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Amarillo Biosciences First-Half 2018 Business Update

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AMARILLO, TX, Aug. 23, 2018 (GLOBE NEWSWIRE) -- via NEWMEDIAWIRE -- Amarillo Biosciences, Inc. (ABI), ([AMAR](#)), a diversified healthcare company, today provided an update on its first-half 2018 results and recent business activities.

“These past several quarters have continued to be an exciting period of execution for ABI having achieved several milestones across multiple fronts. We have significantly increased capitalization through private placement investment, generated the company’s first substantial revenue from product sales, and gained momentum on our development plans to treat metabolism related diseases. Notably, we are also making important inroads towards establishing collaborative arrangements with prospective partners in Greater China to commercialize ABI’s intellectual property portfolio and lay the foundation for long-term consistent growth. Since its reorganization from bankruptcy in early 2015, ABI’s market capitalization has increased from a low of approximately \$1 million to roughly \$10 million today. We firmly believe that we are now at an inflection point where the company can begin to effectively grow and increase shareholder value. We look forward to sharing more positive developments with our shareholders and the public as the year progresses,” stated Dr. Stephen T. Chen, chief executive officer.

First-Half 2018 Highlights

ABI’s management team is transforming the business and taking action designed to unlock shareholder value through its product diversification strategy, the securing of working capital, and initiating new global collaborations and partnerships to drive future growth. ABI’s first-half results reflect many positive aspects including a healthier financial position and continued demand for sales of its medical and consumer products. Consequently, the company is beginning to establish multiple revenue streams as a result of its diversification strategy into separate business units.

Stronger Cash Position: Cash and cash equivalents as of June 30, 2018 were \$1,393,474, compared to \$69,376 for the same period last year.

Multiple Revenue Streams: The company is seeing a favorable shift in take-up demand of its liposomal consumer products and the introduction of a newly licensed wound care medical product, TissueAid™. Over the past year, ABI generated its first-ever product related revenue in company history and we expect product sales across business divisions to further contribute to second-half 2018 revenue.

Reduction in Liabilities: Total liabilities were considerably reduced by nearly 45% from \$1,823,039 on December 31, 2017 to \$1,003,380 as of June 30, 2018. Total liabilities are mostly related to internal financing where, as of June 30, 2018, the majority of company debt is attributed to Dr. Stephen T. Chen, chief executive officer, who owns \$513,356 in convertible notes while another \$301,773 is in the form of advances from investors. ABI expects these advances to be significantly reduced during 3rd Quarter 2018 through common stock issuance without any impairment to its cash position.

Corporate Tax Benefits: ABI retains approximately \$22.6 million in net operating loss carry forward against future earnings

Corporate

- Issued common stock valued at approximately \$1.9 million in aggregate for private placement investments from unaffiliated parties
- Recently completed the acquisition of ACTS Global Healthcare, Inc. (Taiwan), resulting in the establishment of an ABI Taiwan branch office to handle expansion of marketing and distribution operations in Greater China
- Engagement of an executive management consultant to augment business operations and develop new strategic growth opportunities

Products and Pipeline

- Received approval from US Patent Office to broaden the scope of three core technology U.S. patents and one Taiwan patent associated with the treatment of Thrombocytopenia and prevention of viral recurrence of Hepatitis C
- Pharmaceutical division pursuing development and commercialization of innovative products with strong prospects for long-term growth and value creation:
 - ABI has over the years accumulated a significant amount of clinical and investigatory data pertaining to the use of low-dose, orally administered interferon to treat various human disease indications. ABI's management is confident that the company can eventually meet the regulatory requirements in the Peoples Republic of China ("PRC") for approval, in one or more of the following indications: Hepatitis C virus, Thrombocytopenia, and Sjögren's Syndrome; and is willing to devote time and resources to that effort. The company has commissioned a third-party, Savills (Taiwan), to conduct a market evaluation, and based on such evaluation, believes the potential market in PRC for those three indications to have a value of \$110 million. ABI further believes that its clinical data and experience position it to achieve significant penetration of that market.
- Medical division continuing to advance its portfolio of products and services:
 - In discussions with various investor groups to facilitate China clinical trials for ABI's IP protocol which utilizes state-of-the-art technology for the treatment of metabolism related diseases such as Type I and Type II diabetes
 - Obtained Taiwan distribution rights for TissueAid™, a surgical wound care adhesive product intended for easy topical application to close wounds from surgical incisions and trauma-induced lacerations

- Business development team reviewing prospective new products for licensed distribution including patented technology retractable needle safety-syringes, a patented high-frequency electrical muscle stimulation device, and a beta-glucan immune modulator supplement with potential applications including health foods, skin care & medical products, feed additives and organic fertilizers.

About Amarillo Biosciences

Amarillo Biosciences, Inc. (ABI) is a diversified healthcare company engaged in the discovery and development of pharmaceutical and biotech products. Our goal is to introduce novel products that actively stimulate and rejuvenate the human body to combat disease and enhance the ability to heal. We are an industry leader in the advancement of low-dose oral interferon as a therapeutic treatment for numerous indications such as Thrombocytopenia, Sjögren's syndrome, Hepatitis C virus (HCV) and influenza, a potential multi-billion dollar market opportunity. ABI primarily operates through three divisions: Pharmaceutical, Medical and Consumer. The Pharmaceutical division leverages a proprietary library of over a hundred scientific and clinical data studies on various human and animal applications of low dose oral interferon, for patent licensing and commercialization opportunities with global partners. The Medical division is focused on developing an innovative, state-of-the-art technology to treat metabolism related diseases such as Type 1 and Type 2 diabetes in Asia, in addition to licensed distribution of surgical wound care products. The Consumer division includes a range of nutraceutical and food supplement products that utilize our unique liposomal delivery systems. ABI currently has offices in the United States and Taiwan.

Forward-Looking Statements: Certain statements made throughout this document are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance, achievements, costs or expenses and may contain words such as "believe," "anticipate," "expect," "estimate," "project," "budget," "potential," or words or phrases of similar meaning. Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from those projected in the forward-looking statements.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve risks and uncertainties, including uncertainties related to product development, uncertainties related to the need for regulatory and other government approvals, dependence on proprietary technology, uncertainty of market acceptance of oral interferon or the Company's other product candidates and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

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