

Press release

Launch of a capital increase open to institutional and retail investors for a total of approximately €12 million, with the support of HuvePharma, Fermentalg's industrial partner, to create the European leader for microalgae fermentation solutions

- Fundraising of approximately €12 million, comprising (i) an offer to qualified investors via the accelerated construction of an order book, (ii) an offer reserved for a category of beneficiaries, and (iii) a public offer to individual investors via the PrimaryBid platform under the same conditions for all offers;
- Subscription commitment of €7.5 million from HuvePharma and intention to subscribe €3 million from shareholder funds managed by Bpifrance¹;
- Price per share: €0.40, i.e. a discount of 19.22% compared to the 3-day VWAP²;
- Closing of the PrimaryBid Offer on 17 June 2024 at 10 p.m., of the offer to qualified investors and of the offer reserved for a category of beneficiaries on 18 June 2024 before the opening of the markets (subject to early closing);
- [Eligible for the exceptional income tax reduction of 25% (IR-PME, including FIP-FCPI) and for the 150-0 B ter scheme of the French General Tax Code;
- Eligibility of securities for PEA and PEA-PME.

Libourne – 17 June 2024 – Fermentalg (Euronext Growth / ALGAE) today announced the launch of a capital increase for a total amount of approximately €12 million in order to continue the execution of its 2024-2026 strategic plan and consolidate its position as the European leader of sustainable solutions based on marine microalgae biotechnology. The HuvePharma group, European leader in precision fermentation³ in the animal and human health sectors, and a new industrial partner of the Company since December 2023⁴, has committed to investing €7.5 million, thus becoming a reference shareholder.

¹ Including €2m from Bpifrance Participations and €1m from Bpifrance Investissement (Fonds Ecotechnologies)

² Average volume-weighted Fermentalg share price for the 3 trading days preceding the price authorized by the Annual General Meeting (€0.4952, source: Bloomberg)

³11 factories in 4 countries, \$731 million in turnover and \$162 million in Ebitda in 2023 (Source: HuvePharma)

⁴Press release dated December 19, 2023: "New 2024 - 2026 strategic plan and major industrial partnership // Acceleration towards a profitable and sustainable growth model"

On this occasion, Pierre Josselin, Managing Director of Fermentalg, comments: *“We are delighted to be able to announce the entry of capital from HuvePharma as part of a fundraising drive that we also wished to open to other investors. and which, combined with the acceleration in sales that we have undertaken since the start of the year, should allow us to achieve financial equilibrium.*

With HuvePharma, we will be able to focus our efforts on the design and marketing of natural solutions and products based on marine microorganisms, with a positive impact on society and our environment. HuvePharma, as a shareholder and partner, will allow us to accelerate our scale-up, while providing us with competitive production capabilities that rival the leaders in our market.

Together, we are giving ourselves the means to become the European leader in microalgae fermentation solutions, starting with algal omega-3.”

Kiril Domuschiev, President and CEO of Huvepharma, adds: *“Industrial precision fermentation of microalgae is an interesting technology for us, complementing our current activities. After several months of fruitful collaboration with Fermentalg, we decided to invest and become a key shareholder with the aim of strengthening our ties and realizing our shared ambitions. We want to become the reference player in Europe in precision algal fermentation, on the omega-3 market, and on other projects such as blue colorants and other Fermentalg developments.”*

Sales momentum ahead of schedule and annual targets raised

This capital increase takes place against a favorable business backdrop, marked by growth in sales exceeding the targets announced at the start of the year ⁵. Thus, based on sales to date, the Company anticipates half-year sales to the end of June 2024 of between €6.2 million and €6.4 million, up by more than 160% compared to the first half of 2023.

This momentum is already being confirmed to continue through the second half of 2024, enabling the Company to raise its annual sales target from €10 million to €12 million (3 times sales for the 2023 financial year of €4 million).

Additional funds to break even

This solid growth momentum, combined with tight cost control, confirms our current cash flow visibility (2nd quarter 2025) and our objective of generating positive EBITDA ⁶ from the 2nd half of 2026, with annual sales of more than €25 million by this time.

The capital increase announced today will supplement the financial resources available to the Company until this economic equilibrium is achieved. The net proceeds of the operation will be used for (in approximation):

⁵Cf. Press release of January 26, 2024: “After 4 MEUR in sales in 2023, Fermentalg starts 2024 with more than 9 MEUR in contracts and orders”

⁶EBITDA = operating income before non-recurring items + depreciation and amortization - capitalized R&D costs (gross) + share of CIR integrated into capitalized R&D

- 1/3 to the enhancement of sales initiatives, in order to sustain the Company's strong growth momentum, in particular by addressing new market segments (pregnant women, infant formula, aquaculture, etc.);
- 1/3 to maintaining a policy of innovation, in order to consolidate the technological advances of the Company, mainly on its two current platforms (omega-3 from *Schizochytrium sp. strain* and natural blue colorant from the *Galdieria Sulphuraria strain*);
- 1/3 to continue structuring the Company and financing its working capital requirements, in order to support its industrial and commercial development while pursuing its quest for excellence in terms of environmental impact.

A partnership for a sustainable and sovereign solution at the heart of the European Union

This round of financing is also an opportunity for Fermentalg to strengthen its ties with its strategic industrial partner, the HuvePharma group.

By joining forces at the end of 2023, the two partners announced their ambition to create the only producer of algal omega-3 in the European Union capable of catering to all market segments, and thus aiming to be a viable alternative to American and Chinese production. This partnership recently entered its concrete phase with the finalization of the technology transfer and the first industrial scale fermentations at HuvePharma.

By becoming a reference shareholder of Fermentalg during this capital increase, the HuvePharma group is demonstrating its long-term commitment to creating lasting value through a mutually profitable alliance.

Terms and conditions of the offer

In accordance with the decisions taken by the Board of Directors on June 11, 2024, and by the Chief Executive Officer (acting by sub-delegation) on that date, the fundraising would be carried out through three separate but concurrent offers:

- An offering of new ordinary shares without shareholders' pre-emptive subscription rights, as part of an offering governed by Article L. 411-2, 1° of the French Monetary and Financial Code (in accordance with the 18th resolution of the Company's Combined General Meeting on June 11, 2024) (the "**Private Placement**")
- An offer for the benefit of categories of persons meeting the characteristics determined in accordance with the provisions of Article L. 225-138 of the French Commercial Code (in accordance with the 19th resolution of the Company's Combined General Meeting on June 11, 2024) (the "**Reserved Offer**");
- An offering of new ordinary shares without pre-emptive subscription rights by way of a public offering to retail investors via the PrimaryBid platform (in accordance with the 17th resolution of the Company's Combined General Meeting on June 11, 2024) (the "**PrimaryBid Offer**") pursuant to article L. 225-136 of the French Commercial Code.

The Private Placement and the Reserved Offer will be carried out through the accelerated construction of an order book, at the end of which the number of new shares to be issued will be determined. The final size of the Private Placement, the Reserved Offer, and the PrimaryBid

Offer will depend exclusively on the orders received for each offer, with no reallocation between the PrimaryBid Offer, the Private Placement, and the Reserved Offer. The PrimaryBid Offer will be made on the basis of an allocation proportional to demand within the limit of the amount allocated to this public offering, with a reduction in allocations in the event of excess demand, where applicable. It is specified that the PrimaryBid Offer is ancillary to the Private Placement and the Reserved Offer, that it will not be carried out if the capital increase under the Private Placement and the Reserved Offer is not itself completed, and that it will be capped at 20% of the total amount of fundraising (up to a maximum of €8 million).

The price per new share of all the offers (Private Placement, Reserved Offer and PrimaryBid Offer) will be €0.40, representing a discount of 19.22% to the volume-weighted average price of Fermentalg shares over the 3 trading days prior to the Board of Directors setting the price, within the limits set by the General Meeting (i.e. €0.4952, source: Bloomberg).

The number of ordinary shares issued, which may not exceed 35,000,000 new shares, and the total amount of subscriptions will be decided by the Chief Executive Officer, by virtue of the sub-delegation granted by the Company's Board of Directors on June 17, 2024.

The Private Placement and the Reserved Offer are launched with immediate effect. The PrimaryBid Offer also commences immediately and will close at 10:00 p.m. CET today, subject to early closing. The Private Placement and the Reserved Offering are expected to close before the market opening on 18 June 2024, subject to any early closing or extension. The Company will announce the results of the Private Placement, the Reserved Offer and the PrimaryBid Offer, in particular the number of shares to be issued, as soon as possible after the close of the order book, by means of a press release.

Settlement-delivery of the new shares and their admission to trading on the Euronext Growth[®] market in Paris are scheduled for 20 June 2024. The new shares will be subject to all provisions of the Company's bylaws and will be assimilated to existing shares upon completion of the capital increases. They will carry dividend rights and will be admitted to trading on the Euronext Growth[®] Paris market on the same quotation line as the Company's shares already listed under the same ISIN code FR0011271600 - ALGAE.

Pursuant to Article 1 ,4 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017, the Private Placement, the Reserved Offer and the PrimaryBid Offer will not give rise to the publication of a Prospectus subject to the approval of the AMF.

Undertakings to abstain from trading and to retain shares

The Company has given a lock-up commitment expiring 90 calendar days after the settlement-delivery date of the new shares, subject to certain customary exceptions.

HuvePharma has given a lock-up commitment on all shares held following the Offer, expiring 9 months after the settlement-delivery date of the new shares, subject to certain customary exceptions.

Financial intermediaries & advice

Gilbert Dupont, Société Générale group, and TP ICAP Midcap are acting as lead managers and joint bookrunners on the Reserved Offer.

Degroof Petercam Investment Banking acts as financial advisor to Fermentalg.

Under the PrimaryBid Offer, investors will be able to subscribe only via PrimaryBid partners listed on the PrimaryBid website (primarybid.fr).

King & Spalding acts as legal counsel. ACTUS finance & communication acts as a financial communication consultant.

Offer Guarantee

The Private Placement, the Reserved Offer and the PrimaryBid Offer are not underwritten. However, the Private Placement is subject to a placement agreement between Fermentalg, on the one hand, and Gilbert Dupont and TP ICAP Midcap, associate lead managers and bookrunners, on the other hand.

Risk factors

The public's attention is drawn to the risk factors relating to the Company and its activity, presented in paragraph 4.1 of the 2023 Universal Registration Document published on the Company's website on April 30, 2024, available free of charge on the website Internet of the Company (www.fermentalg.com). The realization of all or part of these risks is likely to have an adverse effect on the activity, financial situation, results, development or prospects of the Company. The risk factors presented in said management report are identical as of the date of this press release.

In addition, investors are invited to take into consideration the following risks specific to the issue: (i) the market price of the Company's shares could fluctuate and fall below the subscription price of the shares issued under the offer, (ii) the volatility and liquidity of the Company's shares could fluctuate significantly, (iii) sales of the Company's shares could occur on the market and have an unfavorable impact on the share price of the Company and (iv) the shareholders of the Company could suffer potentially significant dilution arising from possible future capital increases made necessary by the Company's search for financing.

Warning

The Company specifies that, to its knowledge, no potential investor holds inside information.

This press release may not be communicated, published or distributed, directly or indirectly, in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, Australia, Japan, South Africa or any other country in violation of the laws of the relevant jurisdiction.

This press release is in no way intended to constitute (and it will not exist) an offer intended for sale or subscription, nor an announcement of an upcoming offer intended for sale or subscription, nor a solicitation of an offer to acquire or subscribe for, nor an announcement of a forthcoming solicitation of an offer to acquire or subscribe for, securities of the Company in, or to residents, inhabitants or citizens of the United States, Canada, Australia, Japan, South Africa or any jurisdiction where such offer or solicitation without registration, without exemption from registration or without qualification is not permitted under the applicable law of the relevant jurisdiction or does not meet the required conditions according to the applicable law of the relevant jurisdiction.

The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the " **US Securities Act** "), or any other securities regulatory body, state or jurisdiction. the United States. The Company's securities may not be directly or indirectly offered, sold, resold, transferred or delivered in the United States, except pursuant to a valid exemption from the registration requirements of the US Securities Act and in accordance with applicable laws of the United States. any state or jurisdiction of the United States. There will be no public offering of securities in the United States.

This press release may only be distributed (A) outside the United States pursuant to Regulation S under the US Securities Act (i) to persons in the United Kingdom (a) with professional investment experience who fall within the definition of section 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the " **Order** "), or (b) which are *high net worth entities* within the meaning section 49(2)(a) to (d) of the Ordinance, or (c) to which an invitation or inducement to carry on investment activity (within the meaning of section 21 of the Financial Services and Markets Act of 2000) in connection with the issue or sale of any security of the Company or any member of its group may be lawfully communicated or required to be communicated; (ii) to persons in any other Member State of the European Economic Area who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129, as amended); (iii) certain qualified and/or institutional investors in other selected jurisdictions, in accordance with applicable restrictions; and to persons in the United States who are " *qualified institutional buyers* ", as defined in and based on Rule 114A of the US Securities Act or another exemption from registration or a transaction not subject to registration under the US Securities Act.

The Company cannot be held responsible if anyone breaches the above restrictions.

*Next publication: turnover for the first ^{half} of 2024,
July 4, 2024 (after market close)*

About Fermentalg

Expert in the research and bioindustrial exploitation of microalgae, Fermentalg aims to offer sustainable solutions and innovative products that contribute to the development of healthy, natural and high-performance products. Our business: the development, production and marketing of sustainable solutions and active ingredients derived from microalgae, intended for nutrition, health and the environment. Nutritional lipids, alternative proteins, natural food colors and innovative environmental solutions constitute our company's current and future offerings. The Fermentalg share is listed on Euronext Growth Paris (FR0011271600 - ALGAE) and is eligible for the PEA-PME. It received an *Exemplary rating (90/100)* from Ethifinance ESG Ratings, a rating agency specializing in the ESG performance of SMEs listed on European markets, in favor of Socially Responsible Investment (SRI).

For more information: www.fermentalg.com



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