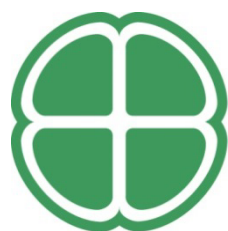


Annual Financial Report 2015



DEINOVE
The deinococcus way

DEINOVE SA with a registered capital of €3,421,962.80

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1 | COMPANY PRESENTATION

1 | 1 DEINOVE'S Activity

A French green technologies company

DEINOVE is an industrial biotechnology company dedicated to the development and commercial exploitation of bioprocesses for the production of biofuels and biosourced chemical compounds, based on the use of bacteria, with outstanding natural properties as yet untapped: *Deinococci*.

DEINOVE paves the way for more responsible and more sustainable production patterns by developing high-performance, cost-effective, ecological processes used to create industrially-relevant compounds from plant sugars.

DEINOVE's activity mainly focuses on two market segments:

- 2nd generation biofuels (DEINOL collaborative project);
- plant chemistry (DEINOCHEM collaborative project): biochemical compounds used in the formulation of everyday products, in particular carotenoids (cosmetic and food ingredients) and muconic acid (for producing bioplastics and bio-sourced nylon).

The Company targets commodities (bulk volume trade - ethanol) and specialities (low volume but high added value - carotenoids) markets.

DEINOVE was founded at the end of 2006, through the joint initiative of Doctor Philippe Pouletty, CEO of the venture capital fund Truffle Capital (Paris) and by Professor Miroslav Radman (INSERM Grand Prix in 2003, member of the American Academy of Arts & Sciences). By discovering the genetic mechanisms behind *Deinococci*'s extraordinary biodiversity and its incomparable resistance, Pr. Radman initiated an unprecedented industrial approach: Deinotechnology. By creating DEINOVE, Philippe Pouletty, Chairman of the Board of Directors since the inception of the Company, provided the means and ambitions for a project that was on the path towards industrialization.

DEINOVE intends to provide viable answers to the ecological and economic challenges of our planet: energy transition, the development of green chemistry, the circular economy, resource sustainability... It is one of the most innovative companies on the world stage in the biotechnological production of biochemical and biofuel compounds segment. Moreover, thanks to its groundbreaking approach, DEINOVE is the leading French company and the second in Europe in the 40 Hottest Small Companies in the Advanced Bioeconomy for 2015 (ranking published by the American magazine *Biofuels Digest*, a benchmark in the sector).

Currently totalling 50 members of staff, the Company has, since the very beginning, established scientific partnerships with the CNRS and the University of Montpellier, the Institut Necker-Paris Descartes University, the INSA Toulouse, the INRA, Toulouse White Biotechnology, and also the VTT (Technical Research Centre of Finland, international benchmark in the fields of bioconversion and in particular in enzymology, as well as in fermentation) and, more recently, with the American MBI (Michigan Biotechnologies Institute, industrial demonstrator specializing in bioprocesses). These partnerships offer the Company the opportunity to incorporate technologies across all scientific disciplines required for developing its projects.

DEINOVE's economic model is based on selling operating licences for its technology to industrial groups. Since 2014, the Company has been partnering with key industrial players such as Abengoa and Suez Environnement to develop biofuel production processes on their industrial sites. DEINOVE is also working hand-in-hand with the Avril Group (ex. Sofiprotéol) to develop a natural additive production process for animal feed. In 2015, the Company concluded a new R&D partnership in this field with Flint Hills Resources. These partnerships should lead to licence agreements.

DEINOVE also enjoys expert research and development and finance and business development management, a highly-proficient, international Scientific Committee (presided by Jacqueline Lecourtier, former Scientific Director of the Institut Français du Pétrole et des Energies Nouvelles (French Institute of Petroleum and New Energy)) and a Board of Directors strongly-rooted in European and international industrial circles. Through this organization DEINOVE is able to secure its breakthrough technologies in today and tomorrow's industrial reality.

The Company has been listed on Alternext since April 2010 (ALDEI – code ISIN FR0010879056).

An exceptional bacterial genus and a 6,000-strain proprietary bank with value-adding potential

DEINOVE is the only company in the world that exploits the untapped genetic and metabolic potential of *Deinococcus* for industrial purposes. This bacteria, which was discovered by chance in 1956, has exceptional properties that have, as yet, never been commercially developed.

Less than 1,000 publications mention the genus *Deinococcus* vs. 100,000 for *Escherichia coli* and 300,000 for *Saccharomyces cerevisiae*. The industrial benefits of *Deinococcus* as a new industrial chassis strain were highlighted for the first time by the *Journal of Applied Microbiology*, an American scientific periodical in which DEINOVE published an article in 2015.

DEINOVE has 6,000 proprietary strains of this bacterial genus and related genus.

One of DEINOVE's competitive advantages lies in the extreme biodiversity of its strain bank. DEINOVE screens its bank to identify the strains that produce compounds of interest naturally and which may be extracted and exploited on an industrial scale. It was within such a context that DEINOVE contributed to the DEINOBIOTICS and THANAPLAST™ projects, by providing strains that were naturally endowed, firstly, with antibiotic activity and, secondly, with catalytic activity for degrading plastics.

The ability to select bacteria endowed with industrial-potential properties and to optimize their natural capacities through genetic and fermentation engineering is DEINOVE's second, and main, competitive advantage.

A technology platform that centralizes world-class metabolic engineering

DEINOVE has developed a proprietary synthetic biology platform that covers all phases of the process from strain profiling to strain optimization: genomics, proteomics, enzymology, metabolomics, robotic genetic engineering, fermentation engineering, biomass analysis and assessment.

Deinococcus' natural genetic properties mean that DEINOVE can insert, replace and/or increase the gene activity in any targeted metabolic pathway without scarring (there is no vector, no antibiotic marker and no molecular fingerprint of the intervention).

In 2014, the Company implemented pioneering strain construction software, developed conjointly with the Grenoble-based SME CAD4Bio, which provides it with the tools for tailor-constructing strains rapidly, by interacting with a high-throughput cloning robot. As such, it benefits from a unique automated platform for optimizing quality, traceability and productivity.

A proprietary approach

DEINOVE develops a one-of-a-kind intellectual property portfolio and cutting-edge industrial bioprocesses. The Company currently owns a portfolio, comprising 19 patent families (i.e. over 170 patents filed internationally), which protects its technological platform, the development of selection processes for a wide variety of *Deinococcus* and related bacteria, their use in processes for producing various products of biosourced interest and their industrial applications.

This strong intellectual propriety forms the backbone of the business model of DEINOVE, which will achieve its economic added value by transferring operating rights (product-by-product, application-by-application, area-by-area) of its proprietary processes to industrial third parties, on the biofuel and commodity chemicals market.

Several ongoing research programmes, targeting prospective key applications

By associating bacterial engineering with its already highly-effective wild strain selection, DEINOVE has established a unique position in industrial property and in innovational bioproduction processes. DEINOVE intends to develop cutting-edge processes that may be used in applications in a range of key industrial sectors. To address these different markets as effectively as possible, DEINOVE has structured its activity around several projects:

DEINOL collaborative project for producing 2nd generation biofuels (2G biofuels)

The DEINOL collaborative project intends to initiate the production of cellulosic ethanol (2nd generation ethanol) from *Deinococcus* in already-existing industrial facilities by making better use of the input, by adapting more optimally to

production conditions and by reducing costs. DEINOL's competitive edge lies in its all-in-one process (also called *Consolidated BioProcess*, CBP), as the *Deinococcus* is able to perform both the hydrolysis and fermentation steps required to produce 2G bioethanol, i.e. where the traditional process requires two types of catalyst: enzymes and a micro-organism (bacteria or yeast). This process, referred to as "consolidated", which involves the *Deinococcus* bacteria, can liberate 50% of the enzymes (costwise), an expensive catalyst.

This collaborative project is led by DEINOVE. The Spanish group Abengoa is the industrial partner for this project, alongside academic partners such as the Montpellier CNRS and the Toulouse INSA. DEINOL is partly financed by Bpifrance (formerly known as OSEO-ISI). Since the beginning of the project, DEINOVE has received €5.4M of the €6.3M to be granted.

DEINOVE is also working hand-in-hand with other industrial groups, in particular Suez Environnement, on bioethanol production.

To date, the majority of 2G biofuel production-focused projects throughout the world are only now kicking off their commercialization phase or are still in their pilot stage. The potential for developing these biofuels is extremely high insofar as it is these technologies that will be used to reach the mandates established by the various states on an international level. In Europe, for example, the objective to increase ethanol mixed with petrol from 5% to 10% by 2020 (European Directive 2009/28/EC) should be largely covered by 2nd generation biofuels, as 1st generation biofuels were capped at 7% by the European Parliament in April 2015. The same holds true for the United States where the *Renewable Fuel Standard* imposes a minimum volume for biofuels mixed with gasoline and has set itself the ambitious target of 137 billion litres by 2022 (i.e. almost 3 times the current volume). The 2G biofuels market is estimated to stand at 24 billion dollars by 2020¹, i.e. an increase of more than 50% between 2014 and 2020.

DEINOCHEM project

The aim of the DEINOCHEM project is to develop and commercialize processes for producing biosourced compounds. In these high value-added markets, industrial players are actively questing for alternatives to petrosourced production and plant-based extraction, both for reasons related to consumer acceptability, cost and security of supply.

The project plans on total investment of €15.9M by 2017, has €5.9M financial support, rolled over 3 and a half years, from the ADEME and the CGI as part of the Investissements d'Avenir (Investments for the Future) programme. This is one of the most substantial financings granted to date by the French State in this sector.

DEINOCHEM prioritizes isoprenoids (and, specifically, the carotenoid subfamily), which make up one of the families with the most varied natural substances (over 22,000 isoprenic compounds have been listed to date). They are used in a wide variety of industrial applications: they can be found in cosmetics, perfumes, household cleaning products as well as in human foodstuffs, animal feed and in food supplements.

The *Deinococcus* bacteria is naturally endowed with capacities that make it conducive to such development, in particular the natural expression of carotenoids.

These compounds may, as such, be produced from wild bacterial strains or from strains where the expression of the targeted compound has been optimized.

Unlike ethanol, intended for bulk volume markets, carotenoids represent a more targeted market but which has higher added value. Some of these compounds can be commercialized for up to 3,000 euros/kg. The global carotenoids market is expected to reach 1.8 billion dollars by 2019².

In 2015, the DEINOCHEM project embraced a new target molecule: muconic acid. This acid is a chemical intermediate whose derivatives - caprolactam, terephthalic acid (a precursor to PET) and adipic acid - are widely used in the plastics industry (notably for automotive and packaging applications), the production of synthetic fibres for textiles and industry (mainly nylon) and food (acidifying agent). The combined global market value of these products is estimated to be worth several tens of billions of dollars.

¹ Allied Market Research, 2014

² Source: U. MARZ (July 2015) *The global market for carotenoids*. BCC Research

DEINOBIOTICS project

In addition to developing its research projects, DEINOVE also exploits the full potential of its exclusive 6,000-strain bank through its participation in the DEINOBIOTICS company, dedicated to researching and developing innovational antibiotics and antifungal compounds.

The exploratory work that DEINOVE has undertaken on its collection has highlighted the wealth and originality of the expression of new antimicrobial activities that are likely to provide new therapeutic solutions for the treatment of forms of infectious diseases that are increasingly resistant to traditional antibiotics, in particular nosocomial infections, an inadequately covered medical requirement.

This area of development was initially the purpose of the DEINOBIOTICS project and for which DEINOVE benefitted from financial support from OSEO Languedoc-Roussillon, from the Languedoc-Roussillon Regional Council and from the European Regional Development Fund (ERDF). Following its strategic decision to focus on biofuel and green chemistry research, DEINOVE created a dedicated structure in 2013, DEINOBIOTICS SAS, to which it transferred its antibiotic research assets. DEINOVE opened DEINOBIOTICS' capital to the HOLDING INCUBATRICE CHIMIE VERTE and currently holds 49% of DEINOBIOTICS SAS capital. Apart from providing strains (already done) for R&D, and operational monitoring (participation in Management Committees), DEINOVE has no obligations with regard to DEINOBIOTICS SAS.

DEINOBIOTICS has a real potential to generate value for DEINOVE, which will be seen once a first drug candidate has been identified.

DEINOVE business model

DEINOVE's business model is that of a technology company that makes its economic added value by transferring operating rights (product-by-product, application-by-application, area-by-area) of its proprietary processes to industrial third parties, yet continuing to have the right to, eventually, produce certain speciality compounds on a small-scale basis.

These licensing agreements stem from joint development agreements, phased at 2 to 3 years during which DEINOVE works on process development (tailoring its strains to the industrial partner's needs), then both partners work on scaling-up.

The licence covers a strain tailor-constructed for the given process and a collection of data known as the "process book" that describes strain implementation.

DEINOVE has three types of revenue:

- Research efforts undertaken within the framework of the R&D programme that are totally or partially covered by the industrial partner;
- An upfront payment (reach-through rights) and then royalties received on the sales of products stemming from DEINOVE's processes, within the framework of the licensing agreements;
- Public financing in the form of grants or repayable advances, granted by bodies supporting the research, such as Bpifrance, the ADEME and others.

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1 | 2 Selected Financial Information

(in thousands of euros)	2015	2014
Total operating revenues	492	156
Total operating costs	8,457	7,216
<i>of which Research and Development costs</i>	6,590	5,477
<i>of which administrative and general costs</i>	1,867	1,739
Operating profit/loss	-7,965	-7,060
Financial result	-14	-37
Current pre-tax profit/loss	-7,979	-7,097
Profit/loss from non-recurring items	-10	-735
Income tax (R & D tax credit)	-1,633	-1,374
NET PROFIT/LOSS	-6,356	-6,458
Net financial position	12,432	2,216
<i>of which financial investments¹</i>	0	0
<i>of which marketable securities (mat. < 1 year)</i>	0	0
<i>of which cash instruments (mat. < 3 months)</i>	0	0
<i>of which cash on hand</i>	12,432	2,216
<i>(of which financial debt)</i>	0	0
Total assets	17,327	6,953
TOTAL SHAREHOLDERS' EQUITY	14,593	4,745
<i>of which equity capital</i>	8,096	196
<i>of which repayable advances</i>	6,497	4,550

¹ Excluding Liquidity Agreement items (cash resources and own shares) and guarantees and deposits.

2 | MESSAGE FROM THE CHAIRMAN OF THE BOARD

As 2016 begins, the figure of 10.7 million euros springs to mind. This represents the amount that DEINOVE raised on the stock exchange at the end of 2015. This fundraising was a success and a sign of confidence from Company stakeholders, in particular, from its investors as regards DEINOVE's potential.

This success acknowledged the Company's technological breakthroughs: favourably completing key milestone 3 of the DEINOL project and successfully accomplishing one of its phases for pre-industrially producing 2G bioethanol in a 300-litre fermentation tank; the very promising progress made as regards the carotenoids project, which focuses on a range of high added value compounds and where some have almost reached their performance targets.

In 2015, DEINOVE successfully convinced new industrial partners to support its projects: Flint Hills Resources, a subsidiary of Koch Industries, one of the largest private companies in the world; and another American one: Tyton BioEnergy Systems, which is developing a cutting-edge raw material using its energy tobacco that meets the sector's sustainability challenges.

The distinction that *Biofuels Digest* [American magazine specialized in biofuels and green chemistry] awarded to DEINOVE in 2015 by ranking our Company as the leading French company and the second in Europe in the 40 Hottest Small Companies in the Advanced Bioeconomy is definite proof that: DEINOVE is increasingly recognized and is beginning to impose itself among the players which will revolutionize the plant chemistry value chain in the coming years.

The current below-normal-level oil prices underline the notion of duty that we are bound by to diversify our revenue horizons and to innovate even further. And, this is what DEINOVE constantly does. The Company's bacterial assets and its combined commodities/specialities strategy will secure its success; the latter is driven and protected by extensive patent coverage as regards applications and geographical areas.

2016 will be another step towards industrializing our processes. Our recruitment of a Director of Operations was undertaken with this aim in mind: roll out DEINOVE's technologies and accelerate industrial and commercial dynamics.

COP21 stressed the importance of implementing more responsible and more sustainable production patterns. DEINOVE is in the perfect position to become a major player in establishing this low-carbon economy.

Dr Philippe POULETTY
Chairman of the Board of Directors

3 | ANNUAL REPORT FROM THE BOARD OF DIRECTORS TO THE COMBINED ANNUAL GENERAL MEETING OF 10 MAY 2016

3 | 1 Activity and Key Events during the Period

During financial year 2015, the research teams pursued their efforts focusing on the three objectives corresponding to Company strategy:

- Continue to optimize and automate the DEINOVE metabolic and fermentation engineering platform
- Continue to improve the performances of the chassis bacteria selected for the DEINOL project, and diversify the raw materials used
- Accelerate the development of biosourced chemical compounds.

Metabolic engineering platform

Since the very beginning, DEINOVE has been continually investing in the development of a metabolic engineering platform, initially dedicated to *Deinococcus* bacteria and now extended to other bacteria in the strain bank. Its capacity and efficiency have been enhanced over time. As a result of these efforts, the Company now has an extremely sophisticated tool, which is used for strain design and for fermentation engineering.

Through the automation of the platform, the R&D teams are now able to generate up to 300 different strains per month. As such, DEINOVE is able to increase the number of research paths to explore and obtain proofs-of-concept within very short leadtimes. This is a significant advantage when engaging in talks with potential industrial partners.

During financial year 2015, a new cloning robot was installed.

This robot communicates with the CAD4Bio software which transmits the genetic constructions to be implemented and inserted into the strains. This software uses a comprehensive data base that references the genome of several dozen strains of *Deinococcus*, thousands of other strains and a myriad of genetic building blocks.

The platform has also been equipped with new analysers for monitoring bacteria metabolism and for better guiding it to the intended final product.

Finally, the Company enhanced its technical fermentation platform significantly by acquiring 20 additional fermentation tanks. This equipment offers DEINOVE researchers the opportunity to multiply the number of tests on different types of substrates and under different fermentation conditions, thus accelerating the development of strains devoted to each application.

DEINOL project for producing 2nd generation biofuels

As regards the DEINOL project, 2015 was marked by the successful completion of the 3rd and penultimate key milestone³, which triggered a payment of €1.2M from Bpifrance.

The completion of milestone 3 validates the progress made over the last few years, namely:

- Enhanced ethanol production performances: DEINOVE's unrivalled genetic and fermentation engineering expertise and tools led to the production of ethanol at 9%, using glucose.
- The enhancement of the strain's cellulolytic and hemicellulolytic activities, an ability that is inherent to *Deinococcus* and which significantly reduces the cost of hydrolysis, a prerequisite for fermentation.

³ Press release dated 8 July 2015

- The use of a variety of sources of carbon, in particular a very good co-assimilation of sugars (C6 and C5) from the 2G biomass – wheat straw, corn stover, urban waste – which led to a better production yield of ethanol from these miscellaneous industrial substrates. Several conclusive and replicate tests were undertaken on this basis in 20-litre fermentation tanks.
- The improvement in the tolerance of the strain to inhibitors that are common to 2G substrates.
- A gradual scale-up, from 250 mL to the laboratory pilot.
- The validation of a strain stability and conservation process, an edge that may be decisive at industrial level for making “starters”.

Research teams successfully completed several consecutive tests, in 2015, for producing ethanol using glucose and xylose, key components of 2G biomass, in 20-litre fermentation tanks. These results were then applied on the 300-litre scale on VTT's premises. In November, DEINOVE announced that this 300-litre test had been successful⁴. Ethanol level had reached 7.3% v/v, a level that complies with industrial standards. This phase represents a major step forward to industrializing the DEINOL process.

At the same time, the teams continued to work to expand the application capabilities of DEINOVE's technology by diversifying the types of substrates that could be used. The aim is to tailor the strain to more highly complex sugars and to improve its tolerance to inhibitors that are common to 2G substrates. Substrates from Abengoa, Suez Environnement, MBI and other interested industrial groups, likely to be potential partners, were used as a basis for these developments. These included in particular corn residues and sugar cane bagasse. As part of the joint project with Suez Environnement, tests were also carried out on several types of organic waste.

DEINOCHEM project for the production of biosourced chemical compounds

The aim of the DEINOCHEM project is to produce a wide variety of biosourced chemical compounds. In these high value-added markets, industrial players are actively questing for alternatives to petrosourced production, both for reasons related to consumer acceptability, cost and security of supply.

This project made quite a few significant developments over 2015.

In January, DEINOVE announced that it had successfully completed the key milestone 1 of its isoprenoid project, triggering a payment of €1M from the ADEME, in the form of a repayable advance⁵. Completion of this milestone validates the developments obtained in strain genetic engineering. First of all, construction throughput for modified strains was increased tenfold in less than a year, thus accelerating industrially-relevant strain production and tests. Secondly, DEINOVE's teams also furthered their identification of rate-limiting enzymes for optimizing the production of targeted isoprenoids. The license acquired from the INRA and Genoplante Valor for the key enzyme DXS contributed to these results.

In May, DEINOVE also announced that it had successfully completed milestone 1 of the COLOR2B project⁶, carried out in collaboration with the AVRIL Group (formerly known as SOFIPROTÉOL). The project, undertaken as part of the DEINOCHEM project, focuses specifically on the production of natural additives for animal feed. During this 1st phase, which lasted for 9 months, DEINOVE screened its 6,000-bacteria strain bank, which includes *Deinococci* and other genera, to identify 20 non-GMO strains capable of producing molecules of interest for animal health and nutrition. The project now continues with AVRIL Group teams who are working to characterize the molecules produced and carry out application tests. The aim of this new phase is to confirm each molecule's potential and to optimize production conditions.

In June, DEINOVE announced that it would reinforce the platform dedicated to carotenoids, an isoprenoid sub-family produced naturally by its strain bank bacteria. By fully structuring the bank, the Company has identified a wide range of carotenoids produced by bank-constituent bacteria. The Company concluded a strategic partnership with the Canadian company POS Bio-Sciences⁷ for extracting these high added value compounds. In October, the Company announced the developments made as regards this project⁸. It mentioned, in particular, the laboratory production of two new carotenoids, in

⁴ Press release dated 19 November 2015

⁵ Press release dated 21 January 2015

⁶ Press release dated 19 May 2015

⁷ Press release dated 16 June 2015

⁸ Press release dated 26 October 2015

addition to Deinoxanthin that *Deinococcus* produces naturally. These two new carotenoids, obtained by optimizing the strain genome are carotenoids that are already used in commercial applications: as a dye in the food industry, as a cosmetic ingredient and as a food supplement. Furthermore, these molecules, which can be qualified as platforms, pave the way to identifying other types of carotenoids: they can actually be transformed into other high added value carotenoids. DEINOVE has also launched regulatory processes for the approval of strains of interest, particularly in the United States, to accelerate commercialization by 2018.

In July, DEINOVE announced the launch of a new R&D platform for producing muconic acid⁹, a chemical intermediate whose derivatives - caprolactam, terephthalic acid (a precursor to PET) and adipic acid - are widely used in the plastics industry (notably for automotive and packaging applications), the production of synthetic fibres for textiles and industry (mainly nylon) and food (acidifying agent). The combined global market value of these products is estimated to be worth several tens of billions of dollars. DEINOVE teams succeeded in designing a *Deinococcus* bacteria capable of producing muconic acid. At the same time, the Company initiated discussions with several interested industrial groups, which are likely to become involved with this project. In September, it announced developments¹⁰ as regards this project: production of muconic acid from 2nd generation cellulose-based substrates and a fivefold increase in production levels in relation to the initial proof of concept.

In September, DEINOVE also announced a new technological and commercial partnership with Tyton BioEnergy Systems, an American world-class specialist in optimizing energy tobacco¹¹. The aim of this partnership is to combine the *Deinococci* bacteria capacities with this new type of substrate to produce compounds of industrial interest under favourable economic conditions. The project will begin by studying how *Deinococcus* assimilates this biomass, then the two companies will explore the various opportunities for working together on the range of biosourced chemical compounds that can be developed. They may make use of Tyton BioEnergy Systems' North American fermentation facilities. As such, DEINOVE is expanding its commercialization opportunities.

Finally, in November, DEINOVE announced a new R&D partnership with Flint Hills Resources (FHR) that focuses on animal nutrition¹². The programme targets the production of additives for animal feed using *Deinococcus* bacteria and raw material provided by FHR, an American company mainly active in biofuels, and a subsidiary of Koch Industries - one of the largest private companies in the world. During this 17-month project, DEINOVE will screen its 6,000-strain library to identify and optimize bacteria that are able to grow in good conditions using raw materials supplied by FHR and produce the targeted compounds in acceptable quantities. FHR will cover the costs related to the project. If successful, the two partners will study the terms for a licensing agreement for the technology developed during this project.

Intellectual property

During financial year 2015, DEINOVE added to its intellectual property portfolio with, in particular, the granting of 12 new patents:

- The "Process for chromosomal engineering using a novel DNA repair system" patent was granted in the United States;
- The "Use of bacteria for the production of bioenergy" was granted in the United States and in Australia;
- The "Methods for isolating bacteria" patent was granted in the United States and in Australia;
- The "Compositions and methods for degrading lignocellulosic biomass" patent was granted in the United States and in China;
- The "High metabolic performance bacteria" patent was granted in Japan;
- The "Recombinant bacteria and their use in ethanol production" patent was granted in the United States, in Japan and in China;
- The "Laccases and their uses" patent was granted in the United States.

⁹ Press release dated 21 July 2015

¹⁰ Press release dated 2 September 2015

¹¹ Press release dated 8 September 2015

¹² Press release dated 3 November 2015

Financing

The Company initiated several actions to reinforce its financing and to extend its cash flow horizon.

On 1st December 2014, DEINOVE announced the implementation of a new medium-term financing solution, in the form of an equity funding line, in four tranches over 3 years, for a maximum amount of 15 million euros, with KEPLER CHEUVREUX. The first tranche (for 3.5 million euros) was issued concurrently to concluding the agreement. KEPLER CHEUVREUX used this first tranche to subscribe for 500,000 shares, for a total amount of 3.4 million euros net. On 19 May 2015, DEINOVE issued the second tranche totalling 3.6 million euros, which was to extend over a maximum period of 7 months. DEINOVE reserves the right to refrain from issuing all of the tranches and/or to initiate other financing operations.

On 21 December 2015, DEINOVE announced the successful completion of a capital increase, with shareholders' preferential subscription right maintained, for 10,667,862 euros, through the issue of 2,370,636 new shares (1,873,590 new shares subscribed on an irreducible basis and 497,046 new shares subscribed on a reducible basis). This capital increase was oversubscribed by 128%. Consequently, the Company decided to fully exercise the extension clause of 15% of the initial offer, raising the number of new shares to be issued from 2,061,423 to 2,370,636 shares. Following the exercise of this clause, total gross proceeds of this transaction amounted to 10,667,862 euros, share issue premium included. The settlement and delivery as well as the admission to trading on the Alternext Paris market of the new shares took place on 23 December 2015.

Given this funding line, the current cash position, and resource estimates from contractual payments related to the completion of key milestones as well as the R&D Tax Credit (CIR), DEINOVE considers that it has the resources required to guarantee its financing until the end of 2017, without further recourse to the aforementioned equity funding line.

Management and governance

The Board of Directors met seven times during financial year 2015. The Audit Committee held two meetings and the Remuneration Committee met once.

At its meeting of 10 November 2015, the Board of Directors authorized the Chief Executive Officer of the Company to conclude a consultancy agreement between the Company and Dennis McGrew, Director, on behalf of the Company. This agreement is concluded for six (6) months from the moment it is approved by the Board, and automatically renewable for further periods of six (6) months.

The Management Committee took note of the departure of Mr Nagib Ward from his position as Vice-President, Director of Marketing and Business Development.

In October 2015, two new members joined the Management Committee:

- Marie Bézenger, Director of Operations, and;
- Dennis McGrew, Chief Business Officer.

Organization and location

Following its move to new premises located in Montpellier Urban Community's Biopôle Euromédecine (Euromedicine cluster) in October 2013, DEINOVE continued to equip its laboratories and, more particularly, exercised an option of its lease to rent additional space to reinforce its fermentation and analysis platform. At present, DEINOVE has 1,500 m² of fully-integrated laboratories.

Equity position at 31st December 2015

At 31st December 2015, Company equity amounted to +8,096,025 euros.

The Company stresses that the accounts for the financial year ended on 31st December 2014 recorded equity that was less than half of the share capital. The General Meeting of Shareholders was, as such, consulted to reach a decision as to the continuation of the business, pursuant to Article L. 225-248 of the French Commercial Code. At the General Meeting of 6 May 2015, the shareholders decided not to vote for the early dissolution of the Company. At 31st December 2015, and at the

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date of the report hereof, Company equity is no longer less than half of the share capital. Consequently, at the next General Meeting, the Company will propose to its shareholders to acknowledge the reconstitution of its equity.

3 | 2 Financial Results

Operating revenues

The Company received a €236K operating grant from Bpifrance following the completion of key milestone 3 of the DEINOL project. Operating revenue for financial year 2015 also includes invoicing that DEINOVE made to certain partners as part of research partnership agreements, namely AVRIL (formerly known as SOFIPROTEOL) and SUEZ ENVIRONNEMENT, totalling €209K. Finally, the Company received €30K in grants from the CIFRE (Industrial Agreement for Training through Research) and aid for recruitment, as well as €17K from other revenue. Details are given under Note 14 of the report hereof.

Operating costs

(in thousands of euros)	2015	2014
Provision of raw materials and other supplies	0	-9
Other expenses and external expenses		
External studies, subcontracting, scientific consulting	1,922	1,320
Supplies	580	523
Rent, maintenance, servicing costs	542	354
Miscellaneous costs	181	179
Documentation, technological monitoring and seminars	42	59
Fees	907	856
Travelling expenses and assignments	196	250
Total other expenses and external expenses	4,371	3,542
Taxes and similar levies	72	63
Salaries and wages	2,211	2,031
Social contributions	1,019	939
Depreciation charges on fixed assets	634	540
Other expenses	150	110
TOTAL OPERATING COSTS	8,457	7,216

During financial year 2015, DEINOVE spent €8,457K on operational activities, including 78% on R&D.

The net variation for *Operating costs* between financial years 2014 and 2015 stands at +€1,241K, i.e. +17%. It comes mainly from increases:

- of +€830K, i.e. +23%, for *Other expenses and external expenses* (€4,371K vs. €3,542K); and
- of +€402K, i.e. +11%, on other costs (€4,085K vs. €3,683K), which mainly consists of staff expenses and depreciation.

Under “Other expenses and external expenses”, it was primarily the increase of +€602K, i.e. +46% for the “External studies, subcontracting, scientific consulting” item, which can be mainly explained through invoicing from our industrial partner

ABENGOA (DEINOL project) and from VTT, the Technical Research Centre of Finland (mainly DEINOCHEM), with a total increase of +€850K. The costs for sequencing (Genostar, GATC, Charles River, etc.) decreased by -€303K; the remainder of the difference for this section, i.e. a net of +€55K, comes from significantly smaller variations.

The “Rent, maintenance, servicing costs” item increased by +€188K, i.e. +53%. Half of this increase can be explained by the conclusion of leasing agreements for two pieces of scientific equipment. Corresponding rents amounted to €93K for financial year 2015. As regards the Cap Sigma premises, rent increased by +€70K, related to the increase in the main rent pursuant to the terms provided for in the initial lease, and to the additional rent, related to the 436 m² extension on the 2nd floor of the building (which increased the total surface area to 1,490 m², as of 1st October 2015). Consequently, rental charges also increased, +€10K. Finally, servicing and maintenance costs, related to the surface areas rented and to the scientific equipment, increased by +€11K, and occasional rent by +€4K.

The increase of +€57K for “Supplies” was mainly from prepayments recorded following an inventory for laboratory consumables. The Company carried out the 1st inventory of this type in 2014; the impact on this section for the previous financial year was highly positive. For the 2nd inventory, carried out at the end of 2015, only the net variation of prepayments (+€169K) was added to invoicing for the period (-€112K).

The increase in the “Fees” item, totalling +€51K (which included +€54K for advice in the regulatory field), i.e. +6%, was more than offset by the -€53K reduction, i.e. -21% in “Travelling expenses and assignments” costs.

The “Documentation, technological monitoring and seminars” item decreased by -€17K, i.e. -29%, mainly as a result of a decrease in congress and seminar costs. Finally, the “Miscellaneous costs” item showed a marginal variation, at +€2K.

DEINOVE continued to develop its organization and its R&D facilities, with an average of 47.4 full-time equivalent staff in 2015 vs. 43.7 in 2014. Hence, the increase of +€260K (+9%) for “Salaries and wages / Social contributions”, of +€93K (+17%) for “Depreciation charges on fixed assets” and of +€9K (+15%) for “Taxes and similar levies”.

Finally, the increase in “Other expenses”, totalling +€40K (+36%) comes mainly from the net between royalties on concessions & patents (+€53K) and attendance fees (-€14K).

Financial results

(in thousands of euros)	2015	2014
Financial revenue	67	83
Financial costs	81	120
FINANCIAL RESULTS	-14	-37

Financial results for the financial year, totalling a net amount of -€14K, comprised:

- The results of the transactions undertaken on DEINOVE’s own shares as part of the Liquidity Agreement, which resulted in a net loss of -€39K (vs. a loss of -€76K in 2014);
- Interest of +€35K that DEINOVE received on cash investments (vs. +€41K in 2014);
- Net from exchange operations, i.e. a loss of -€10K (vs. -€2K in 2014).

Net result

(in thousands of euros)	2015	2014
Operating profit/loss before tax	-7,979	-7,097
Profit/loss from non-recurring items	-10	-735
Income tax (tax credit)	-1,633	-1,374
PROFIT OR LOSS	-6,356	-6,458

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The change in the Profit/Loss from non-recurring items, up by +€725K, is due to:

- The recording of €735K for Expenses from non-recurring items incurred in 2014, which can be broken down as follows:
 - €719K of costs relating to the capital increase for which the Company announced its cancellation in early July 2014;
 - €10K of costs relating to previous financial years (*forfait social* (corporate contribution) / attendance fees);
 - €5K of provision for risks and charges;
 - €1K of exceptional depreciation.
- The recording of €10K for Expenses from non-recurring items incurred in 2015. This comes from a provision for risks and charges related to a technical tax point;
- The absence of any change under Revenue from non-recurring items (€0K at 31/12/14, identical at 31/12/15).

In terms of taxation, DEINOVE considers it acquired a R&D Tax Credit (CIR) for €1,641K for financial year 2015. The tax credit for financial year 2014 was estimated at €1,594K, and it was finally €1,577K that DEINOVE received in October 2015, following a request for correction from the French tax authorities, i.e. a negative impact of -€17K related to the tax credit from the previous financial year. In 2014, this impact stood at -€38K, i.e. €1,275K of 2013 tax credit collected (in August 2014) vs. €1,313K provided for at 31/12/13. The net variation on these tax credit adjustments (provided for vs. received) amounts, as such, to +€21K, whereas the one on the recorded provisions for the credit for the financial year stands at +€47K.

In July 2013, DEINOVE had filed a corrective request to the French tax authorities, concerning the R&D tax credit (CIR) receivables for financial years 2010 and 2011, for an amount of €658K. This amount, which was totally provisioned as Proceeds receivable in the accounts closed on 30/06/13, was repeated in the accounts closed on 31/12/13. At the beginning of 2014, this outstanding amount was audited by the French tax authorities, as part of the normal procedural framework. For this purpose, the French tax authorities had instructed a scientific expert, via the MESR (French Ministry for Higher Education and Research). The expert report was transmitted to the Company at the end of July 2014, and based on the conclusions of the aforementioned report, DEINOVE received a 1st payment of €381K, at the end of August 2014. In December 2014, the Company transmitted additional information to the French tax authorities, in order to receive part of the residue of €278K, i.e. an amount of €77K specifically related to financial year 2011. This represented a net book loss of -€200K for financial year 2014. As the €77K provisioned at 31/12/2014 was fully paid in September 2015, no actual/provision difference was recorded. Thus, the 2015/2014 comparison, for this specific case (and regularized) concerning 2010 and 2011 R&D tax credit (CIR) corrective requests, showed a positive variation of +€200K.

Consequently, under the R&D tax credit (CIR), the net variation vs. 2014 stood at +€267K.

A difference of -€8K was added pertaining to the other Tax Credits (Business Prospection, Apprenticeship).

Hence, a positive delta of +€259K for Corporate Tax.

3 | 3 Financial Position

In 2015, the Company's financial requirements mainly focused on operational expenditure, which totalled €7,823K (excluding provisions for depreciation amounts), as well as on investment in equipment, which totalled €703K. To cover this, DEINOVE used in particular €1,577K of the 2014 R&D tax credit (CIR) and €77K of the 2011 R&D tax credit (CIR) (cf.above) paid respectively in October and September 2015, as well as €991K of aid received in February from the ADEME for the DEINOCHEM project and €1,242K received from Bpifrance for the DEINOL project. In addition, the Company received a total of €4,574K (net of fees) following the subscription by KEPLER CHEUVREUX of shares that were newly issued under the Equity Financing Agreement initiated on 1st December 2014. Finally, following a capital increase with shareholders' preferential subscription right maintained, announced on 27 November and for which settlement and delivery took place on 23 December 2015, the Company received a total of €10,021K (net of a portion of expenses and fees) on this date.

Consequently, and mainly as a result of this fundraising, DEINOVE's net financial position (its year-to-date cash position and financial investments) appreciated by €10,216K between 01/01/15 and 31/12/15.

At 31/12/15, the financial resources available for financing activities could be broken down as follows:

- €11,932K in cash on current accounts, broken down to €11,913K from the Société Générale and €19K from the Interaudi Bank (a bank account opened by the Company in the United States at end 2013).
- €500K of term accounts opened with the Société Générale (amount immediately available without capital loss and, as such, recorded under "Cash in hand" in the table here below).

Equity funding line

On 1st December 2014, DEINOVE announced the implementation of a new medium-term financing solution, in the form of an equity funding line, in four tranches over 3 years, for a maximum amount of 15 million euros, with KEPLER CHEUVREUX.

By a decision dated 2 February 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:

- i. A 10,400 euros capital increase (176,020 euros issue premium included), through the issue of 26,000 shares, at a unit price of 6.77 euros, i.e. with a share issue premium of 6.37 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- ii. A 12,000 euros capital increase (203,100 euros issue premium included), through the issue of 30,000 shares, at a unit price of 6.77 euros, i.e. with a share issue premium of 6.37 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iii. A 10,000 euros capital increase (175,250 euros issue premium included), through the issue of 25,000 shares, at a unit price of 7.01 euros, i.e. with a share issue premium of 6.61 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iv. A 4,000 euros capital increase (61,300 euros issue premium included), through the issue of 10,000 shares, at a unit price of 6.13 euros, i.e. with a share issue premium of 5.73 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014; and
- v. A 8,000 euros capital increase (114,200 euros issue premium included), through the issue of 20,000 shares, at a unit price of 5.71 euros, i.e. with a share issue premium of 5.31 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

By a decision dated 26 March 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:

- i. A 8,000 euros capital increase (110,600 euros issue premium included), through the issue of 20,000 shares, at a unit price of 5.53 euros, i.e. with a share issue premium of 5.13 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- ii. A 12,000 euros capital increase (171,300 euros issue premium included), through the issue of 30,000 shares, at a unit price of 5.71 euros, i.e. with a share issue premium of 5.31 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iii. A 8,000 euros capital increase (123,600 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.18 euros, i.e. with a share issue premium of 5.78 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iv. A 12,000 euros capital increase (195,600 euros issue premium included), through the issue of 30,000 shares, at a unit price of 6.52 euros, i.e. with a share issue premium of 6.12 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- v. A 40,000 euros capital increase (702,000 euros issue premium included), through the issue of 100,000 shares, at a unit price of 7.02 euros, i.e. with a share issue premium of 6.62 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- vi. A 40,000 euros capital increase (702,000 euros issue premium included), through the issue of 100,000 shares, at a unit price of 7.02 euros, i.e. with a share issue premium of 6.62 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014; and
- vii. A 12,000 euros capital increase (244,200 euros issue premium included), through the issue of 30,000 shares, at a unit price of 8.14 euros, i.e. with a share issue premium of 7.74 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

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By a decision dated 3 June 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:

- i. A 14,000 euros capital increase (246,050 euros issue premium included), through the issue of 35,000 shares, at a unit price of 7.03 euros, i.e. with a share issue premium of 6.63 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- ii. A 9,600 euros capital increase (182,400 euros issue premium included), through the issue of 24,000 shares, at a unit price of 7.60 euros, i.e. with a share issue premium of 7.20 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;

These “Tranche 1 BSA”, whose exercise was acknowledged by the Board of Directors on 3 June 2015, were the last remaining of the Tranche 1 BSA issued by the Decision of the Chief Executive Officer dated 1st December 2014, under the terms of which the Chief Executive Officer had decided to issue 500,000 Tranche 1 share warrant plans (the “Tranche 1 BSA”) under the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

By decision dated 13 May 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 20 November 2014, in accordance with the delegation of authority granted to him by the General Meeting of Shareholders on 6 May 2014) issued 600,000 share warrant plans, referred to as “Tranche 2 BSA”, giving the right to subscribe 600,000 DEINOVE shares under the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

By decision dated 22 September 2015, the Board of Directors, in accordance with the delegation of authority and powers granted by the Combined General Meeting of 6 May 2014, acknowledged:

- i. A 8,000 euros capital increase (132,800 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.64 euros, i.e. with a share issue premium of 6.24 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- ii. A 6,000 euros capital increase (98,550 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.57 euros, i.e. with a share issue premium of 6.17 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iii. A 4,000 euros capital increase (63,700 euros issue premium included), through the issue of 10,000 shares, at a unit price of 6.37 euros, i.e. with a share issue premium of 5.97 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iv. A 10,000 euros capital increase (171,500 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.86 euros, i.e. with a share issue premium of 6.46 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- v. A 6,000 euros capital increase (106,200 euros issue premium included), through the issue of 15,000 shares, at a unit price of 7.08 euros, i.e. with a share issue premium of 6.68 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- vi. A 6,000 euros capital increase (91,050 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.07 euros, i.e. with a share issue premium of 5.67 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- vii. A 10,000 euros capital increase (158,000 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.32 euros, i.e. with a share issue premium of 5.92 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- viii. A 14,000 euros capital increase (237,650 euros issue premium included), through the issue of 35,000 shares, at a unit price of 6.79 euros, i.e. with a share issue premium of 6.39 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

By decision dated 25 November 2015, the Board of Directors, in accordance with the delegation of authority and powers granted by the Combined General Meeting of 6 May 2014, acknowledged:

- i. A 10,000 euros capital increase (156,500 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.26 euros, i.e. with a share issue premium of 5.86 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- ii. A 6,000 euros capital increase (91,050 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.07 euros, i.e. with a share issue premium of 5.67 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;

- iii. A 8,000 euros capital increase (123,000 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.15 euros, i.e. with a share issue premium of 5.75 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- iv. A 8,000 euros capital increase (123,000 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.15 euros, i.e. with a share issue premium of 5.75 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- v. A 6,000 euros capital increase (90,000 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.00 euros, i.e. with a share issue premium of 5.60 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
- vi. A 10,000 euros capital increase (155,000 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.20 euros, i.e. with a share issue premium of 5.80 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

Capital increase with preferential subscription right maintained

By decision dated 21 December 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 25 November 2015, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) carried out a capital increase with preferential subscription right maintained for a total nominal amount of 948,254.4 euros, through the issue of 2,370,636 new shares with a nominal value of 0.40 euro each, i.e. a total amount of 10,667,862 euros, share issue premium included.

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Statement of financial position

ASSETS (in thousands of euros)		LIABILITIES (in thousands of euros)	
FIXED ASSETS		EQUITY	
Intangible assets	117	Capital	3,422
Concessions, patents, licences, software, rights and the like	117	Share, merger and contribution premiums	28,416
Tangible assets	1,055	Statutory reserves	0
Technical facilities, industrial equipment and tooling	806	Carry-forward	-17,386
Other tangible assets (inclu. under construction)	249	Profit or loss for the period	-6,356
Financial assets	797	TOTAL	8,096
Equity investments	631	OTHER EQUITY	
Other financial investments	165	Conditional advances	6,497
TOTAL	1,968	TOTAL	14,593
		PROVISIONS FOR RISKS & CHARGES	15
CURRENT ASSETS		TOTAL	15
Receivables	2,197	LIABILITIES	
Advances and prepayments / orders	196	Loans and financial liabilities – Others	0
Cash instruments	0	Trade payables (inclu. assets) and related	1,787
Cash in hand	12,432	Outstanding taxes and social contributions	925
Pre-paid expenses, Conversion rate adjustments	534	Other liabilities	7
TOTAL	15,359	TOTAL	2,719
TOTAL ASSETS	17,327	TOTAL LIABILITIES	17,327

Trade payables:

At 31st December 2015, trade payables, recorded as liabilities totalled €1,677K (vs. €764K at 31/12/2014) and comprised:

- €1,459K for invoices received pending settlement (€499K at 31/12/14);
- €217K for accrued invoices (€265K at 31/12/14).

TRADE PAYABLES AT 31/12/15

(in thousands of euros)	Total	Outstanding	Due 01/16	Due 02/16	Due 03/16
Trade and other payables	1,459	759	479	221	0

TRADE PAYABLES AT 31/12/14

(in thousands of euros)	Total	Outstanding	Due 01/15	Due 02/15	Due 03/15
Trade and other payables	499	70	359	56	14

The substantial increase in Trade payables recorded in the accounts at 31/12/15 comes from the following two items:

- Invoicing from industrial partner ABENGOA, totalling €509K, remaining outstanding;

- A total of €429K of invoices, related to the capital increase with PSR maintained from December 2015. This comes mainly from external communication costs (purchases of press, Internet, radio space, etc.).

The other Trade payables totalled €522K, i.e. an amount comparable to those of the previous financial years.

3 | 4 Post Year-End Events

- o **DEINOCHEM project: Major progress in the carotenoids project**

In February 2016, DEINOVE announced that it had made progress in the development of carotenoid-hyperproducing strains.

First of all, the optimization of the strain by the high-throughput genetic engineering platform increased product yields six- to eightfold leading to satisfactory levels for subsequent scale-up for some of these molecules.

Secondly, identification of the enzymes involved in the production of different carotenoids allows the production of 3 additional molecules of the same family, from the 2 platform molecules initially produced¹³. Today, with 5 carotenoids produced in our laboratories, the range of molecules and, as such, the markets targeted has been diversified. These 5 molecules are already used commercially in cosmetics, food supplements and animal feed applications. DEINOVE's goal is to offer a competitive biosourced alternative for industrial groups by developing a range of natural carotenoids (unlike the current production, which is mainly petrosourced) produced by biotechnological processes and offering significant advantages in terms of supply stability, consistent high quality, conservation of natural resources and also costs.

- o **DEINOVE strengthens its international intellectual property significantly and confirms its value creation strategy**

On 18 February 2016, DEINOVE announced that it had received confirmation that its "Bacteria and uses thereof" patent had been granted in the United States. This patent family had not been granted anywhere in the world before. This patent refers to the metabolic diversity of *Deinococcus* and protects the production of compounds of interest, such as ethanol, proteins, enzymes or drugs from *Deinococcus*.

DEINOVE also announced that 9 other patents had been granted. The Company restated the importance of patent protection, a value creation component which strengthens its position as regards partnerships developed with industrial players.

- o **DEINOVE and Arbiom join forces**

On 14 March 2016, DEINOVE announced that it had begun a partnership with Arbiom, a French-American biorefinery specialized in transforming forest residues. Both companies decided to combine their technologies to provide an across-the-board value proposition. Following an initial phase for characterizing the ARBIOM biomass and for assessing the potential of *Deinococcus* bacteria to assimilate sugars extracted from this biomass, further tests will be conducted to define the molecules that can be produced by fermentation.

3 | 5 Prospects for the Future

In 2016, DEINOVE intends to pursue its development in its different strategic areas:

¹³ See press release dated 26 October 2015

DEINOL project

DEINOL achieved major milestones in 2015, notably the initial preindustrial scaling-up phase (300L) using glucose and xylose. The Company is now preparing the next steps for industrialization.

First of all, the Company is focusing on optimizing various production parameters (yield/productivity) to achieve consistent results compatible with industrial production requirements. To this end, the teams are optimizing the strain and the stability of its metabolic pathways in the laboratory, hand-in-hand with its technological partners.

Moreover, the number of tests on industrial substrates and, in particular, on substrates from industrial partners has been stepped up.

In 2015, the R&D teams focused on characterizing the different types of organic waste that could be used in the fermentation process and on analysing the conditions for growth of the bacteria on these substrates. Experiments are being pursued for optimizing the assimilation of sugars from this biowaste and for producing ethanol from these sugars.

Testing, hand-in-hand with Abengoa and MBI, focuses on agricultural residues (mainly corn stover). MBI does not intend to commercialize DEINOVE's technology, which is more so a validation platform for scaling up 2G substrates. During 2015, testing was undertaken in DEINOVE's laboratories to tailor the *Deinococcus* strain to MBI substrates, pretreated using the AFEX method. 2016 will be marked by transferring technology to MBI's facilities, where strain optimization will be pursued (resistance to inhibitors, assimilation of sugars) and various parameters will be assessed such as enzyme savings made by using *Deinococcus* (which performs part of the cellulose/hemicellulose hydrolysis itself).

DEINOVE's goal is to deliver a technologically and economically-competitive solution by 2018.

DEINOCHEM project

The isoprenoid-focused DEINOCHEM project continues working towards key milestone 2, which should be validated in 2016.

Research has been undertaken in particular on carotenoids, part of the isoprenoid family, and major progress has been made over the last few months. The R&D teams successfully produced 5 different carotenoids in our laboratories; some of which demonstrate satisfactory yield levels for scaling up.

The next steps in the project will focus on:

- Increasing final yields and production volumes;
- Developing extraction and purification processes for these carotenoids to obtain a marketable product;
- Validating the functional benefit of the molecules produced;
- And, continuing regulatory processes for the approval of strains of interest.

The Company intends to commercialize its first batches of target compounds in 2018.

- In 2015, DEINOVE launched its project on muconic acid, a multi-application chemical intermediate used as a basis for manufacturing biosourced plastics and fibres for textiles.

This project, which covers a longer-term perspective (4- to 5-year project), will be structured in 2016, a year where the teams will work on increasing production yields. DEINOVE has also initiated discussions with industrial groups likely to become involved with this project.

- Following validation of milestone 1, the project with Avril continues.

Strain selection was refined to focus on the most promising strains that produce compounds of interest for animal feed and meet the criteria of the specifications drawn up by Avril. In 2016, DEINOVE teams will strive to produce the quantity of bacterial biomass required for Avril to carry out functional tests. The strains selected will be tested on animals to assess the nutritional impact of the compounds produced. At the same time, DEINOVE teams will work on optimizing the production yields of target compounds using the strains selected.

- Strain screening for Flint Hills Resources is also underway.

The aim is to select bacteria, from DEINOVE's strain library, which are able to grow in good conditions using raw materials supplied by Flint Hills Resources and produce the targeted compounds (a category of additives for animal feed) in acceptable quantities. Strain selection and optimization continues through 2016.

- Finally, the tests on Tyton BioEnergy Systems' (energy tobacco) biomass continue.

This partnership, which was announced in September 2015, aims to combine the *Deinococci* bacteria capacities with a new type of substrate, energy tobacco, to produce compounds of industrial interest. Prior to selecting the final molecule that will be targeted, the two companies have been working together to find a synergy between Tyton BioEnergy Systems' substrate and DEINOVE's bacteria. The first tests on how *Deinococcus* assimilates this biomass were carried out on a small-scale basis. The next step is to replicate these results in larger-sized fermentation tanks.

Engineering platform and strain bank

After significant investments made over the last few years, DEINOVE considers that it now has a solid technology base for pursuing its developments. Strain construction and cloning automation work and stepping up the number of tests in fermentation tanks will continue to accelerate the development of the various projects even more.

Significant work has also been initiated to screen the 6,000 bacteria contained in the Company's strain bank, to identify all molecules of interest that may be produced. The first results obtained concern molecules with the ability to colour, antioxidantize, texture or moisturize... The screening work will be carried out throughout 2016 and promoted with potential partners.

As regards financing for its future operations, the Company considers that its needs are covered until the end of the 4th quarter 2017. This estimation does not take into account the capital increases that may be made through the equity line concluded with KEPLER CHEUVREUX on 1st December 2014.

3 | 6 Information on the Risks and Uncertainties the Company Faces

On the occasion of its IPO on Alternext in April 2010, DEINOVE presented the risk factors that could potentially impact it in the Basic Document that was registered by the French Financial Markets Authority (AMF) on 25 March 2010, under number I.10-014 and which is available on its website. More recently, the aforementioned risk factors were updated in the Reference Document, registered by the French Financial Markets Authority (AMF) on 26 November 2015, under number R. 15-081. They are detailed under Chapter 4 of this document and are also available on the Company website.

In this section, we reiterate the greatest risks and threats that the Company faces, and those that are most relevant given the recent changes in its environment and activities.

Operational-related risks

As DEINOVE has not yet begun to commercialize the technologies that it has developed, its revenue stream mainly consisted of official development aid operating grants. These grants do not, however, cover all of the Company's operating expenses and this has led to net losses, after tax, totalling an aggregate €23.7M from the date of inception of the Company until 31/12/2015. Notwithstanding, losses incurred during financial years 2007 to 2009, totalling €2.0M, were cleared under a capital reduction procedure. Consequently, the 'Carry-forward' accounting balance, recorded in the Company's Balance Sheet, corresponds to the aggregate loss total from financial years 2010 to 2014, i.e. €17.4M, a net loss of €6.4M was, moreover, recorded for financial year 2015.

In addition to the funds raised during its IPO, namely total net issuing fees of €11.3M, and thanks to the public aid that it has used (including repayable advances and the R&D tax credit (CIR) payments), and to the additional funds raised via the PACEO® solution, implemented end 2013, then via the Underwriting Agreement concluded with KEPLER CHEUVREUX in December 2014, and the funds raised during the capital increase in December 2015, DEINOVE had a positive net financial position at 31/12/2015 of €12.4M. In addition to this, the Company has received commitments from public bodies for aid and

grants for 2016 to 2017, subject to the lifting of suspensive conditions, amounting to €4.4M (including €3.4M aid from the ADEME (French Environment and Energy Management Agency) for its DEINOCHEM project).

The Company is confident that it has sufficient resources to finance its activities end 2017, in the current configuration of its projects, without further recourse to the aforementioned equity funding line.

However, if its technological platform optimization programme leads the Company to identify new promising areas of development of interest, it will need further resources to initiate new projects. In this case, the Company would need to raise additional funds via the market or from private investors, as under current conditions it is highly unlikely that it would qualify for a bank loan or that it would be able to obtain public aid that would cover all of its financial needs.

This situation could also arise if the Company's current and future projects, in particular those involving partners, required more time than initially planned, for example when finalizing the scale-up of a production process using DEINOVE-developed technology. Delays could mean that an operation to refinance the Company would need to be initiated, most probably through a capital increase.

If the necessary funds were unavailable, the Company would need to take the following steps:

- Scale back or even cancel R&D programmes or reduce its staff numbers;
- Obtain funding through agreements or partnerships that may require it to relinquish its rights to certain technologies or processes, which it would not have done if the situation was different;
- Grant licences or conclude new collaborative agreements whose terms and conditions may be less favourable than those it would have obtained if the situation was different;
- Consider the possibility of transferring company assets or even merging with another company.

Moreover, shareholders may be diluted should the Company decide to raise capital by issuing new shares or other financial instruments that could provide investors with access to its capital in the long term.

Risk of dependency on key staff

The Company's activity and the success of its projects largely depend on the work and expertise of its directors and key scientific staff. This includes, in particular, the founder and Chairman of the Board of Directors, Dr Philippe POULETTY, the Chief Executive Officer Mr Emmanuel PETIOT, the Director of Research and Development Pr Jean-Paul LEONETTI, the Director of Finance and Administration Mr Julien COSTE, the Director of Operations, Mrs Marie BÉZENGER and the Chief Business Officer, Mr Dennis McGREW. The loss of these skills could modify the Company's ability to achieve its objectives.

Moreover, the Company regularly needs to hire qualified scientific and technical staff for its developments and industrialization. Since its IPO in 2010, staff numbers have increased from 15 to 50. As the Company continues to grow, it may need additional competencies. The Company competes against other companies, groups, research bodies and academic institutions when recruiting and retaining its highly-qualified scientific, technical and managerial staff. Insofar as competition is developing fast in the biotechnology field, the Company might not be able to attract or retain this key staff with economically-acceptable conditions.

The Company's possible inability to retain these key individuals could prevent it from achieving its objectives and would thus have a significantly deleterious impact on its activity, its prospects, its financial situation, its results and its development.

To reduce this risk, DEINOVE has implemented company profit sharing systems via stock option plans (BSPCE) and share warrant plans (BSA) that provide their beneficiaries with an incentive to contribute to the Company's success. These plans are described in the attached Accounts Appendix.

Risks related to strain and process development delays or failure

DEINOVE is currently the only company in the world to project systematic use of *Deinococcus* bacteria, a genre that has been rarely studied, has not yet been exploited and whose genetic and metabolic characteristics and performance have been shown to be unique.

As an initial area of development, DEINOVE chose to elaborate biofuel production processes that represent a total break with the existing technologies in this field (DEINOL project).

The second area of development focuses on processes that exploit the properties of *Deinococcus* for producing non-petrosourced chemical intermediaries (green chemistry field – DEINOCHEM project).

The challenge in both projects is to elaborate an industrial production process using a genetically modified or non-genetically modified micro-organism that has the ability to hydrolyze complex cellulose and hemicellulose-based substrates, obtained from biomass, and to ferment the simple sugars that result from biomass digestion.

This implies studying the bacteria to identify its gene pool and metabolic pathways, developing a metabolic and fermentation engineering platform to optimize its performances and then developing processes for industrially applying the micro-organism in an economically competitive way.

The third area of development focuses on diversifying the applications to optimize DEINOVE's strain bank, in particular by:

- identifying antibiotic structures that are naturally produced by the Company's strain bank bacteria and that could serve as a basis for developing new antibiotics and antifungal compounds for fighting infections that are resistant to currently-available compounds. This activity was transferred to DEINOBOTICS, a company in which DEINOVE holds 49% of capital, at end 2012;
- working on plastic bioremediation as part of the THANAPLAST™ collaborative project (where the company CARBIOS is the leader), and where the first phase will be to ensure that the enzymatic activity of the *Deinococcus* strains helps degrade certain plastics.

Each of these areas of development entails risk (metabolism less adapted than hoped for as regards the molecules in question, toxicity of end-products and intermediates that prevent or slow down strain development, delays in key equipment deliveries, etc.) and the Company may encounter technological issues. Moreover, although the Company masters its technologies in the laboratory, the process industrialization phase has yet to begin and there is no guarantee that the Company will manage to develop production techniques that are economically-competitive when compared with existing alternatives or alternatives that are currently under development.

The issues encountered during the various stages of the projects could result in delays that would cause the Company to lose its competitive edge or that could prompt it to call into question the relevance of the project itself.

Any delay in carrying out these projects would result in its current R & D studies being placed on the back burner, and this in turn would delay the validation and implementation of the relevant pre-industrial pilots. Failure at an intermediary stage could strip the process of its competitive edge, and in turn its large-scale commercialization opportunities. In such a case, the process could only be commercialized on an appreciably smaller niche market, or its exploitation may be literally abandoned.

If abandoning a major scientific project was to conclusively call into question the viability of the Company's business model, it would then be necessary to consider the most optimal way of taking advantage of the assets that the Company would have accrued at the date this is observed and to consider measures, such as transferring some or all of these assets to minimize the impact of such a situation on shareholders.

The outcome of a viable process will be highly-dependent on the conversion yield of sugars in the end product and on the cost of raw materials (and its evolution over time). For example, significant increase in the price of sugar could lead to more substantial optimization of the strains to improve yields.

Risks arising from uncertain patent protection and protection of other intellectual property rights

For its innovative biotechnology activity to be successful, the Company's future licensors, licensees and the Company itself will need to be able to obtain, maintain, and enforce their patents and intellectual property rights in Europe, the USA and other countries.

The DEINOVE patent portfolio includes 19 patent families (PF1 to PF22) and 170 patent applications in place at a national level. Nine patent families (from PF1 to PF9) have already been granted in different geographical areas, resulting in over 60 patents granted.

We cannot exclude the fact that:

- the patents that are pending, including some that are of major significance in a number of jurisdictions, might not be granted;
- the protection conferred by a patent may not be sufficient to protect the patented invention against competitors;

- third parties could claim rights to patents or to other intellectual property rights that are held by our Company.

Granting a patent does not guarantee its validity or its applicability, both of which third parties could potentially cast doubt on. In the field of biotechnology, whether or not a patent will be granted and whether or not it will be applicable are both major imponderables that raise complex legal and scientific issues. No uniform worldwide policy has so far emerged in terms of the contents of biotechnology patents that are granted and/or the permitted scope of their claims. It may be necessary to take legal action to enforce the Company's intellectual property rights, protect its trade secrets, and/ or determine the validity and scope of its intellectual property rights. Any litigation would be financially burdensome, would cut into Company profits, and may not result in the Company obtaining the desired level of intellectual property rights protection. Rivals could challenge patent granting before a court of law or through other proceedings, which could result in reducing the scope of the Company's patents if they were successful. Moreover, these patents could be successfully counterfeited or circumvented through independent innovations.

Consequently, the Company cannot be sure that:

- currently pending patents result in actual patents being granted;
- patents that are granted or licensed to the Company or to its partners are not contested by third parties or declared invalid by a competent court;
- the scope of the protection conferred by the patents is sufficient to protect the Company from competitors, even if it deems this to be a minor risk due to the broad scope of claims contained in the patent applications;
- its products are not counterfeits or alleged to be counterfeits of patents held by third parties, even if no prior rights were identified during the prior art investigations carried out by the Company and its advisors;
- third parties do not take legal action or claim an intellectual property right on the patents or other intellectual property rights held by the Company.

Moreover, certain patents that the Company may possibly use may be held by third parties to which the Company granted a licence. This is in particular the case under partnership agreements concluded by the Company. Furthermore, certain intellectual property rights that the Company uses may have been, or could be, jointly developed and be co-owned with third parties, in particular under partnership agreements concluded by the Company. The Company is, therefore, exposed to a risk of dependency vis-à-vis other co-owners in relation to technologies concerned, and as well as in the event that patents exist which depend on technology owned by third parties. Consequently, the use, the renewal and the exploitation of these rights may require their authorization.

Finally, if the period of protection or of disqualification expires, the intellectual property rights held by the Company may become accessible to rivals.

If any of the aforementioned occurred in relation to any of the patents or intellectual property rights, it could have a significantly deleterious impact on the Company's activity, prospects, financial situation, results and development.

As far as the Company is aware, it should be remembered that the Company is, to date, the only one in the world to work on the commercial application of the *Deinococcus* bacterial genus, an organism that is still not well-known and which has only been poorly researched or scientifically published. This technological choice should guarantee the Company precedence (grandfather rights) on the discoveries that it has patented or that it plans to patent in the future.

In view of the critical importance of patents in its activity sector, the Company has established a Patent Committee that meets periodically to define the Company's intellectual property rights strategy and benefits from the advice of an expert in industrial property matters and a patent law firm. Moreover, the Committee pursues a policy of filing for patents at an early stage to optimize their priority rights.

In addition, particular attention is paid to the protection of this intellectual property when collaborative agreements are negotiated with Company partners. Intellectual property that is directly linked to DEINOVE's patents is systematically retained and the one that is developed during the partnership is discussed to include freedom to operate with other partners, this varies based on the business model in question.

Finally, as mentioned in their employment agreement, inventions developed by employees as part of their activity remain the exclusive property of DEINOVE, notwithstanding the status of inventor of the employee in question.

Insurance and risk coverage

At the date of the report hereof, the Company considers that its insurance coverage is adapted to its activities. The Company does not foresee any particular difficulties to maintain suitable levels of insurance in the future within the limit of market availability and conditions.

To cover the various risks that it is faced with, DEINOVE held the following insurance policies at 31/12/15:

Type of risk covered	Insurer	Coverage description
Civil liability for the activities that DEINOVE undertakes on its premises and on rented/loaned premises	AXA	All damage: €9,000,000
Computer equipment	AXA	Computer equipment: €150,000
Comprehensive business Montpellier laboratory premises	AXA	Premises: unlimited
		Contents: €50,000
		Franchise: €279
		Loss of revenue: €2,023,918
Civil liability for company executives and corporate officers	CNA Assurance	Coverage cap: €1,500,000
Machinery breakdown for all laboratory equipment and material	AXA	Capital insured: €3,062,038 Franchise: 10% of property damage
Assistance for covering travel abroad	AXA	Assignment covered for any travel that lasts less than 90 consecutive days
Assignment agreement	AXA	Staff covered when using their own vehicle for business travel, if requested by the Company to do so.

3 | 7 Legal Information

Significant legal events during 2015

1. By decision dated 2 February 2015, the Board of Directors issued and allocated:
 - i. 152,780 employee stock options, referred to as "BCE-2015-1". This plan, issued to replace the stock option plan referred to as "BCE-2013-1", gives the right to subscribe 152,780 shares;
 - ii. 25,000 employee stock options, referred to as "BCE-2015-2". This plan, issued to replace the stock option plan referred to as "BCE-2012-1", gives the right to subscribe 25,000 shares;
 - iii. 60,000 employee stock options, referred to as "BCE-2015-3". This plan, issued to replace the stock option plan referred to as "BCE-2013-2", gives the right to subscribe 60,000 shares; and
 - iv. 10,000 employee stock options, referred to as "BCE-2015-4". This plan gives the right to subscribe 10,000 shares.

2. At the meeting of 2 February 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:

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- i. A 10,400 euros capital increase (176,020 euros issue premium included), through the issue of 26,000 shares, at a unit price of 6.77 euros, i.e. with a share issue premium of 6.37 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - ii. A 12,000 euros capital increase (203,100 euros issue premium included), through the issue of 30,000 shares, at a unit price of 6.77 euros, i.e. with a share issue premium of 6.37 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iii. A 10,000 euros capital increase (175,250 euros issue premium included), through the issue of 25,000 shares, at a unit price of 7.01 euros, i.e. with a share issue premium of 6.61 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iv. A 4,000 euros capital increase (61,300 euros issue premium included), through the issue of 10,000 shares, at a unit price of 6.13 euros, i.e. with a share issue premium of 5.73 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014; and
 - v. A 8,000 euros capital increase (114,200 euros issue premium included), through the issue of 20,000 shares, at a unit price of 5.71 euros, i.e. with a share issue premium of 5.31 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
3. By a decision dated 26 March 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:
- i. A 8,000 euros capital increase (110,600 euros issue premium included), through the issue of 20,000 shares, at a unit price of 5.53 euros, i.e. with a share issue premium of 5.13 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - ii. A 12,000 euros capital increase (171,300 euros issue premium included), through the issue of 30,000 shares, at a unit price of 5.71 euros, i.e. with a share issue premium of 5.31 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iii. A 8,000 euros capital increase (123,600 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.18 euros, i.e. with a share issue premium of 5.78 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iv. A 12,000 euros capital increase (195,600 euros issue premium included), through the issue of 30,000 shares, at a unit price of 6.52 euros, i.e. with a share issue premium of 6.12 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - v. A 40,000 euros capital increase (702,000 euros issue premium included), through the issue of 100,000 shares, at a unit price of 7.02 euros, i.e. with a share issue premium of 6.62 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - vi. A 40,000 euros capital increase (702,000 euros issue premium included), through the issue of 100,000 shares, at a unit price of 7.02 euros, i.e. with a share issue premium of 6.62 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014; and
 - vii. A 12,000 euros capital increase (244,200 euros issue premium included), through the issue of 30,000 shares, at a unit price of 8.14 euros, i.e. with a share issue premium of 7.74 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
4. By a decision dated 03 June 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:
- i. A 14,000 euros capital increase (246,050 euros issue premium included), through the issue of 35,000 shares, at a unit price of 7.03 euros, i.e. with a share issue premium of 6.63 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;

- ii. A 9,600 euros capital increase (182,400 euros issue premium included), through the issue of 24,000 shares, at a unit price of 7.60 euros, i.e. with a share issue premium of 7.20 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;

These “Tranche 1 BSA”, whose exercise was acknowledged by the Board of Directors on 3 June 2015, were the last remaining of the Tranche 1 BSA issued by the Decision of the Chief Executive Officer dated 1st December 2014, under the terms of which the Chief Executive Officer had decided to issue 500,000 Tranche 1 share warrant plans (the “Tranche 1 BSA”) under the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

5. At this meeting of 3 June 2015, the Board of Directors acknowledged the final completion of a capital increase for a nominal amount of 10,148 euros through the issue of 25,370 new shares, resulting from the exercise of 25,370 employee stock options referred to as “BCE-2009-2”.
6. By decision dated 13 May 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 20 November 2014, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) issued 600,000 share warrant plans, referred to as “Tranche 2 BSA”, giving the right to subscribe 600,000 DEINOVE shares under the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
7. By decision dated 22 September 2015, the Board of Directors, in accordance with the delegation of authority and powers granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - i. A 8,000 euros capital increase (132,800 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.64 euros, i.e. with a share issue premium of 6.24 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - ii. A 6,000 euros capital increase (98,550 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.57 euros, i.e. with a share issue premium of 6.17 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iii. A 4,000 euros capital increase (63,700 euros issue premium included), through the issue of 10,000 shares, at a unit price of 6.37 euros, i.e. with a share issue premium of 5.97 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iv. A 10,000 euros capital increase (171,500 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.86 euros, i.e. with a share issue premium of 6.46 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - v. A 6,000 euros capital increase (106,200 euros issue premium included), through the issue of 15,000 shares, at a unit price of 7.08 euros, i.e. with a share issue premium of 6.68 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - vi. A 6,000 euros capital increase (91,050 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.07 euros, i.e. with a share issue premium of 5.67 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - vii. A 10,000 euros capital increase (158,000 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.32 euros, i.e. with a share issue premium of 5.92 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - viii. A 14,000 euros capital increase (237,650 euros issue premium included), through the issue of 35,000 shares, at a unit price of 6.79 euros, i.e. with a share issue premium of 6.39 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

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8. By decision dated 22 September 2015, the Board of Directors issued and allocated 20,000 share warrants, referred to as “BSA-2015-1”, giving the right to subscribe 20,000 shares. It also issued and allocated 20,000 share warrants, referred to as “BSA-2015-2”, giving the right to subscribe 20,000 shares.
9. By decision dated 10 November 2015, the Board of Directors issued and allocated 50,000 employee stock options, referred to as “BCE-2015-5”. This plan gives the right to subscribe 50,000 shares.
10. At its meeting of 10 November 2015, the Board of Directors authorized the Chief Executive Officer of the Company to conclude a consultancy agreement between the Company and Dennis McGrew, director, on behalf of the Company. Under this Agreement, the Company benefits from the expertise of Dennis McGrew as Chief Business Officer. Dennis will provide advice in particular on strengthening the Company’s commercial position in North America, on strategy and on marketing. This agreement is concluded for six (6) months from the moment it is approved by the Board, and automatically renewable for further periods of six (6) months. The remuneration fixed in the aforementioned Agreement amounts to USD12,000 excl. tax per month, plus a bonus capped at 25% of the amounts paid to Dennis McGrew, calculated over a six (6)-month period, if specific targets (determined in good faith by Dennis McGrew and the Company) are reached.
11. By decision dated 25 November 2015, the Board of Directors, in accordance with the delegation of authority and powers granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - i. A 10,000 euros capital increase (156,500 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.26 euros, i.e. with a share issue premium of 5.86 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - ii. A 6,000 euros capital increase (91,050 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.07 euros, i.e. with a share issue premium of 5.67 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iii. A 8,000 euros capital increase (123,000 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.15 euros, i.e. with a share issue premium of 5.75 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - iv. A 8,000 euros capital increase (123,000 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.15 euros, i.e. with a share issue premium of 5.75 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - v. A 6,000 euros capital increase (90,000 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.00 euros, i.e. with a share issue premium of 5.60 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - vi. A 10,000 euros capital increase (155,000 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.20 euros, i.e. with a share issue premium of 5.80 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
12. By decision dated 21 December 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 25 November 2015, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) carried out a capital increase with preferential subscription right maintained for a total nominal amount of 948,254.4 euros, through the issue of 2,370,636 new shares with a nominal value of 0.40 euro each, i.e. a total amount of 10,667,862 euros, share issue premium included.
13. By decision dated 23 December 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 25 November 2015, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) acknowledged that the 2,370,636 new shares had been fully subscribed and paid up and that, consequently, the capital increase totalling 948,254.4 euros had become effective.

The Chief Executive Officer acknowledged the corresponding amendments to Articles 6 (Contributions – Share Capital Formation) and 7 (Share Capital) of Company Articles of Association.

14. DEINOVE was granted twelve patents in 2015:

- The “Process for chromosomal engineering using a novel DNA repair system” patent was granted in the United States;
- The “Use of bacteria for the production of bioenergy” was granted in the United States and in Australia;
- The “Methods for isolating bacteria” patent was granted in the United States and in Australia;
- The “Compositions and methods for degrading lignocellulosic biomass” patent was granted in the United States and in China;
- The “High metabolic performance bacteria” patent was granted in Japan;
- The “Recombinant bacteria and their use in ethanol production” patent was granted in the United States, in Japan and in China;
- The “Laccases and their uses” patent was granted in the United States.

Company Governance

(including the list of offices and functions undertaken by the corporate officers – pursuant to Article L225-102-1 par. 4)

Chairman of the Board of Directors: Dr. Philippe Pouletty

Directors:

- Truffle Capital, represented by Christian Pierret
- Michael Carlos (Independent Director)
- Paul-Joël Derian (Independent Director)
- Dennis McGrew
- Rodney Rothstein (Independent Director)
- SAKKAB LLC, represented by Nabil Sakkab
(Independent Director),

Management during financial year 2015:

- Chief Executive Officer: Emmanuel Petiot
- Director of Finance & Administration: Julien Coste
- Research & Development Director: Jean-Paul Leonetti
- Director of Operations: Marie Bézenger since 5 October 2015
- Business Development Director: Nagib Ward until 7 October 2015
Dennis McGrew since 10 November 2015
- Head of Marketing, Communication & Investor Relations: Coralie Martin

At the date of the document hereof, no other changes have occurred in the composition of Company Management.

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MEMBER'S NAME OR COMPANY NAME:

Dr. Philippe POULETTY

DATE APPOINTED: 27/01/10

OFFICE EXPIRY DATE: GM 2016 on 2015 accounts

POSITION HELD IN COMPANY: Chairman of the Board

OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER:

- INNATE PHARMA SA (listed): Member of the Supervisory Board
- TRUFFLE CAPITAL SAS: Chief Executive Officer, Director
- ABIVAX SA (listed since 2015): Founder, Chairman of the Board
- BIODIVERSITY SAS: Director, Representative of Truffle Capital
- CARBIOS SA (listed): Co-founder, Director, Representative of Truffle Capital
- NAKOSTECH SARL: Manager
- THERADIAG SA (listed): Director, Representative of Truffle Capital
- CARMAT SA (listed): Co-founder, Director, Representative of Truffle Capital
- THERACLION SA (listed): Director, Representative of Truffle Capital
- VEXIM SA (listed): Co-founder, Director, Representative of Truffle Capital
- MYOPOWERS SA: Director, Representative of Truffle Capital
- PHARNEXT SAS: Co-founder, Director, Representative of Truffle Capital
- PLASMAPRIME SAS: Co-founder, Director, Representative of Truffle Capital (until 2015)
- IMMUNE TARGETING SYSTEMS LTD [United Kingdom]: Director, Representative of Truffle Capital (until 2015)
- ALTIMMUNE, INC. [United States]: Director, Representative of Truffle Capital
- SYMETIS [Switzerland]: Director, Representative of Truffle Capital
- DIACCURATE SASU: Member of the Board of Directors, Representative of Truffle Capital
- DEINOBOTICS SAS: Member of the Board of Directors, Representative of Truffle Capital
- Centre Chirurgical Marie Lannelongue (Association): Director
- France Biotech (non-profit organization under July 1st 1901 Act): Honorary Chairman, Director

MEMBER'S NAME OR COMPANY NAME: TRUFFLE CAPITAL represented by Mr Christian PIERRET
DATE APPOINTED: 27/01/10
OFFICE EXPIRY DATE: GM 2016 on 2015 accounts
POSITION HELD IN COMPANY: Director
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: <ul style="list-style-type: none"> • GrDF: Director • PHARNEXT SAS: Director • ABIVAX SA (listed): Director • HOLDING INCUBATRICE SERIE I MEDICAL DEVICES SA: Director
MEMBER'S NAME OR COMPANY NAME: SAKKAB LLC represented by Mr Nabil SAKKAB
DATE APPOINTED: 27/01/10
OFFICE EXPIRY DATE: GM 2016 on 2015 accounts
POSITION HELD IN COMPANY: Director
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: <ul style="list-style-type: none"> • ALTRIA: Director • GIVAUDAN: Director (until 2015), Scientific Advisor • BIOWISH TECHNOLOGIES: Chairman of the Board • CELLTEX: Director • PHARNEXT SAS: Director
MEMBER'S NAME OR COMPANY NAME: Mr Rodney ROTHSTEIN
DATE APPOINTED: 27/01/10
OFFICE EXPIRY DATE: GM 2016 on 2015 accounts
POSITION HELD IN COMPANY: Director
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: None
MEMBER'S NAME OR COMPANY NAME: Mr Emmanuel PETIOT
DATE APPOINTED: 06/12/12
OFFICE EXPIRY DATE: 07/01/17
POSITION HELD IN COMPANY: Chief Executive Officer
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: None
MEMBER'S NAME OR COMPANY NAME: Mr Paul-Joël DERIAN
DATE APPOINTED: 27/01/10
OFFICE EXPIRY DATE: GM 2016 on 2015 accounts
POSITION HELD IN COMPANY: Director
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: None

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MEMBER'S NAME OR COMPANY NAME: Mr Michael CARLOS
DATE APPOINTED: 06/05/14
OFFICE EXPIRY DATE: GM 2020 on 2019 accounts
POSITION HELD IN COMPANY: Director
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: <ul style="list-style-type: none"> GIVAUDAN FRAGRANCES: Director RIFM (Research Institute of Fragrance Materials): Chairman of the Board IFRA (International Fragrance Association): Chairman of the Board
MEMBER'S NAME OR COMPANY NAME: Mr Dennis McGREW
DATE APPOINTED: 06/05/14
OFFICE EXPIRY DATE: GM 2020 on 2019 accounts
POSITION HELD IN COMPANY: Director
OTHER OFFICES OR FUNCTIONS HELD IN ANY COMPANY OR ENTITY BY OFFICER: None

Information on the share capital

At 31st December 2015, Company capital consisted of 8,554,907 ordinary shares with a nominal value of 0.40 euro each, 14,982 of which (0.18% of the capital) were owned by the Company within the framework of the Liquidity Agreement entrusted to KEPLER CHEUVREUX. The Articles of Association grant the right to cast two votes for each fully paid-up share that has been registered for at least two years in the name of the same shareholder. The table below indicates the percentage of capital and of voting rights held by the main shareholders, in both diluted and non-diluted versions:

At 31st December 2015 - non-diluted basis

Shareholders	Number of shares	Percentage held	Voting rights	Percentage
Truffle Capital-managed funds	2,828,215	33.06%	5,493,433	48.37%
Tereos EU	118,685	1.39%	118,685	1.05%
Scientific founders	20,000	0.23%	40,000	0.35%
Management and directors	62,848	0.73%	81,589	0.72%
Floating	5,525,159	64.58%	5,623,646	49.52%
TOTAL	8,554,907	100.00%	11,357,353	100.00%

At 31st December 2015 - diluted basis

Shareholders	Number of shares	Percentage held	Voting rights	Percentage
Truffle Capital-managed funds	2,889,835	29.51%	5,555,053	44.11%
Tereos EU	118,685	1.21%	118,685	0.94%
Scientific founders	350,000	3.57%	370,000	2.94%
Management and directors	366,218	3.74%	384,959	3.06%
Floating	6,067,149	61.96%	6,165,636	48.96%
TOTAL	9,791,887	100.00%	12,594,333	100.00%

At this same date, share warrants (BSA) and employee stock option plans (BSPCE) issued were held as follows:

Shareholders	BSA subscribed	BCE subscribed	BEA subscribed	Potential dilution
Truffle Capital-managed funds	61,620	-	-	61,620
Tereos EU	-	-	-	0
Scientific founders	330,000	-	-	330,000
Management and directors	124,490	178,880	-	303,370
Floating	424,120	117,870	-	541,990
TOTAL	940,230	296,750	0	1,236,980

The characteristics of these dilutive financial instruments (in particular the exercise price) are described in Note 8.3 of the 2015 Annual Accounts Appendix.

Threshold crossings

The Company was informed of the declaration made by Truffle Capital, on 28 February 2015, in which it declared it had fallen below the threshold of 50% of Company capital. At this date, Truffle Capital held 2,794,516 DEINOVE shares representing 5,497,234 voting rights, i.e. 48.27% of Company capital and 64.03% of Company voting rights. This downward crossing is the result of an increase in DEINOVE's total number of shares and voting rights.

The Company was also informed of the declaration made by Truffle Capital, on 23 December 2015, in which it declared it had fallen below the threshold of 50% of Company voting rights. At this date, Truffle Capital held 2,828,215 DEINOVE shares representing 5,493,433 voting rights, i.e. 33.06% of Company capital and 48.37% of Company voting rights. This downward crossing is the result of a DEINOVE's capital increase.

Authorization to trade in the Company's shares within the framework of a Liquidity Agreement

On 15 May 2014, DEINOVE transferred its Liquidity Agreement, formerly concluded with DSF Markets, to KEPLER CHEUVREUX. The Liquidity Agreement concluded with KEPLER CHEUVREUX complies with the French Financial Markets Association (AMAFI) Code of Ethics approved by the French Financial Markets Authority.

At 31st December 2015, the position of the Liquidity Agreement held by KEPLER CHEUVREUX was as follows:

- 14,982 shares held for a gross value of 87,953 euros, and 11,484 euros in the liquidity account.

Pursuant to the provisions of Article L225-211 of the French Commercial Code, the table below contains the information required for the transactions fulfilled within this framework over the course of the 2015 financial year:

Kepler Cheuvreux/Parel and Deinove Agreement

	Quantity	Price
Shares registered at 01/01/15	15,097	€6.740
Shares purchased (mean price)	98,774	€7.225
Shares sold (mean price)	98,889	€7.211
Shares registered at 31/12/15	14,982	€4.100

Information on dividends

The Company will not be paying dividends for the 2015 financial year and it does not expect to pay any during its R&D start-up phase. No dividend has been paid since the Company was created.

Agreements with affiliated parties and special report from the statutory auditor

Previously concluded agreements performed over the course of the financial year:

None.

New agreements concluded in 2015:

At its meeting of 10 November 2015, the Board of Directors authorized the Chief Executive Officer of the Company to conclude a consultancy agreement between the Company and Dennis McGrew, director, on behalf of the Company. This agreement is concluded for six (6) months from the moment it is approved by the Board, and automatically renewable for further periods of six (6) months.

Appointment/reappointment of auditors

The terms of office of the Company's statutory auditor, PricewaterhouseCoopers Audit, was renewed by the Combined General Meeting held on 13 May 2013, for six financial years and will terminate at the end of the General Meeting, which will be called upon to deliberate on the financial statements for 2018.

A new alternate statutory auditor, Mrs Anik Chaumartin, was appointed by the Combined General Meeting held on 13 May 2013, for six financial years and will terminate at the end of the General Meeting, which will be called upon to deliberate on the financial statements for 2018.

Subsidiaries and equity interest in other companies

During financial year 2015, DEINOVE did not make any new investments and did not create any new subsidiaries.

○ As regards equity interest in Deinobiotics SAS:

DEINOBIOTICS, a simplified joint-stock company (*société par actions simplifiée*), with a registered capital of 941,500 euros, headquartered at 1682 rue de la Valsière, Bâtiment Cap Sigma, 34790 Grabels, incorporated with the Montpellier Trade and Companies Register under number 752 226 746 RCS Montpellier.

The purpose of DEINOBIOTICS is to implement research, development, production and commercialization activities in France and abroad of products, technology and services in the field of infectious diseases.

DEINOVE has a 49% share capital stake in DEINOBIOTICS.

At 31st December 2015, DEINOBIOTICS' annual accounts for 2015, for its third financial year showed:

- A loss of €861K;
- Negative shareholders' equity of €1,266K;
- A balance-sheet total of €887K.

○ As regards the stake in Carbios SA:

Since 2012, the Company has held a stake in the share capital of CARBIOS, a public limited company (*société anonyme*) with a Board of Directors, with a registered capital of 2,630,721.10 euros, headquartered at the Biopôle Clermont-Limagne, rue Emile Duclaux, 63360 Saint-Beauzire, incorporated with the Clermont-Ferrand Trade and Companies Register under number 531 530 228.

The purpose of CARBIOS is, in particular, to implement research, development, production and commercialization activities in France and abroad on biotechnologies and in particular on biomass transformation and bioremediation technologies, processes and products.

At 31st December 2015, DEINOVE's share capital investment in this company stood at 2.01%.

A summary table for the subsidiaries and for equity interest is included under Note 22 in the Appendices.

Employee share scheme

Pursuant to the provisions of Article L. 225-102 of the French Commercial Code, we declare that no company savings plan for the benefit of company employees has been implemented.

At 31st December 2015, employees held 0.04% of the Company share capital.

Proposal for allocating profit/loss

We propose to allocate the 6,356,230 euros loss for the year to the "Carry-forward" account.

Dividends for the past three financial years

Pursuant to the provisions of Article L. 243 bis of the French General Tax Code, no dividends have been paid for the last three financial years.

Non-tax deductible expenses

Pursuant to the provisions of Articles 223-quinquies and 39-5 quater of the French General Tax Code, we declare that the financial statements for the financial year ended on 31st December 2015 record no expenses or charges that are referred to under Article 39-4 of the French General Tax Code.

Information on Company share-related transactions undertaken by executives or their relatives

Pursuant to the provisions under Articles 223-22 A and 223-26 of the General Regulations of the Financial Markets Authority (AMF), we declare that the following company share-related transactions were performed by executives or their relatives during the financial year:

Parties concerned	Type of transaction	Transaction date	Number of shares	Transaction total
Mr Rodney ROTHSTEIN*	Acquisition	06/01/15	444	2,975.69 €
Mr Rodney ROTHSTEIN*	Acquisition	07/01/15	3,406	23,371.97 €
TRUFFLE CAPITAL*	Transfer	14/04/15	10,000	85,938.00 €
TRUFFLE CAPITAL*	Transfer	16/04/15	27,500	247,588.00 €
TRUFFLE CAPITAL*	Subscription	23/12/15	71,199	320,395.50 €
Mr Paul-Joël DERIAN*	Subscription	23/12/15	100	450.00 €
Mr Rodney ROTHSTEIN*	Subscription	23/12/15	2,190	9,855.00 €
SAKKAB LLC*	Subscription	23/12/15	1,757	7,906.50 €
Mr Julien COSTE	Subscription	23/12/15	51	229.50 €

* Member of the Board of Directors

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Information on preventing money laundering

Pursuant to Alternext Regulations in effect, it should be mentioned that DEINOVE, its management and its directors comply with the EC 2005/60 Directive issued by the European Parliament and Council on the prevention of using the financial system for the purpose of money laundering and terrorist financing and the aforementioned also comply with any other related national regulation and/or legislation. Moreover, DEINOVE, its management and its directors are not included in the list of sanctioned individuals and entities of the European Union or the list established by the OFAC.

Table of delegation of powers

Pursuant to the provisions of Article L.225-100 of the French Commercial Code, the delegation of authority or powers currently granted by the General Meeting to the Board of Directors relevant to capital increase pursuant to the provisions of Articles L.225-129-1 and L.225-129-2 of the aforementioned Commercial Code are stipulated hereinafter:

Delegation of authority or powers	Delegation date	Delegation duration	Authorized threshold (nominal value)	Execution of the delegation of authority or powers during the financial year
Delegation of authority granted to the Board of Directors for purposes of deciding to issue shares and/or debt instruments and/or securities, with elimination of the preferential subscription right in favour of a category of beneficiaries	6 May 2014	18 months	Nominal amount of capital increase: €840,000 Nominal amount of securities and other debt instruments giving access to capital: €30,000,000	Board of Directors of 2 February 2015: issue and allocation of 247,780 BCE-2015.
Delegation of power granted to the Board of Directors to acknowledge the number of shares issued by exercising the BCE-2009-2 employee stock options	5 May 2009	/		Board of Directors of 3 June 2015: acknowledgement of the issuance of 25,370 shares by exercising 25,370 BCE-2009-2.
Delegation of authority granted to the Board of Directors for purposes of deciding to issue shares and/or securities, by private placement and within the limit of 20% of the share capital per year	6 May 2014	26 months	Nominal amount of capital increase will be limited to (i) 20% of the capital (in existence on the date of the transaction) per year and (ii) €840,000	<p>Kepler Cheuvreux Equity Line:</p> <p>Board of Directors of 26 March 2015: acknowledgement of an increase in Company share capital for the nominal amount of 132,000 euros resulting from the exercise of 330,000 share warrants issued by the Chief Executive Officer on 1st December 2014, acting by delegation on behalf of the Board of Directors on 20 November 2014.</p> <p>Board of Directors of 3 June 2015: acknowledgement of an increase in Company share capital for the nominal amount of 23,600 euros resulting from the exercise of 59,000 share warrants issued by the Chief Executive Officer on 1st December 2014, acting by delegation on behalf of the Board of Directors on 20 November 2014.</p> <p>Board of Directors of 22 September 2015: acknowledgement of an increase in Company share capital for the nominal amount of 64,000 euros resulting from the exercise of 160,000 share warrants issued by the Chief Executive Officer on 13 May 2015, acting by delegation on behalf of the Board of Directors on 20 November 2014.</p>

				Board of Directors of 25 November 2015: acknowledgement of an increase in Company share capital for the nominal amount of 48,000 euros resulting from the exercise of 120,000 share warrants issued by the Chief Executive Officer on 13 May 2015, acting by delegation on behalf of the Board of Directors on 20 November 2014.
Authority granted to the Board of Directors for purposes of deciding if the Company should buy back its own shares as provided for under Article L. 225-209 of the French Commercial Code	6 May 2015	18 months	The number of treasury shares cannot exceed 5% of the total number of shares that constitutes the Company share capital	/
Delegation of authority granted to the Board of Directors for purposes of deciding either to issue shares and/or debt instruments and/or securities, with preferential subscription right maintained, or to incorporate profits, reserves or premiums into the share capital	6 May 2015	26 months	Nominal amount of capital increase: €1,200,000*	Board of Directors of 25 November 2015: implementation of the delegation of authority granted by the General Meeting and subdelegation of authority to the Chief Executive Officer. Decision of the Chief Executive Officer of 21 December 2015: implementation of the subdelegation of authority granted by the Board of Directors of 25 November 2015 and completion of a capital increase by issuing 2,370,636 new shares with a nominal value of 0.40 euro, i.e. a capital increase for a total amount of 10,667,862 euros, share issue premium included. Decision of the Chief Executive Officer of 23 December 2015: acknowledgement of an increase in Company share capital 948,254.40 euros, and acknowledgement of corresponding amendments to Company Articles of Association.
			Nominal amount of securities and other debt instruments giving access to capital: €20,000,000**	
Delegation of authority granted to the Board of Directors for purposes of deciding either to issue shares and/or debt instruments and/or securities, with elimination of the preferential subscription right, without indication of beneficiaries and by public offer	6 May 2015	26 months	Nominal amount of capital increase: €1,200,000*	/
			Nominal amount of securities and other debt instruments giving access to capital: €20,000,000**	
Delegation of authority granted to the Board of Directors for purposes of deciding either to issue shares and/or securities, by private placement and within the limit of 20% of the share capital per year	6 May 2015	26 months	Nominal amount of capital increase: €1,200,000*	/
			Nominal amount of securities and other debt instruments giving access to capital: €20,000,000**	

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Delegation of authority granted to the Board of Directors for purposes of deciding either to issue shares and/or debt instruments and/or securities, with elimination of the preferential subscription right in favour of categories of beneficiaries	6 May 2015	18 months	Nominal amount of capital increase: €1,200,000*	Board of Directors of 22 September 2015: issue and allocation of 40,000 "BSA-2015" share warrant. Board of Directors of 10 November 2015: issue and allocation of 50,000 "BCE-2015-5".
			Nominal amount of securities representing receivables on the Company: €20,000,000**	
			Nominal amount of securities and other debt instruments giving access to capital: €20,000,000**	
Authority granted to the Board of Directors for purposes of increasing the number of shares issued, pursuant to the provisions specified under Article L.225-135-1 of the French Commercial Code, if the delegations of authority targeted in the aforementioned resolutions are implemented, with preferential subscription right maintained or eliminated, as the case may be	6 May 2015	26 months	15% of the number of shares initially issued * and **	/
Authority granted to the Board of Directors for purposes of reducing Company share capital by cancelling shares as part of the authorization for buying back its own shares	6 May 2015	18 months	10% of the share capital per 24-month period	/
<p>* the ceiling authorized for the nominal amount of capital increases will be charged against the overall ceiling authorized of €1,200,000 of the nominal (15th resolution of the Combined General Meeting held on 6 May 2015)</p> <p>** the ceiling authorized for the nominal amount of securities and other debt instruments will be charged against the overall ceiling authorized of €20,000,000 of the nominal (15th resolution of the Combined General Meeting held on 6 May 2015)</p>				

3 | 8 Company Results for the Last Five Financial Years

(Articles R225-81, R225-83 and R225-102 of the French Commercial Code)

Type of information (in thousands of euros)	2015	2014	2013	2012	2011
End of year capital					
Share capital (in euros)	3,421,962.80	2,183,960.40	2,022,732.40	1,976,006.00	1,957,240.00
Number of ordinary shares	8,554,907	5,459,901	5,056,831	4,940,015	4,893,100
Number of preference dividend shares					
Maximum of shares to be created via:					
conversion of securities:					
exercise of:					
BSA (i)	940,230	999,230	600,770	590,670	511,935
BSPCE (ii)	296,750	322,120	330,150	210,790	220,501
BEA (iii)	0	0	400,000	0	0
Operations & profit/loss for the financial year					
Revenues, excluding tax	209	133	32	179	
Profit/loss before tax, employee profit-sharing, depreciation charges and write-backs on amortizations and provisions	-7,324	-7,289	-4,972	-2,717	-3,552
Tax on profit	-1,633	-1,374	-1,960	-903	-682
Employee profit-sharing					
Profit/loss for the period	-6,356	-6,458	-3,420	-1,979	-3,277
Profit/loss distributed					
Profit/loss per share					
Profit/loss before tax, depreciation charges & write-backs on amortizations & provisions	-0.86	-1.33	-0.98	-0.55	-0.73
Profit/loss for the period	-0.74	-1.18	-0.68	-0.40	-0.67
Per-share dividend					
Staff					
Mean number of employees	47	44	34	29	24
Payroll for the period	3,230	2,970	2,331	1,797	1,623

Drawn up in Montpellier, on 22 March 2016

Dr. Philippe Pouletty
 Chairman of the Board of Directors

4 | CORPORATE FINANCIAL STATEMENTS AND APPENDICES

4 | 1 Balance Sheet

ASSETS (in thousands of euros)	Note	2015	2014
FIXED ASSETS			
Intangible assets			
Concessions, patents, licences, software, rights and the like	4	117	99
Tangible assets			
Technical facilities, industrial equipment and tooling		806	784
Tangible assets under construction		150	521
Other tangible assets		99	102
Financial assets			
Equity interests and related receivables	4	631	631
Other equity investments	4	0	0
Other financial assets	4	165	166
TOTAL		1,968	2,303
CURRENT ASSETS			
Receivables	5	2,197	2,110
Advances and prepayments on orders		196	0
Marketable securities (Term account)		500	1,250
Cash instruments	6	0	0
Cash on hand		11,932	966
Pre-paid expenses, Conversion rate adjustments	7	534	324
TOTAL		15,359	4,650
GRAND TOTAL		17,327	6,953
LIABILITIES (in thousands of euros)	Note	2015	2014
EQUITY	8		
Capital		3,422	2,184
Share, merger and contribution premiums		28,416	15,397
Statutory reserves			
Carry-forward		-17,386	-10,927
Profit or loss for the period		-6,356	-6,458
TOTAL		8,096	196
OTHER EQUITY			
Conditional advances	9	6,497	4,550
TOTAL		6,497	4,550
PROVISIONS			
Provisions for risks & charges		15	5
TOTAL		15	5
LIABILITIES			
Loans and financial liabilities - Others	10	0	0
Suppliers and related accounts	11 & 12	1,677	764
Outstanding taxes and social contributions	11 & 12	925	677
Liabilities on fixed assets and related accounts		110	755
Other liabilities + conversion rate adjustments	11	7	7
TOTAL		2,719	2,202
GRAND TOTAL		17,327	6,953

4 | 2 Profit and Loss Account

PROFIT AND LOSS ACCOUNT (in thousands of euros)	Note	2015	2014
Operating revenue	14	492	156
Purchases of raw materials and other supplies		0	-9
Other purchases and external expenses		4,371	3,542
Taxes, duties and similar levies		72	63
Salaries and wages		2,211	2,031
Social contributions		1,019	939
Depreciation charges for amortizations, write-backs & provisions		634	540
Other expenses		150	110
Total operating expenses		8,457	7,216
OPERATING PROFIT/LOSS		-7,965	-7,060
Financial revenue		67	83
Financial costs		81	120
FINANCIAL PROFIT/LOSS	15	-14	-37
CURRENT PRE-TAX PROFIT/LOSS		-7,979	-7,097
Revenue from non-recurring items		0	0
Expenses from non-recurring items		10	735
PROFIT/LOSS FROM NON RECURRING ITEMS	2	-10	-735
Tax on profit (tax credit)	16	-1,633	-1,374
PROFIT OR LOSS		-6,356	-6,458

4 | 3 Cashflow Tables

CASHFLOW (in thousands of euros)	Note	2015	2014
Cashflow related to operating activities			
Profit/loss for the period		-6,356	-6,458
Capital gain on transfer of treasury shares		17	71
Profit/loss from non-recurring items		10	6
Amortization		634	540
Depreciation		22	5
Changes in accrued interest		67	-41
Changes in working capital		-737	766
Net cash used in activities		-6,345	-5,111
Cashflow related to investment activities			
Acquisitions net of divestitures of fixed assets	4	-289	-1,338
Acquisitions of financial assets (TAA, liquidity agreement, equity interest)	4	-1,523	-1,158
Redemption of investments at maturity	4	1,250	0
Sales of financial assets	4	919	2,465
Net cash from/absorbed by investment activities		356	-32
Cashflow related to financing activities			
Net income from share issuance	8	14,257	4,053
Receipt from new loans	9	1,998	1,483
Loan repayment	9 & 10	-50	-50
Net cash from financing activities		16,204	5,486
Change in cash and cash equivalents		10,216	344
Cash and cash equivalents opening balance	3.14	2,216	1,872
CASH AND CASH EQUIVALENTS AT CLOSING		12,432	2,216

4 | 4 Statement of Changes in Equity

CHANGE IN EQUITY (in thousands of euros)	Share capital	Issue premium & Share warrants	Reserves & Carry-forward	Profit/loss for the period	Total shareholders' proceeds
Balance at 01/01/14	2,023	11,506	-7,507	-3,420	2,601
Allocation of 2013 surplus			-3,420	3,420	0
Capital increase and IP	161				161
Exercise of BSA/BCE/BEA		3,892			3,892
Profit/loss for 2014				-6,458	-6,458
31/12/14	2,184	15,397	-10,927	-6,458	196
Allocation of 2014 surplus			-6,458	6,458	0
Capital increase and IP	1,238				1,238
Exercise of BSA/BCE/BEA		13,019			13,019
Profit/loss for 2015				-6,356	-6,356
31/12/15	3,422	28,416	-17,386	-6,356	8,096

4 | 5 Appendix to the Accounts

The information hereinafter constitutes the Appendix to the accounts and is an integral part of the summary financial statements presented for the financial years ended on 31st December 2014 and 2015. Each of these periods covers 12 months from 1st January to 31st December.

The accounts for financial year 2015, which recorded a loss of €6,356K, were finalized by the Board of Directors on 22 March 2016. They are presented in thousands of euros, unless otherwise specified.

NOTE 1 | THE COMPANY

DEINOVE SA (the “Company”) is a cleantech company dedicated to the development and commercial exploitation of innovative processes for the production of biofuels and other products of industrial or pharmaceutical interest.

The Company was set up in 2006 in the form of a Simplified Joint Stock Company and was transformed into a Public Limited Company on 27 January 2010.

The Company has been listed on the Alternext market since 27 April 2010. Alternext is an organized market in which there is no obligation to apply IFRS standards. The accounting principles applied by the Company are therefore the accounting principles that are generally accepted in France.

NOTE 2 | KEY EVENTS

Financial year ended 31st December 2015:

2.1 – On a legal level

- By decision dated 2 February 2015, the Board of Directors issued and allocated:
 - 152,780 employee stock options, referred to as “BCE-2015-1”. This plan, issued to replace the stock option plan referred to as “BCE-2013-1”, gives the right to subscribe 152,780 shares;
 - 25,000 employee stock options, referred to as “BCE-2015-2”. This plan, issued to replace the stock option plan referred to as “BCE-2012-1”, gives the right to subscribe 25,000 shares;
 - 60,000 employee stock options, referred to as “BCE-2015-3”. This plan, issued to replace the stock option plan referred to as “BCE-2013-2”, gives the right to subscribe 60,000 shares; and
 - 10,000 employee stock option plan, referred to as “BCE-2015-4”. This plan gives the right to subscribe 10,000 shares.
- At the meeting of 2 February 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - A 10,400 euros capital increase (176,020 euros issue premium included), through the issue of 26,000 shares, at a unit price of 6.77 euros, i.e. with a share issue premium of 6.37 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 12,000 euros capital increase (203,100 euros issue premium included), through the issue of 30,000 shares, at a unit price of 6.77 euros, i.e. with a share issue premium of 6.37 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 10,000 euros capital increase (175,250 euros issue premium included), through the issue of 25,000 shares, at a unit price of 7.01 euros, i.e. with a share issue premium of 6.61 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;

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- A 4,000 euros capital increase (61,300 euros issue premium included), through the issue of 10,000 shares, at a unit price of 6.13 euros, i.e. with a share issue premium of 5.73 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014; and
- A 8,000 euros capital increase (114,200 euros issue premium included), through the issue of 20,000 shares, at a unit price of 5.71 euros, i.e. with a share issue premium of 5.31 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
- By a decision dated 26 March 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - A 8,000 euros capital increase (110,600 euros issue premium included), through the issue of 20,000 shares, at a unit price of 5.53 euros, i.e. with a share issue premium of 5.13 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 12,000 euros capital increase (171,300 euros issue premium included), through the issue of 30,000 shares, at a unit price of 5.71 euros, i.e. with a share issue premium of 5.31 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 8,000 euros capital increase (123,600 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.18 euros, i.e. with a share issue premium of 5.78 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 12,000 euros capital increase (195,600 euros issue premium included), through the issue of 30,000 shares, at a unit price of 6.52 euros, i.e. with a share issue premium of 6.12 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 40,000 euros capital increase (702,000 euros issue premium included), through the issue of 100,000 shares, at a unit price of 7.02 euros, i.e. with a share issue premium of 6.62 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 40,000 euros capital increase (702,000 euros issue premium included), through the issue of 100,000 shares, at a unit price of 7.02 euros, i.e. with a share issue premium of 6.62 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014; and
 - A 12,000 euros capital increase (244,200 euros issue premium included), through the issue of 30,000 shares, at a unit price of 8.14 euros, i.e. with a share issue premium of 7.74 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
- By a decision dated 3 June 2015, the Board of Directors, in accordance with the delegation of authority granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - A 14,000 euros capital increase (246,050 euros issue premium included), through the issue of 35,000 shares, at a unit price of 7.03 euros, i.e. with a share issue premium of 6.63 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 9,600 euros capital increase (182,400 euros issue premium included), through the issue of 24,000 shares, at a unit price of 7.60 euros, i.e. with a share issue premium of 7.20 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;

These “Tranche 1 BSA”, whose exercise was acknowledged by the Board of Directors on 3 June 2015, were the last remaining of the Tranche 1 BSA issued by the Decision of the Chief Executive Officer dated 1st December 2014, under the terms of which the Chief Executive Officer had decided to issue 500,000 Tranche 1 share warrants (the “Tranche 1 BSA”) under the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.

- At this meeting of 3 June 2015, the Board of Directors acknowledged the final completion of a capital increase for a nominal amount of 10,148 euros through the issue of 25,370 new shares, resulting from the exercise of 25,370 employee stock options referred to as “BCE-2009-2”.

- By decision dated 13 May 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 20 November 2014, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) issued 600,000 share warrants, referred to as “Tranche 2 BSA”, giving the right to subscribe 600,000 DEINOVE shares under the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
- By decision dated 22 September 2015, the Board of Directors, in accordance with the delegation of authority and powers granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - A 8,000 euros capital increase (132,800 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.64 euros, i.e. with a share issue premium of 6.24 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 6,000 euros capital increase (98,550 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.57 euros, i.e. with a share issue premium of 6.17 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 4,000 euros capital increase (63,700 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.37 euros, i.e. with a share issue premium of 5.97 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 10,000 euros capital increase (171,500 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.86 euros, i.e. with a share issue premium of 6.46 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 6,000 euros capital increase (106,200 euros issue premium included), through the issue of 15,000 shares, at a unit price of 7.08 euros, i.e. with a share issue premium of 6.68 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 6,000 euros capital increase (91,050 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.07 euros, i.e. with a share issue premium of 5.67 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 10,000 euros capital increase (158,000 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.32 euros, i.e. with a share issue premium of 5.92 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 14,000 euros capital increase (237,650 euros issue premium included), through the issue of 35,000 shares, at a unit price of 6.79 euros, i.e. with a share issue premium of 6.39 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
- By decision dated 22 September 2015, the Board of Directors issued and allocated 20,000 share warrants, referred to as “BSA-2015-1”, giving the right to subscribe 20,000 shares. It also issued and allocated 20,000 share warrants, referred to as “BSA-2015-2”, giving the right to subscribe 20,000 shares.
- By decision dated 10 November 2015, the Board of Directors issued and allocated 50,000 employee stock options, referred to as “BCE-2015-5”. These plans give the right to subscribe 50,000 shares.
- At its meeting of 10 November 2015, the Board of Directors authorized the Chief Executive Officer of the Company to conclude a consultancy agreement between the Company and Dennis McGrew, director, on behalf of the Company. Under this Agreement, the Company benefits from the expertise of Dennis McGrew as Chief Business Officer. Dennis will provide advice in particular on strengthening the Company’s commercial position in North America, on strategy and on marketing. This agreement is concluded for six (6) months from the moment it is approved by the Board, and automatically renewable for further periods of six (6) months. The remuneration fixed in the aforementioned Agreement amounts to USD12,000 excl. tax per month, plus a bonus capped at 25% of the amounts paid to Dennis McGrew, calculated over a six (6)-month period, if specific targets (determined in good faith by Dennis McGrew and the Company) are reached.

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- By decision dated 25 November 2015, the Board of Directors, in accordance with the delegation of authority and powers granted by the Combined General Meeting of 6 May 2014, acknowledged:
 - A 10,000 euros capital increase (156,500 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.26 euros, i.e. with a share issue premium of 5.86 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 6,000 euros capital increase (91,050 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.07 euros, i.e. with a share issue premium of 5.67 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 8,000 euros capital increase (123,000 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.15 euros, i.e. with a share issue premium of 5.75 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 8,000 euros capital increase (123,000 euros issue premium included), through the issue of 20,000 shares, at a unit price of 6.15 euros, i.e. with a share issue premium of 5.75 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 6,000 euros capital increase (90,000 euros issue premium included), through the issue of 15,000 shares, at a unit price of 6.00 euros, i.e. with a share issue premium of 5.60 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014;
 - A 10,000 euros capital increase (155,000 euros issue premium included), through the issue of 25,000 shares, at a unit price of 6.20 euros, i.e. with a share issue premium of 5.80 euros per share, issued through the agreement concluded with KEPLER CHEUVREUX on 1st December 2014.
- By decision dated 21 December 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 25 November 2015, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) carried out a capital increase with preferential subscription right maintained for a total nominal amount of 948,254.4 euros, through the issue of 2,370,636 new shares with a nominal value of 0.40 euro each, i.e. a total amount of 10,667,862 euros, share issue premium included.
- By decision dated 23 December 2015, the Chief Executive Officer (making use of the powers subdelegated to him by the Board of Directors on 25 November 2015, in accordance with the delegation of authority granted to him by the Combined General Meeting of 6 May 2014) acknowledged that the 2,370,636 new shares had been fully subscribed and paid up and that, consequently, the capital increase totalling 948,254.40 euros had become effective. The Chief Executive Officer acknowledged the corresponding amendments to Articles 6 (Contributions – Share Capital Formation) and 7 (Share Capital) of Company Articles of Association.
- DEINOVE was granted twelve patents in 2015:
 - The “Process for chromosomal engineering using a novel DNA repair system” patent was granted in the United States;
 - The “Use of bacteria for the production of bioenergy” was granted in the United States and in Australia;
 - The “Methods for isolating bacteria” patent was granted in the United States and in Australia;
 - The “Compositions and methods for degrading lignocellulosic biomass” patent was granted in the United States and in China;
 - The “High metabolic performance bacteria” patent was granted in Japan;
 - The “Recombinant bacteria and their use in ethanol production” patent was granted in the United States, in Japan and in China;
 - The “Laccases and their uses” patent was granted in the United States.

These patents are a key aspect of value creation for the Company and a tool for negotiating with commercial partners.

- 2.2 -** Following the €6M aid that DEINOVE was granted, end 2013 (in the form of a repayable advance), by the ADEME (the French Environment and Energy Management Agency) and the General Investment Commission for developing its DEINOCHEM project, and the 1st payment on 17 April 2014 for €1,480K, the Company received a new payment of €991K at the beginning of February 2015 for the successful completion of key milestone 1. The R&D teams had successfully increased construction throughput for modified strains tenfold and identified rate-limiting enzymes for optimizing the production of targeted isoprenoids.
- 2.3 -** On 19 May 2015, DEINOVE and Avril (formerly known as Sofiprotéol) announced that they had successfully completed the first milestone of their COLOR2B project. This partnership, which was initiated in September 2014, focuses on the development of a process for producing natural additives for animal feed. The first milestone corresponded to selecting 20 strains that produced compounds of interest for animal feed and that met the criteria of the specifications drawn up by Avril.
- 2.4 -** On 16 June 2015, DEINOVE announced it had concluded a strategic partnership with the Canadian group, POS Bio-Sciences. DEINOVE will draw upon POS Bio-Sciences' expertise to extract and purify high added value compounds, in particular carotenoids, from its bacterial biomass, to characterize these compounds.
- 2.5 -** By press release dates 8 July 2015, DEINOVE announced it had successfully completed key milestone 3 of its DEINOL project and that it had received the corresponding payment of €1.2M from Bpifrance (€1,006K in the form of a repayable advance and €236K as a grant), which complemented the €4.1M that it had already received of the total €6.3M. The completion of this 3rd key milestone highlights the progress made over the last few years.
- 2.6 -** On 21 July 2015, DEINOVE announced the launch of a new research project: the production of biosourced muconic acid. This multi-application chemical intermediate is used as a basis for manufacturing biosourced plastics and fibres for textiles. The proof of concept for producing muconic acid using simple sugars (glucose and xylose) was reinforced in September through highly-positive results of production of muconic acid from 2nd generation cellulose-based substrates.
- 2.7 -** On 1st September 2015, the Company received €77K, following an additional corrective request made regarding the 2011 R&D tax credit (CIR), for an identical sum, addressed to the French tax authorities in December 2014 (cf. Note 16).
- 2.8 -** On 8 September 2015, DEINOVE and Tyton BioEnergy Systems announced the beginning of a technological and commercial partnership. This partnership aims to combine the *Deinococci* bacteria capacities with a new type of substrate, developed by Tyton, energy tobacco, to produce compounds of industrial interest. Prior to selecting the final molecule to be targeted, substrate/bacteria suitability testing will be carried out.
- 2.9 -** On 2 October 2015, the Company benefited from the reimbursement of the 2014 R&D tax credit (CIR), totalling €1,577K (cf. Note 16).
- 2.10 -** On 3 November 2015, DEINOVE announced a new partnership with Flint Hills Resources (FHR) – a subsidiary of Koch Industries – for producing natural additives for animal feed using *Deinococcus* and raw material provided by Flint Hills Resources. FHR will cover the R&D costs related to the project, which has been concluded for 17 months. If successful, the two partners will study the terms for a licensing agreement for the technology developed during this project.
- 2.11 -** On 19 November 2015, DEINOVE announced it had successfully completed its phase for producing 2G bioethanol in a 300-litre fermentation tank, a crucial step with a view to industrializing the process. Ethanol level had reached 7.3% v/v, a level comparable to laboratory-scale results and that complies with standards for industrial production. The tests were carried out on VTT's premises, one of DEINOVE's longstanding partners.
- 2.12 -** As regards the DEINOPHARM project, in 2009 Oseo Innovation and the Languedoc-Roussillon Region granted €400K repayable advances for the "extension and screening of a bacteria strain bank; identification and characterization of antibiotic molecules". As set out in the rider to this aid agreement, concluded in November 2010,

a 1st reimbursement of €25K was made in December 2013. A 2nd, also of €25K, was made in April 2014. During financial year 2015, two other reimbursements of €25K each were made, bringing the total of reimbursements to €100K. Details on the status of this aid are provided in Notes 9 and 10.

2.13 - As regards financial year 2015, the view has been expressed that the Company would benefit from a R&D Tax Credit (CIR) of €1,641K.

NOTE 3 | ACCOUNTING PRINCIPLES, REGULATIONS AND METHODS

DEINOVE's accounts were drawn up pursuant to the provisions of the French Commercial Code (Articles L123-12 to L123-28) and to the general regulations for drawing up and presenting annual accounts (French General Accounting Plan (PCG) 99-03 amended by regulations issued subsequently by the French Committee for Accounting Regulations).

The basic method retained for assessing the items recorded in the accounts is the historical cost method.

The French general accounting conventions were applied in accordance with the principle of caution, pursuant to the following assumptions:

- a going concern basis;
- consistency of accounting methods from one financial year to the next;
- independence of financial years.

The going concern assumption was retained by the Board of Directors insofar as the Company's financial resources allow it to pursue its research and development efforts for at least 12 months following the accounts' year-end closing date.

For a better understanding of the accounts presented, the main assessment modes and methods retained are specified hereinafter, in particular when:

- a choice is provided by legislation;
- an exception provided for in the texts is used;
- the application of an accounting prescription does not allow a fair presentation;
- an exception is granted to accounting requirements.

3.1 - Intangible Assets

Intangible assets are assessed on their acquisition price and are amortized on a straight-line basis over their period of use by the Company. Intangible assets mainly comprise patents amortized over a 20-year period, and computer software, amortized over a 1-year period.

3.2 - Tangible Assets

Tangible assets are assessed on their acquisition cost or on their production cost per undertaking, given the expenses required to make these assets available, and after deducting trade rebates, discounts and cash discounts granted.

Asset items are subject to amortization plans determined according to the asset's real duration of use. The depreciable amount of an asset can be less any residual value. The latter is only taken into account when it is significant and measurable.

Since 1st January 2009, small laboratory equipment with a low unit value is deemed a fixed asset whenever the importance of the investments for the first equipment, for this type of material, recorded on a financial year, justifies this. Expenditure for subsequent renewals will be recorded directly under expenses.

The amortization periods and modes retained are mainly as follows:

Assets	Period	Mode
Equipment and tooling	3 to 5 years	Straight-line
Small laboratory equipment	3 years	Straight-line
Office equipment and computer hardware, small furniture	3 years	Straight-line
General facilities, fixtures and various amenities	10 years	Straight-line
Furniture	10 years	Straight-line

3.3 - Financial Assets

Equity interests and related receivables:

The gross value of the securities corresponds to the amounts paid for the equity interests concerned, excluding incidental expenses which are recorded under expenses.

When the inventory value is less than the gross value, a provision for depreciation is created to cover the difference.

Inventory values at each financial year ending are determined independently for each line of securities. Except in exceptional circumstances, they are deemed at least equal to the book equity share that corresponds to the equity held. Whenever this share is less than the gross value, an estimation of the equity interest value is determined by taking the equity potential for development into account, by applying assessment methods which are founded, in particular, on cashflow forecasts using the estimated weighted average cost of equity for the activity in question.

Security holdings:

This item corresponds to the use of a percentage of DEINOVE's cash resources for purchasing listed bonds. These securities are recorded under assets for their acquisition price, net of acquisition fees, which are recorded directly under expenses. At each financial year ending, the acquisition value of each line of securities is compared with its inventory value, which corresponds to the stock-market value whenever the securities are listed. A provision for depreciation is created whenever the inventory value is less than the acquisition value, even if the company intends to hold the securities until they mature.

Other financial assets:

- **Liquidity Agreement:**

Transactions related to the Liquidity Agreement that the Company has concluded with a financial intermediary are recorded pursuant to recommendation 98-D released by the Urgent Issues Task Force of the French National Accounting Board (Comité d'Urgence du Conseil National de la Comptabilité) and to the French National Auditing Body Bulletin No. 137, dated March 2005:

- treasury shares held are recorded in Other Financial Assets – Treasury Shares. A provision for depreciation is recorded by reference to the average listed stock-market price from the month preceding closing if the latter is less than the acquisition price. To determine the profit/loss from the sale, the FIFO method is applied.
- cash paid to the intermediary and not yet used is recorded under Other Financial Assets – Other Long-term Receivables.

- **Financial investments upwards of one year:**

To optimize its cash management, the Company makes financial investments upwards of one year in the form of term accounts that are, as a consequence, recorded under Financial Investments. The accrued interest on these investments is also recorded under this Asset item.

3.4 - Receivables

Receivables are assessed at their nominal value. Where applicable, a provision for write-downs is established to take into account any collection difficulties that may occur. Provisions for any likely write-downs are determined by comparing the acquisition value and the probable realizable value.

The other receivables comprise the R&D Tax Credit nominal value which is recorded under the Assets for the financial year of acquisition and which corresponds to the financial year during which eligible expenses that lead to the tax credit are incurred.

3.5 - Cash Instruments

The Company invests a percentage of its cash in open-ended investment schemes (SICAVs) or in term accounts. These investments do not pose any significant risk of impairment loss and are realizable in the short-term, which justifies the fact that they are recorded as cash equivalents.

3.6 - Foreign Currency Transactions

Foreign currency revenue and expenditure are recorded under their equivalent in national currency at the date of the transaction.

Foreign currency receivables and liabilities that exist at financial year ending are converted at the rate in effect at this date. The conversion difference is recorded in the balance sheet under the "Conversion Rate Adjustments" assets and liabilities items. Conversion rate adjustments – assets are subject to a provision for risks and expenditure for an equivalent amount.

3.7 - Provisions for Liabilities and Expenditure

These provisions, which are recorded pursuant to the French Accounting Regulatory Committee (CRC) regulation No. 2000-06, are intended to cover the liabilities and expenditure that are likely to be incurred from events ongoing or which have occurred, and where the amount is quantifiable as regards their purpose, but where the realization, the exchange and/or the amount are uncertain.

3.8 - Retirement Benefits

The amounts of future payments that correspond to benefits granted to employees are assessed based on an actuarial method, where assumptions related to trends in salaries, retirement age and mortality are taken into account, then these assessments are written down to their current value. These commitments are not subject to provisions but are recorded in off-balance-sheet commitments.

3.9 - Loans

Loans are assessed at their nominal value. Loan issue costs are immediately recorded under expenses. Accrued interest is recorded under Liabilities, at the interest rate provided for in the agreement.

3.10 - Repayable Advances Granted by Public Bodies

The share of advances received from public bodies for financing the Company's research activities and which include conditional repayment is recorded under Liabilities under the Other Equity "Conditional Advances" item and their characteristics are detailed under note 9. The share of these same repayable advances, but non-conditional, is recorded under the "Loans and Financial Liabilities – Others" item.

3.11 - Current Profit/Loss – Extraordinary Profit/Loss

Current profit/loss records revenue and expenditure related to the Company's normal business.

Unusual items from ordinary business activities are recorded under current profit/loss. This comprises, in particular, the following items:

- Allocations to and reversals of provisions for depreciation of receivables;
- Operating grants;

- Transfers of operating expenses.

Non-recurring items outside ordinary business activities constitute the non-recurring profit/loss.

3.12 - Grants Received

Grants received are recorded as soon as the corresponding receivable becomes certain, given the conditions set for obtaining the grant.

Operating grants are recorded under current revenue and take into account, where applicable, the cadence of the corresponding expenses, so that the principle of linking expenditure to revenue is adhered to.

Investment grants intended for acquiring fixed assets are initially recorded under equity, then are acknowledged under current revenue in keeping with the amortizations applied to the corresponding fixed assets.

3.13 - External Study and Subcontracting Expenditure

The implementation status of subcontracting agreements to third parties for certain research services, as well as the implementation status of external studies undertaken within the research collaboration framework, are assessed at each financial year ending so that the cost of services already provided to the Company may be recognized as expenses to be paid and the cost of services already recorded but not yet undertaken entirely may be recognized as prepaid expenses.

3.14 - Cash and Cash Equivalents

For the purposes of the cashflow table, cash and cash equivalents are defined as equal to the total of the “Cash Instruments” and “Cash in Hand” Asset items, insofar as the cash instruments are available in the very short term and that they do not pose any significant risk of impairment loss in the event that interest rates change.

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NOTE 4 | INTANGIBLE, TANGIBLE AND FINANCIAL ASSETS

Financial year ended 31st December 2015

GROSS VALUES (in thousands of euros)	Gross value at 01/01/15	Acquisitions	Reductions	Gross value at 31/12/15
Intangible assets				
Concessions, patents, licences, software, rights and the like	262	117	8	371
Other intangible assets			0	
TOTAL	262	117	8	371
Tangible assets				
Technical facilities, industrial equipment and tooling	2,139	521	0	2,660
General facilities, fixtures and various amenities	60	8	0	69
Office equipment and computer hardware, furniture	126	23	3	146
Tangible assets under construction	521	150	521	150
TOTAL	2,846	703	523	3,026
Financial assets				
Equity interests and related receivables	631	0	0	631
Other equity investments	0	0	0	0
Other financial assets	171	957	936	192
TOTAL	802	957	936	823
GRAND TOTAL	3,910	1,777	1,467	4,220

DEPRECIATIONS (in thousands of euros)	POSITION AND MOVEMENTS DURING THE PERIOD			
	Value at 01/01/15	Allocations	Outflows	Value at 31/12/15
Depreciable fixed assets				
Intangible assets				
Concessions, patents, licences, software, rights and the like	163	99	8	254
Other intangible assets			0	
TOTAL	163	99	8	254
Tangible assets				
Technical facilities, industrial equipment and tooling	1,355	500	0	1,854
General facilities, fixtures and various amenities	6	6	0	13
Office equipment and computer hardware, furniture	78	28	3	104
TOTAL	1,439	534	3	1,971
GRAND TOTAL	1,602	634	11	2,225

IMPAIRMENT (in thousands of euros)	POSITION AND MOVEMENTS DURING THE PERIOD			
	Value at 01/01/15	Allocations	Outflows	Value at 31/12/15
Financial assets				
Financial assets				
Long-term securities (bonds)	0	0	0	0
TOTAL	0	0	0	0
Other financial assets				
Liquidity agreement	5	22	0	27
TOTAL	5	22	0	27
GRAND TOTAL	5	22	0	27

At 31st December 2015, **Equity interests and related receivables** comprised the following items:

- DEINOBIOTICS securities: 461,500 euros (49.02% of the share capital);
- CARBIOS securities: 169,999 euros (2.01% of the share capital).

As regards the 2nd equity interest, it is specified that, based on the CARBIOS trading value at 31/12/15, i.e. €13.08, its fair value is €988.3K. Notwithstanding, as the Company accounts are established in accordance with French accounting standards, this balance sheet asset is recorded valued at its historic price (acquisition price).

Other financial assets included under assets at 31st December 2015 comprised:

- 14,982 treasury shares, recorded for a gross value of €88K. The market value of these shares, determined on the basis of the closing price of the Company share at 31/12/15, was lower than the acquisition value; a provision for impairment of €27K was recorded at 31/12/15;
- The available balance of the Liquidity Agreement totalling €11K;
- Deposit and sureties of €92K, including €91K relating to the Cap Sigma (Grabels) premises.

This represents a net amount of €165K at 31/12/15.

NOTE 5 | RECEIVABLES

Financial year ended 31st December 2015

RECEIVABLES (in thousands of euros)	31/12/15	Within a year	Over a year
From fixed assets			
Other financial assets (net)	165	1	164
Total fixed assets	165	1	164
From current assets			
Customers and related accounts	56	56	0
Trade receivables	0	0	0
Staff and social organizations	1	1	0
Tax on profit	1,702	1,702	0
Value added tax	416	416	0
Other taxes, duties and similar levies			
Other receivables	22	22	0
Group and associates			
Total current assets	2,197	2,197	0
TOTAL	2,362	2,198	164

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Financial year ended 31st December 2014

RECEIVABLES (in thousands of euros)	31/12/14	Within a year	Over a year
From fixed assets			
Other financial assets (net)	166	0	166
Total fixed assets	166	0	166
From current assets			
Customers and related accounts	40	40	0
Trade receivables	0	0	0
Staff and social organizations	4	1	4
Tax on profit	1,737	1,737	0
Value added tax	305	305	0
Other taxes, duties and similar levies			
Other receivables	23	23	0
Group and associates			
Total current assets	2,110	2,106	4
TOTAL	2,277	2,106	170

Receivables from tax on profit mainly correspond to the R&D Tax Credit acquired by the Company during financial year 2015, and represent €1,641K on the Assets side of the balance sheet. As there is no taxable profit and due to the Company's "Young Innovative Company" status, this receivable is repayable the year following the year it is recognized:

Furthermore, the Company recorded a €54K receivable relating to the Tax Credit for Employment Competitiveness (CICE) and €8K relating to the Business Prospection Tax Credit (CIPC).

Other receivables at 31/12/15 are mainly outstanding receivables (from suppliers), totalling €14K (vs. €12K at 31/12/14), and a prepayment relating to luncheon vouchers totalling €8K (vs. €8K also at end 2014).

NOTE 6 | CASH INSTRUMENTS

At 31/12/15, the Company did not hold any term account, which through its maturity date could be recorded under Cash Instruments.

NOTE 7 | REPAYMENTS AND ACCRUED INCOME - ASSETS

PREPAYMENTS (in thousands of euros)	31/12/15	31/12/14
Prepayments	534	324

The amount of prepayments mainly comprises operating-related costs.

As the Company made an inventory (for the second time), then a stock valuation of its laboratory consumables at the end of the year, the amount of prepayments recorded at 31 December 2015 integrates, in particular, the results of this valuation.

NOTE 8 | EQUITY

8.1 - Share Capital Structure

	31/12/15	31/12/14	31/12/13	31/12/12	31/12/11
Capital	€3,421,962.80	€2,183,960.40	€2,022,732.40	€1,976,006.00	€1,957,240.00
Number of shares	8,554,907	5,459,901	5,056,831	4,940,015	4,893,100
Nominal value	€0.40	€0.40	€0.40	€0.40	€0.40

At 31st December 2015, the Company's share capital comprised 8,554,907 shares with a unit nominal value of 0.40 euro.

During financial year 2015, the Board of Directors acknowledged the issue of 724,370 new shares through the exercise of 419,000 BSA-T1 then 280,000 BSA-T2 (Kepler Cheuvreux equity line) and 25,370 BCE-2009-2, i.e. a capital increase of 289,748.00 euros.

Moreover, the capital increase with preferential subscription right maintained, which was completed in December 2015, led to the issuance of 2,370,636 new shares, i.e. an additional capital increase of 948,254,40 euros.

8.2 - Share Capital Breakdown

The Articles of Association grant the right to cast two votes for each fully subscribed share that has been registered for at least two years in the name of the same shareholder. The tables below indicate the percentage of capital and of voting rights held by the main shareholders.

Financial year ended 31st December 2015

Shareholders	Number of shares	Percentage held	Voting rights	Percentage
Truffle Capital-managed funds	2,828,215	33.06%	5,493,433	48.37%
Tereos EU	118,685	1.39%	118,685	1.05%
Scientific founders	20,000	0.23%	40,000	0.35%
Management and directors	62,848	0.73%	81,589	0.72%
Floating	5,525,159	64.58%	5,623,646	49.52%
TOTAL	8,554,907	100.00%	11,357,353	100.00%

Financial year ended 31st December 2014

Shareholders	Number of shares	Percentage held	Voting rights	Percentage
Truffle Capital-managed funds	2,794,516	51.18%	5,497,234	66.70%
Tereos EU	118,685	2.17%	118,685	1.44%
Scientific founders	20,000	0.37%	40,000	0.49%
Management and directors	19,041	0.35%	29,041	0.35%
Floating	2,507,659	45.93%	2,557,173	31.03%
TOTAL	5,459,901	100.00%	8,242,133	100.00%

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8.3 - Dilutive Financial Instruments:

- **Share warrants (BSA)**

The table below shows the status of BSA outstanding at 31st December 2015, as well as additional information on their status on this date.

BSA	Issued	Cancelled	Exercised	Balance of exercisable warrants	Of which subscribed	Of which not allocated	Lapse
BSA-B	92,430	-	61,080	31,350	31,350	-	30/01/18
GM of 30/01/08							
BSA-2008	61,620	-	20,540	41,080	41,080	-	27/06/18
GM of 27/06/08							
BSA-2009	330,000	-	-	330,000	330,000	-	05/05/19
GM of 05/05/09							
BSA-2010-1	34,000	-	-	34,000	34,000	-	22/03/20
GM of 27/01/10							
BSA-2010-3	22,500	-	-	22,500	22,500	-	22/03/20
GM of 27/01/10							
BSA-2010-4	8,500	-	-	8,500	8,500	-	22/03/20
GM of 27/01/10							
BSA-2012-1	123,240	20,540	-	102,700	102,700	-	16/02/22
GM of 24/09/10							
BSA-2013-1	10,100	-	-	10,100	10,100	-	04/07/23
GM of 13/05/13							
BSA-T1	500,000	-	500,000	0	0	-	30/06/15
GM of 06/05/14							
BSA-T2	600,000	-	280,000	320,000	320,000	-	18/12/15
GM of 06/05/14							
BSA-2015-1	20,000	-	-	20,000	20,000	-	22/09/25
GM of 06/05/15							
BSA-2015-2	20,000	-	-	20,000	20,000	-	22/09/25
GM of 06/05/15							
BSA TOTAL	1,822,390	20,540	861,620	940,230	940,230	0	

During financial year 2015, 699,000 new shares were issued for a unit price of 0.40 euro, through the exercise of:

- 419,000 “Tranche1 BSA” issued by the Board of Directors on 20 November 2014, in accordance with the delegation of authority granted by the General Meeting of Shareholders on 6 May 2014; and of
- 280,000 “Tranche2 BSA” issued by decision of the Chief Executive Officer on 13 May 2015, making use of the powers subdelegated to him by the Board of Directors on 20 November 2014, in accordance with the delegation of authority granted by the General Meeting of Shareholders on 6 May 2014.

The tables below summarize the characteristics of BSA plans in effect at 31st December 2015.

These plans could lead to the creation of a maximum of 940,230 new shares, if all corresponding rights were exercised.

	BSA-B	BSA 2008	BSA-2009
Date of the General Meeting or Board of Directors that issued the BSA	GM of 30/01/08 and BoD of 30/01/08 and amended by the GM of 27/01/10 and the GM of 15/03/10	GM of 27/06/08 and amended by the GM of 27/01/10 and the GM of 15/03/10	GM of 05/05/09 and amended by the GM of 15/03/10
Number of BSA	92,430	61,620	330,000
Number of BSA exercised	61,080	20,540	0
Total number of shares that can be subscribed	31,350	41,080	330,000
Point of departure for exercising warrants	01/02/08	01/07/08	05/05/09
Expiry date	30/01/18	27/06/18	05/05/19
Beneficiaries	Consultant and director	Consultant	Scientific founders
Warrant subscription or acquisition price	Free of charge		
Procedures for exercising the warrant	By tranche of 1/48 th per month over 4 years from 01/02/08	By tranche of 1/48 th per month over 4 years from 01/07/08	1,770,000 exercisable at 05/05/09 1,530,000 exercisable in 3 equal tranches; each tranche may be exercised if the beneficiary discovers a invention, patentable or not, that is likely to be exploited by the Company
Exercise price per share subscribed	€0,40		

	BSA-2010-1	BSA-2010-3	BSA-2010-4
Date of the General Meeting or Board of Directors that issued the BSA	GM of 27/01/10, amended by the GM of 15/03/10 and allocated by the Board of Directors of 22/03/10		
Number of BSA	34,000	22,500	8,500
Number of BSA exercised	0	0	0
Total number of shares that can be subscribed	34,000	22,500	8,500
Point of departure for exercising warrants	22/03/10		
Warrant subscription or acquisition price	Free of charge	1% of the BSA exercise price, i.e. €0.07497	
Expiry date	22/03/20		
Beneficiaries	Consultant	Directors	Consultant
Procedures for exercising the warrant	<u>Exercising condition</u> : conclusion of the agreement protocol between the Company and the CNRS	<u>Exercising condition</u> : success of the 1 st listing of Company securities on the NYSE Alternext Euronext Paris with fund raising of at least €10,000,000	<u>Exercising condition</u> : success of the 1 st listing of Company securities on the NYSE Alternext Euronext Paris with fund raising of at least €10,000,000

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	<u>Acquisition:</u> the warrants are exercisable over a 2-year period as of the conclusion of the agreement protocol between the Company and the CNRS	<u>Acquisition:</u> by tranche of 1/48 th per month over 4 years from the 1 st listing of Company securities on the NYSE Alternext Euronext Paris	<u>Acquisition:</u> by tranche of 1/24 th per month over 2 years from the 1 st listing of Company securities on the NYSE Alternext Euronext Paris
Exercise price per share subscribed	Share price during the listing of Company securities on the NYSE Alternext Euronext Paris, i.e. €8.33	90% of the share price during the listing of Company securities on the NYSE Alternext Euronext Paris, i.e. €7.497	

	BSA-2012-1	BSA-2013-1	BSA-2014-T1
Date of the General Meeting or Board of Directors that issued the BSA	GM of 24/09/10 and allocated by the BoD of 16/02/12	GM of 13/05/13 and allocated by the BoD of 04/07/13	GM of 06/05/14 and BoD of 20/11/14
Number of BSA	102,700	10,100	500,000
Number of BSA exercised	0	0	500,000
Total number of shares that can be subscribed	102,700	10,100	0
Point of departure for exercising warrants	16/02/12	04/07/13	01/12/14
Expiry date	16/02/22	04/07/23	30/06/15
Beneficiaries	Director, former director and Truffle Capital FCPR/FCPI (7 funds)	Director	Kepler Cheuvreux
Warrant subscription or acquisition price	10% of the BSA exercise price, i.e. €0.9802905	10% of the BSA exercise price, i.e. €0.98889	According to contractual terms
Procedures for exercising the warrant	<ul style="list-style-type: none"> • 50% from 16/02/14 • 50% per tranche of 1/24th per month over 2 years from 16/02/14 	100% if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion	According to contractual terms
Exercise price per share subscribed	Weighted average of the last 5 stock market sessions prior to the date the BSA-2012-1 were allocated, i.e. €9.802905	Weighted average of the last 5 stock market sessions prior to the date the BSA-2013-1 were allocated, i.e. €9.8889	Based on the trading value, less a maximum discount of 7.5%

	BSA-2014-T2	BSA-2015-1	BSA-2015-2
Date of the General Meeting or Board of Directors that issued the BSA	GM of 06/05/14 and BoD of 20/11/14	GM of 06/05/15 and BoD of 22/09/15	GM of 06/05/15 and BoD of 22/09/15
Number of BSA	600,000	20,000	20,000
Number of BSA exercised	280,000	20,000	20,000
Total number of shares that can be subscribed	320,000	20,000	20,000
Point of departure for exercising warrants	13/05/15	06/05/15	06/05/15
Expiry date	13/12/15	06/05/25	06/05/25
Beneficiaries	Kepler Cheuvreux	Director	Director
Warrant subscription or acquisition price	According to contractual terms	€0.68669	€0.68669

Procedures for exercising the warrant	According to contractual terms	<ul style="list-style-type: none"> • 15,000 warrants multiplied by (number of months elapsed as of 6 May 2014 / 48) • 5,000 warrants if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion 	<ul style="list-style-type: none"> • 15,000 warrants multiplied by (number of months elapsed as of 6 May 2014 / 48) • 5,000 warrants if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion
Exercise price per share subscribed	Based on the trading value, less a maximum discount of 7.0%.	Weighted average of the last 5 stock market sessions prior to the date the warrants were allocated, i.e. a price equal to €6,8669	Weighted average of the last 5 stock market sessions prior to the date the warrants were allocated, i.e. a price equal to €6,8669

- **Stock option plans (BSPCE)**

The table below shows the status of BSPCE outstanding at 31st December 2015, as well as additional information on their status on this date.

BSPCE	Issued	Cancelled	Exercised	Balance of exercisable warrants	Of which subscribed	Of which not allocated	Lapse
BCE 2008	61,630	-	61,630	0	0	-	30/01/18
GM of 30/01/08							
BCE 2009-1	68,000	32,832	30,068	5,100	5,100	-	10 years after allocation
GM of 05/05/09							
BCE 2009-2	25,370	-	25,370	0	0	-	05/05/19
GM of 05/05/09							
BCE-2010-1	37,320	6,630	2,820	27,870	27,870	-	22/03/20
GM of 27/01/10							
BCE-2010-2	43,500	26,604	3,896	13,000	13,000	-	02/12/20
GM of 24/09/10							
BCE-2011-1	22,400	9,400	-	13,000	13,000	-	28/06/21
GM of 24/09/10							
BCE-2012-1 *	25,000	25,000	-	0	0	-	03/07/22
GM of 03/05/12							
BCE-2013-1 *	152,780	152,780	-	0	0	-	07/01/23
GM of 03/05/12							
BCE-2013-2 *	60,000	60,000	-	0	0	-	11/07/23
GM of 13/05/13							
BCE-2015-1	152,780	-	-	152,780	152,780	-	02/02/25
GM of 06/05/14							
BCE-2015-2	25,000	-	-	25,000	25,000	-	02/02/25
GM of 06/05/14							
BCE-2015-3	60,000	60,000	-	0	0	-	02/02/25
GM of 06/05/14							
BCE-2015-4	10,000	-	-	10,000	10,000	-	02/02/25
GM of 06/05/14							
BCE-2015-5	50,000	-	-	50,000	50,000	-	10/11/25
GM of 06/05/15							
BSPCE TOTAL	793,780	373,246	123,784	296,750	296,750	0	

(*) Lapse acknowledged by the Board of Directors of 2 February 2015.

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The tables below summarize the characteristics of BCE plans in effect at 31st December 2015.

These plans could lead to the creation of a maximum of 296,750 new shares, if all corresponding rights were exercised.

	BCE-2008	BCE-2009-1	BCE-2009-2
Date of the General Meeting or Board of Directors that issued the BCE	GM of 30/01/08 and amended by the GM of 15/03/10	GM of 05/05/09 and amended by the GM of 15/03/10	GM of 05/05/09 and amended by the GM of 15/03/10
Number of BCE	61,630	37,400	25,370
Number of BCE exercised	61,630	30,068	25,370
Number of BCE lapsed	0	2,232	0
Total number of shares that can be subscribed	0	5,100	0
Point of departure for exercising warrants	01/02/09	12 months following the conclusion of the employment agreement or the nomination as director	05/05/09
Expiry date	30/01/18	05/05/19	05/05/19
Beneficiaries	Chief Executive Officer	Employees	Chief Executive Officer
Warrant subscription or acquisition price	Free of charge	Free of charge	Free of charge
Procedures for exercising the warrant	By tranche of 1/48 th per month over 4 years from 01/02/08	By tranche of 1/48 th per month over 4 years from the 1 st day of the month following the conclusion of the employment agreement by the beneficiary or the nomination of the beneficiary as director	By tranche of 1/48 th per month over 4 years from 05/05/09
Exercise price	€0.40	€0.40	€0.40

	BCE-2010 - 1	BCE-2010 - 2	BCE-2011 - 1
Date of the General Meeting or Board of Directors that issued the BCE	GM of 27/10/10 and allocated by the Board of Directors of 22/03/10	GM of 24/09/10 and allocated by the Board of Directors of 02/12/10	GM of 24/09/10 and allocated by the Board of Directors of 28/06/11
Number of BCE	37,320	43,500	22,400
Number of BCE exercised	2,820	3,896	0
Number of BCE lapsed	6,630	26,604	9,400
Total number of shares that can be subscribed or purchased	27,870	13,000	13,000
Point of departure for exercising warrants	22/03/10	02/12/10	28/06/11
Expiry date	22/03/20	02/12/20	28/06/21

Beneficiaries	Chief Executive Officer and employees	Employees	Employees
Warrant subscription or acquisition price	Free of charge	Free of charge	Free of charge
Procedures for exercising the warrant	Exercising condition: Success of the 1 st listing of Company securities on the NYSE Alternext Euronext Paris with fund raising of at least €10,000,000		- 25% of the warrants that a beneficiary holds may be exercised annually between 1 st October and 31 st December each year and for the first time on 1 st October 2012;
	<p>Acquisition: - 50% of the warrants are exercisable immediately following the success of the 1st listing of Company securities on the NYSE Alternext Euronext Paris with fund raising of at least €10,000,000</p> <p>- 50% exercisable by tranche of 1/48th per month over 4 years from the 1st listing of Company securities on the NYSE Alternext Euronext Paris</p>	<p>- 25% of the warrants that a beneficiary holds may be exercised annually between 1st October and 31st December each year and for the first time on 1st October 2011;</p> <p>- 75% of the warrants that a beneficiary holds may be exercised annually between 1st October and 31st December each year and for the first time exceptionally on 1st December 2011, for a maximum of X warrants, calculated according to the following principle, starting from 1st December 2011:</p> <p><math>X = (\text{total number of warrants allocated to the beneficiary}) \times (\text{number of months since 1st October 2011} / 36)</math></p>	<p>- 75% of the warrants that a beneficiary holds may be exercised annually between 1st October and 31st December each year and for the first time on 1st October 2012, for a maximum of X warrants, calculated according to the following principle, starting from 1st October 2012:</p> <p><math>X = (\text{total number of warrants allocated to the beneficiary}) \times (\text{number of months since 1st October 2012} / 36)</math></p>
Exercise price per share subscribed	Share price during the listing of Company securities on the NYSE Alternext Euronext Paris, i.e. €8.33	Weighted average of the last 5 stock market sessions prior to the date the BCE-2010-2 were allocated, i.e. €4.3990	Weighted average of the last 5 stock market sessions prior to the date the BCE-2011-1 were allocated, i.e. €15.1556

	BCE-2012-1	BCE-2013-1	BCE-2013-2
Date of the General Meeting or Board of Directors that issued the BCE	GM of 03/05/12 and allocated by the BoD of 03/07/12	GM of 03/05/12 and allocated by the BoD of 07/01/13	GM of 13/05/13 and allocated by the BoD of 11/07/13
Number of BCE	25,000	152,780	60,000
Number of BCE exercised	0	0	0
Number of BCE lapsed	25,000	152,780	60,000
Total number of shares that can be subscribed or purchased	0	0	0
Point of departure for exercising warrants	03/07/12	07/01/13	11/07/13
Expiry date	03/07/22	07/01/23	11/07/23
Beneficiaries	Employee	Chief Executive Officer	Employee
Warrant subscription or acquisition price	Free of charge	Free of charge	Free of charge

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Procedures for exercising the warrant	- 25% of the warrants held by a beneficiary are exercisable from the 2 nd anniversary of the conclusion of her/his employment agreement	- 66% of the warrants are exercisable on a monthly basis over 48 months from the moment the beneficiary takes office and for the first time from the 1 st anniversary of taking office	- 50% of the warrants are exercisable on a monthly basis over 48 months from the moment the beneficiary takes office and for the first time from the 1 st anniversary of taking office
	- 50 % of the warrants held by a beneficiary are exercisable from the 2 nd anniversary of the conclusion of their employment agreement by tranche of 1/24 th per month over 2 years	- 34% of the warrants are exercisable if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion	- 50 % of the warrants are exercisable if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion
	- 25% of the warrants are exercisable if a financial transaction that is structuring for the Company, as defined by the BoD, is undertaken		
Exercise price per share subscribed	Weighted average of the last 5 stock market sessions prior to the date the BCE-2012-1 were allocated, i.e. €8.05876	Weighted average of the last 5 stock market sessions prior to the date the BCE-2013-1 were allocated, i.e. €10.9635537	Weighted average of the last 5 stock market sessions prior to the date the BCE-2013-2 were allocated, i.e. €9.875397

	BCE-2015-1	BCE-2015-2	BCE-2015-3
Date of the General Meeting or Board of Directors that issued the BCE	GM of 06/05/14 and allocated by the BoD of 02/02/15	GM of 06/05/14 and allocated by the BoD of 02/02/15	GM of 06/05/14 and allocated by the BoD of 02/02/15
Number of BCE	152,780	25,000	60,000
Number of BCE exercised	0	0	0
Number of BCE lapsed	0	0	60,000
Total number of shares that can be subscribed or purchased	152,780	25,000	0
Point of departure for exercising warrants	02/02/15	02/02/15	02/02/15
Expiry date	02/02/25	02/02/25	02/02/25
Beneficiaries	Chief Executive Officer	Employee	Employee
Warrant subscription or acquisition price	Free of charge	Free of charge	Free of charge
Procedures for exercising the warrant	- 2/3 of the BCE-2015-1 are exercisable in accordance with the terms and conditions related to the length of term of office of the Company Chief Executive Officer	- 1/4 of the BCE-2015-2 are exercisable in accordance with the terms and conditions related to the length of time the beneficiary has held their position	- 1/2 of the BCE-2015-3 are exercisable in accordance with the terms and conditions related to the length of time the beneficiary has held their position
	- 1/3 of the BCE-2015-1 are exercisable if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion	- 1/4 of the BCE-2015-2 are exercisable if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion	- 1/2 of the BCE-2015-3 are exercisable if two objectives are fulfilled, which are assessed by the Board of Directors in its unfettered discretion
Exercise price per share subscribed	Weighted average of the last 5 stock market sessions prior to the date the BCE-2015-1 were allocated, i.e. €6.043407	Weighted average of the last 5 stock market sessions prior to the date the BCE-2015-2 were allocated, i.e. €6.043407	Weighted average of the last 5 stock market sessions prior to the date the BCE-2015-3 were allocated, i.e. €6.043407

	BCE-2015-4	BCE-2015-5
Date of the General Meeting or Board of Directors that issued the BCE	GM of 06/05/14 and allocated by the BoD of 02/02/15	GM of 06/05/14 and allocated by the BoD of 10/11/15
Number of BCE	10,000	50,000
Number of BCE exercised	0	0
Number of BCE lapsed	0	0
Total number of shares that can be subscribed or purchased	10,000	50,000
Point of departure for exercising warrants	02/02/15	10/11/15
Expiry date	02/02/25	10/11/25
Beneficiaries	Employee	Employee
Warrant subscription or acquisition price	Free of charge	Free of charge
Procedures for exercising the warrant	- 1/2 of the BCE-2015-4 are exercisable in accordance with the terms and conditions related to the length of time the beneficiary has held their position	- 4/5 of the BCE-2015-5 are exercisable in accordance with the terms and conditions related to the length of time the beneficiary has held their position
	- 1/2 of the BCE-2015-4 are exercisable if an objective is fulfilled, which is assessed by the Board of Directors in its unfettered discretion	- 1/5 of the BCE-2015-5 are exercisable if two objectives are fulfilled, which are assessed by the Board of Directors in its unfettered discretion
Exercise price per share subscribed	Weighted average of the last 5 stock market sessions prior to the date the BCE-2015-4 were allocated, i.e. €6.043407	Weighted average of the last 5 stock market sessions prior to the date the BCE-2015-5 were allocated, i.e. €6.583448

8.4 - Equity position at 31st December 2015:

At 31st December 2015, Company equity amounted to +8,096,025 euros.

The Company stresses that the accounts for the financial year ended on 31st December 2014 recorded equity that was less than half of the share capital. The General Meeting of Shareholders was, as such, consulted to reach a decision as to the continuation of the business, pursuant to Article L. 225-248 of the French Commercial Code. At the General Meeting of 6 May 2015, the shareholders decided not to vote for the early dissolution of the Company. At 31st December 2015, and at the date of the report hereof, Company equity is no longer less than half of the share capital. Consequently, at the next General Meeting, the Company will propose to its shareholders to acknowledge the reconstitution of its equity.

NOTE 9 | CONDITIONAL ADVANCES

This item comprises the advances granted by public bodies, and whose repayment is predominantly conditional to the success of the project concerned: The table below details the changes over the financial period, for each of the projects concerned, and then specifies the related characteristics:

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(in thousands of euros) Project - Source of financing	Balance 31/12/14	Movements during the period 2015		Balance 31/12/15
		New advances received	Repayments or transfers	
DEINOL feasibility - OSEO Ile de France	0			0
DEINOCHEM - ADEME / Investments for the Future	1,480	991		2,471
DEINOPHARM - OSEO Innovation and the Languedoc Roussillon Region	274		50	224
DEINOL - OSEO Innovation ISI Programme	2,620	1,006		3,626
THANAPLAST™ - OSEO ISI Programme*	177			177
Total advances received	4,550	1,998	50	6,497
Of which: minimum repayable	0			0
CONDITIONAL ADVANCES (NET)	4,550	1,998	50	6,497

* Led by CARBIOS

- i. A €100K repayable advance was granted in 2009 by Oseo Île-de-France for the “DEINOL project feasibility study: creation of a bacteria strain bank, characterization, selection and optimization”. DEINOVE received €50K in 2009 and the €50K remaining in 2010. As the feasibility study was highly successful, €5K was repaid in September 2011 (in 1 direct debit), €30K in 2012 (5 direct debits), €40K in 2013 (4 direct debits) and, finally, €25K in 2014 (2 direct debits). As provided for in the initial schedule of payments, on the admission of success, the full amount received as a repayable advance was, as such, paid back to the public funding body, Bpifrance.
- ii. As regards the DEINOPHARM project, in 2009 Oseo Innovation and the Languedoc-Roussillon Region granted €400K repayable advances for the “extension and screening of a bacteria strain bank; identification and characterization of antibiotic molecules”. The first instalment of 40% was made in 2009, and an additional €160K was paid to DEINOVE in 2010. As set out in the rider to this aid agreement, concluded in November 2010, a 1st reimbursement of €25K was made at the end of December 2013. Almost concurrently, at the beginning of January 2014, and following Bpifrance’s processing of the most recent expenses declaration (transmitted in 2011), the remaining €4K balance of repayable advances was paid to the Company. This payment was accompanied by a rider-letter, updating the repayment schedules, if success is acknowledged (€324K, i.e. 100% of amounts received) or if failure is acknowledged (€49K, i.e. 15%). At the beginning of June 2014, Bpifrance informed the Company that repayment schedules were postponed as part of the study on the acknowledgement of failure. Notwithstanding, €25K was debited directly on 31st March 2014; the total reimbursed to date, i.e. €50K, being then marginally higher than the €49K provided for in such circumstances. Two new €25K direct debits were made subsequently, on 30th September and 31st December 2015, pursuant to the new repayment schedule. In October 2015, following a request by Bpifrance, the Company addressed an update of the acknowledgement of failure, initially submitted in May 2011, to determine the total amount owing to be repaid. Repayable advances related to this aid do not carry interest.
- iii. For its DEINOL project, the Company received an aid from Oseo Innovation – ISI Programme, comprising repayable advances, for a total amount of €4M, and €2M in grants, instalments were spread over 50 months between 2010 and 2014. This aid was suspended when DEINOVE concluded a Consortium Agreement, on 30 March 2010, with its project partners - BENP-Lillebonne, the CNRS and INSA Transfert. The aids are made available progressively as the project is implemented and when DEINOVE transmits reports to Oseo concerning the finalization of each milestone, for which the main characteristics were initially as follows:
 - before 28/02/11 (milestone 1): development of a wild or modified strain producing ethanol and endowed with hemicellulose or cellulolytic characteristics similar to benchmark micro-organisms;
 - before 28/02/12 (milestone 2): transmission by the consortium of a report dealing with the development of a strain of recombinant *Deinococcus* that digests wheat biomass effectively and produces 3% ethanol;

- before 28/02/13 (milestone 3): attestation by BENP-Lillebonne (TEREOS Group) that it has received a strain of *Deinococcus* of interest for the start-up of the industrial pilot;
- before 28/02/14 (milestone 4): validation of the ethanol production in an industrial facility.

Completing each milestone and satisfying the related conditions of the Aid Agreement makes the Company eligible for the following aids:

(in thousands of euros)	2010	2011	2012	2013	2014	Total
Grants	498	632	576	0	301	2,007
Repayable advances	903	1,093	984	426	601	4,008
TOTAL	1,401	1,725	1,560	426	902	6,015

In July 2010, the Company received the amounts expected for the 1st payment, i.e. €1,401K. In May 2011, as a result of successfully completing milestone 1, the Company received €632K in grants and €947K in repayable advances, totalling €1,579K. A figure slightly below that expected, with a difference of -€146K, as the expenses required to complete this milestone proved lower than the original budget submitted to Oseo.

In March 2012, the Company submitted a summary statement of expenditure, for the period ended on 28/02/12, to Oseo. In light of the success of milestone 2, in August 2012, the Company received €1,152K (grant share: €383K; repayable advance share: €769K) of the €1,560K expected, as expenses for this milestone were lower than expected.

It is also stated that in return for this aid, the Company made a commitment to pay Bpifrance (formerly Oseo Innovation), a percentage of its annual revenue derived from the commercialization of the processes and technologies developed within the framework of this project, from 2017, for a maximum of 9 years. The repayment total, capped at a certain amount, could exceed the total amount of advances received.

In January 2014, DEINOVE announced that it had produced ethanol at 9%, using *Deinococcus* bacteria, and thus illustrated the technological and economic viability of its production process.

On 3 June 2014, the Company announced that it had concluded a partnership agreement (for a maximum period of 36 months) with the ABENGOA Group, one of the world's leading bioethanol producers, with which it will pursue the DEINOL project that focuses on the production of 2nd generation ethanol, with the reaffirmed support of Bpifrance. In light of the development of its production activity for the food industry in its BENP Lillebonne plant, TEREOS has decided not to involve itself further in the DEINOL project. Consequently, in agreement with TEREOS and Bpifrance, DEINOVE welcomed ABENGOA as the new industrial partner for the DEINOL project. This change in partner meant that certain terms of the aid agreement had to be modified, i.e. the definition of the last two milestones, the schedule for paying the grant amounts and related repayable advance, and potential financial returns for Bpifrance if the project was successful, acknowledged by written riders to the Framework and Beneficiary Agreements, concluded on 9 January 2015.

The main characteristics of the final two milestones have, as such, been updated:

- before 28/02/15 (milestone 3): development of a recombinant cellulose- and hemicellulolytic strain, capable of growing at 48 °C, resisting 30 g/L of sugar and producing 4 to 6% of ethanol on xylose/glucose with productivity of 1 g/L/h of ethanol; assessment of various 2nd generation industrial substrates: assimilation of sugars from pretreated lignocellulosic biomass;
- before 28/02/16 (milestone 4): preparation for the industrialization phase.

Pursuant to the terms of the rider to the Framework Agreement, the schedule for payments as well as the repayable advances and grant amounts are, as such, amended (the amounts for 2010, 2011 and 2012 represent the actual amounts paid by Bpifrance to DEINOVE):

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(in thousands of euros)	2010	2011	2012	2013	2014	Total
Grants	498	632	383	236	309	2,058
Repayable advances	903	947	769	1,006	640	4,265
TOTAL	1,401	1,579	1,152	1,242	948	6,323

In April 2015, the Company submitted a summary statement of expenditure to Bpifrance, for the period ended on 28/02/15, and relating to milestone 3. Bpifrance notified the Company, by letter dated 3 July 2015, of the successful completion of the 3rd and penultimate milestone of its DEINOL project, thus validating the work undertaken on DEINOVE's platform. This progress triggered the payment of €1,242K (repayable advance share: €1,006K, grant share: €236K) by Bpifrance.

- iv. In July 2012, Oseo Innovation – ISI Programme notified the Company that it had been granted €333K of aid for the THANAPLAST™ collaborative project, led by CARBIOS. This project focuses on developing cutting-edge technology and processes for recycling plastic waste and for producing industrial high-performance plastics, from renewable raw materials, that are competitive and have a controlled-lifecycle.

This aid is made up of grants and repayable advances. The schedule of payments as provided for by the Aid Agreements is as follows:

(in thousands of euros)	2012	2013	2014	2015	2016	2017	Total
Grants	105	0	0	0	0	19	124
Repayable advances	0	177	0	0	0	32	209
TOTAL	105	177	0	0	0	51	333

The 1st tranche of payment of the grant share, totalling €105K, was made in December 2012. In September 2013, following Bpifrance's acknowledgement of the fulfilment of the milestone 1 of the THANAPLAST™ project, the Company received the full amount provided for under the Agreement for this instalment, i.e. €177K in the form of a repayable advance.

- v. In November 2013, the ADEME informed the Company that it had been granted €5,919K aid for the DEINOCHEM project, which aims to implement a research demonstrator, at the end of a 42-month period, to develop the production of at least 2 isoprenoid compounds from a model substrate. This aid, provided exclusively as repayable advances, falls under the Investissements d'Avenir (Investments for the Future) managed by the French National General Commission for Investment (CGI). The 1st instalment, for a total of €1,480K was made in April 2014. The following payments shall be released as the project progresses and when the Company transmits reports concerning the finalization of the 3 predefined milestones to the ADEME. In December 2014, the Company submitted a summary statement of expenditure to the ADEME, for the period ended on 31st October 2014, and relating to milestone 1, which was successfully completed two months earlier than initially scheduled. In light of the success of this milestone, the Company received €991K in the form of a repayable advance, in February 2015.
- vi. Finally, in September 2010, Oseo Innovation notified the Company that it had been granted €700K aid for the DEINOBIOTICS collaborative project, relating to the "identification and production of new antibiotics and antifungal compounds for hospital-resistant infections". This aid was made up half of grants and half of repayable advances. The 1st instalment of €210K was made in November 2010. Within the framework of the transaction of non-monetary contributions of intangible assets that the Company made in favour of DEINOBIOTICS company, this OSEO aid was transferred to DEINOBIOTICS on 5 October 2012. DEINOBIOTICS, as such, took over the repayment obligations for this aid, i.e. €105K. As such, the Company has no liabilities in the form of repayable advances (conditional or unconditional), and is not eligible for future financing (be it repayable advances or grants), relating to this aid.

NOTE 10 | LOANS AND FINANCIAL LIABILITIES

This item comprises the share of non-conditional repayable advances (i.e. even if the project fails) or that are to be paid back if the research project, co-financed by this aid, is successful.

The Company reimbursed Bpifrance the full amount of aid falling under this definition.

As regards the €100K aid relating to the DEINOL feasibility study, which was acknowledged and recorded as successful in 2010, €5K were reimbursed in 2011, €30K in 2012, €40K in 2013 and the remaining €25K in 2014, pursuant to the repayment schedule.

As regards the DEINOPHARM project, the unconditional part, initially set at €60K, was adjusted to €49K via a rider. As €25K had already been paid back in December 2013, and as the repayment schedule included a 2nd direct debit of €25K for 2014, which was made, consequently the Company has reimbursed the conditional part in full, and has reimbursed €1K of the unconditional part 'in advance'.

(in thousands of euros) Detail of Other financial liabilities	Balance	Movements during the period 2015		Balance
	31/12/14	New advances received	Repayments or transfers	31/12/15
DEINOL (Feasibility)	0			0
DEINOPHARM	0			0
TOTAL OTHER FINANCIAL LIABILITIES	0	0	0	0

NOTE 11 | MATURITIES OF OPERATING LIABILITIES AT YEAR END:

Financial year ended 31st December 2015

(in thousands of euros)	Gross amount	Within a year	1 to 5 years	More than 5 years
Suppliers and related accounts	1,677	1,677		
Staff and related accounts	384	384		
Social security and other social organizations	385	385		
Other taxes, duties and similar levies	157	157		
Liabilities on fixed assets and related accounts	110	110		
Other liabilities	7	7		
TOTAL	2,719	2,719		

Financial year ended 31st December 2014

(in thousands of euros)	Gross amount	Within a year	1 to 5 years	More than 5 years
Suppliers and related accounts	764	764		
Staff and related accounts	323	323		
Social security and other social organizations	322	322		
Other taxes, duties and similar levies	32	32		
Liabilities on fixed assets and related accounts	755	755		
Other liabilities	7	7		
TOTAL	2,202	2,202		

NOTE 12 | ACCRUALS AND DEFERRED INCOME - LIABILITIES

DETAIL OF EXPENSES TO BE PAID (in thousands of euros)	31/12/15	31/12/14
Loans and liabilities owed to credit institutions		
Banks – accrued interest		
Total	0	0
Loans and financial liabilities - Others		
Accrued interest		
Total	0	0
Trade payables and related accounts		
Suppliers - Accrued invoices	217	265
Total	217	265
Outstanding taxes and social contributions		
Staff – holiday/time-off liabilities	162	147
Staff – other expenses to be paid	222	175
Social contributions / holiday/time-off	75	66
Other social contributions to be paid	134	105
State – payable charges	157	32
Total	749	525
Other liabilities		
Accrued credit notes	0	0
Total	0	0
GRAND TOTAL	967	790

NOTE 13 | CONTINGENT LIABILITIES RELATED TO TRADE AGREEMENTS

Research Partnership Agreements with INSATransfert-SAIC:

On 18 February 2010, DEINOVE concluded a Partnership Agreement with the INSA to execute a collaborative research programme with the Laboratoire d'Ingénierie des Systèmes Biologiques et des Procédés (Biological Systems and Processes Engineering Laboratory) (LISBP - Toulouse) to study the conditions for growth and the fermentation profile of *Deinococcus*, within the framework of the DEINOL project. An Operating Agreement on the findings of this programme was concluded on 3 March 2010 between the INSA and DEINOVE, in which the INSA grants DEINOVE an exclusive worldwide licence for the commercial use of the findings from the collaborative research programme. In return, the INSA will receive royalties based on DEINOVE's future revenue when it commercializes the findings concerned.

Research Partnership Agreements with the CNRS and Montpellier 1 University:

On 15 February 2010, DEINOVE concluded an Operating Agreement with the CNRS and Montpellier 1 University (UM1) on the findings of the cooperative laboratory established with these research bodies from 1st May 2008 to 30 April 2010, and in particular on the knowledge that was the subject of five patent applications held jointly by the three partners. The CNRS and the UM1 granted an exclusive worldwide licence for the use of these findings, for commercial purposes, in the fields of cooperation, for a fee in the form of a one-time payment and royalties based on DEINOVE's future revenue.

On 15 July 2010, DEINOVE, the CNRS and Montpellier 1 University concluded a Partnership Agreement to undertake joint work as part of the DEINOL project. This 36-month partnership agreement, beginning on 28 February 2010, is consistent with the cooperative laboratory, following the regrouping of DEINOVE staff at its Cap Alpha research facilities on 15 July 2010. The operating terms and conditions of the Agreement concluded on 15 February 2010 also apply to this partnership.

Research Partnership Agreement with the SUEZ ENVIRONNEMENT Group:

By press release dated 3 June 2014, DEINOVE announced the conclusion of a two-year R&D partnership agreement with the SUEZ ENVIRONNEMENT Group, relating to the conversion of the organic fraction of household and urban waste into ethanol. The successful completion of preliminary tests, carried out over 6 months on substrates provided by SUEZ ENVIRONNEMENT, led to the conclusion of this agreement.

This project intends to establish a new urban and household waste recycling pathway by developing a strain tailored to this low cost raw material. This will precede a scale-up of the technology and its industrialization in SUEZ ENVIRONNEMENT plants.

Partnership Agreement with ABENGOA:

By press release dated 3 June 2014, DEINOVE announced the conclusion of a partnership agreement with ABENGOA, one of the world's leading bioethanol producers, for a maximum period of 36 months, focusing on the development of DEINOVE's consolidated bioprocess (CBP), which uses a *Deinococcus* bacteria to digest and transform agricultural residues into ethanol at a competitive cost.

The addition of the ABENGOA Group to the DEINOL collaborative research project, as a new industrial partner, received the agreement of Bpifrance, which continues to support the project financially. The ISI (Industrial Strategic Innovation) project plans to provide €6.3M funding for DEINOVE.

Partnership Agreement with AVRIL:

By press release dated 22 September 2014, DEINOVE announced the conclusion of a 3-year partnership agreement with SOFIPROTÉOL (now known as AVRIL) focusing on the development of a process for producing natural additives for animal feed.

On 19 May 2015, the two partners announced that they had successfully completed the 1st milestone of the project, consisting in selecting 20 bacterial strains from the DEINOVE strain bank for producing compounds of interest for animal feed. The 2nd milestone aims to characterize and test these compounds to assess their commercial potential.

Technological Partnership with the Michigan Biotechnologies Institute (MBI):

On 15 October 2014, DEINOVE and the Michigan Biotechnologies Institute (MBI) announced a technological partnership to qualify the DEINOL technology for the production of biofuels based on lignocellulosic biomass (2G biofuels). The MBI is a multidisciplinary centre renowned in the bio-industries sector for its exclusive derisking expertise. The MBI works on optimizing innovational production technologies that use renewable raw materials instead of fossil materials, in the biofuel, chemical compounds, human foodstuffs and animal feed sectors. The MBI has, in particular, played a role in the success of major industrial groups such as DuPont, Cargill (NatureWorks), Novozymes, and start-ups such as Genomatica, OPX Biotechnologies and Verdezyne. After having developed its process on model substrates (simple sugars like glucose and then xylose), and intending to accelerate its industrialization, DEINOVE approached the MBI in particular, to test its technology on their industrial substrates: corn residues, pretreated using AFEX technology. Preliminary testing provided promising results regarding the assimilation of sugars available in the biomass. The aim of this partnership is to accelerate the commercialization of the DEINOL process by meeting the related technological challenges.

NOTE 14 | OPERATING REVENUE

Total operating revenue increased significantly between financial years 2014 and 2015, from €156K to €492K.

The Company received a €236K operating grant, in July 2015, following the completion of milestone 3 of its DEINOL project. Bpifrance then provided €1,242K aid in total; as DEINOVE also received €1,006K in the form of a repayable advance. Operating revenue for financial year 2015 also includes invoicing that DEINOVE made to certain partners as part of research partnership agreements, namely AVRIL (formerly known as SOFIPROTEOL) and SUEZ ENVIRONNEMENT, totalling €209K. Finally, the Company received €30K in grants from the CIFRE (Industrial Agreement for Training through Research) (€28K, for 2 agreements, on full-year basis) and aid for recruitment, as well as €17K from other revenue (transfer of operating costs, non-cash benefits, etc.).

In 2014, as there was no significant operating grant, the amount of €156K came mainly from invoicing made by the Company to some of its partners (SUEZ ENVIRONNEMENT, SOFIPROTEOL and CARBIOS), for a total of €130K. Moreover, the Company received €23K from other revenue, and €3K from aid for recruitment and from the CIFRE (Industrial Agreement for Training through Research) grant.

The details of the various items comprised under operating revenue are shown in the table below:

(in thousands of euros)	2015	2014
Operating grants	266	3
Bpifrance grant – Deinol key milestone 3 completion	236	-
Cifre agreements	28	2
Aid for recruitment	2	1
Contractual revenue	209	131
1 st instalment / SIA - part.agree. (Avril, formerly Sofiproteol)	0	15
2 nd and 3 rd instalments + adjust. / SIA - part.agree.	106	0
1 st instalment / Suez-Environnement - part.agree.	0	100
2 nd instalment + remainder / Suez-Environnement - part.agree.	100	0
Transfer of strains of interest - Carbios	0	15
Miscellaneous invoicing - Deinobiotics	3	1
Other revenue	17	22
TOTAL OPERATING REVENUE	492	156

NOTE 15 | FINANCIAL RESULTS

(in thousands of euros)	2015	2014
Financial revenue	67	83
Financial costs	81	120
FINANCIAL RESULTS	-14	-37

Financial Results for the financial year, totalling a net amount of -€14K, comprised:

- The results of the transactions undertaken on DEINOVE's own shares as part of the Liquidity Agreement, which resulted in a net loss of -€39K (vs. a loss of -€76K in 2014);
- Interest of +€35K that DEINOVE received on cash investments (vs. +€41K in 2014);
- Net from exchange operations, i.e. a loss of -€10K (vs. -€2K in 2014).

NOTE 16 | TAX ON PROFIT

As the Company is showing a deficit, it does not incur tax charges. The amounts recorded under profit/loss under corporate tax relate mainly to revenue relating to the R&D Tax Credit (CIR) and amounted, respectively, to €1,356K in 2014 and to €1,623K in 2015 (net).

The 2014 total included the receivable assessed for the period, for €1,594K, a negative adjustment of -€200K relating to corrective requests concerning receivables for financial years 2010 and 2011 (€381K received and €77K outstanding, vs. €658K provisioned end 2013), and a negative adjustment of -€38K, equal to the difference between the R&D Tax Credit (CIR) actually collected for 2013 (€1,275K) and its initial estimation (€1,313K).

Net revenue recorded in the Profit and Loss Account for financial year 2014 under Tax on profit was, finally, €1,374K, once €16K for the Business Prospection Tax Credit (CIPC) and €1K for Apprenticeship Tax Credit had been taken into account.

The 2015 total includes the receivable assessed for the period, for €1,641K, and a negative adjustment of -€17K, equal to the difference between the R&D Tax Credit (CIR) actually collected for 2014 (€1,577K) and its initial estimation (€1,594K). Moreover, as the €77K provisioned at 31/12/2014 (cf. above) was fully paid in September 2015, no actual/provision difference was recorded following the return of this complement.

Net revenue recorded in the Profit and Loss Account for financial year 2015 under Tax on profit was, finally, €1,632K, once €9K for the Business Prospection Tax Credit (CIPC) had been taken into account.

Carried-over tax losses and amortizations that the Company had at 31/12/15 amount to 35,241,519 euros (as a reminder, €26,036K at 31st December 2014). As regards financial year 2015, tax loss amounts to 9,205,710 euros. These carried-over tax losses are not time-bound. Nevertheless, the French Finance Act of 2012 capped the profit attributable annually against previous carried-over deficits at a lump sum of €1M, increased by 50% of the profit exceeding this lump sum; the fraction not charged can be indefinitely carried over.

NOTE 17 | ASSOCIATED PARTIES

17.1 - Transactions Undertaken with Associated Parties

- *With Dennis McGrew, Director*

At its meeting of 10 November 2015, the Board of Directors authorized the Chief Executive Officer of the Company to conclude a consultancy agreement between the Company and Dennis McGrew, director, on behalf of the Company. This agreement is concluded for six (6) months from the moment it is approved by the Board, and automatically renewable for further periods of six (6) months.

The remuneration fixed in the aforementioned Agreement amounts to USD12,000 excl. tax per month, plus a bonus capped at 25% of the amounts paid to Dennis McGrew, calculated over a six (6)-month period, if specific targets (determined in good faith by Dennis McGrew and the Company) are reached. Under this agreement and with regards to financial year 2015, the Company paid USD36,000 to Dennis McGrew.

17.2 - Remuneration of Directors (not including the allocation of capital instruments or attendance fees)

(in thousands of euros)	2015	2014
Remuneration of Directors (gross sums)	248	251

17.3 - Attendance fees

(in thousands of euros)	2015	2014
Attendance fees (beneficiaries: members of the Board of Directors)	60	74

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17.4 - Dilutive financial instruments held by the Directors

At 31st December 2015, Directors held 165,570 BSA and 152,780 BSPCE, which could be converted into 318,350 ordinary Company shares (Note 8.3).

NOTE 18 | COMMITMENTS GIVEN

Retirement Benefits

The actuarial assessment is undertaken to produce an estimation of the value forecast of DEINOVE's commitments as regards retirement benefits provided for in the collective agreements. This assessment is determined according to the method known as the "prorata temporis retrospective". The assessment undertaken by DEINOVE takes into account legislation relating to the social security contributions applicable upon retirement (retirement and early voluntary retirement).

For the financial year ended at 31/12/2015, the actuarial calculation was made applying the principal assumptions of a discount rate of 1.01% and a salary growth rate of 2.00%.

In light of this, the estimated retirement benefit commitment amounted to €61,226 at 31st December 2015. At 31st December 2014 it stood at €52,177.

Individual Training Entitlement (DIF)

Under the Individual Training Entitlement (CPF, which henceforth replaces the DIF), French legislation allocates twenty hours of individual training per year for staff who have concluded an open-ended employment agreement with DEINOVE. This individual training entitlement may be accumulated over a 6-year period, and costs are recorded as expenditure when incurred.

Accumulated, non-used CPF/DIF individual training entitlement amounts to around:

- 3,049 hours at 31st December 2015;
- 2,289 hours at 31st December 2014;
- 1,856 hours at 31st December 2013;
- 1,331 hours at 31st December 2012;
- 827 hours at 31st December 2011;
- 423 hours at 31st December 2010.

Off-Balance-Sheet Commitments / Equipment Leasing

At 31/12/15, the total rent remaining outstanding for ongoing equipment leasing agreements stands at €1,521K excl. tax.

NOTE 19 | STAFF

AVERAGE STAFF	2015	2014
Executives	30	27
Supervisors and technicians	2	2
Employees	15	15
Operatives		
TOTAL	47	44

As mentioned in the Annual Financial Report 2013, on 1st January 2014, the Company lost the benefit of social contribution exemptions which were related to its status as a "Young Innovative Company" (JEI), as it had then reached its eighth year of activity and this regime only applies for the first seven years of activity.

Furthermore, the Company received €48K from the Tax Credit for Employment Competitiveness (CICE) for financial year 2014 (vs. €21K received the previous year). This sum was used to help create several new jobs during financial year 2015.

NOTE 20 | EVENTS POST-CLOSING

o **DEINOCHEM project: Major progress in the carotenoids project**

In February 2016, DEINOVE announced that it had made progress in the development of carotenoid-hyperproducing strains.

First of all, the optimization of the strain by the high-throughput genetic engineering platform increased product yields six- to eightfold leading to satisfactory levels for subsequent scale-up for some of these molecules.

Secondly, identification of the enzymes involved in the production of different carotenoids allows the production of 3 additional molecules of the same family, from the 2 platform molecules initially produced¹⁴. Today, with 5 carotenoids produced in our laboratories, the range of molecules and, as such, the markets targeted has been diversified. These 5 molecules are already used commercially in cosmetics, food supplements and animal feed applications. DEINOVE's goal is to offer a competitive biosourced alternative for industrial groups by developing a range of natural carotenoids (unlike the current production, which is mainly petrosourced) produced by biotechnological processes and offering significant advantages in terms of supply stability, consistent high quality, conservation of natural resources and also costs.

o **DEINOVE strengthens its international intellectual property significantly and confirms its value creation strategy**

On 18 February 2016, DEINOVE announced that it had received confirmation that its "Bacteria and uses thereof" patent had been granted in the United States. This patent family had not been granted anywhere in the world before. This patent refers to the metabolic diversity of *Deinococcus* and protects the production of compounds of interest, such as ethanol, proteins, enzymes or drugs from *Deinococcus*.

DEINOVE also announced that 9 other patents had been granted. The Company restated the importance of patent protection, a value creation component which strengthens its position as regards partnerships developed with industrial players.

o **DEINOVE and Arbiom join forces**

On 14 March 2016, DEINOVE announced that it had begun a partnership with Arbiom, a French-American biorefinery specialized in transforming forest residues. Both companies decided to combine their technologies to provide an across-the-board value proposition. Following an initial phase for characterizing the ARBIOM biomass and for assessing the potential of *Deinococcus* bacteria to assimilate sugars extracted from this biomass, further tests will be conducted to define the molecules that can be produced by fermentation.

NOTE 21 | STATUTORY AUDITOR FEES

The fees invoiced by the statutory auditor for 2015 and for 2014 are respectively 37,125 euros and 105,630 euros and are detailed in the table below:

¹⁴ See press release dated 26 October 2015

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Amounts excluding VAT in euros	PricewaterhouseCoopers Audit	
	31/12/2015	31/12/2014
Audit		
Statutory audit, certification, review of the individual and consolidated financial statements		
- Issuer	37,125	70,630
- Fully consolidated subsidiaries		
Other work and services directly related to the statutory audit		
- Issuer	0	35,000
- Fully consolidated subsidiaries		
Sub-Total	37,125	105,630
Other services provided by the networks to fully consolidated subsidiaries		
- Legal, fiscal, social		
- Others (specify if >10% of audit fees)		
Sub-Total		
TOTAL	37,125	105,630

NOTE 22 | TABLE OF SUBSIDIARIES AND EQUITY INTERESTS

(amounts in thousands of euros)	Capital	Equity	Percentage of capital held	Book value of securities held		Loans and advances granted by the Company	Amount of guarantees and sureties provided by the Company	Turnover excl. Tax for financial year 2015	Net profit or loss (-) for financial year 2015	Dividends collected by DEINOVE during financial year 2015
				Gross	Net					
Equity interests										
DEINOBOTICS SAS	941.5	-1,265.8	49.0%	461.5	461.5	-	-	-	-860.5	-
CARBIOS SA*	2,630.7	+8,125	2.0%	170.0	170.0	-	-	N/A	-3,071	-

* As Carbios has been listed on the NYSE-Euronext Alternext stock exchange since December 2013, and as its annual accounts for 2015 were published on 23 March 2016, the exact amount of turnover for 2015 was not available at the date this financial report hereof was published.

Head of Financial Information

Julien Coste

Director of Finance and Administration

Tel: + 33 4 48 19 01 00

Mail: julien.coste@deinove.com

5 | REPORT FROM THE STATUTORY AUDITOR

5 | 1 Report from the Statutory Auditor on the Annual Accounts

(Financial year ended 31st December 2015)



To All Shareholders

DEINOVE SA

Cap Sigma

ZAC Euromédecine II

1682 rue de la Valsière

34790 Grabels

In accordance with the terms of our appointment by your General Meeting, we hereby present our report for the financial year ended 31st December 2015, on:

- the audit of the annual financial statements of DEINOVE SA, as enclosed with this report;
- the grounds for our assessments;
- the specific verifications and information required by law.

The annual financial statements were approved by the Board of Directors. It is our responsibility to express an opinion on these financial statements based on our audit.

I - Opinion on the annual financial statements

We conducted our audit in accordance with auditing standards applicable in France; these standards require us to ensure that the annual financial statements do not contain any material misstatement. An audit includes examining, on a test basis or through other selection methods, evidence supporting the amounts and disclosures recorded in the annual financial statements. An audit also involves assessing the accounting principles used, any significant estimates made and the overall presentation of the financial statements. We believe that our audit has provided us with sufficient relevant information on which to base our opinion.

We certify that the annual financial statements have been drawn up in accordance with the generally accepted accounting principles in France, are consistent and sincere and give a faithful representation of the asset base, the financial situation, as well as the assets of the company at the end of the given financial year.

II - Grounds for our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code relating to the grounds for our assessments, we hereby inform you that our assessments cover the appropriateness of the accounting principles applied.

The assessments thus given are based on our audit of the annual accounts, taken as a whole, and thus contributed to shaping our opinion expressed in the first part of this report.

III - Specific verifications and information

In accordance with professional standards applicable in France, we have also undertaken the specific verifications required by law.

We have no comments or reservations to make as to the fair presentation and consistency with the annual financial statements of the information provided in the Board of Directors' Management Report and in the other documents provided to the shareholders on the financial situation and the annual accounts.

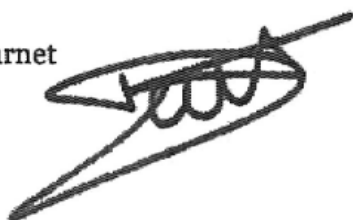
In accordance with the law, we have also verified that details of shareholders and holders of voting rights are disclosed in the Board of Directors' Management Report.

Drawn up in Montpellier, on 24 March 2016

The Statutory Auditor

PricewaterhouseCoopers Audit

Céline Gianni Darnet

A handwritten signature in black ink, appearing to read 'Céline Gianni Darnet', written over a horizontal line.

5 | 2 Special Report from the Statutory Auditor on Regulated Agreements

(Annual General Meeting called to approve the financial statements for the year ended at 31st December 2015)



To All Shareholders

DEINOVE SA

Cap Sigma

ZAC Euromédecine II

1682 rue de la Valsière

34790 Grabels

In our capacity as the statutory auditors of your company, please find hereafter our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the main characteristics, provisions and the grounds for their relevance of the agreements of which we have been informed or which we were exposed to during our appointment, without commenting as to their usefulness or appropriateness and without seeking to determine the existence of other agreements. Pursuant to the terms of Article R. 225-31 of the French Commercial Code, it is your responsibility to determine whether the agreements are appropriate and should be approved.

Likewise, it is our responsibility, where appropriate, to submit to you the information provided for under Article R. 225-31 of the French Commercial Code relating to the implementation, during the financial year ended, of agreements that have already been approved by the General Meeting.

We conducted our audit with the procedures we considered necessary in accordance with professional standards issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*). These procedures consisted in verifying that the information provided to us was consistent with that contained in the source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE GENERAL MEETING

Pursuant to Article L. 225-40 of the French Commercial Code, we were informed of the following agreements, which had already approved by your Board of Directors.

Services Agreement with Mr Dennis McGrew

- Party concerned: Mr Dennis McGrew, member of the Board of Directors of the Company since the Combined General Meeting of 6 May 2015.
- Purpose and legal nature: Services Agreement.
- Terms and conditions: the remuneration fixed in the aforementioned Agreement amounts to \$12,000 excl. tax per month, plus a bonus capped at 25% of the amounts paid to Dennis McGrew, calculated over a six (6)-month period, if specific targets (determined in good faith by Dennis McGrew and the Company) are reached. This Agreement is concluded for six (6) months from the moment it is approved by the Board, and automatically renewable for further periods of six (6) months.
This Agreement led to remuneration of €33,401 excl. tax, and includes extra time, during financial year 2015.
- Reasons justifying its interest for the Company: the Board of Directors of 10 November 2015 stated: “the Company wishes to benefit from the expertise of Dennis McGrew as Chief Business Officer of the Company. Dennis McGrew will provide advice in particular on strengthening the Company’s commercial position in North America, will provide his expertise and knowledge on strategy and on marketing, as well as on research of data and information of use for the Company”.

AGREEMENTS ALREADY APPROVED BY THE GENERAL MEETING

We hereby inform you that we were not advised of any agreements already authorized during the financial year ended that were to be submitted to the General Meeting.

Drawn up in Montpellier, on 24 March 2016

The Statutory Auditor
PricewaterhouseCoopers Audit

Céline Gianni Darnet

