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DEINOVE presents its financial results and the advancement of its programs for 2020

- Phase II of the antibiotic candidate DNV3837 ongoing – end of the first part of the trial (DSMB) expected mid-2021
- Signature of an Evaluation and Technology Development license with DSM on a non-therapeutic active substance
- Management evolution: two experienced profiles have joined DEINOVE to strengthen the business development and strategic partnerships activities
- Group net income 2020 of -€7.3M compared to -€10.2M in 2019, mainly thanks to lower operating expenses
 - Restructuring of operations with a 30% decrease in operating expenses (€9.0M vs. €12.8M in 2019), still 80% dedicated to R&D
- Group cash position:
 - Balance of +€2.9M at December 31, 2020, compared to +€1.1M at 31 December 31, 2019
 - On January 20, 2021, the 5th tranche of OCA was subscribed by the ESGO Fund, for an amount of €3M

DEINOVE (Euronext Growth Paris: ALDEI), a French biotech company, pioneer in the exploration and exploitation of bacterial biodiversity to address the urgent, global challenge of antibiotic resistance, **announces that its Board of Directors has approved the consolidated financial statements for the year 2020.**

“The Board of Directors and I renewed our confidence in Alexis RIDEAU, by appointing him CEO of DEINOVE at the beginning of 2021. The transformations he has led with the management team have already streamlined operational expenses and will position DEINOVE at the forefront of the exploration and exploitation of microbial dark matter, to become a major player in the generation of new antimicrobials”, says Dr. Charles WOLER, Chairman of DEINOVE’s Board of Directors. “We were delighted to announce that DEINOVE has received support from the French government as part of the “France Relance” plan, to set up a platform for screening bacteria at very high throughput based on breakthrough technology, droplet-based microfluidics. The goal is to be operational by the end of 2021. This new technology will dramatically increase the platform’s current performance, while reducing its costs.”

“We have strengthened our team with the arrival of a new CFO, Mario ALCARAZ, who has successfully restructured the operational expenses necessary to sustain the platform. At the beginning of 2021, the Business Development team was strengthened with the arrival of Hervé ANSANAY, as Director, and Corentin CHABOUD, to the new position of Grant Officer. Both of these hires are strategic to intensify the establishment of new partnerships, such as

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the one signed with the Dutch company DSM, as well as to access non-dilutive funding to support the development of new antimicrobials”, adds Alexis RIDEAU, CEO of DEINOVE.

DEINOVE will organize a webinar for its shareholders on May 4, 2021 at 5:30 pm to make an update on its activity and perspective and in order to prepare its upcoming Annual General Meeting (to be held on May 27, probably in closed session due to the pandemic)

To sign up for the May 4 webinar (to be held in French) please follow [this link](#)

SUMMARY OF CONSOLIDATED FINANCIAL DATA

The DEINOVE Group’s consolidated financial statements as of December 31, 2020 were certified by the Group’s Statutory Auditors, the firm PwC (PricewaterhouseCoopers).

PROFIT AND LOSS ACCOUNT

<i>(in thousands of euros)</i>	31/12/20	31/12/19
Operating revenues	836	637
Of which operating grants	392	397
Operating costs	8,961	12,838
Of which Research & Development costs	7,168	10,459
Of which Administrative and General costs	1,792	2,379
OPERATING PROFIT/LOSS	(8,125)	(12,201)
PROFIT/LOSS	(21)	(34)
PROFIT/LOSS FROM NON-RECURRING ACTIVITIES	3	65
Income tax and deferred taxes	(1,354)	(2,433)
Goodwill amortization	511	511
Results from equity affiliates (MEQ)	-	-
CONSOLIDATED GROUP PROFIT/LOSS	(7,300)	(10,247)
<i>(in thousands of euros)</i>	(7,300)	(10,247)
Term deposit	-	-
Provision for impairment of marketable securities	-	-
Cash on hand	2,899	1,095
ICNE & bank overdrafts	-	-
CASH & CASH EQUIVALENTS	2,899	1,095

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OPERATIONAL PROGRESS DURING THE PERIOD AND POST-CLOSING

PHASE II TESTING THE ANTIBIOTIC CANDIDATE DNV3837 IN SEVERE *CLOSTRIOIDES DIFFICILE* INFECTIONS

This clinical trial aims to evaluate the efficacy and the pharmacokinetics of DNV3837 in patients with *Clostridioides difficile* gastrointestinal infection (CDI). This trial is being conducted in the United States, according to a sequential protocol:

- The first step aims to treat a cohort of 10 patients with moderate to severe CDI with DNV3837. At the end of this phase, the DSMB¹ will review the interim results and issue an opinion on the benefit-risk balance of the treatment.
- The second step aims to treat 30 patients with severe CDI in a randomized open-label trial testing DNV3837 (2/3 of patients) against an approved standard treatment² (1/3 of patients) for comparison.

In November 2020, at the annual conference of the C Diff Foundation, in the “Research in Progress” session, DEINOVE presented the phase I results, the protocol of the ongoing multicentric phase II in the United States, including clinical centers, the team in France and across the Atlantic, as well as the main advantages of DNV3837: its intravenous administration, precise targeting at the site of infection, its ability to eliminate *Clostridioides difficile* bacteria while having a limited impact on the intestinal microbiota.

Patient enrollment in this phase II trial continues, despite the disruption caused by the COVID-19 pandemic.

DEINOVE IS A WINNER OF THE “FRANCE RELANCE” PLAN

The Boost-ID project (*Bacteria Optimum Output Screening Tool for treating Infectious Diseases*) is one of 105 projects selected by the French government, out of nearly 1,000 presented, as part of the call for resilience projects within the framework of the “France Relance” plan, a recognition of its strategic positioning.

¹ DSMB: *Data Safety Monitoring Board* (Data Monitoring and Tracking Committee). An independent panel of experts to review the data generated and make recommendations on patient safety, validity and relevance of the trial.

² Standard therapies approved in the United States for the treatment of CDI include vancomycin, fidaxomicin, and metronidazole (all three antibiotics). The choice will be at the discretion of the investigating physicians.

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Boost-ID is an accelerator in the identification of antimicrobials and molecules of natural origin with high added value. It consists of setting up a platform for screening bacteria at very high throughput based on breakthrough technology: droplet-based microfluidics. With a major gain in efficiency upstream of the process, Boost-ID will accelerate the development of new antimicrobials and molecules of natural origin with high added value.

It is one of six projects in the strategic health sector selected by the French government in the Occitania region.

DEINOVE SIGNS AN EVALUATION AND TECHNOLOGY DEVELOPMENT LICENSE WITH DSM

In November 2020, DEINOVE announced the signing of an evaluation and technology development license with DSM, a global science-based company in Nutrition, Health and Sustainable Living.

Under the agreement, DSM will evaluate the potential of a microbial strain from DEINOVE as a feed additive; selected and characterized during the Color-2B program. The evaluation and technology development program is undertaken and supervised by DSM. For the exclusive purpose of the performance of the collaboration activities, DSM is granted a temporary exclusive license to use DEINOVE's proprietary strain, as well as the background intellectual property related to the strain and required for the collaboration activities. In consideration of these provisions, DEINOVE will receive an upfront payment and milestone payments during program execution (undisclosed amount). Upon DSM's decision that the collaboration activities are successful, DEINOVE and DSM will pursue negotiations for a commercial license agreement.

CORPORATE

BOARD OF DIRECTORS

The Ordinary and Extraordinary Shareholders' Meeting of June 16, 2020, renewed, for a period of three years, the mandates of Anne ABRIAT, Charles WOLER and Hervé BRAILLY, which had expired. It also ratified the appointment of Emmanuel PETIOT as Administrator, made on a provisional basis by the Board of Directors at its meeting of December 3, 2019.

EXECUTIVE COMMITTEE

Alexis RIDEAU, Deputy Chief Executive Officer of DEINOVE since May 2020, was appointed Chief Executive Officer of the Company in January 2021. Prior to joining DEINOVE, Alexis RIDEAU was in charge of developing industrial relations and coordinating the strategic partnership team at BIOASTER (Lyon/Paris), a Technology Research Institute in applied microbiology, which specializes in the design and use of technology innovations in the field

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of microbiology, to accelerate the development of medical and nutritional industrial solutions for animal and human health.

In appointing him as CEO, the Board of Directors recognized his achievements, vision and action plan to make DEINOVE a major actor in the race against antimicrobial resistance.

As of July 2020, Mario ALCARAZ joined DEINOVE as Chief Financial and Administrative Officer, also in charge of investor relations and financial communication. An experienced financial director, mastering at the same time the financial, legal, accounting and strategic aspects of the function, he is a key asset in ensuring DEINOVE's economic performance. Since his arrival, he has successfully carried out the necessary restructuring of operational expenses to ensure the platform's sustainability.

Post period-end, Hervé ANSANAY, PhD, former Director of Technology Transfer and Business Development at SATT AxLR in Montpellier, was appointed Director of Business Development. He brings 20 years' experience in supporting innovative companies and technology transfer. From 2013 to 2015, he was Business Developer at SATT Nord. After his PhD and post-doc in biochemistry and molecular biology, Hervé was R&D project manager for over 10 years at Cisbio Bioassays, in charge of market-driven developments. Corentin CHABOUD, previously in charge of European affairs and competitive funding at IRT BIOASTER, became Grant Officer at DEINOVE. These two hires, in January 2021, will intensify the setting up of remunerative strategic partnerships and access to non-dilutive funding, to support the development of therapeutic solutions in the field of next-generation antimicrobials.

FINANCIAL RESULTS FOR THE PERIOD 2020

OPERATING REVENUE

The Group recorded €836K in operating revenue for the period (compared to €637K in 2019), including €392K of the grant paid by Bpifrance corresponding to the completion of the second key milestone of the AGIR program (€397K in 2019, for the first key milestone of the same program) and, on the other hand, €323K of revenue (compared to €163K in 2019) in the framework of collaborative research agreements with industrial partners in non-therapeutic fields.

During the fiscal year 2020, the Group's operating expenses reached €9.0M, of which 80% was spent on R&D activities. The net change in operating expenses between 2019 and 2020 amounts to -€3.8M (-30%). Subcontracting and external research expenses decreased significantly (-72%), due to the internalization of the sequencing activity and a decrease in costs related to analyses. Personnel expenses also decreased, in line with the evolution of the workforce: 57.0 average full-time equivalents (FTE) in 2020 compared to 60.0 in 2019.

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NET INCOME

The consolidated net loss for the period amounts to €7.3M, negligibly impacted by exceptional items (positive exceptional result of €3K).

The negative financial result of -€21K is mainly due to financial expenses related to the pre-financing of the Research Tax Credit (-€12K) and interest expenses on loans (-€6K).

Income tax comprises almost exclusively the Research Tax Credit. The Group's receivable for the fiscal year 2020 has been estimated at €1,354K (compared to €2,491K in 2019).

NET RESULT

In 2020, 6,494,493 new shares were issued, including 5,994,492 shares under the convertible bond agreement³.

At its meeting on November 3, 2020, the Board of Directors, implementing an authorization granted by the Extraordinary Shareholders' Meeting of December 11, 2019, decided to reduce the share capital by reducing the nominal value of the ordinary shares comprising the capital. The nominal value is thus reduced by 0.40 to 0.02 euro per share. This capital reduction was carried out by offsetting losses carried forward.

The 24,090,739 shares with a nominal value of 0.02 euro making up the capital as of December 31, 2020, are broken down as follows:

Year ended December 31, 2020 – non-diluted basis

Shareholders	Number of shares	% of holding	Voting rights	%
Funds managed by Truffle Capital	1,385,637	5.75%	2,553,325	9.96%
Funds managed by TVM Capital	1,557,414	6.46%	1,557,414	6.07%
Scientific founders	20,000	0.08%	40,000	0.16%
Free float	21,127,688	87.70%	21,493,741	83.81%
TOTAL	24,090,739	100.00%	25,644,480	100.00%

ABOUT DEINOVE

DEINOVE is a French biotechnology company pioneering the exploration of a new domain of life, unexplored at 99.9%: the “microbial dark matter”. By revealing the metabolic potential

³ Press release issued April 3, 2020, June 17, 2020 and December 3, 2020

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of rare bacteria or still classified as uncultivable, it tackles a global health and economic challenge: antimicrobial resistance.

The new therapies discovered and developed by DEINOVE target superbugs (microbes that have become resistant to one or more antimicrobials) that cause life-threatening infections which are now spreading at high speed.

This breakthrough approach gave rise to one of the world's first specialized micro-biotechnology platforms and a unique collection of nearly 10,000 rare strains and thousands of bacterial extracts. Today, DEINOVE is conducting several development programs, of which its first antibiotic candidate is currently evaluated in a Phase II clinical trial in severe *Clostridioides difficile* infections, one of the world's first emergencies. The Company has also developed new bacterial micro-factories that address the other issue in the race against antimicrobial resistance: the industrial production of these rare and low concentrated compounds with often too complex chemical structures to be generated by chemical synthesis.

Located at the heart of the Euromedecine park in Montpellier, DEINOVE has been listed on EURONEXT GROWTH® (ALDEI - code ISIN FR0010879056) since 2010. The Company has over 50 employees and relies on a network of world-class academic, technological, industrial and institutional partners.

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CONTACTS

Investors

Mario Alcaraz
Chief Financial and Administrative Officer
+33 (0)4 48 19 01 00

ir@deinove.com

Media

ATCG Partners – Marie PUVIEUX
+33 (0)9 81 87 46 72 / +33 (0)6 10 54 36 72

communication@deinove.com

Visit www.deinove.com

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