

Press Release

Q3 2018: Fermentalg reaches a commercial milestone for the Omega 3 range

Libourne – 18 October 2018 – Fermentalg (Euronext – FALG), a French market leader in microalgae, presents its financial results for the third quarter of 2018.

Philippe Lavielle, Fermentalg Chairman and CEO, made the following comments: “During the third quarter, we made considerable headway in developing our first platform fully dedicated to Omega 3. *In just a few weeks, we signed our first sales contract with global market leader DSM and expanded our production capacity via our new manufacturing partner, ADL. In line with our commitments, DHA ORIGINS 550® is expected to start selling by the end of the year, with ramp-up already scheduled for 2019. Let me once again thank all our teams for their valiant efforts. This is a major success, but it’s only the start.*”

Market launch of DHA ORIGINS®

On 18 September 2018, Fermentalg announced the signing of an initial agreement with DSM Nutritional Products, a Royal DSM subsidiary, in the field of ultra-concentrated DHA oils. Under this five-year contract, Fermentalg will sell DSM its flagship product, the ORIGINS DHA 550® microalgae oil, the first algal oil with a minimum natural concentration of 550 mg/g.

By signing this agreement, Fermentalg has granted DSM Nutritional Products exclusivity limited to certain market segments. Meanwhile, Fermentalg will continue to promote its ORIGINS DHA® offering through its existing distributor network comprising IMCD in Europe, a leader in the sale, marketing and distribution of specialty chemicals and nutritional ingredients, and STAUBER, a leading US supplier of specialty ingredients.

Production of DHA ORIGINS®

In order to secure large-scale industrial capacity, on 26 September 2018 Fermentalg announced the signing of a long-term DHA algal oil production agreement with ADL BioPharma, the European specialist in industrial fermentation.

ADL BioPharma and Fermentalg plan to complete the technological approval and transfer phase by the end of 2018. Once this phase is complete, ADL BioPharma will reserve part of its fermentation capacity (total installed capacity of 2,400 m³) for Fermentalg products, ultimately allowing the Group to supply several hundred tons of DHA ORIGINS 550®.

New agreements with SUEZ to promote development of the algal biofilter

Meanwhile, Fermentalg and the SUEZ Group have signed new agreements to develop the algal biofilter (former “carbon sink”). Since 2015, the two groups have been working together to exploit the exceptional capacity of microalgae to capture CO₂ from the atmosphere in urban areas and smoke emissions from industrial complexes.

Following an initial test phase that confirmed this technology’s potential, Fermentalg and the SUEZ Group have signed an exclusive 8-year partnership agreement covering the technological development and industrialisation phases of the algal biofilter. A three-year marketing agreement was also signed, setting out the commercial offering for urban and industrial air purification.

Cash assets of €15.2 million at 30 September 2018

Q3 2018 revenues, that do not yet include revenues from the DSM sales contract, amounted to €117,000¹. This figure mainly corresponds to services and initial sales of DHA oil in commercial launch and sample volumes.

At 30 September, gross cash amounted to €15.2 million, down from €17.4 million at 30 June 2018 but in line with cash burn recorded in the first half.

About Fermentalg:

An expert in research and bio-industrial use of microalgae, Fermentalg seeks to provide sustainable solutions and innovative products that contribute towards the creation of natural, healthy and effective products. Our business: the development, production and sale of active ingredients extracted from microalgae for the health and nutrition sectors. Natural nutritional oils, pigments and antioxidants, as well as specialty proteins, comprise our present and future offering.

Fermentalg shares are listed on Euronext in Paris (FR0011271600 - FALG).

For more information, visit: www.fermentalg.com



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¹ No income was recorded in Q3 2017.