



2018 annual results in line with the Company's repositioning

Lyon (France), March 22d, 2019 - AMOEBA (FR0011051598 - AMEBA), producer of a biological biocide capable of eliminating bacterial risk in water and human wounds, and a biocontrol product for plant protection, announces today the 2018 financial year results.

The Board of Directors, which met on 22 March 2019, approved the parent company and consolidated financial statements of the AMOEBA Group for the year ending 31 December 2018.

The statutory auditors have carried out their audit work and have not identified any material misstatements that could affect their compliance. The certification reports are being issued.

(In K€)	31/12/2018	31/12/2017
Turnover	122	161
Industrial deployment	(991)	(722)
Research and development expenses	(1 553)	(2 689)
Grants	329	556
Marketing & Sales	(469)	(636)
Overhead costs	(2 888)	(2 634)
Operational income	(5 450)	(5 964)
Non operational expenses	(625)	-
Financial expenses	(1 148)	(270)
Result before tax	(7 223)	(6 234)
Net result	(7 223)	(6 234)

Slight Improvement of operating results in 2018 due to the company's restructuring plan

Revenues at 31 December 2018 amounted to €122k, mainly comprising the AQUAPROX royalty of €120k.

Industrial deployment expenses consist of personnel expenses and consumables purchases related to the implementation of production files and the improvement of technical processes. The increase of these expenses compared to the previous year is mainly due to the reallocation of depreciation costs relating to the industrial equipment and initially recorded in general expenses and the reserve on inventory.

R&D costs are linked to the development of the multiple possible applications of the amoeba in the prevention of microbiological risk, today for the treatment of water, human wounds and plant



protection. Their decrease compared to the previous year is mainly due to the restructuring plan implemented by the company in 2018.

Grants are made up solely of the Research Tax Credit.

Marketing/sales expenses consist of staff and travel expenses related to the establishment of the sales network.

General expenses remain essentially unchanged from the previous year

As a result, operating income amounted to €5,450 k and net income to €7,233 k.

At 31 December 2018, non-operating expenses amounted to €625k and mainly comprised costs incurred as part of the restructuring plan.

Financial expenses amounted to €1,148k. The difference compared to the previous year is due to the interest on the loan granted by the EIB in November 2017.

At 31 December 2018, the Company's shareholders' equity amounted to €5.4 million compared with €12.5 million at 31 December 2017.

Financial debts amounted to €7.3 million. They mainly consist of the EIB loan and interest provisioned for 2018 for an amount of €5.9 million.

At 31 December 2018, cash and cash equivalents amounted to €3.5 million, compared with €10.2 million at 31 December 2017. In view of the cash position, Amoéba announced in December 2018 the signature of a bond financing line convertible into shares for a nominal amount of €6.240 million, which should enable to finance its activities until June 2020 (see press releases dated 3 and 20 December 2018)

A year 2018 impacted by the non-approval of one of its active substances on the biocidal market in Europe.

On 26 April 2018, the Biocidal Products Committee (CPB) of the European Chemicals Agency (ECHA) recommended the non-approval of the biocidal active substance *Willaertia magna C2c Maky* for use in product type 11 (TP 11 – Preservative for liquid-cooling and processing systems). On 28 November 2018, the 28 Member States confirmed this non-approval.

In order to ensure its continuity of operations, the Company has implemented a restructuring plan with the redundancy of 24 positions at the Lyon-Chassieu site between June and December 2018 (see press release dated 25 May 2018). It also announced the signature of an agreement with Nice & Green S.A. to set up a bond financing line with the issuance of 312 OCAs (bonds convertible into shares) representing a total nominal amount of 6,240,000 euros (see press releases dated 26 July and 3 December 2018).

Notwithstanding the decision of the European CPB, the Company continued its research and development activity on the various applications it wishes to commercialize in the future:



- With respect to the biocidal application, Amoéba continued its industrial tests in North America and was able to confirm much higher efficacy results of its biological biocide than chemical treatment (see press release dated 11 July 2018). It was also able to complete its knowledge of the amoeba *Willaertia magna C2c Maky* by demonstrating the effectiveness of the active substance in destroying legionella and the absence of survival and multiplication of internalised legionella (see press release dated 7 November 2018). Finally, it has continued to move forward on its regulatory dossier assessment with the US Environmental Protection Agency (EPA) (see press releases dated 12 September 2018).
- With respect to the biocontrol plant protection application, the company successfully carried out the second phase of tests in planta (in greenhouses) with the micro-organism *Willaertia Magna C2c Maky* as a biocontrol agent for the prevention of downy mildew in the vine. Initial results showed an efficacy of more than 90% of the formulated product on downy mildew (whereas biocontrol products tested in greenhouses usually provide a 50% efficacy level). A new series of tests was initiated in the second half of 2018 to prepare for the field trials planned for 2019 (see press release of 4 May 2018).

Recent developments and prospects.

- The shareholders' general meeting held on 14 January 2019 voted in favor of the implementation of the bond financing line and granted to the Board of Directors a delegation of authority to decide the issuance of 312 bonds for a total nominal amount of €6,240,000. To date, 78 bonds have been issued in accordance with the issuance schedule.
- The Company has continued its research and development efforts and made major scientific advances:
 - o Amoéba announced that it has carried out laboratory and greenhouse tests to demonstrate the efficacy of its *Willaertia magna C2c Maky* amoeba against the grape downy mildew agent, a pathogenic fungus of grapevine, using a dry powder formulation composed of *Willaertia magna C2c Maky* lysed amoebas, i.e. dead and in pieces. It was able to demonstrate a level of efficacy of this lysate comparable to the reference chemical product and the living amoeba (see Press Releases of 4 May 2018 and 11 February 2019).
 - o In addition, the Company announced that the amoeba *Willaertia magna C2c maky* in lysed form has an eliciting action on the vine and a direct action by total inhibition of the germination of the grape downy mildew (*Plasmopara viticola*). To the Company's current knowledge, no biocontrol agent made of natural organic substances marketed to date has an eliciting function on the vine and a direct action to inhibit the germination of downy mildew in the vine (see press release dated 7 March 2019).
- At European regulatory level:
 - o With regards to the biocontrol in the plant protection application, Austria has agreed to be the Rapporteur Member State, with a submission of the application for approval to the Austrian Agency for Health and Food Safety (AGES) expected during the first quarter of 2020. The Company considers that the marketing authorization for the plant protection product(s) containing the active substance could be granted in 2025, subject to approval of its dossier.



o In respect of the biocidal application for water treatment, the Maltese Competent Authority for Biocide (MCCAA, Malta Competition and Consumer Affairs Authority) has agreed to be the competent authority assessing the new application for approval. Considering a submission of the application for approval before the end of 2019, and subject to an evaluation report from the MCCAA recommending approval of the active substance and the issuance of provisional authorizations (valid for 3 years, converted into final authorizations once the active substance has been approved), the Company could consider the first placing on the market of biocidal products containing the active substance, for use in the prevention of biofilm and legionella growth in cooling towers, in the 2nd half of 2022 in Europe.

- At North American regulatory level:
 - o The registration of the biocidal active substance *Willaertia magna C2c Maky* and the biocidal product BIOMEBA in the United States is in its final evaluation phase (see Press Release dated 12 September 2018). As a result of the government shutdown, the non-core functions of the EPA (Environmental Protection Agency), including biocidal product evaluations, ceased entirely between December 29, 2018 and January 28, 2019. The Company considers that this situation could have an impact on the EPA's decision date, scheduled for the first quarter of 2019. To date, such additional time is neither confirmed nor quantifiable by the Company.
 - o In February 2019, the Company submitted an application to the Canadian Pest Management Regulatory Agency (PMRA) for the registration of the biocidal active substance *Willaertia magna C2c Maky* and the biocidal product BIOMEBA to be marketed in Canada. BIOMEBA is intended to prevent the proliferation of *Legionella pneumophila* and to control biofilm in industrial water systems, including cooling towers. As the duration of the approval procedure is estimated to be 24 months, the Company considers that BIOMEBA could be marketed in Canada in the first quarter of 2021 at the earliest, subject to approval by the PMRA.

Next appointments:

General Shareholders' Meeting: June 20, 2019

Publication of 2019 half-year results: September 20, 2019



About AMOEBA:

Amoéba's ambition is to become a major player in the treatment of bacterial risk in the fields of water, healthcare and plant protection. Our biological solution is an alternative to chemical products widely used today. Amoéba



is currently focusing on the market of industrial cooling towers estimated at €1.7Bn ⁽¹⁾ on a global chemical biocide market for water treatment, evaluated at €21Bn ⁽²⁾ and on the biocontrol market for plant protection estimated globally at €1.6Bn ⁽⁴⁾. In the future, the Company is looking at developing new applications such as chronic wound care, estimated at € 751 million ⁽³⁾ in the USA. Sales of associated products with healthcare, biocides and crop protection are subject to the Company being granted local regulatory market authorizations. The Company is currently in a trial phase for biocidal and plant protection applications and does not market any products.

Created in 2010, based in Chassieu (Lyon, France) with a subsidiary in Canada and in the United States, Amoéba is quoted on the compartment C of Euronext Paris. The Company is a member of the BPIfrance Excellence network and is eligible for the PEA-PME SME equity savings plan setup. More information on www.amoeba-biocide.com.

(1): Amoéba data combined from sources: DRIRE 2013, Eurostat, ARHIA 2013

(2): Sources combined by Amoéba from water treaters, Freedomia, Eurostat et MarketsandMarkets

(3): BCC Research, "Markets for Advanced Wound Management Technologies," Wellesley, MA, 2017

(4): Biopesticides Worldwide Market 2013, CPL, Wallingford, UK

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Disclaimer

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