

## Press release

### Q1 2018 financial reporting

Libourne – 19 April 2018 – Fermentalg (Euronext – FALG), a French leader in microalgae for nutrition and health, takes stock of its business activity during the first quarter of 2018, marked by progress achieved in bringing to market its DHA ORIGINS range of algal oils naturally rich in omega-3.

#### **New milestones towards marketing the DHA ORIGINS range**

During the first quarter, Fermentalg obtained Generally Recognized As Safe (GRAS) classification awarded by a panel of US experts for DHA ORIGINS 350<sup>®</sup>, an oil with a natural DHA concentration of 350 mg/g, and DHA ORIGINS 550<sup>®</sup>, the first algal oil with a minimum natural DHA concentration of 550 mg/g. GRAS status allows DHA ORIGINS products to be sold in applications dedicated to human nutrition including baby food.

In addition to obtaining this administrative authorisation, Fermentalg signed a US distribution agreement with STAUBER, a leading North American supplier of specialty ingredients.

These achievements will reinforce the marketing framework already established in Europe via the Novel Food authorisation obtained for DHA ORIGINS 350<sup>®</sup>, the registration of DHA ORIGINS 550<sup>®</sup> on the EU list and the signing of a distribution agreement with IMCD Group, a leader in the sale, marketing and distribution of specialty chemicals and nutritional ingredients.

During the first quarter, several batches of DHA ORIGINS 350<sup>®</sup> and DHA ORIGINS 550<sup>®</sup> were manufactured and samples delivered to sales contacts in response to the interest expressed. As a result, the first invoices were issued to customers in France, in quantities that remain confidential. As a reminder, the commercial launch of DHA ORIGINS 550<sup>®</sup>, the most eagerly awaited product in the range, is slated to coincide with the 2018 VITAFOODS EUROPE trade fair in May.

Meanwhile, Fermentalg is also working on growing its production capacity by sourcing a second supplier of DHA. Discussions are underway with a view to roll-out during the year.

#### **Progress with the DIC Corporation partnership**

Fermentalg has also made progress with regard to its partnership with DIC Corporation, a major player in the global chemicals industry. Launched in October 2017, the partnership involves a three-year joint development programme concerning two products derived from Fermentalg technology.

During the first quarter, the partners finalised the choice of the second product which, alongside the innovative phycocyanin (natural blue pigment) previously announced, will be jointly developed for the health and nutrition market. For strategic reasons, the two partners have decided to keep their choice of this second product confidential for the time being.

### Reinforcement of the patent portfolio

In support of its various programmes, Fermentalg pursues a proactive review, expansion and selection policy regarding its patent portfolio in order to harmonise its intellectual property policy with its overall strategy.

Accordingly, in 2017 the Company acquired a portfolio of five patent families that consolidated its positioning in the omega-3 segment. As at 31 March 2018, Fermentalg's portfolio comprised 27 patent families, unchanged from 2017 year-end. 23 of these have already been published by the relevant patent offices.

### First quarter revenue

First quarter revenue came to €232K, whereas no income was recorded in Q1 2017. Q1 2018 revenue mainly consisted of services invoiced and contributions to R&D projects.

### Tight management of financial resources

The Company's financial resources were skilfully managed in view of these developments. As at 31 March 2018, Fermentalg held gross cash and cash equivalents of €19.5 million compared to €21.8 million at 31 December 2017. Cash burn amounted to a €2.5 million outflow, stable compared to the previous quarter (excluding financing activities) and down €0.5 million from Q1 2017.

### 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: development, production and sale of active ingredients extracted from microalgae for the agri-food, 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](http://www.fermentalg.com)



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