

Press release

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Fermentalg joins forces with Japanese firm DIC to develop a new generation of natural food colorings

Proposed rights issue, with preferential subscription rights maintained, and convertible bond issue reserved for DIC

Libourne - 11 September 2017 - Fermentalg (Euronext - FALG), a French leader in microalgae for nutrition and health, and DIC Corporation (Tokyo Stock Exchange - 4631), a leader in the global chemicals industry, today announced the signing of a cooperation agreement with two components:

€5 million investment by DIC Corp. in Fermentalg in the form of bonds convertible at €5.00 per share ¹	3 years Joint development agreement² of 2 products including a phycocyanin (a natural blue pigment)
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This global, multi-year agreement targets the fast-growing market for natural alternatives to artificial food colorings. The partnership will bring together Fermentalg's unique microalgae strain bank and its integrated biotechnology platform with DIC's significant applied research, industrial and commercial resources.

Founded in 1908, DIC has established itself as a world's leading supplier of printing inks. With its expertise in organic pigments and synthetic resins, the main components of printing inks, DIC has built a broad portfolio of products that bring color and comfort to people's lives. Today, the group is active in the fields of printing inks, fine chemicals and functional materials.

DIC operates in more than 60 countries around the world and has more than 20,000 employees. In 2016, it generated consolidated sales of 751 billion yen (€5.8 billion).

Philippe Lavielle, Chairman and CEO of Fermentalg, said: *"I'm very proud that we are able to bring together an innovative young French company like Fermentalg and a Japanese leader that is more than 100 years old. This alliance will enable us to accelerate our expansion into microalgae-derived natural pigments, our company's second major development focus alongside Omega-3 rich oils. This agreement is proof of the effectiveness of Fermentalg's biotechnology platform and of our ability to win over global industry leaders.*

¹ Subject to the definitive terms relating to the rights issue presented below.

² The start of the JDA, scheduled for 1st October, 2017, is not conditional upon the completion of (i) the convertible bond issue or (ii) the proposed right issue with preferential subscription rights, referred to in this press release.

DIC Corp.'s investment in our company clearly demonstrates their confidence in our ability to create value together in the coming years in the area of natural pigments.

I would like to thank our key shareholders, particularly Bpifrance and Demeter, for renewing their commitment to Fermentalg and stepping up their financial support."

Kiyotaka Kawashima, Executive Officer of DIC in charge of the Corporate R&D Division, said: "*DIC is delighted to combine its industrial expertise with Fermentalg's technological platform to develop innovative microalgae products. In our medium-term management plan, we have identified the nutrition and health industries as key targets for the future and we believe that DIC and Fermentalg's combined capabilities will enable us to develop natural food coloring products that meet consumer needs and expectations in a fast-growing market.*"

3 years joint development agreement (JDA)

Fermentalg and DIC have also signed a 3 years joint development agreement (JDA) for the development of microalgae-derived natural pigments, including an innovative phycocyanin, the main blue pigment used in natural food coloring (for confectionery, ice cream, beverages, etc.) as an alternative to artificial food coloring. DIC claims a 90% global market share in phycocyanin, the source of the natural food colorant, Linablue, and expects annual demand growth of 50% between 2016 and 2020. This co-development program will start on 1 October 2017.

Fermentalg's technological platform, including its leading microbiological bank and its proprietary technology (predominantly-heterotrophic mixotrophic), will be implemented in this JDA. Combining with the expertise and industrial capabilities of DIC, Fermentalg opens a new way of producing natural pigments, which should offer it and its partner a strong competitive position in a fast-growing market.

Proposed rights issue, with preferential subscription rights maintained, backed by Bpifrance and certain historical shareholders

In order to provide Fermentalg with the additional financial resources necessary to carry out its strategic roadmap over the next few years, in particular in light of its partnership with DIC, the company plans to carry out a rights issue, which will be submitted to the AMF for approval, with shareholders' preferential subscription rights maintained.

The entire issue is expected to represent around €10 million and is subject to irrevocable subscription commitments for €7.5 million, on an irreducible and reducible basis, from Bpifrance Investissement, Bpifrance Participations, Demeter Partners and Emertec Gestion³.

€5 million convertible bond issue reserved for DIC

Subject to a favorable vote by the shareholders at an Extraordinary General Meeting that should be held on 19 October 2017 and the completion of the proposed rights issue, DIC will subscribe to a reserved issue of bonds convertible into shares for a total nominal amount of €5 million.

³ Subject to the definitive terms relating to the rights issue presented above.

The company will issue 1,000,000 three-year convertible bonds with a nominal value of €5.00 each and bearing interest at an annual rate of 5%. The bonds may be converted into new shares at any time, at DIC's discretion, at a price of €5.00 per share⁴. Details of the terms and conditions of the issue will be provided at a later date, notably in the prospectus relating to the rights issue and in the resolutions relating to the issue of convertible bonds, which will be submitted to the Extraordinary General Meeting.

Once the various transactions have been finalized, a representative of DIC will join Fermentalg's Board of Directors as an observer.

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

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This press release and the information it contains are not intended to constitute, and should not be construed as an offer to sell or a solicitation to buy or subscribe to any Fermentalg securities, in any jurisdiction. Any public offering of Fermentalg securities would be made by means of a prospectus previously approved by the French financial market authority (Autorité des marchés financiers (the "AMF")) that contains detailed information about Fermentalg.

The disclosure, distribution and publication of this press release may be restricted by law in certain jurisdictions and person who comes into possession of any document or other information referred to herein should inform themselves about and comply with any such restrictions. Fermentalg takes no responsibility for any violation of any restrictions by any person.

Forward-Looking Statements

This press release contains certain forward-looking statements relating to the business of Fermentalg, which shall not be considered per se as historical facts. These statements include projections and estimates and the assumptions on which they are based, statements concerning future projects, objectives, intentions and expectations regarding future financial results, events, operations, future services, products development and their potential or future performance.

In some cases, you can identify forward-looking statements by words such as "could," "should," "may," "expects," "anticipates," "believes," "intends," "estimates," "aims," "targets," or similar words.

⁴ Subject to the definitive terms relating to the rights issue presented above

Although the management of Fermentalg believes that these forward-looking statements are reasonably made, they are subject to a number of known and unknown risks and uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievement expressed or implied by these forward-looking statements. In particular, the expectations of Fermentalg could be affected by the risks and uncertainties developed or identified in any public documents filed by Fermentalg with the AMF, included those listed in chapter 4 “Risk factors” of the 2016 document de référence approved by the AMF on June 29, 2017 under number R.17-051. Notwithstanding the compliance with articles 223-1 and seq. of the General Regulation of the AMF, Fermentalg disclaims any intention or obligation to publicly update or revise any forward-looking statements.