

Letter TO THE SHAREHOLDERS

november 2018



A NEW GRAPHIC IDENTITY

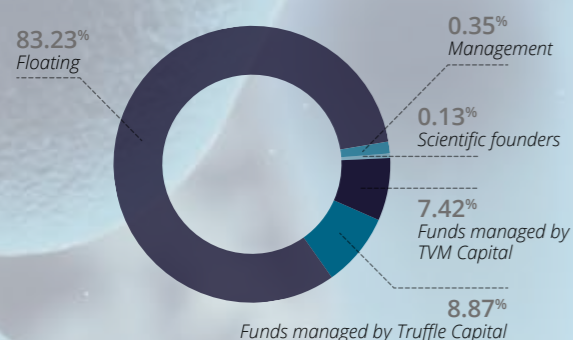
The new graphic identity contributes to the clarification of the Company's positioning.

DEINOVE is proud of its radically innovative approach based on 3 pillars: exploration, imagination and action. DEINOVE explores the world of rare bacteria. To do so, the Company has imagined a multitude of original approaches: samplings from atypical environments, original selection methods, new methods for cultivating bacteria reputed to be uncultivable, automated tools for testing and identifying properties of

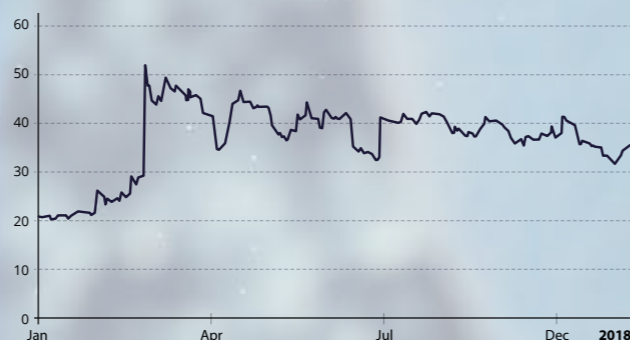
interest, computer-assisted strain design, artificial intelligence, etc. All these tools are activated to multiply development opportunities. DEINOVE brings together our researchers' imagination and the best biotechnologies for a radically new approach to subjects.

Discover
OUR NEW WEBSITE
www.deinove.com

SHARE CAPITAL BREAKDOWN at 30 septembre 2018



EVOLUTION OF MARKET CAPITALIZATION



ANALYST CONSENSUS

BROKER	TARGET SHARE PRICE	DATE
Invest Securities	€5.2	01.10.18
Midcap partners	€4.3	15.05.18
Edison	€4.0	04.04.18
Arrowhead	€4.6	26.09.18

KEY SHARE INFORMATION at 31 octobre 2018

Market	Euronext Growth®
Mnemo / ISIN	ALDEI / FR0010879056
Capitalization	€32M
Number of shares	15,566,484
52 weeks	€1.60-€5.00
Average volume, 2018	145,000 shares / day

MESSAGE FROM THE CEO

As the year 2018 comes to an end, I am pleased to share a few ideas with you in this new letter. The year 2018 was very rich for DEINOVE in the two lines of business:

The acquisition of DNV3837 has expanded our portfolio of antibiotic candidates with a product already in clinical development and about to go into Phase II. This promising drug is for use in treating an increasingly common disease, gastrointestinal infections due to Clostridium difficile bacteria, for which suitable treatment solutions are lacking today. This product has already been tested in humans and has demonstrated a good tolerance profile.

At the same time, we are pursuing our strategy of exploring the antibiotic potential of our rare bacteria and, as part of the AGIR program, we have formed partnerships with several

major players such as Naicons and bioMérieux to expand our opportunities. More than ever, we are focused on the major challenge of fighting against the healthcare threat that is antibiotic resistance.

At the same time, we have kept our commitments to developing natural active agents with the launch of our first proprietary product, Phyt-N-Resist®, a unique anti-aging agent that is the product of our research on carotenoids. We now have worldwide distribution agreements with two partners of choice, Univar and Solvay, and prospecting has begun in order to rapidly generate sales. The product is currently being assessed by several prestigious cosmetics brands. This active agent will soon be followed by another proprietary active ingredient that is already being developed. At the same time,

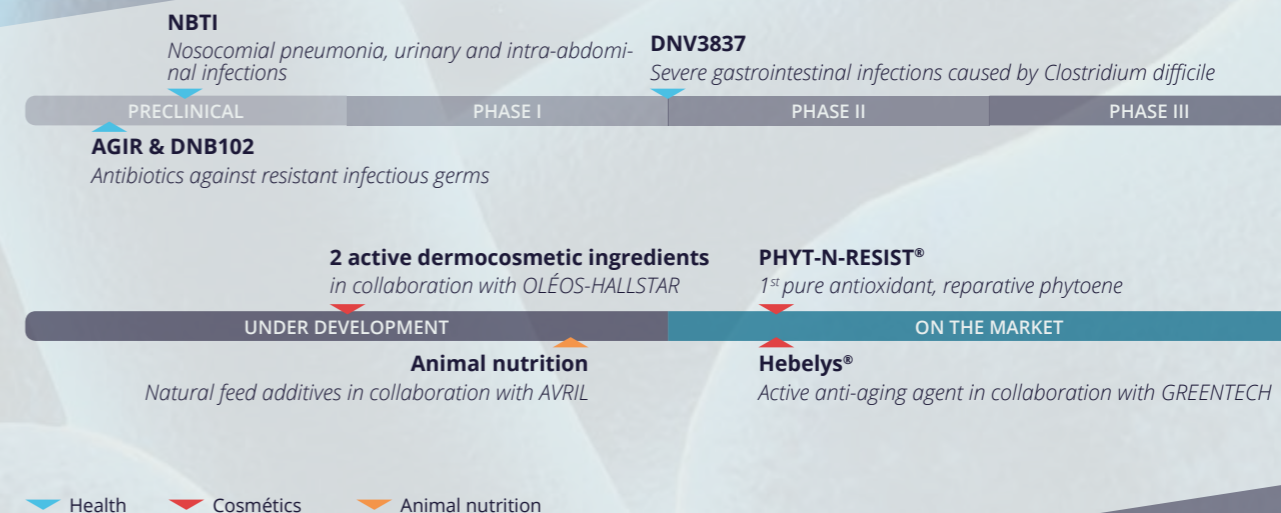
our collaborations with Greentech and Oléos have enabled us to expand our portfolio and therefore our potential sources of income.

In 2018, we have also continued to restructure our capital with the arrival of TVM Capital, a German fund that is Europe-wide in scope, and reinforced our financial resources with the capital increase carried out in June. These operations are essential for DEINOVE to achieve its objectives and to share its success with you.

We plan to pursue along these lines in 2019 and would like to thank you for continuing to place your trust in us.

Emmanuel PETIOT,
CEO

PRODUCT PORTFOLIO



DIALOGUE WITH DEINOVE

Shareholder and investor relations
Coralie Martin - Tel. +33 (0)4 48 19 01 60 - E-mail: coralie.martin@deinove.com

OUR NEWS

www.deinove.com - www.twitter.com/Deinove - www.linkedin.com/company/deinove



ALDEI
EURONEXT
GROWTH

PROGRESS MADE IN 2018

Natural active ingredients

january

PARTNERSHIP WITH OLÉOS

The two companies have decided to jointly develop two cosmetic ingredients combining the exclusive properties of DEINOVE strains with the patented Oleo-eco-extraction process. Launch scheduled for 2019.



april

LAUNCH OF PHYT-N-RESIST, THE 1ST ACTIVE ANTI-AGING AGENT 100% BY DEINOVE

At the In-Cosmetics trade fair in Amsterdam, DEINOVE presented PHYT- N-RESIST®, an ingredient based on 100% pure phytoene produced by fermentation. This colorless carotenoid with clinically-proved antioxidant and reparative properties had never before been able to be produced with this level of stability and purity. A DEINOVE innovation, the fruit of several years of research.

april

GREENTECH LAUNCHES HEBELYS®

Result of the partnership initiated in 2017, GREENTECH has launched HEBELYS®, an active ingredient for mature skins produced from a *Sphingomonas* bacterium in the DEINOVE collection.

may

THE COLOR2B PROGRAM IS PROGRESSING AS PLANNED

The productive strain was selected and the natural food additive that it

produces has shown nutritional performances comparable to those of the products currently on the market, all of which are from the petrochemical industry. Nutritional performances remain constant whatever the formulation tested, and tests are continuing on various farm animals.

september

DISTRIBUTION AGREEMENT WITH UNIVAR

UNIVAR, a major player in specialty ingredients, distributes PHYT-N-RESIST® in the Europe, Middle East and Africa zone for their cosmetic brand's clientele.

october

MARKETING AGREEMENT WITH SOLVAY NOVECARE

SOLVAY NOVECARE, the Solvay group's hygiene & care division, has included DEINOVE's Phytoene in its line of active ingredients under the Re-GeN-oPhyt® brand for North America and Asia.

Financings

may

TVM CAPITAL, A NEW REFERENCE SHAREHOLDER

TVM Capital, one of the leading European investment funds in the life sciences, has entered DEINOVE's capital with the acquisition of Biovertis/Morphochem. This was reinforced during the capital increase in June (see below). With 7.4% of the shares, TVM Capital has become a reference among DEINOVE shareholders and now holds a seat on the Board of Directors. This position should be consolidated as the DNV3837 program progresses.

june

€8.5 MILLION CAPITAL INCREASE

DEINOVE undertook a capital increase in favor of a category of beneficiaries to strengthen its resources, notably in view of clinical development for DNV3837.

Antibiotics

march

COLLABORATION WITH NAICONS

The Italian biotech firm has entrusted 400 rare bacterial strains to DEINOVE, which has included them in the AGIR program and is exploring their antibiotic potential.

march

REDX PHARMA LICENSING OPTION

DEINOVE has taken a licensing option on the NBTI program, a series of original antibiotics targeting gram-negative bacteria. DEINOVE needs to continue preclinical trials before deciding on confirmation of the option by the end of 2018.

april

ACQUISITION OF MORPHOCHEM

DEINOVE has acquired Morphochem, its parent company Biovertis, and their active antibiotic program against severe *Clostridium difficile* infections, ready to move into Phase IIa.

june

COLLABORATION WITH BIOMÉRIEUX

BioMérieux has entrusted 250 rare strains from their bacteria collection to DEINOVE so they can join the AGIR program.

october

COLLABORATION WITH CALIBR

Calibr is part of Scripps Research, an American organization that is a leader in biomedical research. DEINOVE has given Calibr access to its collection of bacteria to do research on treatments against neglected diseases such as malaria and tuberculosis.

Find

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www.deinove.com/en/news

SPOTLIGHT ON DNV3837

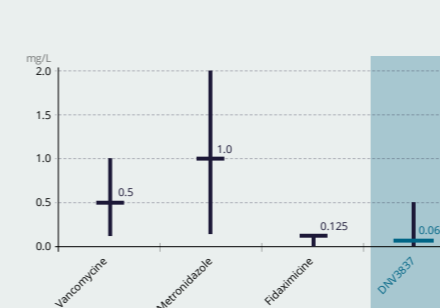
An antibiotic candidate against *Clostridium difficile* infections

A molecule targeting a real medical need

DNV3837 is a first-in-class antibiotic molecule targeting the intravenous treatment of moderate to severe *Clostridium difficile* infections (CDIs). No medicines of this kind have been approved so far. Oral treatments have little effect in severe cases (frequent bowel movements, colitis or intestinal paralysis), requiring complicated oral treatment administration by nasogastric tubes or enemas. Intravenous administration of DNV3837 could provide a new, effective treatment option.

Antibiotic activity against *C. difficile* (minimum concentration inhibiting 90% of the target microorganisms; average over 114 different isolates)

Experimental studies have demonstrated remarkable antimicrobial effectiveness.



*DNV3837 has proven to be particularly effective against 114 different isolates of *C. difficile*, no matter what their level of virulence (including the hypervirulent strain, 1.0 NAP1) or their resistance to other antibacterials.*

Its effectiveness has turned out to be greater than that of current treatments, which are furthermore administered orally.

DNV3837 is currently undergoing clinical development. Three Phase I clinical trials covering a total of 100 healthy subjects have demonstrated an acceptable safety and tolerance profile. A pronounced antibacterial effect against pathogenic *Clostridium* bacteria has been observed, whereas the beneficial bacteria comprising the microbiota - which protect the intestines - are not affected by the treatment. The next step in its development will consist of a Phase IIa clinical study on a reduced number of patients.

The Food and Drug Administration (FDA) has granted DNV3837 the Qualified Infectious Disease Product (QIDP) status and the Fast Track designation that will facilitate the molecule's development through a faster, more flexible regulatory review of the application.

The different stages of the disease

LIGHT (healthy colon)

light diarrhea, slight abdominal discomfort

MODERATE (pseudomembranous colitis)

moderate diarrhea, moderate abdominal discomfort, nausea / dehydration

SEVERE (pancolitis / ileus)

severe or bloody diarrhea, severe abdominal pain, vomiting / fever, liver damage

WITH COMPLICATIONS (toxic megacolon)

peritonitis, respiratory distress, cardiovascular dysfunction, septic shock

Clostridium difficile INFECTIONS

A SERIOUS ILLNESS

- 700,000 cases a year*
- Leading cause of infections receiving care in the United States
- >40,000 deaths a year*
- ~30% mortality rate in severe forms
- Mortality on the rise due to hypervirulent strains
- High rate of relapse: ~20% rehospitalization rate within 30 days

WHOSE FREQUENCY INCREASES WITH AGE

- Populations at risk: people over 60 / hospitalized
- ~40% mortality rate among elderly patients

ALARMING FORECASTS

- >1 million cases a year in 2021*
- +27% in 10 years*

* Europe + United States

DNV3837

Development stages

late 2018

Update to the Phase IIa protocol.

2019

Launch of Phase IIa of clinical development.

Production of new batches of molecules for Phase III.

With this acquisition, we are integrating a first-in-class antibiotic with high therapeutic potential whose clinical development is already well under way. We are saving time and gaining in skills.

Georges Gaudriault, Scientific Director