

# Arcadia Biosciences Inc

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## Arcadia Biosciences rides GoodWheat royalties to strong 2Q revenue despite coronavirus impact

Arcadia Biosciences Inc (NASDAQ:RKDA) reported major revenue growth fueled by GLA sales and GoodWheat royalties in its second quarter results released after the bell Thursday.

Revenue for the three months ended June 30, 2020 was \$281,000, up 38% year-over-year from \$203,000. A major reason for the upswing was sales of its gamma linolenic acid (GLA) products. GLA is an omega 6 fatty acid used in nutritional supplements, which the company has used in products including safflower oil.

The company also touted a trio of recent GoodWheat agreements: a collaboration with Corner Foods to bring its products to China and Israel, a partnership with Three Farm Daughters to develop and market GoodWheat products and a deal with GoodMills to sell the products in Europe.

### READ: Arcadia Biosciences teams up with GoodMills Innovation to bring GoodWheat products to Europe

"Amidst an incredibly challenging economic landscape, I am pleased to report Arcadia has achieved a number of key milestones across each of the crop product areas in which we innovate: hemp, wheat and soy," CEO Matthew Plavan said in a statement. "We believe our recently announced multiple GoodWheat distribution arrangements, in both B2B and B2C channels, and the conversion of our \$3.7 million GoodHemp seed purchase backlog to grower seed shipments during the balance of the year, will drive a strong revenue finish for 2020."

Plavan is optimistic things will continue to trend upward for Arcadia.

"Furthermore, against the buffeting of COVID-19 headwinds, we strengthened our cash position by \$9 million during the first half of the year through warrant exchanges, which are less dilutive to shareholders than traditional financings that feature warrant coverage," he said. "We believe the probability that these headwinds will largely dissipate by 2021 is reasonably positive. If so, we see the fundamentals of our business as ever-strengthening, and that our GoodWheat, GoodHemp, Hawaiian CBD and HB4 soybean businesses unrestrained portend for a very positive financial performance in 2021, and the prospect of reaching quarterly profitability by year's end remains realistic."

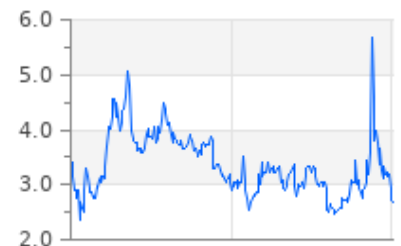
Through its Verdeca joint venture with Bioceres Crop Solutions, Arcadia harvested foundation seed to enable up to 90,000 hectares of HB4 drought-resistant soybeans in preparation for regulatory approval from China, the company said. Verdeca is also increasing breeding and new market development activities to access incremental geographies, including Brazil and the US.

The Davis, California company's net loss for the quarter was \$9.7 million, \$1.04 per share, compared to a \$4.2 million

**Price:** 2.69

**Market Cap:** \$57.37 m

### 1 Year Share Price Graph



March 2020 September 2020 March 2021

### Share Information

**Code:** RKDA

**Listing:** NASDAQ

|                |             |            |
|----------------|-------------|------------|
| <b>52 week</b> | <b>High</b> | <b>Low</b> |
|                | 6.4         | 2.35       |

**Sector:** Agribusiness

**Website:** arcadiabio.com

### Company Synopsis:

*Arcadia Biosciences is a consumer-driven agricultural technology company that develops and commercializes high-value food ingredients, nutritional oils and products that help meet consumer demand for a healthier diet. Our GoodWheat™ branded ingredients deliver health benefits to consumers and enable consumer packaged goods companies to differentiate their brands in the marketplace.*

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gain, \$0.84 per share. The reason for the shift was largely due to \$3.1 million non-cash expenses recognized in the second quarter of 2020 when the fair value of its common stock warrant liabilities increased compared to \$9.5 million in non-cash income recognized in the second quarter of 2019 when the value of said liabilities decreased.

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