

## Amoeba announces half year results in line with 2018 and continues to develop its biocide and biocontrol applications

Lyon (France), September 27<sup>th</sup>, 2019 - AMOEBEA (FR0011051598 -AMEBA), producer of biological biocides capable of eliminating bacterial risks in water and human wounds, and a biocontrol product for plant protection, still in trial phase, announces today its 2019 half-year results.

The Board of Directors, which met on 27 September 2019, approved the company's consolidated financial statements for the first half of 2019.

The statutory auditors have carried out their limited review of the half-year consolidated financial statements as at 30 June 2019 and have not identified any material misstatements that could affect their conformity.

The half-yearly report is being issued and will be available on the company's website ([www.amoeba-biocide.com](http://www.amoeba-biocide.com)) in the coming days.

(In K€)	30/06/2019	30/06/2018
<b>Turnover</b>	<b>60</b>	<b>62</b>
Industrialisation costs	(589)	(916)
R&D costs	(1,852)	(974)
Subsidies	218	154
Marketing & Sales	(156)	(298)
General costs	(1,162)	(1,257)
<b>Operational loss</b>	<b>(3,481)</b>	<b>(3,229)</b>
Non-Operational loss	-	(691)
Financial loss	(843)	(577)
<b>Net loss</b>	<b>(4,324)</b>	<b>(4,497)</b>

### Results in line with 2018

The Group's operating income for the six months ended 30 June 2019 amounted to €3,481k in line with 2018 results despite the recognition of a depreciation on intangible assets of € 933 k.

- Revenues, mainly consisting in the half-yearly portion of the Aquaprox royalty, amounted to €60k at 30 June 2019 compared with €62k at 30 June 2018.
- The non-approval of the active substance in Europe and the resulting delay in the launch of the production activity (see press releases dated 26 April and 29 November 2018) have led to a decrease in industrial deployment costs.



- Research and Development expenses, net of subsidies, increased compared to the first half of 2018 (€1,634k vs. €820k). This increase is mainly due to a €933k write-down of development costs due to the withdrawal of the marketing authorization application in the United States and the resulting delay in production operations (see press release of 19 august 2019).
- Marketing and sales expenses were down compared to the first half of 2018 (€156k vs. €298k).
- General and administrative expenses amounted to €1,162k at 30 June 2019 and remained essentially unchanged from the previous year.
- At June 30, 2019, no non-operating charges were recorded, unlike as at June 30, 2018 (restructuring charges amounting to € 491K).
- Financial income mainly includes interest expenses related to bank loans (€956k) and foreign exchange losses (€113k).

The net result for the first half of the year was €4,324k.

At 30 June 2019, the company's shareholders' equity amounted to €3.5 million compared with €5.4 million at 31 December 2018.

The company's financial debt amounts to €8.9 million and consists mainly of the €5 million EIB loan and capitalized interest of €1.6 million, bonds not yet converted at the closing date amounting to €0.8 million and debts related to rental obligations (€0.9 million).

The cash position is €4,1 million.

### **A first semester mainly marked by the continued development of the biocontrol application for plant protection and the monitoring of regulatory dossiers for the marketing of the biocidal application:**

During the first half of 2019, the company focused on 3 main areas:

#### **1. The development of the biocontrol application.**

In this context, the company has announced 2 major scientific advances:

- A new formulation of its active substance in powder form composed of *Willaertia Magna C2c* *Maky* lysed amoebae allowing (i) a longer shelf life, (ii) ease of transport and storage and (iii) the elimination of any hypothetical risk of serving as a reservoir for pathogenic bacteria;
- The demonstration of a double eliciting action on the vine and a direct action by total inhibition of the germination of downy mildew in the vine (*Plasmopara viticola*) of *Willaertia Magna C2c* *Maky* in lysed form.

Furthermore, in accordance with its business plan, the company carried out 13 field trials against downy mildew in the vine during the second quarter of 2019 (see press release of July 29 2019). These tests will be used to prepare the regulatory dossier for the active substance at European



level, which is due to be submitted in the first quarter of 2020 and for which Austria has agreed to be rapporteur Member State.

## **2. The follow-up of regulatory applications for the marketing of biocidal applications in Europe and North America.**

- In Europe: The Malta Competition and Consumer Affairs Authority (MCCAA) has agreed to be the competent authority to evaluate the new application for approval, which is expected to be submitted before the end of 2019.
- In Canada: In January 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.
- In the United States: The scientific review of the file is still ongoing and the US EPA decision date initially scheduled for the first quarter of 2019 was communicated to the company on August 2019 (see press release of 19 August 2019).

- ## **3. The implementation and monitoring of a bond financing program with Nice & Green (OCAPI) through the reserved issue of 312 bonds convertible into shares representing a total nominal amount of 6,240,000 euros of bonds (refer to press releases of 3 December 2018 and 16 January 2019). As of June 30, 2019, 156 bonds were issued among which 117 were fully converted representing the creation of 1,215,988 new shares.**

### **Recent developments and prospects**

- With regard to the biocontrol application for the prevention of plant diseases, the company confirmed the efficacy of its *Willaertia Magna C2c Maky* amoeba lysate in the field against downy mildew in the vine and demonstrated an *in plant* efficacy of more than 85% against bean rust, thus broadening the potential spectrum of action of its application (refer to press releases of 1 July and 29 July 2019).

The various communications on the biocontrol application have triggered a wave of very broad interest in the plant protection field allowing the company to:

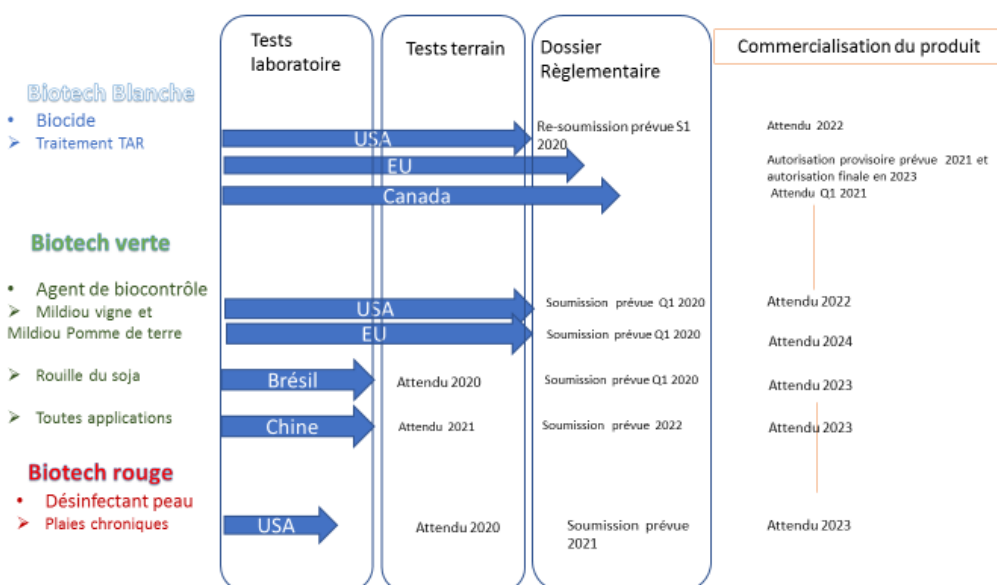
- establish many contacts with various stakeholder
  - consider its development in new territories such as China or Brazil.
- As to the biocidal application:
    - the company submitted a new application for its active substance to the European Chemical Agency (ECHA) in July 2019 (5 months ahead of the initial timetable).
    - In August 2019, the U.S. Environmental Protection Agency (EPA) determined that it cannot conclude that the registration requirements are met for the use of amoeba in cooling towers. After reviewing the file, no danger to human health or the environment was determined by the EPA. However, on the basis of the file data, the



EPA could not confirm that the biocidal product containing the amoeba *Willartia Magna C2c Maky*, when used in accordance with commonly accepted practice, will not have unreasonable effects.

Based on discussions with its US regulatory consultants and the EPA, the Company has decided to voluntarily withdraw the application.

- In the medium term, the company plans the development stages of its various applications according to the following schedule:



(Application procedures for authorization of the biocidal and biocontrol applications are detailed in the registration document filed with the “Autorité des Marchés Financiers” on 25 April 2019 under number D19-0383).

- The financial statements for the six-month period ended 30 June 2019 were approved by the Board of Directors on a going concern basis based on business and cash flow forecasts.

In this context, the company carried out an analysis of its cash flow forecast. This analysis shows that the company's further development beyond July 2020 is conditional on obtaining additional financing. To this end, the company is currently in discussion with current partners or potential investors. This analysis takes into account the agreement received from the EIB for non-compliance with the financial ratio (equity/total assets) for the accounts closed on 30 June 2019 and to be closed on 31 December 2019.

Failure to obtain these additional financings could jeopardize the application of certain accounting principles and in particular the valuation of certain assets and liabilities.

In addition, in order to cover its subsequent needs and to carry out its various development and research projects, the Board of Directors is continuing to implement measures to ensure the necessary financing for its development plan:



- research of new financing in Europe and the United States;
  - search for new partnership agreements relating to the distribution of the biological solution developed by Amoéba;
  - development of new applications.
- As part of its governance, Amoéba announces the resignation of its mandate as director with effect from 1 August 2019 of ELAIA Partners. Amoéba's Board of Directors is composed of six members, including four independent directors.



#### **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 <sup>(1)</sup> on a global chemical biocide market for water treatment, evaluated at €21Bn <sup>(2)</sup> and on the biocontrol market for plant protection estimated globally at €1.6Bn <sup>(4)</sup>. In the future, the Company is looking at developing new applications such as chronic wound care, estimated at € 751 million <sup>(3)</sup> 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](http://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**

This press release contains certain forward-looking statements concerning AMOEBA which are based on its own assumptions and hypothesis and on information that are available to us. However, AMOEBA gives no assurance



that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in the reference document of AMOEBA filed with the French Financial Markets Authority (*Autorité des Marchés Financiers*) on April 25, 2019 under number D19-0383 (a copy of which is available on [www.amoeba-biocide.com](http://www.amoeba-biocide.com)). The forward-looking statements contained in this press release are also subject to risks not yet known to AMOEBA or not currently considered material by AMOEBA. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of AMOEBA to be materially different from such forward-looking statements.