

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



ISSUANCE OF NOTES CONVERTIBLE INTO NEW SHARES FOR A MAXIMUM AMOUNT OF €15M

ISSUANCE OF A FIRST €2.2 MILLION TRANCHE

DEINOVE (Euronext Growth Paris: ALDEI), a French biotech company that uses a disruptive approach to develop innovative antibiotics and bio-based active ingredients for cosmetics, announces that it has entered into an agreement with European Select Growth Opportunities Fund (the "Investor") for the financing by issuance of notes convertible into new shares (the "OCA") for a maximum nominal amount of €15 million, with a 6,5% facial discount, not bearing interest and with no stock subscription warrants attached, over a maximum period of 24 months.

"We are very pleased with L1 Capital's trust and we welcome this agreement, which provides DEINOVE with a flexible financial tool and financial visibility, if all the tranches are drawn, for the next 12 months and until the end of first quarter 2021, based on the Company's current plans. We are convinced of the potential of our products under development and this fundraising allows us to consolidate our strategy for the cosmetics industry, and initiate a Phase II clinical trial in the United States for DNV3837, our most advanced candidate antibiotic" indicated Emmanuel PETIOT, DEINOVE's CEO.

Objectives of this transaction

- finance the need for working capital;
- continue the development and marketing of natural cosmetic active ingredients;
- initiate a Phase II clinical trial in the United States for DNV3837, DEINOVE's most advanced candidate antibiotic, in the treatment of severe gastrointestinal infections caused by *Clostridiodes difficile*; and
- discover new antibiotic leads based on its integrated and automated, high content, screening platform.

General description of the transaction

The transaction will result in the issuance of several tranches of OCA to the Investor, at the Company's discretion and subject to certain conditions, for a maximum nominal amount of €15 million over a 24-month period, it being specified that:

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



- it is expected that the first tranche of OCA, for a nominal amount of €2.2 million, will be issued by the Company and subscribed by the Investor as of today;
- unless otherwise agreed by the Company and the Investor, the subsequent OCA tranches will be for a nominal amount of €1 million.

The Investor will have the option to draw, at its sole discretion and subject to certain conditions, up to 3 tranches of OCA.

On an indicative basis, the participation of a shareholder holding 1% of the Company's share capital prior to any capital increase resulting from the issue of new shares upon conversion of the OCA will amount to 0.56 % in the event that all the OCA that may be issued under the financing program are converted into new shares¹.

The characteristics of the warrants giving access to notes convertible into shares ("**Warrants**"), the OCA and the detailed terms of the transaction, are presented hereafter in the appendix. It should be noted that no stock subscription warrants are attached to the OCA.

In accordance with the agreement entered into with the Investor today, DEINOVE has committed to suspend the equity line funding put in place with KEPLER CHEUVREUX², until the latest of (i) 24 months from the signing of the agreement or (ii) the date on which the OCA have been fully converted.

¹ Dilution calculated on the assumption of a conversion price of €1.150 (based on an exchange rate of €1.238). This dilution does not prejudice either the final number of shares to be issued upon conversion of the OCA or the conversion price, which will be determined on the basis of the stock market price, in accordance with the terms described in this press release.

² See press release dated November 21, 2018

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



ABOUT DEINOVE

DEINOVE is a French biotechnology company, a leader in disruptive innovation, which aims to help meet the challenges of antibiotic resistance and the transition to a sustainable production model for the cosmetics and nutrition industries.

DEINOVE has developed a unique and comprehensive expertise in the field of rare bacteria that it can decipher, culture, and optimize to disclose unsuspected possibilities and induce them to produce biobased molecules with activities of interest on an industrial scale. To do so, DEINOVE has been building and documenting since its creation an unparalleled biodiversity bank that it exploits thanks to a unique technological platform in Europe.

DEINOVE is organized around two areas of expertise:

- **ANTIBIOTICS, New-generation anti-infective agents:** DEINOVE is preparing to enter a first antibiotic candidate into Phase II. The Company is also pursuing the systematic exploration of biodiversity to supply its portfolio with new leads, drawing notably on partnerships with bioMérieux and Naicons (AGIR program supported by Bpifrance).
- **BIOACTIVES, Active ingredients of natural origin** with cosmetics as the first market and potential in nutrition and health: DEINOVE already markets a first innovative active ingredient, a second in partnership with Greentech, while others are in development with Dow and Oléos (Hallstar Group). It also runs a program in animal nutrition with Groupe Avril.

Within the Euromedecine science park located in Montpellier, DEINOVE employs 62 employees, mainly researchers, engineers, and technicians, and has filed more than 300 patent applications internationally. The Company has been listed on Euronext Growth® since April 2010.

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



CONTACTS

Investors

Coralie Martin

Marketing, Communication and investors relations

Ph. : +33 (0)4 48 19 01 60

coralie.martin@deinove.com

Visitez

www.deinove.com

Media

ALIZE RP

Aurore Gangloff / Catherine Mégélas

Ph.: +33 (0)6 49 57 82 68

deinove@alizerp.com



WARNING

This press release is for information purposes only. It does not and may not in any way be considered as an offer of shares by DEINOVE to the public, nor as a solicitation of the public relating to an offer of any kind whatsoever in any country, including France.

In France, the offer of securities referred to here is made exclusively in the context of a placement, in accordance with Article L. 225-138 of the French Commercial Code. This offer does not constitute an offer to the public in France and no prospectus approved by the Autorité des marchés financiers will be published.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and the securities may not be offered or sold in the United States unless such securities are registered under the U.S. Securities Act or an exemption from the registration requirement of the U.S. Securities Act is applicable. The Company and its subsidiaries have not registered, and do not intend to register, the securities referred to herein in the United States, and do not intend to conduct a public offering of securities in the United-States.

With regard to the Member States of the European Economic Area which have transposed Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, in particular by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 (the "Prospectus Directive"), no action has been or will be taken to allow an offer to the public of the securities covered by this press release requiring the publication of a prospectus in either Member State.

The distribution of this press release may, in some countries, be subject to specific regulations. Persons in possession of this press release should inform themselves of and comply with any local restrictions.

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



APPENDIX: SUMMARY OF THE MAIN CHARACTERISTICS AND TERMS OF THE TRANSACTION

Legal framework of the transaction

Pursuant to its 20th resolution, the Combined General Meeting of May 20, 2019 granted the Board of Directors, with the option to subdelegate, a delegation of authority to decide to issue ordinary shares of the Company and/or any other securities giving immediate or future access to the Company's share capital or entitlement to a debt security, with cancellation of the shareholders' preferential subscription right, to the benefit of a category of beneficiaries (investment companies and investment funds under French law or foreign law investing in a sector similar or complementary to that of DEINOVE,), at an issue price at least equal to the weighted average volumes of the last five trading days prior to its fixing, possibly reduced by a maximum discount of 20%.

During its meeting of July 3, 2019, the Board of Directors (i) used this delegation, (ii) approved the principle of an issuance of OCA representing a bond issuance with a maximum nominal amount of €15 million over a period of 24 months from the date of signature of the agreement for the issuance of and subscription to warrants giving access to notes convertible into shares (the "**Agreement**"), and (iii) delegated to the Chief Executive Officer (*Directeur Général*) all powers to issue, at the times and for the quantities as he sees fit, in accordance with the terms of the Agreement, a maximum of one thousand five hundred (1,500) Warrants, corresponding to the issue to a maximum of one thousand five hundred (1,500) OCA, and to a bond issue of a maximum nominal amount of fifteen million Euro (€15,000,000) with cancellation of the preferential subscription right to the benefit of the Investor.

Main characteristics of the Warrants

- The Warrants, valid for 24 months, will be issued free of charge to the Investor.
- Each Warrant will entitle the holder to subscribe to one OCA.
- Warrants may not be transferred without prior approval of the Company, except from transfers to the benefit of those affiliated with the Investor.
- Warrants will not be subject to a request for admission to trading on the Euronext Growth Paris market and therefore will not be listed.

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



Main characteristics of OCA³

- Subject to certain conditions⁴, the OCA will be issued in several tranches.
- The OCA will have a unit nominal value of €10,000, a maturity of 12 months from their issuance and will be subscribed at par value, and therefore without any facial discount. They will not bear interest.
- The OCA will be registered and will be transferable without the Company's prior consent. They will not be the subject of an application for admission to trading on the Euronext Growth Paris market.
- The OCA shall grant their holders the right, upon conversion, to obtain the allocation of new shares, as follows:

$$N = Vn / P$$

With:

"N": corresponding to the number of new ordinary shares of the Company to be issued to the Investor upon conversion of an OCA;

"Vn": corresponding to the nominal value of the OCA, i.e. €10,000

³ The detailed characteristics of the OCA are available on the Company's website

⁴ Main conditions applicable for DEINOVE to request the disbursement of a tranche (the "Request"):

- the absence of any material adverse change;
- the market close price and the weighted average daily price of the shares on each of the five preceding trading days is greater than or equal to €0.80;
- no event constituting a default has occurred;
- no more than 24 months have elapsed since the date of issuance of the Warrants;
- post-subscription of the tranche subject to DEINOVE's Request, the Investor holds no more than 9% of DEINOVE's share capital, neither directly nor indirectly through the holding of shares and OCA (the latter being calculated by dividing the total nominal amount of the OCA held by the Investor post-subscription of that tranche by the conversion price applicable on the date of DEINOVE's Request);
- DEINOVE has a number of authorized and available shares equal to at least 3 times the number of shares to be issued upon conversion of OCA to be issued and outstanding (based on the conversion price applicable on the date of DEINOVE's Request)

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



"P": corresponding to 93.5% of the volume-weighted average daily price of the Company's shares on the trading days on which the Investor did not sell any of the Company's shares in the market, among the 10 trading days immediately preceding the date of receipt of a notice conversion by the Company.

- The matured OCA must be redeemed by the Company to the Investor in cash.
- In case of occurrence of an event of default⁵, the Company must redeem the nominal amount of the outstanding OCA as well as a premium equal to 6.5% of the nominal amount of outstanding OCA.

New shares resulting from the conversion of the OCA

The new shares issued upon conversion of the OCA will carry dividend rights. They will have the same rights as those attached to the Company's existing ordinary shares and will be listed on the Euronext Growth Paris market on the same listing line (ISIN FR0010879056).

A table monitoring the conversion of the OCA issued as part of the transaction will be available on the Company's website.

Risks factors

The Company draws the public's attention to the risk factors relating to the Company and its business as detailed in section 3.1.5 of its latest annual report made public on March 29, 2019, available free of charge on the Company's website.

Theoretical impact of the issuance of OCA

As an indication, in the event where all the OCA likely to be issued under the financing program would be converted into new shares, the impact of the issuance of the OCA would be as follows⁶:

⁵ Events of default include the delisting of the DEINOVE share or the announcement of a takeover of DEINOVE or the occurrence of a material adverse change.

⁶ Dilution calculated on the assumption of a conversion price of €1.150 (based on an exchange rate of €1.238). This dilution does not prejudice either the final number of shares to be issued upon conversion of

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
 JULY 9, 2019
 7:00 PM CET



- on the participation of a shareholder currently holding 1% of the Company's share capital (based on the number of shares comprising the Company's share capital as at the date of this press release, i.e. 16,549,701 shares):

	Shareholder participation (in %)	
	Undiluted basis	Diluted basis (after exercise of all dilutive instruments existing to date)
Before the issuance	1.00%	0.61%
After issuance of the 1,913,043 new DEINOVE shares ⁶ resulting from the conversion of the first tranche of OCA	0.90%	0.57%
After issuance of the 13,043,478 new DEINOVE shares ⁶ resulting from the conversion of all the tranches of OCA	0.56%	0.41%

the OCA or the conversion price, which will be determined on the basis of the stock market price, in accordance with the terms described in this press release.

This announcement is not intended to be released, published or distributed, directly or indirectly, in the United States of America, in Australia, Canada, or Japan.

MONTPELLIER
JULY 9, 2019
7:00 PM CET



- on the shareholders' equity per share ratio (based on shareholders equity on December 31, 2018 and the number of shares comprising the Company's share capital on the date of this press release, i. e. 16,549,701 shares):

	Shareholders' equity per share ratio (in €)	
	Undiluted basis	Diluted basis (after exercise of all dilutive instruments existing to date)
Before the issuance	€1.4879	€0.9028
After issuance of the 1,913,043 new DEINOVE shares ⁶ resulting from the conversion of the first tranche of OCA	€1.4529	€0.9190
After issuance of the 13,043,478 new DEINOVE shares ⁶ resulting from the conversion of all the OCA tranches	€1.3390	€0.9828

Prospectus

It is specified that this transaction will not result in the preparation of a prospectus submitted to the AMF for approval.