



The APG Group and Microphyt announce a strategic partnership to develop, manufacture and market microalgae ingredients.

Sharing a common vision and ambition, the APG Group and Microphyt have decided this summer, to join forces in order to build up a future technical and commercial leader in the field of microalgae-based products.

Montpellier, France, October 6th, 2017



The international oleo-chemical group of Companies APG (Augusto Parodi Group), with headquarters in Milan, Italy, leader in sustainable chemistry manufacture with its affiliate ARCHIMEDE RICERCHE SRL, and MICROPHYT SA, a French innovative company focusing on the development and production of microalgae-based natural active ingredients for nutraceuticals and cosmetics industries, have announced the signing of a strategic alliance to jointly develop and market unique ingredients for food applications. ARCHIMEDE RICERCHE Srl has recently completed a major investment plan, building the biggest plant for microalgae production in Northern Italy, on the Mediterranean coast, and one of the largest worldwide, with more than one hectare of photobioreactors and open pond installations under greenhouse cover and a production capacity of 30 tons/year of dry biomass.

MICROPHYT SA, in addition to its current established business on nutraceuticals and cosmetics market, is currently implementing SMILE program. It has been chosen by the European Commission programme to benefit from its extremely competitive Phase 2 'Horizon 2020 SME Instrument' programme that funds market-creating innovation in disruptive small businesses that have significant growth potential and global ambitions. SMILE (<http://www.microphyt.eu/en/objective-smile/>) was one of the 47 successful program chosen from the 553 applications drawn from across 14 countries. SMILE was the only winner in the 'Blue Growth' category among the applications filed by February 2016. The SMILE aims to develop, produce and commercialise natural marine-derived nutraceutical active ingredients, extracted from selected microalgae, which will help weight loss and support the maintenance of cognitive function. SMILE has a total budget of €2.5 million. The European Commission will provide 70% of the funding, via a grant of up to €1.8 million.

The deal between APG & MICROPHYT was signed in Paris July 19th by the President of APG Group, Augusto Parodi and the main Shareholders of MICROPHYT. To finance the strategic roadmap of MICROPHYT, a capital increase of 1M€ has been raised with the participation of APG as well as current investors DEMETER PARTNERS, SUPERNOVA INVEST, SOFIMAC PARTNERS, JEREMIE LR and SORIDEC.

Following this capital increase, APG joined the board of Directors of Microphyt. APG and ARCHIMEDE RICERCHE will support the marketing plans of MICROPHYT with the production of specific microalgae biomass. One of the first product is ASTAPAK, a dried *Haematococcus pluvialis* powder, rich in astaxanthin, the most powerful natural antioxydant used in food supplements.

Gianluca Fenaroli, CEO of the APG Group, and Vincent Usache, CEO of MICROPHYT, underlined that the agreement is built on a common vision and ambition to establish a long-term partnership in the field of microalgae-based products. Furthermore, the two parties have identified a range of synergies particularly in R&D, marketing and production.

Gianluca Fenaroli, who will represent APG on MICROPHYT's Board of Directors, said: "*This strategic partnership is a pillar of APG's strategy to grow its presence in the promising microalgae business which is perfectly coherent with the mission of our Group of Companies: to strengthen our presence in the sustainable chemistry segment, to continue offering a wide range of high quality products for industrial applications in diversified market segments, from cosmetics and pharmaceuticals to food, feed and lubricants*".

Vincent Usache added "*we are delighted to receive the support of the APG Group at this stage of development. We have already identified promising opportunities in our respective product portfolios. This deal will leverage the synergies between APG and Microphyt on the technical, regulatory and commercial sides. In this collaboration, we also share a common vision of delivering effective, safe and sustainably-produced unique active ingredients. I am totally convinced that this collaboration will help better serve our customers*".

About MICROPHYT (www.microphyt.eu)

MICROPHYT SA is an innovative SME specializing in the production and commercialization of microalgae-based natural active ingredients. With its know-how and experience of more than 10 years in this field, Microphyt draws from the microalgae unique solutions for nutrition & health and cosmetics industries. Microphyt's technologies, developed internally and patented, allow the controlled production of microalgae biomass and extracts. Microalgae are cultured in 5,000 litre capacity tubular photobioreactors. These systems are particularly suited to the production of delicate and/or slow-growing species in that they preserve their cellular integrity; consequently, they offer access to an immensely diverse range of interesting molecules. Microphyt has filed four patents on microalgae production processes. The company now comprises 15 people.

About the APG Group (www.fratelliparodi.it/apg)

The APG Group of Companies is an Italian leader in production of esters, refined natural oils, cosmetics raw material and products, advanced biofuel and microalgae with an international manufacturing presence. The group of companies belonging to the founder, Augusto Parodi, has been structured in business divisions in 2016, creating the APG Group, with the aim of exploiting synergies within the acquired businesses in the oleochemical field and based on the original expertise developed over 70 years of activity of A&A Fratelli Parodi. Currently APG is owning, controlling and/or participating in a group of 11 companies with total revenues of 130 Million Euro with 200 employees globally. APG is organized in 3 main business division:

- Chemical: manufacture and development of a wide range of natural-based oleochemical raw materials for industrial applications
- Advanced Biofuel: production of 3rd generation biodiesel based on recovery and valorisation of recycled vegetable oils and derivatives
- Life Science Division – development and production of natural cosmetic, pharma, food and feed raw-materials from advanced vegetable and microalgae feedstocks.
- Its affiliate ARCHIMEDE RICERCHE SRL is a marine-technology company based in Camporosso (Italy), active since 2008 in microalgae research and production.

About Demeter Partners (www.demeter-partners.com)

Demeter Partners is a private equity management company dedicated to the equity financing of environmental and energy transition companies. It covers the stages of innovation, growth and infrastructure. The recent merger of Demeter Partners and Emertec Gestion has given rise to the leading European private equity firm dedicated to energy transition, environment and innovative materials sectors. The two management companies represent € 800 million under management, 120 companies financed for 10 years and teams comprising 31 professionals with complementary profiles.

About Supernova Invest (www.cea-investissement.com)

Supernova Invest was founded in 2017 by the seasoned CEA Investissement management team, the CEA and Amundi. Supernova Invest specializes in deep-tech venture capital in life sciences, energy & environment and industry (electronics, advanced materials, instruments...). Supernova Invest manages the historical portfolio of CEA Investissement as well as the fund Amorçage Technologique Investissement (ATI), and closed two new funds in mid-2017. Supernova Invest has more than 50 active companies in its portfolio and 230 M€ under management with funds focused on financing startups at different stages of development (seed to venture capital).

The Investment in Microphyt was done by ATI and CEA Investissement.

About Sofimac Partners (www.sofimacpartners.com)

Sofimac Partners is a multi-regional and independent management company approved by the AMF (Autorité des Marchés Financiers – French financial markets authority). Based in Clermont-Ferrand, Paris, Lyon, Orléans, Limoges, Rennes, Caen et Aix-en-Provence, Sofimac Partners has supported non-listed SMEs for 40 years in their medium and long-term growth plans, by using a wide range of investment vehicles that address all development challenges encountered by companies (creation, initial development, growth capital, buyout capital and turnaround financing). Investing in a wide variety of general and technological sectors and with the support of a team of multidisciplinary and experienced investors based in several regions, Sofimac Partners has supported more than 360 SMEs since its inception in 1977. Sofimac Partners has a loyal network of private and institutional investors, including most prominently Bpifrance and the French State as part of France's Investing in the Future program (PIA), via the FNA (Fonds National d'Amorçage – French national seed-stage fund). Sofimac Partners currently manages over €740 million of assets, across 36 funds, invested in more than 185 companies.

About IRDI-SORIDEC Gestion (www.irdisoridec.fr)

Created 35 years ago, IRDI SORIDEC Gestion is one of the leading French regional capital investment firm with over € 200 million under management. IRDI SORIDEC Gestion invests and supports innovative companies, located in the southwest of France. It manages multi-sectoral funds specialized in seed (IRDINOV), venture capital (JEREMIE LR and SORIDEC), buyout or growth equity (IRD, SORIDEC and SORIDEC2).



SMILE project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 726799.