

Press release

Half-year results and publication of the 2017 half-year financial report

Libourne – 11 September 2017 – Fermentalg, France's market leader in microalgae production for the nutrition and health industries, has announced that its 2017 half-year financial report is now available to the public and has been filed with the French market authority, the Autorité des marchés financiers (AMF).

As indicated in the Group's half-year results press release published on 20 July 2017, Fermentalg's gross cash position amounted to €10.2 million at 30 June 2017, versus €15.7 million at end-2016 and €12.7 million at end-March 2017.

The slowdown in cash expenditure is in line with forecasts, and comes on the back of controlled spending, notably through cuts in administrative costs (primarily fees), as the Group prepares for its future industrial deployment. Operating income for the period came in at a negative €3.1 million, compared with a negative €2.8 million for the first half of 2016 and a negative €4.9 million for the second half of 2016.

The second half of 2017 will see Fermentalg focus on signing new distribution contracts and the first sales for DHA350, which is the first product to be marketed by the Group.

Furthermore, the major contract announced today with the world leader in food colorings, DIC Corp., should lead to an acceleration in Fermentalg's expansion on the natural pigments market. Backed by Fermentalg's historical shareholders, the new alliance should also enable the Group to strengthen its financial resources in order to underpin its development in the years ahead (*see press release published today*).

Fermentalg's financial report can be downloaded from the Group website.

About Fermentalg

Fermentalg is the French leader in microalgae. Based in Libourne (Gironde), 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.

Press Relations:

ACTUS finance & communication

Alexandra Prisa

Tel: +33 (0)1 53 67 36 90

aprisa@actus.fr

Investor Relations:

ACTUS finance & communication

Jérôme Fabreguettes-Leib

Tel: +33 (0)1 53 67 36 78

jfl@actus.fr

Comprehensive income statement

(€ thousands)	Notes	First-half 2017	Full-year 2016	First-half 2016
Revenue	3	0	137	172
Other income from operations	3	336	568	466
Production costs		(485)	(133)	0
Research and development expenses	5	(1,588)	(2,566)	(1,196)
Administrative and sales expenses		(1,619)	(4,250)	(1,949)
Other operating income and expenses		0	0	0
Operating income before share-based payments		(3,356)	(6,244)	(2,507)
Payroll expenses linked to share-based payments	14	(18)	138	(8)
Other non-recurring operating income and expenses	7	241	(1,594)	(284)
Operating income after share-based payments		(3,133)	(7,700)	(2,799)
Income from cash and cash equivalents		134	328	209
Cost of gross debt		(38)	(70)	(32)
Cost of net debt		96	258	177
Other financial income and expenses		(12)	(61)	(2)
Net tax expense	8	0	(67)	0
Consolidated net income		(3,050)	(7,570)	(2,624)
Non-controlling interests		2	11	0
Consolidated net income (Group share)		(3,048)	(7,559)	(2,624)
Other comprehensive income		0	0	0
Comprehensive consolidated net income		(3,050)	(7,570)	(2,624)
Non-controlling interests		2	11	0
COMPREHENSIVE CONSOLIDATED NET INCOME (GROUP SHARE)		(3,048)	(7,559)	(2,624)
Consolidated net earnings (loss) per share (in euros)	9	-0.25	-0.63	-0.22
Consolidated diluted net earnings (loss) per share (in euros)	9	-0.25	-0.62	-0.22

Balance sheet

(€ thousands)	Notes	30 June 2017	30 Dec. 2016	30 June 2016
ASSETS				
Goodwill		0	0	0
Intangible assets	10.1	7,408	6,020	4,925
Property, plant and equipment	10.2	17,245	17,613	14,884
Non-current financial assets		133	140	132
Deferred tax assets	16	3,236	3,236	3,302
TOTAL NON-CURRENT ASSETS		28,022	27,009	23,244
Inventories		683	558	0
Client receivables	11.1	17	7	55
Corporate income tax receivables		0	0	0
Other receivables		2,718	2,814	3,624
Other non-financial current assets	11.2	0	0	0
Cash and cash equivalents	12	10,248	15,707	22,273
TOTAL CURRENT ASSETS		13,666	19,086	25,952
TOTAL ASSETS		41,688	46,095	49,196
LIABILITIES				
Capital	13	484	484	484
Premiums		40,549	50,289	50,289
Reserves and retained earnings		(4,389)	(6,582)	(6,449)
Comprehensive net income		(3,047)	(7,559)	(2,623)
Shareholders' equity (Group share)		33,597	36,632	41,701
Non-controlling interests		(45)	(43)	17
TOTAL SHAREHOLDERS' EQUITY		33,552	36,589	41,718
Borrowings	12	3,386	3,348	2,933
Retirement benefit obligations		64	64	65
Provisions for non-current risks	15 & 7	0	0	355
Other non-current liabilities		0	0	0
Affiliated companies		0	0	0
Deferred tax liabilities		0	0	0
TOTAL NON-CURRENT LIABILITIES		3,450	3,412	3,353
Bank overdrafts	12	0	0	0
Current accounts	12	0	0	0
Other debt	12	0	0	0
Provisions for current risks	15 & 7	301	590	0
Corporate income tax liabilities		0	0	0
Trade payables	17	1,704	3,175	1,602
Other current liabilities	18	2,681	2,329	2,523
TOTAL CURRENT LIABILITIES		4,686	6,094	4,125
TOTAL LIABILITIES		41,688	46,095	49,196

Statement of cash flows

(€ thousands)	Notes	First-half 2017	Full-year 2016	Full-year 2015
Comprehensive net income		(3,050)	(7,570)	(5,295)
Depreciation, amortization and provisions (excluding provisions against current assets)		580	1,840	992
Expenses on share-based payments		18	(138)	117
Other computed expenses		0	0	0
Change in deferred tax		0	66	0
Share in income of companies accounted for by the equity method		0	0	0
Gains and losses on disposals		(1)	235	0
Share in subsidiaries		0	0	0
Cash flow		(2,453)	(5,567)	(4,186)
Cost of gross debt		34	70	56
Tax		0	0	0
Cash flow before cost of net debt and taxes		(2,419)	(5,497)	(4,130)
Tax		0	15	0
Change in inventories and consumables		(125)	(373)	12
Change in client receivables		(10)	509	(486)
Change in trade payables		(1,492)	1,165	1,078
Change in other current assets and liabilities (a)		126	712	(279)
Change in working capital from/(used in) activities	24	(1,501)	2,028	325
NET CASH FLOW FROM/(USED IN) OPERATIONS		(3,920)	(3,469)	(3,805)
Production of fixed assets (capitalized R&D)		(1,674)	(2,460)	(2,039)
Share of subsidies and research tax credit linked to development projects underway		267	595	739
Acquisitions of other property, plant and equipment and intangible assets		(483)	(6,848)	(8,407)
Change in amounts payable on non-current assets		340	(304)	(264)
Acquisitions of financial assets		0	0	(1)
Disposals of other property, plant and equipment and intangible assets		2	0	5
Disposals of financial assets		7	211	4
Cash linked to the acquisitions and disposal of subsidiaries		0	0	0
NET CASH FLOW FROM/(USED IN) INVESTMENTS		(1,541)	(8,806)	(9,963)
Capital increase linked to parent company	15	0	0	727
Capital increase linked to subsidiaries		0	0	49
Acquisitions and disposals of own shares		(3)	(7)	(8)
New borrowings and other debt	12.2	0	332	889
Repayments of borrowings and other debt		0	0	0
Change in current accounts	12.2	2	51	(54)
Interest on borrowings and debt		0	0	0
NET CASH FLOW FROM/(USED IN) FINANCING		(1)	376	1,603
Change in cash and cash equivalents		(5,462)	(11,899)	(12,165)
Opening cash (1)	12	15,708	27,607	39,772
Closing cash (1)	12	10,246	15,708	27,607
(a) o/w change in research tax credit:		(500)	1,312	(1,347)