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DEINOVE presents its financial results and the advancement of its programs for the first half of 2021

- Phase II of the antibiotic candidate DNV3837 ongoing – end of the first part of the trial (DSMB) expected in Q4 2021
- Strengthening of screening and analytical capacities with three complementary calls for projects won by DEINOVE
- Group net income for the first half of 2020 of -€3.1M compared to -€4.6M in 2020, mainly thanks to lower operating expenses
 - Restructuring of operations with a 24% decrease in operating expenses (€4.1M vs. €5.5M in 2020), still 84% dedicated to R&D
- Group cash position:
 - Balance of +€3.4M at June 30, 2021, compared to +€2.9M at June 30, 2020
 - On January 20, 2021, the 5th tranche of OCA was subscribed by the ESGO Fund, for an amount of €3M
 - Implementation of a new agreement with the ESGO Fund of notes convertible into new shares for a maximum nominal amount of €10M and issuance of a first €500,000 tranche on September 14, 2021

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 first half of 2021.**

“This first half-year symbolizes the recognition of the quality of DEINOVE's science and approach. The Company has been selected in three highly competitive and complementary calls for projects and selected by independent scientific committees that validate the Company's approach. The deployment of cutting-edge technologies associated with these projects reinforces the leadership of DEINOVE's platform in the fight against antimicrobial resistance”, commented Alexis RIDEAU, CEO of DEINOVE. He added, “These non-dilutive financings have been complemented by a convertible bond financing that allows us to fund the company through the next value-creating step of our clinical program with our antibiotic candidate DNV3837.”

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SUMMARY OF CONSOLIDATED FINANCIAL DATA

The DEINOVE Group's consolidated financial statements as of June 30, 2021 were the subject of a limited review by the Group's Statutory Auditors, the firm PwC (PricewaterhouseCoopers).

PROFIT AND LOSS ACCOUNT

<i>(in thousands of euros)</i>	30/06/21	30/06/20
Operating revenues	475	596
Of which operating grants	167	389
Operating costs	4,142	5,480
Of which Research & Development costs	3,479	4,460
Of which Administrative and General costs	663	1,020
OPERATING PROFIT/LOSS BEFORE GOODWILL AMORTIZATION	(3,667)	(4,884)
Goodwill amortization	256	256
OPERATING PROFIT/LOSS AFTER GOODWILL AMORTIZATION	(3,923)	(5,140)
PROFIT/LOSS	(14)	(6)
PROFIT/LOSS FROM NON-RECURRING ACTIVITIES	19	(34)
Income tax and deferred taxes	(771)	(544)
Results from equity affiliates (MEQ)	-	-
CONSOLIDATED GROUP PROFIT/LOSS	(3,146)	(4,636)

<i>(in thousands of euros)</i>	30/06/21	31/12/2020
Term deposit	-	-
Provision for impairment of marketable securities	-	-
Cash on hand	3,392	2,899
ICNE & bank overdrafts	-	-
CASH & CASH EQUIVALENTS	3,392	2,899

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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 end of the first step is scheduled for the end of Q4 2021.
- 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.

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

Results for this trial should be available in 2022.

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.

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.

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

DEINOVE, ESPCI PARIS AND INRAE AWARDED GRANT FOLLOWING THE CALL FOR PROPOSALS OF THE FRENCH “ANTIBIOTIC RESISTANCE” PRIORITY RESEARCH PROGRAM

In April 2021, DEINOVE announced that it has been selected with ESPCI Paris³ and INRAE⁴ for a project financed by the French National Agency for Research through a 2 million-euros grant, following an extremely competitive selection process that, eventually, selected 11 winners out of over 130 applications, within the *national priority research program* on antibiotic resistance by an international jury chaired by Professors Herman Goossens, Benedikt Huttner, Rafael Canton and comprising 25 world-class experts

Microflu4AMR is complementary to DEINOVE’s Deinodrop and Boost-ID projects.

Boost-ID and Microflu4AMR were submitted under separate calls for proposals, with independent, demanding, and highly selective evaluation processes. The evaluations reached the same conclusion: the microfluidic technology developed by DEINOVE is considered by the scientific and industrial community as a major asset for the screening and identification of new therapeutic solutions from bacterial biodiversity.

THE ATB-DISCOVER PROJECT, LED BY DEINOVE, IBMM AND THE LMP OF THE UNIVERSITY OF MONTPELLIER, IS SUPPORTED BY THE EUROPEAN UNION AND OCCITANIA REGION

In June 2021, DEINOVE announced its collaboration with the Max Mousseron Institute of Biomolecules (IBMM) and the Physical Measurement Laboratory (LMP) of the University of Montpellier for the co-development of new analytical approaches based on the use of Ultra High Resolution Mass Spectrometry, over a 30-month period. This project benefits from a €990K funding from the European Regional Development Fund and the Occitania Region.

The ATB-Discover partnership research project was selected in the framework of the call for proposals “Regional Research and Innovation Platforms” (PRRI), in line with the regional innovation strategy “Innovative and targeted therapies”.

ATB-Discover aims to complete and strengthen DEINOVE’s in-house analytical capabilities. This project is in total synergy with DEINOVE’s industrial strategy for the development of new antimicrobials, which was recently supported by two other independent expert committees (see above the Boost-ID and Microflu4AMR projects).

³ Advanced School of Industrial Physics and Chemistry in Paris

⁴ National Research Institute for agriculture, food and nutrition, and the environment

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CORPORATE

BOARD OF DIRECTORS

At its meeting on June 22, 2021, the Board of Directors noted the resignation of Ms. Anne ABRIAT and Mr. Emmanuel PETIOT from their positions as directors.

EXECUTIVE COMMITTEE

Alexis RIDEAU, who has served as DEINOVE's Deputy CEO since May 2020, is the Company's CEO since January 8, 2021.

Charles WOLER, who has been acting as interim CEO of DEINOVE, remains Chairman of its Board of Directors, a position he has held since 2017.

FINANCIAL RESULTS FOR THE PERIOD FIRST HALF OF 20202021

OPERATING REVENUE

The Group recorded €475K in operating revenue for the period (compared to €596K in 2020), including:

- €261k in revenues (compared to €173k in 2020) from:
 - o collaborative research agreements with industrial partners in non-therapeutic fields, such as the one concluded with DSM;
 - o distribution agreement of ingredients produced by DEINOVE;
- €167k of operating subsidies corresponding mainly to the France Relance plan (131 k€) and the O'Région project (33 k€), compared to €389k in 2020, the difference being due to the 2nd key milestone of the AGIR program reached in 2020. The validation of the third key milestone will take place in the first quarter of 2022.

During the first half of 2021, the Group's operating expenses reached €4.1M, of which 84% was spent on R&D activities. The net change in operating expenses compared to the same period in 2020 amounts to -€1.3M (-24%). Subcontracting and external research expenses decreased significantly (-64%), because of the significant expenses incurred in 2020 in the production operations of the drug candidate (-€804K). Personnel expenses were stable (-€17K, -1%).

NET INCOME

The consolidated net loss for the period amounts to €3.1M, negligibly impacted by exceptional items (positive exceptional result of €19K).

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The negative financial result of –€14K is mainly due to financial expenses related to the interest expenses linked to the Innovation loan secured with Bpifrance (–€11K).

Income tax comprises exclusively the Research Tax Credit. The Group's receivable for the first half of 2021 has been estimated at €771K (compared to €544K in 2020).

NET RESULT

In the first half of 2021, 4,334,794 new shares were issued under the convertible bond agreement⁵.

The 28,425,533 shares with a nominal value of 0.02 euro making up the capital as of June 30, 2021, are broken down as follows:

As of June 30, 2021 – non-diluted basis

<i>Shareholders</i>	Number of shares	% of holding	Voting rights	%
Funds managed by Truffle Capital	1,385,637	4.87%	2,554,634	8.52%
Scientific founders	20,000	0.07%	40,000	0.13%
Management and Directors	0	0.00%	0	0.00%
Free float	27,019,896	95.06%	27,397,765	91.35%
TOTAL	28,425,533	100.00%	29,992,399	100.00%

POST BALANCE SHEET EVENTS

In July 2021, DEINOVE received the payment of 3 State-guaranteed loans of €500k each, as well as a €1.5m R&D Innovation Loan from Bpifrance.

In September 2021, DEINOVE announced that it had entered into a new agreement for a convertible bond financing with the European Select Growth Opportunities Fund, representing a bond issue of a maximum nominal amount of €10 million, and divided into several tranches of a nominal amount of €500,000 for each tranche. The first tranche of €500,000 was issued simultaneously with the signing of the agreement with European Select Growth Opportunities Fund.

⁵ Press release issued on December 3, 2020 and January 20, 2021

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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 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.

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

