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October 6, 2022
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DEINOVE presents its financial results and the advancement of its programs for the first half of 2022

- Continuation of the Phase II of of DNV3837 in the treatment of *Clostridioides difficile* infection
 - Extension of the trial to 5 new centers in Canada
- First milestones reached of the Boost-ID project, selected as part of the France Relance plan
- Group net income for the first half of 2022 of -€3.6M compared to -€3.1M in 2021, mainly because of lower revenues from the cosmetic activity
 - Continuation of the operating cost reduction plan with a decrease of 2% decrease in operating expenses (€4.06M vs. €4.14M in 2021), still 84% dedicated to R&D
- Group cash position:
 - Balance of +€1.1M at June 30, 2022, compared to +€3.8M at 31 December 31, 2021
 - Implementation of an amendment to the OC agreement concluded on September 10, 2022
 - On March 26, 2022, the 4th tranche of notes convertible into new shares was subscribed by the ESGO Fund, for an amount of €500K
- Search for financing solutions to secure the Group's financial situation

DEINOVE (Euronext Growth Paris: ALDEI), a French biotech company, pioneer in the exploration and exploitation of bacterial biodiversity to address the urgent, global challenge of antibiotic resistance, **announces that its Board of Directors has approved the consolidated financial statements for the first half of 2022.**

“The first half of 2022 has been a period of strategic execution for DEINOVE. We have reached the first milestones of the Boost-ID project, selected under the France Relance plan, to set up an industrial platform for ultra-high throughput bacterial screening, based on microfluidic droplet technology. Now integrated into DEINOVE's discovery process, this Lab-on-a-chip platform significantly accelerates the identification and characterization of bacteria with biological activity of interest, whether in the field of antimicrobials or in many other fields,” declared Alexis RIDEAU, Chief Executive Officer of DEINOVE. He added, “Regarding our Phase II clinical trial, the use of DNV3837 is a potential paradigm shift for the treatment of Clostridioides difficile infection, as presented yesterday at the ESCMID/ASM Conference in Dublin. Indeed, DNV3837 could become the first intravenous targeted antibiotic therapy in Clostridioides difficile infections.”

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SUMMARY OF CONSOLIDATED FINANCIAL DATA

The DEINOVE Group's consolidated financial statements as of June 30, 2022 were certified by the Group's Statutory Auditors, the firm PwC (PricewaterhouseCoopers).

PROFIT AND LOSS ACCOUNT

<i>(in thousands of euros)</i>	30/06/22	30/06/21
Operating revenues	185	475
Of which operating grants	4	167
Operating costs	4,061	4,142
Of which Research & Development costs	3,411	3,479
Of which General & Administrative costs	650	663
OPERATING PROFIT/LOSS BEFORE GOODWILL AMORTIZATION	(3,876)	(3,667)
Goodwill amortization	256	256
OPERATING PROFIT/LOSS AFTER GOODWILL AMORTIZATION	(4,132)	(3,923)
PROFIT/LOSS	(37)	(14)
PROFIT/LOSS FROM NON-RECURRING ACTIVITIES	22	19
Income tax and deferred taxes	(588)	(771)
Results from equity affiliates (MEQ)	-	-
CONSOLIDATED GROUP PROFIT/LOSS	(3,559)	(3,146)

<i>(in thousands of euros)</i>	30/06/22	30/06/21
Term deposit	-	-
Provision for impairment of marketable securities	-	-
Cash on hand	1,102	3,843
ICNE & bank overdrafts	-	-
CASH & CASH EQUIVALENTS	1,102	3,843

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OPERATIONAL PROGRESS DURING THE PERIOD AND POST-CLOSING

PHASE II TESTING THE ANTIBIOTIC CANDIDATE DNV3837 IN SEVERE *CLOSTRIDIODES DIFFICILE* INFECTION

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

- The first step aims to treat a cohort of 10 patients with moderate to severe CDI with DNV3837. The independent Data Safety Monitoring Board (DSMB) has completed its review of the safety data from the first part of the trial and considered that the benefit/risk balance of antibiotic therapy with DNV3837 was in favor of continuing the recruitment in this trial. Because of the Covid-19 pandemic, the first part of the trial was limited to 9 patients instead of 10.
- The second step aims to treat 30 patients with severe CDI will be conducted in an “open-label” manner, as DNV3837 is administered intravenously, while the standards of care are administered orally.

The experience acquired during this first part of the study has made it possible to improve the trial protocol, with a reduction in dose by a factor of 4 and a reduction in the duration of administration by a factor of 2, reducing the intravenous treatment from 12 to 6 hours per day. This improvement simplifies the management of the trial for the investigating physicians and their teams.

Because of the Covid-19 pandemic impacts, results of the first part of the trial should be published by the end of the half of 2023. New preclinical data and a patient case from the ongoing Phase II trial were presented at the ESCMID/ASM Conference in Dublin on October 5, 2022.

DEINOVE REACHES THE FIRST MILESTONES OF THE BOOST-ID PROJECT, SELECTED AS PART OF THE FRANCE RELANCE PLAN, WITH THE OPERATIONAL INSTALLATION OF ITS MICROFLUIDIC SCREENING PLATFORM

In May 2022, the Company announced that it has reached the first objectives and milestones set in the Boost-ID project (Bacteria Optimum Output Screening Tool for treating Infectious Diseases), selected in early 2021 by the France Relance plan. Boost-ID was one of 105 projects selected by the French government, out of nearly 1,000 candidates, as part of the "resilience" call for projects.

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CORPORATE

BOARD OF DIRECTORS

Following the sale of its entire stake in the Company's capital, TVM Capital GmbH resigned from its directorship, in the context of which it was represented by Mr. Jean-François LABBE, with effect from February 8, 2022.

Truffle Capital has resigned from its directorship, in which it was represented by Mr. Philippe POULETTY, with effect from June 20, 2022.

As a result, the Board of Directors has been composed of 5 directors since that date, as opposed to 7 previously.

POST BALANCE SHEET LEGAL ELEMENTS – AMENDMENT OF THE OC AGREEMENT

An amendment (the "Amendment") to the agreement for the issue of notes convertible into new shares (the "OC") dated September 10, 2021 has been entered into on August 2, 2022 with the European Select Growth Opportunities Fund (the "Investor"), under the authorization of the Board of Directors on July 22, 2022. Under the terms of the Amendment (i) the Investor waives, only for 3 new tranches, i.e. tranches 5, 6 and 7 of the Initial Agreement, the drawdown condition according to which, following the subscription of a tranche of OC at the request of the Company, the Investor must not hold more than 25% of the number of shares making up the share capital of DEINOVE, either directly or indirectly via the holding of shares and OC, and (ii) it is accompanied by an increase in the discount granted to the Investor upon conversion of the OC into shares, which is raised from 5% to 15%, for all the tranches already subscribed and the tranches to be issued. It is being specified that the other conditions of the Initial Agreement, as described in the press release of September 14, 2021, will continue to apply, and that the 5% discount will apply again to any new tranche subscribed from January 1st, 2023 as soon as the share price is higher than €0.28 (adjusted as the case may be from any share split or share consolidation) for a period of three (3) consecutive trading days prior to the date of the request made by the Company to the Investor to subscribe to the new tranche.

This 5th tranche of OCA 2021, with a nominal value of EUR 500,000 (EUR 485,000 net of fees) was issued by the Company and fully subscribed by the Investor on August 30, 2022.

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This 6th tranche of OCA 2021, with a nominal value of EUR 250,000 (EUR 242,500 net of fees) was issued by the Company and fully subscribed by the Investor on September 30, 2022.

FINANCIAL RESULTS FOR THE FIRST HALF OF 2022

OPERATING REVENUE

Operating revenues amounted to €185K, down by €290K and -61% compared to the first half of 2021. The main variances are as follows:

- Decrease in revenue generated by DEINOVE with a total of €124K or -€137K and -53%. The revenue is generated by:
 - Work carried out in the framework of collaborative research agreements such as the one concluded with DSM (€81K against €84K in 2021);
 - Revenues from the distribution of ingredients produced by DEINOVE and distributed by partners in the cosmetics field (€43K against €177K).
- Operating subsidies down by €163K, or -98%: Deinove did not receive any major subsidies in the first half of 2022; only State subsidies relating to an apprenticeship contract are recorded in this first half.
- Reversal of provisions and expense transfers: €57K, of which €47K were generated by a transfer of deferred expenses related to the financing of the convertible bond issue with L1 Capital, and by the reversal of the provision for the end-of-career indemnity (€22K).

During the first half of 2022, the Group's operating expenses reached €4.1M, of which 84% was spent on R&D activities. The net change in operating expenses between the first halves of 2021 and 2022 amounted to -€81K (-2%). Personnel expenses also decreased by 5%, in line with the evolution of the workforce: 44 average full-time equivalents (FTE) in the first half of 2022 compared to 50 in 2021.

NET INCOME

The consolidated net loss for the period amounts to €3.6M, negligibly impacted by exceptional items (positive exceptional result of €22K).

The negative financial result of -€37K is mainly due to financial expenses related to the pre-financing of the Research Tax Credit (-€15K) and interest expenses on loans (-€20K).

Income tax comprises exclusively the Research Tax Credit. The Group's receivable for the first half of 2022 has been estimated at €588K (compared to €771K in 2021).

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NET RESULT

In the first half of 2022, 3,299,045 new shares under the convertible bond agreement.

The previous contract of July 9, 2019 expired on July 9, 2021, DEINOVE announced that it had entered into a new agreement for a convertible bond financing with the European Select Growth Opportunities Fund, representing a bond issue of a maximum nominal amount of €10 million, and divided into several tranches of a nominal amount of €500,000 for each tranche. The first tranche of €500,000 was issued simultaneously with the signing of the agreement with European Select Growth Opportunities Fund.

The 34,378,066 shares with a nominal value of EUR 0.02 making up the capital as of June 30, 2022, are broken down as follows:

Year ended June 30, 2022 – non-diluted basis

<i>Shareholders</i>	Number of shares	% of holding	Voting rights	%
Funds managed by Truffle Capital	1,765,867	5.14%	3,462,864	9.61%
Scientific founders	20,000	0.06%	40,000	0.11%
Management and Board members	0	0.00%	0	0.00%
Free float	32,592,199	94.81%	32,532,447	90.28%
TOTAL	34,378,066	100.00%	36,035,311	100.00%

FINANCIAL SITUATION

As of June 30, 2022, the Group's net cash position was EUR 1,102K. This level of cash does not include the drawdown of two new tranches of OCA 2021 for a total amount of EUR 750,000 (EUR 727,500 net of fees) on August 30 and September 30, 2022.

As indicated in the press release dated August 3, 2022, the drawdown of these two tranches and of the next tranche of a nominal amount of EUR 250,000 on November 30, 2022, subject to compliance with certain conditions, would extend the Company's cash horizon to November 2022.

Thus, given the Company's expense structure and cash flow forecasts, the securing of its financial position remains conditional on its ability to find financing solutions. The continuity of its operations depends on this.

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ABOUT DEINOVE

DEINOVE is a French biotechnology company pioneering the exploration of a new domain of life, unexplored at 99.9%: the “microbial dark matter”. By revealing the metabolic potential of rare bacteria or still classified as uncultivable, it tackles a global health and economic challenge: antimicrobial resistance.

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

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

Located at the heart of the Euromedecine park in Montpellier, DEINOVE has been listed on EURONEXT GROWTH® (ALDEI – code ISIN FR0010879056) since 2010. The Company has 45 employees and relies on a network of world-class academic, technological, industrial and institutional partners.

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