

Press release

Signing of a distribution agreement for DHA-rich oils and Q3 2017 financial information

Libourne – 16 November 2017 – Fermentalg (Euronext – FALG), French leader in microalgae for nutrition and health, has published its business review for the third quarter of 2017.

Strategic partnership with DIC Corporation in pigments

Third-quarter 2017 was marked by the 11 September 2017¹ signature of a two-component strategic partnership agreement with global chemicals industry leader, DIC Corporation. Designed to allow Fermentalg to step up its presence in the health and nutrition market, the partnership includes:

- a three-year joint development program for two microalgae-derived natural pigments, one of which is phycocyanin (natural blue pigment);
- a €5 million investment by DIC Corporation in Fermentalg in the form of bonds convertible at €5.00 per share.

The convertible bond issue, which was carried out on 24 October 2017, is primarily intended to finance Fermentalg's R&D activities and its industrial investments, which include the implementation of the joint development agreement.

Stronger financial resources

Also during the period, Fermentalg successfully raised €12.6 million in funds as part of a capital increase with preferential subscription rights maintained, which was 1.6 times oversubscribed.

The increase gives the company the additional means to finance its development, notably through the partnership signed with DIC Corporation, in natural food colorings, nutrition and health.

At 30 September 2017, Fermentalg's gross cash position amounted to €7.5 million² (versus €10.2 million at end-June 2017), not including the proceeds from the capital increase or the DIC Corporation convertible bond issue. With these two transactions, the company has secured financing until the first half of 2019.

¹ Press release available on the Group website: [Fermentalg joins forces with Japanese firm DIC to develop a new generation of natural food colorings](#)

² Fermentalg had no financial contributions from its partners to report in the third quarter of 2017 (compared with €0.18 million in the third quarter of 2016).

Signing of a first distribution agreement for algal oils

The third quarter of 2017 was also marked by the signing of a Europe-wide distribution agreement with IMCD Group, a leader in the sales, marketing and distribution of speciality chemicals and food ingredients. The agreement includes DHA350, an Omega 3-rich algal oil unveiled at VITAFODDS EUROPE, and DHA550, an oil offering a high concentration of Omega 3 scheduled for launch in the first half of 2018.

Fermentalg's model involves selling its products indirectly through business partners with in-depth knowledge of their markets and considerable sales resources. Several business partnerships are currently being negotiated.

About Fermentalg

Fermentalg is a French leader in microalgae. Based in Libourne (Nouvelle Aquitaine), 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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