

Press release

H1 2017 Financial information

Libourne – 20 July 2017 – Fermentalg, France's market leader in microalgal production for the nutrition and health industries, has published its financial information for the first half of 2017.

Commercial launch of algal oils at VITAFOODS EUROPE 2017

The first half of 2017 was marked by the commercial launch, in May, of DHA350, an algal oil rich in Omega-3, at VITAFOODS EUROPE, one of Europe's largest events for the dietary supplements and food ingredients industries. Besides the first direct contacts with professionals from the agrifood market, Fermentalg also initiated talks to partner with an international network of leading distributors.

The Company has also confirmed its goal to complete the market launch, at the start of 2018, of DHA550, an algal oil high in Omega-3 destined notably for the health sector. In parallel with the finale stages of its development and industrialization, the company has also filed for the Novel Food and GRAS¹ approvals from the relevant authorities in Europe and the United States.

Ongoing development of pigments and proteins

Alongside the commercialization of algal oils rich in Omega-3 already underway, Fermentalg is actively developing its portfolio of future products in natural pigments (phycocyanin blues and carotenoid reds, oranges and yellows) and specialty proteins (Protéalg®).

The Group has begun the formalities needed to register phycocyanin as a "food additive" (in Europe and the United States), and is in talks to form new partnerships in these promising markets, which are being boosted by the shift from synthetic coloring agents to natural products and increasing demand for substitutes to animal-based proteins.

21 families of patents filed

The first half of 2017 saw Fermentalg further enhance its arsenal of intellectual property rights with a new patent application.

At end-June, it had 21 families of patents to its name, from production processes (in particular those using predominantly heterotrophic mixotrophy) to applications in oils, pigments and proteins. The Group is also looking at opportunities to strengthen its technological lead and entry barriers.

¹ *Generally Recognized as Safe*

Reinforcement of the Management team

Under the impetus of its Chairman and CEO, Philippe Lavielle, Fermentalg has decided to consolidate its Executive Committee to successfully steer the company through the industrial and commercial phase of its expansion (see press release of 12 July 2017).

Today, Fermentalg's Executive Committee is composed of a multidisciplinary team of experts, including Philippe Cia (Industrial Director, formerly from Cargill, a world leader in food ingredients), Jean-Louis Caradec (Sales Director, formerly from Polaris, the French leader in the commercialization of Omega-3), Hywel Griffiths (Chief Scientific Officer and renowned expert in microalgae) and Bertrand Devillers (Chief Financial Officer with extensive experience working for major international groups in the industrial and distribution sectors).

€10.2 million in cash at end-June 2017

Fermentalg had no financial contributions from its partners to report in the first half of 2017 (compared with €0.172 million in the first half of 2016).

At 30 June 2017, Fermentalg's gross cash position amounted to €10.2 million, versus €15.7 million at end-2016 and €12.7 million at end-March 2017, confirming the slowdown of its cash burn rate. With this level of cash, Fermentalg believes that it has the financial resources needed to finance its development plan for 2017. The company is already examining various financing schemes to accompany its industrial and commercial deployment.

About Fermentalg

Fermentalg is the French leader in microalgae. Based in Libourne (France), the company produces oils, pigments and proteins through the bio-industrial exploitation of microalgae. Its primary markets are the human nutrition and animal feed sectors as well as the health industry. Fermentalg shares are listed on Euronext in Paris (FR0011271600 - FALG). For more information, visit the Fermentalg website at: www.fermentalg.com.

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