

Press release

New strategic plan 2024 - 2026 and major industrial partnership *Acceleration towards a profitable sustainable growth model*

Libourne - December 19, 2023 - Fermentalg, the French leader in microalgae listed on Euronext (FALG), today unveils its 2024 - 2026 strategic plan, marking a crucial step in its commitment to profitable, sustainable growth.

Defined under the leadership of new CEO Pierre Josselin, the strategic plan aims for sustained growth, with a target of over €25 million in sales by 2026, a more than 6-fold increase on sales of around €4 million in 2023. With this roadmap focused on accelerating sales, developing strategic partnerships and continuous innovation, Fermentalg is determined to consolidate its position as the European leader in sustainable solutions based on marine microalgae biotechnology.

A proven mission and solid assets

Since its creation in 2009, Fermentalg has acquired recognized expertise in developing innovative solutions to consumer concerns and environmental challenges. With more than 220 patents filed and a unique industrial biotechnology development platform, the company is firmly positioned in two strategic markets:

- **Omega-3s, a global market estimated at €1.4 billion¹**

Fermentalg has developed, produced and marketed its DHA Origins® range (FDA approval in the United States and Novel Food in Europe, including for infant nutrition) for the food and nutraceutical markets, generating over €20m in cumulative sales since 2018.

- **Natural colorants, a global market estimated at €1.9 billion²**

In collaboration with DDW (now part of the Givaudan group), Fermentalg has developed, industrialized and started pre-marketing Blue Origins®, the only blue colorant of natural origin that is stable in acidic environments, for human consumption.

¹ EPA and DHA ingredients market report for 2020-2021 - GOED

² Report on the global dietary supplements market 2022-2027

4 market- and customer-focused priorities for 2024-2026

1/ Accelerate sales and serve new customers/markets through existing strains, with a target of €10m in annual sales by 2024 and over €25m by 2026.

DHA Origins[®], omega-3 from *Schizochytrium* strain

The omega-3 market is undergoing unprecedented structural changes, creating major opportunities for Fermentalg.

On the one hand, major European customers are looking for local sources of algal oil production to secure their supply chains, while the main producers are currently located in North and South America and China.

On the other hand, industrial fishing, the source of over 95% of omega-3 volumes consumed, has been undergoing an unprecedented availability crisis since 2022, partly linked to climate change, causing both a very significant reduction in available volumes and a lower omega-3 content. This new situation is creating unprecedented demand from the aquaculture sector, which represents over 70% of the global omega-3 market by volume.

Against this backdrop, the new sales policy implemented in the summer of 2023 is beginning to bear fruit, with a record multi-million euro order confirmed at the end of this year by a new strategic customer who will be introducing algae-based omega-3s into its portfolio, alongside its marine-derived omega-3s.

This order, combined with strong interest from new customers, reinforces the company's target of €10 million in annual sales by 2024, and its ambition of more than €25 million in sales by 2026.

Blue Origins[®], natural colorant derived from the *Galdieria Sulphuraria* strain

The current absence of a natural blue colorant that is stable in acidic environments and to heat treatments makes Blue Origins[®] a unique product, whose validity and potential have been confirmed by pre-commercial customer sampling, and which should materialize in volume sales once regulatory approvals have been obtained. FDA approval, initially scheduled for the second half of 2023 given the deadlines published by the US Administration, is now expected in early 2024. In Europe, approval is expected in the second half of 2024, following additional requests from EFSA.

In addition, Fermentalg has decided to commercially launch phycocyanin from the *Galdieria Sulphuraria* strain by precision fermentation in the United States, for nutraceutical and dermo-cosmetic applications³, based on its strong antioxidant properties.

³ Markets not subject to regulatory approval

2/ A new industrial partnership for enhanced competitiveness

On December 15, 2023, Fermentalg signed an industrial partnership with the group HuvePharma⁴, active in the animal feed and human food sectors, which will be responsible for the production of its Origins[®] DHA. With this alliance, Fermentalg gains access to a world-class industrial tool and a fermentation capacity of 10,000 m³, reinforcing its industrial competitiveness and the quality of its DHA Origins[®]. This partnership also meets the demands of major customers for production in the European Union, as well as their growing extra-financial requirements, particularly in terms of minimizing their carbon footprint.

After productivity gains of more than 25% in 2023 (temporarily offset by higher raw material costs: glucose and energy), Fermentalg is aiming for at least an equivalent improvement from 2024 onwards, supporting its profitable growth ambitions.

3/ Accelerate the development of new products and enhance the value of its biotechnology platform through an open innovation approach

To accelerate the expansion of its product portfolio, Fermentalg will intensify its "open innovation" approach, sharing its 14 years of development experience through collaborative partnerships with companies offering complementary solutions.

For example, Fermentalg has already initiated a collaboration to develop an anti-inflammatory solution derived from its omega-3 production technology, and is also working with CarbonWorks, its joint venture with the Suez group, on new ingredients and active ingredients based on microalgae. CarbonWorks is developing a disruptive technology, awarded the "deeptech" label by Bpifrance, to capture industrial CO₂ emissions on a large scale in innovative photobioreactors and produce renewable raw materials as part of a circular economy.

This approach aims to accelerate the innovation cycle and pool research and development resources, which are a central pillar of Fermentalg's future growth.

4/ CSR at the heart of the new strategic plan

As a committed player in the ecological transition with its range of responsible, sustainable products and solutions, Fermentalg sees sustainability issues as a genuine performance lever, enabling it to improve economic and financial efficiency through better management of the impacts, risks and opportunities resulting from the societal transformation underway. Thanks to this vision, Fermentalg obtained an exemplary score of 90/100 in its latest extra-financial assessment⁵.

In concrete terms, the strategy and action plans implemented by the Company include eco-design of products, industrial production with a minimal carbon footprint, and waste reduction through the recovery of co-products and the recycling of resources such as water. These actions are logically in line with the prospect of commercial development with increasingly demanding prime contractors.

⁴ Through its subsidiaries HuveNutra and Biovet

⁵ Ethifinance ESG Ratings 2023 based on fiscal year 2022 data

In this context, and in anticipation of the future application⁶ of the new *Corporate Sustainability Reporting Directive* (CSRD), Fermentalg has embarked on the definition of an ESG roadmap based on the management of material issues for its business model, with regard to its dependencies and impacts.

New resources to support these strategic ambitions

1/ A stronger management team organized by market segment

[Nico Bonne](#) will join Fermentalg at the beginning of January 2024 as the new Sales Director. Formerly VP Global Sales and Business Development at KD Nutra, Nico Bonne's 22 years' experience in the international ingredients and omega-3 markets will complement Pierre Josselin's expertise in the food and FMCG markets. In particular, Nico Bonne will be responsible for developing the dietary supplements market and entering the pharmaceutical market.

[Marie Jane Fallourd](#), one of the key players in the successful development of Blue Origins®, takes on the role of Marketing & Product Director, where she will draw on over 30 years' experience in the development and launch of innovative products in the field of ingredients and cosmetics.

[Christian Martin](#) is supporting Fermentalg as senior advisor of strategic development. His experience of more than 18 years in the market of nutrition and more specifically on oméga-3, acquired at Martek, DSM & Veramaris, constitutes a key strength to seize new opportunities on the markets of animal nutrition.

2/ Ongoing reflection on financial structure and development financing

Fermentalg has initiated discussions with its strategic and financial partners to identify the best means and levers for accelerating its growth and achieving economic and financial equilibrium, which will require additional financial resources by 2025. In this context, the Company is considering transferring its listing to Euronext Growth, a market more suited to innovative SMEs.

⁶ Publication in 2027 on 2026 data for listed SMEs like Fermentalg

Pierre Josselin, CEO of Fermentalg, commented: "*Beyond the short-term improvements in our commercial performance and industrial competitiveness, the development of new applications from our existing platforms and the conclusion of technologically innovative partnerships will enable us to accelerate sales growth and the creation of value for our stakeholders. Fermentalg will thus confirm its position as a leading provider of sustainable solutions to the challenges of nutrition, health and environmental transition.*"

Next publication: Sales for full-year 2023,
January 25, 2024 (after market close)

About Fermentalg

An 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, for nutrition, health and the environment. Nutritional lipids, alternative proteins, natural food colorings and innovative environmental solutions make up our company's current and future offering. Fermentalg shares are listed on Euronext Paris (FR0011271600 - FALG), and are eligible for PEA-PME and long-only SRD. It has 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 further information: www.fermentalg.com



Contact for journalists:

ACTUS finance and communication
Fatou-Kiné N'DIAYE
Telephone: +33 (0)1 53 67 36 34
fndiaye@actus.fr

Investor Relations:

ACTUS finance and communication
Anne-Catherine BONJOUR
Telephone: +33 (0)1 53 67 36 93
fermentalg@actus.fr