

Press release

Amoéba : 2022 annual results – An exceptional year which confirms Amoéba’s potential

Obtention of two marketing approvals in the USA (biocide and plant protection) and a recommendation for approval of the biocontrol active substance in Europe

Chassieu (France), March 30th, 2023 – 17:45 – AMOÉBA (FR0011051598 – ALMIB), an industrial biotech in pre-commercialization* specializing in the treatment of microbiological risk, developing a biocontrol agent for the treatment of plants in agriculture and a biological biocide for the treatment of industrial water, today announces its annual results for the year ending 31 December 2022.

The Board of Directors, which met on 30 March 2023, approved the corporate and consolidated financial statements of the Amoeba Group for the year ended 31 December 2022.

The Statutory Auditors have carried out their audit work and have not identified any significant anomalies that would call into question the conformity of the financial statements. The certification reports are being issued

AMOÉBA	31/12/2022	31/12/2021
Consolidated income statement (IFRS)	K€	K€
Turnover	-	-
Grants	461	571
Industrial deployment costs	(1 110)	(767)
Research & Development costs	(2 525)	(2 178)
General & Administrative expenses	(2 280)	(2 980)
Marketing & Sales	(389)	(225)
Operating result	(5 843)	(5 579)
Financial result	(2 180)	(2 238)
Net result	(8 023)	(7 817)

A financial position strongly improved by debt repayment and equity rebuilding

At 31 December 2022, Amoéba's **operating profit** was -5,843 K€ compared to -5,579 K€ at 31 December 2021

- The company did not generate any **revenue** in the financial year 2022.
- **Subsidies** are down compared to 2021. They are mainly made up of the Research Tax Credit and underline the continued efforts made by the company in terms of research and development on its biocontrol application during 2022.
- **Industrial deployment** costs are up on the previous year and reflect the start of pre-industrialization of the biocontrol product developed by the Company.
- **Research and Development** expenses amount to €2,525K, up from €2,172K in 2021. This increase is mainly due to the external services provided to validate the field trials of the biocontrol product.
- **General and administrative** expenses amounted to €2,280k, down by €700k on the previous year.
- The increase in **marketing and sales** costs is mainly due to the strengthening of the team for pre-commercialization.
- The **financial result** mainly includes interest charges related to bank loans (€1,027k) and the OCAP transaction (€1,153k).

The **net result** thus amounts to -€8,023k compared to -€7,817k at 31 December 2021.

At 31 December 2022, the company's shareholders' **equity** amounted to €8.2m compared with €0.2m at 31 December 2021.

The company's **financial debt** amounted to €2.4m (compared to €12.5m at 31 December 2021) and is mainly made up of the bond loan resulting from bonds issued and not yet converted at the end of the year (€2.1m) and debts linked to lease obligations (€0.3m).

The Company's **cash** position at 31 December 2022 was €5,528k compared with €7,275k at 31 December 2021.

An exceptional year marked by two marketing approvals in the USA (biocide and plant protection), the recommendation for approval of the biocontrol active substance in Europe and further development of pre-commercial field tests

During the year 2022, Amoéba focused on the following main areas:

1 – Biocontrol application

Sustainability of the company through regulatory announcements:

- On **25 April 2022**, the Company announced that AGES (Agentur für Gesundheit und Ernährungssicherheit), the competent authority of the Reporting Member State (Austria) in charge of the application for the biocontrol active substance "*Willaertia magna* C2c Maky Lysate", **recommends its approval** for plant protection use in the European territory.

In its draft assessment report, AGES concludes that the active substance is likely to meet the approval criteria. The Austrian authority thus confirms **the efficacy of the active substance and its lack of adverse effects on human health and the environment** when used according to good plant protection practice and under realistic conditions of use.

- On **29 September 2022**, the company received a positive pre-decision from the US Environmental Protection Agency (US EPA) following the evaluation of the application for *Willaertia magna C2c Maky* as a biocontrol active substance (biopesticide) for use in agriculture. The EPA concluded that *Willaertia magna C2c Maky* lysate has a **low toxicity profile for human health and the environment**, and that "its mode of action contributes to its attractiveness as a viable alternative to conventional pesticides, making it a valuable addition to the pesticide panel. Therefore, EPA is proposing to grant unconditional registration of *Willaertia magna C2c Maky* lysate as a new active ingredient in food and non-food plant protection uses.
- On **12 October 2022**, following its favourable pre-decision, the EPA **approved the maximum residue limit exemption (tolerance exemption)** of *Willaertia magna C2c Maky* amoeba lysate, corresponding to the regulatory threshold of pesticide residue concentration, above which the marketing of a food product is no longer authorized.
- On **3 November 2022**, the Company informed that the US Environmental Protection Agency (US EPA) has **approved the use of the amoeba lysate** *Willaertia magna C2c Maky* as an active substance for use in plant protection.

Recognition of its scientific expertise:

- On **18 October 2022**, the Company announced the publication of a peer-reviewed scientific paper on its biocontrol application (<https://www.mdpi.com/2223-7747/11/20/2756/pdf>) in the special "Plant Bioprotection" issue of *Plants*, the journal of the MDPI Group.

This article presents, for the first time to the international scientific community, the efficacy of Amoeba's biocontrol products based on the lysate of the amoeba Willaertia magna C2c Maky on potato late blight.

The scientific data demonstrating the double mode of action of the lysate to control potato late blight are presented:

- *On the indirect effect via the stimulation of the plant's natural defences*
- *On the direct fungicidal effect against the pathogen Phytophthora infestans responsible for potato late blight.*

An acceleration of field trials, synonymous with a record year:

- On **20 October 2022**, the company announced the **results of the field trial campaign**. With more than 120 field trials completed or underway in Europe, the United States, Brazil, Costa Rica and Asia, the winter 2021/summer 2022 field trial campaign is the largest ever undertaken by Amoéba.

The main objectives of these trials conducted by independent external service providers in small plots under GPE (Good Experimental Practice) guidelines were:

- *To generate efficacy data for future marketing authorization applications (MA) in Europe, Brazil and California*

- To evaluate the company's formulations on new targets, in particular diseases of tropical crops, apples and certain vegetable crops.
- To conduct parallel positioning trials in combination or in programs with other fungicides (notably on vines, potatoes, wheat, vegetables and soybeans), foreshadowing experiments closer to practical application.

2 – Biocide application

A strategic repositioning following regulatory announcements:

- On **3 May 2022**, the Company announced that the MCCA (Malta Competition and Consumer Affairs Authority), the competent authority of the reporting Member State (Malta) evaluating the application for approval of the biocidal active substance "*Willaertia magna C2c Maky*", **recommended its non-approval for biocidal use** in cooling towers in Europe. On the basis of the application dossier for approval of the biocidal active substance "*Willaertia magna C2c Maky*", the Maltese authority concluded in its draft report that the active substance is not likely to meet the approval criteria, considering that the innate efficacy has not been sufficiently demonstrated and that a Trojan horse effect cannot be excluded under realistic conditions of use.
- On **10 August 2022**, the Company announced that the US Environmental Protection Agency (US EPA) has issued a favourable pre-decision following the evaluation of the application for authorization of *Willaertia magna C2c Maky* as a biocidal active substance in cooling systems.

As a result of this favourable EPA pre-decision and the public consultation required for any new active substance, completed on 3 December 2022, the amoeba *Willaertia magna C2c Maky* and BIOMEBA products containing it are now **authorized in the United States for biocidal use** in closed cooling systems, for the control of microbial slime, for the control of microbial induced corrosion and for the control of general microbial life.

- On **October 19 2022**, the Company announced that it would not pursue its live amoeba biocide application in Canada. Amoeba has decided to permanently withdraw the application for registration in Canada and to focus its resources on low regulatory risk applications.

3 – Securing the Company's financing

- The Company announced the issuance of **the fourth, fifth and sixth tranches of 60 convertible bonds** and **a seventh tranche of 40 convertible bonds** as part of its incentive bond financing with Nice & Green.
- In addition, Amoéba finalized the restructuring of its debt by **prepaying the entire EIB loan**.

Developments and prospects

1 – Biocontrol application

The company is preparing to carry out a new field test campaign for its biocontrol product in 2023.

The program planned for 2023 will focus on the following themes:

- Completing and generating data for future marketing authorization dossiers in Europe and California
- Confirm in the second year the new strong points identified in 2022 (soybean rust, banana Sigatoka, apple scab, etc.)
- In vines and vegetables in Europe, test the inclusion of the Amoeba product in practical treatment programs: either in small plot trials under Good Experimental Practice or under real agronomic conditions with the farmer's equipment

In Europe, the collective peer review of Austria's draft report is underway and should be finalized in Q3 2023.

This should be followed by two further phases:

Publication of the review report by the European Commission and implementing regulation carrying the European Commission's decision	S1 2024
Decisions on authorizations of products containing the active substance " <i>Willaertia magna</i> C2c Maky lysate" by targeted Member States	2024

Applications for authorization of biocontrol products will be submitted in 2023 in the targeted member states: submission is indeed possible before the active substance is approved by the European Commission.

In the US, an application for approval of biocontrol products is expected to be submitted, following the approval of the active substance by the US EPA in 2022.

2 – USIBIAM industrialization project and search for financing

On **January 27, 2023**, the Company announced that it had terminated its convertible bond contract with Nice & Green SA and waived the issuance of the optional 8th tranche of 80 OCAs as initially foreseen in the contractⁱ.

Amoeba's ambition is to build « **USIBIAM** » a **production plant dedicated to biocontrol products**, which could initially produce 40 tones of active substance per year, i.e. 200 tones of finished product, making it possible to treat 100,000 hectares. The company could increase its production and cover up to 200,000 hectares if the site is expanded. This production site should be operational by early 2025 in order to start marketing its biocontrol products as soon as marketing authorizations are obtained in Europe and the United States.

In order to finance this production site and to continue its operational and research activities over the next 3 years, the company estimates its total financial needs **at €45 million** – without extension- (€23 million in capital expenditure and €22 million in operational expenditure).

In order to adapt its financial strategy to its new industrial transformation challenges, Amoéba has concluded a support contract with Redbridge Debt and Treasury Advisory to assist it in its search for financingⁱⁱ.

Pending the search for and obtaining of such financing, on **February 15, 2023**, Nice & Green SAⁱⁱⁱ agreed to continue supporting Amoéba within the framework of a **debt financing in the form of a simple bond loan** with, as an exclusive repayment guarantee, a commitment to issue share warrants in the event of Amoéba's failure to repay the simple bonds (OS) at their maturity. This interim financing of €9 millions allows the company to immediately start its industrial project and to cover its expenses until December 2023. It is intended to be automatically repaid as soon as Redbridge Debt and Treasury Advisory has structured a financial contribution.

On **16 February 2023**, the Company announced that it had submitted the building permit for its new production site dedicated to biocontrol applications, based in Cavaillon in the Vaucluse.

On **29 March 2023**, Amoéba announced its nomination as a winner of the France 2030 project following its application to the "Resilience and Agri-food Capacity" call for projects. After examining the application, BPI France recognized the quality and interest of Amoéba's investments, a key player in the agro-ecological transition, and announced support of €5,917,676 in the form of a €3,550,606 grant and €2,367,070 in recoverable advance.

3 – Biocide application

Following the US EPA's preliminary favourable decision on the use of the amoeba *Willaertia Magna C2c Maky* in closed cooling systems (see press release of 10 August 2022), Amoéba initiated a search in 2023 for a partner capable of taking over the production and/or marketing of the biocide product in the United States. This search is still ongoing.

4 – New applications

In addition to existing applications (biocide and biocontrol), Amoéba receives numerous requests to integrate its solution into new fields of operations. A strict scientific evaluation of these opportunities is carried out permanently by our laboratory and external expert laboratories.

At the date of closing the accounts, the Company has sufficient net working capital to meet its obligations and cash requirements over twelve months, believing that it can meet its commitments until December 2023. The financial statements for the year ended 31 December 2022 were approved by the Board of Directors on 30 March 2023 on a going concern basis in light of the business and cash flow forecasts.

Next event:
General Meeting of Shareholders: 25 May 2023

About AMOÉBA :

Amoéba's ambition is to become a major player in the treatment of microbiological risk in the water, plant protection and health sectors. Based on the natural properties of the amoeba *Willaertia magna* C2c Maky, our biological solution is a viable alternative to the chemical products widely used in the industry today. Amoeba is currently focused on the closed system industrial cooling tower market in the United States estimated at €200 million (1) and on the global biocontrol market for plant protection estimated at €3 billion (2), out of a global market for chemical fungicides estimated at €21 billion (3). The commercialization of the associated healthcare, biocides and phytosanitary products is subject to local regulatory approvals.

**At the end of 2022, Amoeba obtained approval of its active substance for biocidal use in closed cooling system and for biocontrol use in the United States. The substance has also been recommended for biocontrol use in Europe by the Austrian authority in the same year. The company is currently in a pre-commercialization phase for biocidal and plant protection applications and is expected to market its products by 2025. Founded in 2010 and based in Chassieu (Lyon, France), Amoéba is listed on Euronext Growth. The Company is a member of the BPI Excellence network and is eligible for the PEA-PME scheme. For more information, please visit www.amoeba-nature.com.*

(1): Amoéba data

(2): IBMA Source


(3): Amoeba data


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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 12, 2022 under number D22-0280 and available on the AMOÉBA website (www.amoeba-nature.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.

ⁱ See press release of 21 december 2020

ⁱⁱ See press release of 27 january 2023

ⁱⁱⁱ As a reminder, Nice & Green SA is an unregulated service provider and investor specialising in the structuring and financing of small and medium-sized listed companies, investing in particular in the medical science and technology sectors.