

## **BioLargo**

### Firing on all cylinders

BioLargo reported \$666,000 in total Q320 sales (+24.7% y-o-y), a new record, a \$1.9m operating loss (flat year-on-year) and a \$2.39m net loss (from \$3.89m in Q319). It had \$356,000 in Q320 sales from ONM Environmental, down 10% from Q319, but the division recovered significantly since the start of the pandemic (up 19% from Q120). Sequentially, companywide revenue growth was up 56% over Q220, a strong bounce back from COVID-19 disruptions, and total sales are up 15% for 9M20 to \$1.52m. BioLargo also announced that BioLargo Water is ready for commercial operations and we expect to see an increased sales effort.

#### Clyraguard looking good, more products coming

Q320 was first full quarter of sales for Clyraguard, as the company progresses its staged rollout and the onboarding of new distributors. Clyra Medical (the partially held subsidiary that markets the product) reported sales of \$124,000 for the period. The product has been available on Amazon since only mid-October, so we expect sales to continue to grow as this and other channels open up. The company's marketing efforts are in full force, as feature articles on it have appeared in Rolling Stone, Men's Journal and Reader's Digest. BioLargo stated that Clyra will be rolling out additional products with one launch soon and another in mid- to late 2021.

#### Cannabis program gains traction

ONM's main market has historically been waste management, but the company has been exploring the potential of the cannabis market with its partner Cannabusters. This collaboration is beginning to bear fruit with the announcement that the collaboration has resulted in 12 equipment installations for ONM, and three more contracted in Q420.

#### **New programs at BLEST**

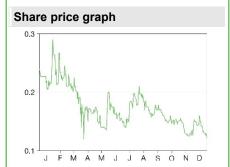
BioLargo's engineering segment BLEST continues to make strides in terms of both new business and new products. The segment was recently retained by a major chemical company to help refit the regenerative thermal oxidizers (RTOs) at a large US plant, a contract expected to bring in over \$500,000 before the end of 2021. Additionally, the engineers at BLEST have developed a new technology aimed at reclaiming valuable minerals from industrial waste. We expect it to undergo a similar development cycle as AOS or AEC, and are hopeful to see it in a pilot program soon.

Historical financials						
Year end	Revenue (\$m)	PBT (\$m)	EPS (\$)	DPS (\$)	P/E (x)	Yield (%)
12/16	0.3	(8.1)	(0.09)	0.0	N/A	N/A
12/17	0.5	(9.5)	(0.10)	0.0	N/A	N/A
12/18	1.4	(10.7)	(0.09)	0.0	N/A	N/A
12/19	1.9	(11.4)	(0.08)	0.0	N/A	N/A

Source: BioLargo

# Healthcare & industrial services 17 December 2020





# Share details Code BLGO Listing OTC MKTS Shares in issue 222.4m

\$1.3m

Net debt at 30 September 2020 (excluding \$0.5m in SBA program loans)

#### **Business description**

BioLargo is an environmental solutions provider that markets CupriDyne for industrial odor control. It is also developing the AOS and the AEC as low-cost water purification solutions and has a full-service environmental engineering team. It has a minority stake in Clyra Medical, a wound care company with an iodine-based irrigation solution, SkinDisc, a cell therapy for wounds, and the company's new PPE disinfectant Clyraguard.

#### Bull

- Diversified portfolio of products.
- Unique technology with broad applications.
- Launching a new medical product, Clyraguard Personal Protection Spray.

#### Bear

- Potential dilution from future capital needs.
- Sales ramp has been slow.
- Regulatory and development risk for Clyra, AOS and AEC.

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