indebtedness for borrowed money (including, in each case, the principal and accrued interest and all other costs, expenses and charges of indebtedness due to such creditors) and unpaid tax liens (collectively, the “Debt Repayment Amount”), as set forth in Section 1.6 of the Disclosure Schedule. As a condition precedent to the Closing, the Seller will obtain a payoff letter and termination and release document from each creditor who shall receive a portion of the Debt Repayment Amount. In addition, the Buyer shall deposit Three Hundred Thousand Dollars in a Retention Fund as set forth in 5.4(e).

Section 1.7. Allocation. The parties agree to allocate the Purchase Price (and all other capitalizable costs) among the Acquired Assets for all purposes (including financial accounting and Tax purposes) in accordance with the allocation set forth on Section 1.7 of the Disclosure Schedule, which was arrived at in arm’s length negotiations between the parties. Buyer shall prepare and deliver IRS Form 8594 to Seller within 45 days after the Closing Date to be filed with the IRS. In any Proceeding related to the determination of any Tax, neither Buyer nor Seller shall contend or represent that such allocation is not a correct allocation.

Section 1.8. Insurance Tail Policy. Seller will obtain a tail policy for products liability insurance for products sold or manufactured by Seller on or before Closing, such policy reasonably satisfactory to Seller and to last for a period of twenty four (24) months after the Closing.

Section 1.9 Closing. The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place at 10:00 a.m., local time, on two business days subsequent to approval by the stockholders of Seller holding sufficient shares of capital stock of Seller to approve the transaction in accordance with the New York Business Corporation Law (Shareholder Approval”) by the remote exchange of electronic copies of documents and signatures, or at another time and place, or on another date, as the parties may mutually agree. The date on which the Closing occurs is referred to in this Agreement as the “Closing Date”.

Section 1.10 Closing Obligations.

- (a) At the Closing, Seller shall deliver or cause to be delivered to Buyer:
 - (1) a bill of sale for all of the Acquired Assets that are tangible personal property, in form reasonably satisfactory to Buyer and Seller (the “Bill of Sale”), duly executed by Seller;
 - (2) an assignment of all of the Acquired Assets that are intangible personal property in a form satisfactory to Buyer, which assignment shall also contain Buyer’s undertaking and assumption of the Assumed Liabilities, in form reasonably satisfactory to Buyer and Seller (the “Assignment and Assumption Agreement”), duly executed by Seller;
 - (3) assignments of all Intellectual Property assets and separate assignments of all registered marks and patents, in each case, other than Intellectual Property assets, marks and patents

- listed on Section 1.2(b) of the Disclosure Schedule, in form reasonably satisfactory to Buyer and Seller (collectively, the “IP Assignments”), duly executed by Seller;
- (4) assignments of all Seller’s 510K’s set forth in Section 1.1(i) of the Disclosure Schedule and delist the Seller’s 510K’s set forth in Section 1.1(i) of the Disclosure Schedule with the FDA and file such documents to transfer ownership to Buyer (the “510K Assignments”), duly executed by Seller;
 - (5) with respect to the Owned Real Property, originals executed by Seller of the following (collectively, the “Real Estate Documents”):
 - (i) A Warranty Deed properly executed in proper form for recording so as to convey title to the Owned Real Property as required by this Agreement containing a blanket legal description; provided, however, that if such blanket legal description is not contained in the deed, Buyer’s title insurance policy shall contain a contiguity endorsement at no special premium to Buyer.
 - (ii) To the extent they are then in Seller’s possession and not posted at the Owned Real Estate, Permits issued for or with respect to the Owned Real Estate by Governmental Authorities having jurisdiction.
 - (iii) Evidence of a title insurance policy issued to Buyer (or, if issued to Seller, then reimbursed by Buyer) and such affidavits as Buyer’s title company shall reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against Persons whose names are the same as or similar to Seller’s name.
 - (iv) Checks to the order of the appropriate officers in payment of all applicable Transfer Taxes and copies of any required tax returns therefor executed by Seller, which checks shall be certified or official bank checks if required by the taxing authority.
 - (v) A certification that Seller is not a foreign person as that term is used in Treasury Regulations Section 1.1445–2.
 - (vi) A resolution of Seller’s board of directors and shareholders authorizing the sale and delivery of the deed and a certificate executed by the secretary or assistant secretary of Seller certifying to the adoption of such resolution.
 - (vii) Any and all other documents customarily delivered at real estate closings in the location of the Owned Real Property reasonably necessary to record the deed and obtain the title insurance provided for in this Agreement.
 - (6) a certificate of the Secretary of Seller certifying, as complete and accurate as of the Closing, attached copies of the charter and bylaws or other applicable governing documents of Seller, certifying and attaching all requisite resolutions or actions of Seller’s board of directors and stockholders approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and certifying to the incumbency and signatures of the officers of Seller executing this Agreement and any other document relating to the transactions contemplated hereby;
 - (7) all required written consents or written notices required by Contracts for Buyer to assume Contracts set forth on Section 1.1(e) of the Disclosure Schedule; and

- (8) a payoff letter and termination and release document from each creditor listed in Section 1.6 of the Disclosure Schedule indicating all indebtedness for borrowed money has been paid in full and that any security interest related thereto is terminated and released, in form satisfactory to Buyer (the “Payoff Letter”), duly executed by Seller.
 - (9) An employment agreement by and between the Buyer and Melissa Waterhouse (the “Waterhouse Employment Agreement”), duly executed by Melissa Waterhouse in a form satisfactory to Buyer;
 - (10) An employment agreement by and between the Buyer and Lawrence Ferringo (the “Ferringo Employment Agreement”, and, together with the Waterhouse Employment Agreement, the “Employment Agreements”), duly executed by Lawrence Ferringo in a form satisfactory to Buyer; and
- (b) At the Closing, Buyer shall deliver, or cause to be delivered, to Seller:
- (1) an amount equal to the Purchase Price, less Debt Repayment Amount, less Retention Fund plus fifty percent of unused Accrued Vacation Pay on Closing Date, by wire transfer of immediately available funds to the account specified by the Seller in Section 1.8(b)(1) of the Disclosure Schedule;
 - (2) the Bill of Sale, duly executed by Buyer;
 - (3) the Assignment and Assumption Agreement, duly executed by Buyer;
 - (4) the IP Assignments, duly executed by Buyer;
 - (5) the 510K Assignments, duly executed by Buyer;
 - (6) the Real Estate Documents, duly executed by Buyer (as applicable);
 - (7) a certificate of the Secretary of Buyer certifying, as complete and accurate as of the Closing, attached copies of the charter and bylaws or other applicable governing documents of Buyer, certifying and attaching all requisite resolutions or actions of Buyer’s board of directors and stockholders approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and certifying to the incumbency and signatures of the officers of Buyer executing this Agreement and any other document relating to the transactions contemplated hereby;
 - (8) the Payoff Letter, duly executed by Buyer; and
 - (9) the Employment Agreements, duly executed by Buyer.

Article II. REPRESENTATIONS AND WARRANTIES OF SELLER.

Seller hereby represents and warrants to Buyer as follows, as of the date of this Agreement:

Section 2.1. Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of New York and has all corporate power and authority necessary to own or lease its properties and assets and to carry on the Business as currently conducted, except where the failure to be so organized, existing, qualified or in good standing, or to have such power or authority when taken together with all other such failures, has not, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Seller is duly qualified or licensed to do business and is in good standing in each of the jurisdictions in which the character of the properties owned or held under lease by it or the nature of the Business makes such qualification necessary, except where the failure to be so qualified or in

good standing when taken together with all other such failures, has not, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 2.2. Authority. Seller has the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to perform its obligations hereunder. The execution, delivery and performance by Seller of this Agreement, and the consummation by Seller of the transactions contemplated hereby, have been duly and validly authorized by Seller's board and shareholders and no other corporate proceedings on the part of Seller are necessary to authorize this Agreement or to consummate the transactions contemplated hereby or to perform its obligations hereunder. This Agreement has been duly and validly executed and delivered by Seller and, assuming this Agreement constitutes the legal, valid and binding agreement of Buyer, constitutes a legal, valid and binding agreement of Seller, enforceable against Seller in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws, now or hereafter in effect, affecting creditors' rights generally and by general principles of equity. Upon the execution and delivery by Seller of any other document to which Seller is a party in connection with this Agreement, other than this Agreement and the Disclosure Schedule, each of such other documents will constitute the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws, now or hereafter in effect, affecting creditors' rights generally and by general principles of equity.

Section 2.3. Non-Contravention; Filings and Consents.

- (a) The execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby do not and will not (with or without notice or lapse of time, or both):
- (1) contravene, conflict with, or result in any violation or breach of any provision of the certificate of incorporation or bylaws of Seller;
 - (2) contravene, conflict with or result in a violation or breach of any provision of any Law or Order;
 - (3) require any consent or approval under, violate, conflict with, result in any breach of or any loss of any benefit under, or constitute a default under, or result in termination or give to others any right of termination, vesting, amendment, acceleration or cancellation of any Contract to which Seller is a party, or by which its properties or assets may be bound or affected or any Governmental Authority affecting, or relating in any way to the Business; or
 - (4) result in the imposition or creation of any Lien on, or with respect to, any of the Acquired Assets;

except, in the cases of clauses (2) and (3) above, where the violation, breach, conflict, default, termination, vesting, amendment, acceleration, cancellation or failure to give notice or obtain consent, would not have an effect deemed by Buyer to be material.

- (b) The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby by Seller do not and will not require any Permit of, action by, filing with or notification to, any Governmental Authority, other than any actions or filings the absence of which would not reasonably be expected to have, individually or in the aggregate, an effect deemed by Buyer to be material. For purposes of this Agreement, "Governmental Authority" means any national, state or local, domestic or foreign or international, government or any judicial, legislative, executive, administrative or regulatory authority, tribunal, agency, body, entity or

commission or other governmental, quasi-governmental or regulatory authority or agency, domestic or foreign or international.

Section 2.4. Financial Statements.

- (a) Seller has previously delivered to Buyer true and complete copies of its: (i) audited balance sheets and statements of income, retained earnings and cash flows as of and for its fiscal years ended 2021, including all applicable footnotes; and (ii) unaudited interim balance sheets and statements of income, retained earnings and cash flows as of and for the nine-month period ended September 30 2022 (the “Current Financial Statements” and, together with the items described in clause (i) above, the “Financial Statements”). The Financial Statements present fairly in all material respects the financial condition of Seller as at the end of the covered periods and the results of its operations and its cash flows for the covered periods. The Financial Statements were prepared in accordance with GAAP, applied on a consistent basis throughout the covered periods, subject, in the case of the Current Financial Statements, to year-end audit adjustments (which will not, in the aggregate, be material), and the lack of footnotes.
- (b) Except as and to the extent disclosed in the Current Financial Statements, Seller has no Liabilities, other than (i) executor obligations under Seller agreements that are not required to be set forth in the Current Financial Statements in accordance with GAAP; (ii) Liabilities incurred in the ordinary course of business since September 30, 2022; and (iii) Liabilities required by GAAP to be reflected or reserved in the Financial Statements.

Section 2.5. Absence of Certain Changes. Since September 30, 2022 through the date of this Agreement, (a) there has not been a Material Adverse Effect, (b) Seller has conducted its business only in the ordinary course of business consistent with past practice, except for actions taken in respect of this Agreement.

Section 2.6. Employee Benefit Plans. For the past three (3) years, the Seller has not maintained, established, sponsored, participated in or contributed to any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Section 2.7. Labor and Employment Matters.

- (a) Seller is not a party to, bound by or subject to, or is currently negotiating in connection with entering into, any collective bargaining agreement or understanding with a labor union or organization. None of the employees of Seller is represented by any union with respect to his or her employment by Seller. There is no claim or grievance pending or, to the Knowledge of Seller, threatened against Seller relating to terms and conditions of employment or unfair labor practices, including charges of unfair labor practices or harassment complaints. To the Knowledge of Seller, there is no activity or proceeding by a labor union or representative thereof to organize any employees of Seller, nor have there been any strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees during the last three years.
- (b) There has been no “mass layoff” or “plant closing” as defined by the Worker Adjustment and Retraining Notification Act of 1998 (the “WARN Act”) in respect of Seller and Seller has not been affected by any transactions or engaged in layoffs or employment terminations sufficient in number to trigger application of any state, local, or foreign law or regulation which is similar to the WARN Act.
- (c) There have not been any strikes, slowdowns, work stoppages or threats thereof by or with respect to such employees during the last three years.

- (d) Section 2.7(d) of the Disclosure Schedule contains a complete information for each employee of Seller with respect to the Business: leave of absence or layoff status; employer; name; job title; date of commencement of employment or engagement; current compensation; change in compensation since December 31, 2021; sick and vacation days used; and service credited for purposes of vesting and eligibility for an employee benefit plan.
- (e) To the Knowledge of Seller, no officer, director, agent, employee of Seller with respect to the Business is bound by any Contract that requires such officer, director, agent, employee, consultant, or contractor to perform any conduct, activity, duties or practice relating to the Business to any other Person any rights to any invention, improvement, or process if an employee of the Business is a party to, or is otherwise bound by, or adversely affected, affects, or will affect the ability of Seller or the Business to be carried on by Seller.

Section 2.8. Litigation.

- (a) There are no claims, actions, suits, investigations or other “Actions”) pending or, to the Knowledge of Seller, threatened against Seller in respect of the transactions contemplated hereby that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Seller has entered into an Order (i) that prohibits Seller from conducting the Business as a result of which, individually or in the aggregate, have had or would reasonably be expected to have a Material Adverse Effect.
- (b) To the Knowledge of Seller, no event has occurred or circumstances exist that would give rise to or serve as a basis for the commencement of a lawsuit, litigation, proceeding or governmental or administrative investigation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 2.9. Tax Matters.

- (a) Except as set forth on Section 2.9(a) of the Disclosure Schedule, Seller has provided the Acquired Assets and the Assumed Liabilities have been or will be, and all Tax returns required to be filed by Seller for any pre-Closing period have been timely filed on or before Closing. Such Tax returns are, and will continue to be, in compliance with all applicable Tax laws in all respects.
- (b) There are no Liens for Taxes upon any Acquired Assets, except as set forth in the Disclosure Schedule, pending, nor has Seller received written notice of any, Tax audit, assessment, levies, or other Actions of, or with respect to, Seller or the operation of Seller’s trades or businesses, and there are no unresolved or proposed deficiency, or assessment from any Governmental Authority relating to, the Acquired Assets and the Business. All material deficiencies have been made for Taxes due with respect to the Acquired Assets and the Business, and all such deficiencies have been completed and settled examinations or any concluded litigation have been resolved.
- (c) Seller is not a “foreign person” as that term is used in Treasury Regulations.
- (d) For purposes of this Agreement, “Tax” or, collectively, “Taxes” means all federal, state, local and non-U.S. taxes, assessments and other governmental charges.