

Press release

Preparations for the commercialization of the first molecules in Q1 2016

Libourne – 12 May 2016 – Fermentalg, an industrial biotechnology company that specializes in the production of oils and proteins derived from microalgae, has published its financial information for the first quarter of 2016.

The start of financial year 2016 was marked by the finalization of the new strategic plan approved by Fermentalg's Board of Directors and announced on 30 March. The aim of the plan is to rapidly and firmly establish Fermentalg as a world leader in the industrial production of molecules of interest derived from microalgae.

The commercialization of 5 target molecules of interest or products is already scheduled between 2016 and 2020:

- **DHA:** a highly sought-after essential fatty acid (Omega-3) known for its role in the prevention of numerous illness. It is recognized for its beneficial effects on the brain (tissue, healthy development and increase in intellectual capacity) and the heart (reduction in triglycerides, cholesterol and the risk of cardiovascular disease).
- **DHA+:** which shares all of the benefits of DHA but which also has a higher concentration of essential fatty acids and a lower concentration of saturated fatty acids for very high value-added applications.
- **BM Bastille:** the entire biomass can be used to produce phycocyanine and offers other complementary avenues thanks to its high content in terms of proteins, complex carbohydrates, minerals, vitamins and antioxidants. It works as an alternative to Spirulina.
- **Phycocyanine:** one of the few naturally blue pigments, phycocyanine is the only pigment authorized for use in food, both in Europe and in the United States. The molecule also has fluorescent properties for medical imaging applications and nutrition and health claims that make for potential opportunities in the nutraceutical industry.
- **Astaxanthin:** an extremely active antioxidant pigment and one of the best-known products derived from microalgae on the market. Natural astaxanthin is primarily used by the nutraceutical industry and by the food supplements market which has enjoyed very robust growth and offers excellent possibilities in terms of development.

Major milestones completed this quarter include:

- the implementation of a new and stronger structure focused on the Group's commercial strategy;
- the definition of a portfolio of 5 products and a calendar for the commercial release of each molecule between now and 2020;
- preparations for the commercialization of DHA, which is the portfolio's most advanced program;
- the renewal of the distribution agreement with Avril Group subsidiary, Oleon, in order to access the market;
- the finalization of the industrial agreements for the outsourcing of DHA production.

2016 targets confirmed

Fermentalg has confirmed its target to begin production of the first batches of DHA (Omega-3) before the end of the year. The company has just signed an agreement that will guarantee output capacity and has also finalized the optimization of its process book.

Following the European Novel Food authorization obtained in 2015, the commercialization of DHA on the human nutrition market in Europe will be carried out by Oleon.

Fermentalg has also confirmed the new construction calendar for its Industrial Development Unit (IDU) in Libourne (Gironde). Delivery of the building is set for mid-2016, and commissioning, which is tied to the start of on-site production, is planned for 2018. Allocated investment for the program is €23 million.

€25.4 million in cash

At the end of March 2016, Fermentalg had a robust and healthy financial footing that will allow it to comfortably execute its development strategy. Gross cash stood at €25.4 million, with revenues generated through its partnerships over the period amounting to €67,000 (as against €225,000 in the first quarter of 2015).

About Fermentalg

Founded in 2009 by Pierre Calleja, Fermentalg is an industrial biotechnology company that specializes in producing sustainable oils and proteins derived from the exceptional properties of microalgae. Its patented technology allows it to target a range of fast-growing global markets, from nutrition and animal feed to cosmetics and health. Fermentalg has already signed its 1st joint-venture for the production of Omega-3 oils rich in DHA. 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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