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# Avalon GloboCare Provides Update on New Commercial Strategy

Company Continues to Implement Major Change in Strategy Focused on Acquiring and Operating Accretive Revenue Generating Laboratories and Related Commercialized Products

Company Plans on Developing and Delivering Innovative, Transformative, Precision Diagnostics, Genetic Testing and Clinical Laboratory Services

FREEHOLD, N.J., July 10, 2023 (GLOBE NEWSWIRE) -- **Avalon GloboCare Corp.** ("**Avalon**" or the "**Company**") (**NASDAQ: ALBT**), a developer of innovative precision diagnostics and provider of clinical laboratory services, today provided the following letter to shareholders from the Company's President and CEO, David Jin, M.D., Ph.D.:

"We are excited to provide an update on our new commercial strategy focused on laboratory acquisitions and diagnostics. Avalon is dedicated to developing and delivering innovative, transformative, precision diagnostics and clinical laboratory services. Our evolving strategy involves acquiring ownership or license rights to precision diagnostic assets, genetic testing and clinical laboratory companies through joint ventures, share ownership structures or distribution rights. We intend to play a leading role in the innovation of diagnostic testing, utilizing proprietary technology to deliver precise, genetics-driven results. As a first major step into the laboratory market, we acquired a 40% interest in [Laboratory Services MSO, LLC \("LSM"\)](#), which closed in February 2023. LSM generated revenue of \$14.7 million and net income of \$6.3 million in 2022. In turn, we believe our profit-sharing arrangement with LSM will result in significant future cash flow to Avalon. Since the acquisition, LSM has executed on its growth plan and has expanded their service offering to customers seeking to utilize providers within their insurance network. In addition, they have continued to evaluate additional accretive acquisitions.

Our goal is to take advantage of a unique roll-up opportunity within the highly fragmented market for laboratory testing and services. By targeting laboratories with strong financial track records and niche-market advantages, we believe we can effectively leverage LSM's experience and infrastructure to achieve significant synergies with respect to revenue growth and market share.

Additionally, LSM is focused on commercialization of genetic-based proprietary testing. The first area of focus in this area is confirmatory genetic testing during toxicology screening and genetic testing to screen for addictive predisposition. LSM plans to focus on diagnostic testing utilizing proprietary technology to deliver precise genetic-driven results.

During 2023, we also secured exclusive distribution rights and are making rapid progress towards commercialization of the [KetoAir™ breathalyzer device](#) and related accessories,

including current and future models, in North America, South America, the U.K. and the European Union. KetoAir™ functions as a monitoring device for ketogenic dietary management and will initially target the diabetes reversal and weight management markets. KetoAir™ uses an AI nutritionist bundled with the nanosensor-based breathalyzer for ketogenic health management, which has been approved by the United States Food and Drug Administration. We had a successful pilot launch and exhibition of the KetoAir™ breathalyzer in this year's KetoCon conference in Austin, Texas which was held in April 2023. Currently, we are evaluating options for commercialization, including identifying distribution partners or distributing KetoAir™ ourselves.

Regarding the R&D front, we are focused on bringing forward intellectual property through joint patent filings with the Massachusetts Institute of Technology (MIT). We completed a sponsored research and co-development project with MIT led by Professor Shuguang Zhang as Principal Investigator. Using the unique QTY code protein design platform, six water-soluble variant cytokine receptors have been successfully designed and tested to show binding affinity to the respective cytokines. We look forward to advancing the intellectual property associated with this program by continuing to prosecute our joint patent applications.

We believe 2023 will be a pivotal year in the company's history as we laid the foundation over the past few years to accomplish major achievements and successes in the coming year," concluded Dr. Jin.

### **About Avalon GloboCare Corp.**

Avalon GloboCare Corp. (NASDAQ: ALBT) is a commercial stage company dedicated to developing and delivering innovative, transformative, precision diagnostics and clinical laboratory services. Avalon is establishing a leading role in the innovation of diagnostic testing, utilizing proprietary technology to deliver precise, genetics-driven results. The Company also provides laboratory services, offering a broad portfolio of diagnostic tests including drug testing, toxicology, and a broad array of test services, from general bloodwork to anatomic pathology, and urine toxicology. For more information about Avalon GloboCare, please visit [www.avalon-globocare.com](http://www.avalon-globocare.com).

For the latest updates on Avalon GloboCare's developments, please follow our twitter at @avalongc\_avco

### **Forward-Looking Statements**

Certain statements contained in this press release may constitute "forward-looking statements." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact, including statements regarding LSM, Keto Air and product development. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors as disclosed in our filings with the Securities and Exchange Commission located at their website (<http://www.sec.gov>). In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. The forward-looking statements included in this press release represent the

Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of the press release.

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