

Montpellier, France
September 14, 2021
8:00 PM CEST



Implementation of an agreement of notes convertible into new shares for a maximum nominal amount of €10M.

Issuance of a first €500,000 tranche

- This new agreement with European Select Growth Opportunities Fund enables the issuance of notes convertible into new shares for a maximum nominal amount of €10 m over a 24-month period.
- This new agreement gives DEINOVE additional financial room (subject to conditions and fees) for the next steps of the clinical program of its antibiotic-candidate DNV3837.

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 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 “OC”) for a maximum nominal amount of €10 million, with a 5% conversion discount, not bearing interest and with no stock subscription warrants attached, over a maximum period of 24 months.

“We are very pleased that L1 Capital has renewed its support for us. This agreement is essential for the future of DEINOVE. The financial visibility until the end of 2023 it provides us, should we draw down all the tranches, will enable us to achieve key value creation steps, starting with the completion of the Phase II trial of DNV3837. DEINOVE's goal is always to prove the value of its industrial platform, and this financing allows us to continue to invest in this direction despite the delays associated with medical and scientific research” **commented Alexis RIDEAU, DEINOVE's CEO.**

As of September 10, 2021, the Company cash position was 4,991 thousand euros, representing a financing horizon of business activities until the end of the first quarter of 2022. The first tranche issued today extends this horizon to the end of May 2022. The issuance of all the tranches of the agreement would extend the Company's cash horizon to the end of 2023.

As a reminder, the Company's previous OC agreement was put in place with the same Investor. This agreement allowed of the Company to raise €9.200 m gross (€8.939 m net), through the drawing down of five financing tranches, resulting in the creation of 11,680,619 shares (a holding of 1% of the Company's share capital prior to the capital increase amounted to 0.59% after the issue of new shares upon conversion of the OC).

Montpellier, France
September 14, 2021
8:00 PM CEST



Objectives of this transaction

- finance the need for working capital, including the discovery of new antimicrobial leads based on the Company's integrated platform (65% of the proceeds);
- complete the Phase II clinical trial in the United States for DNV3837 in the treatment of severe gastrointestinal infections caused by *Clostridioides difficile* and enhance the value of this asset (35% of the proceeds).

General description of the transaction

The transaction will result in the issuance of several tranches of OC to the Investor, at the Company's sole discretion and subject to certain conditions, for a maximum nominal amount of €10 million over a 24-month period, it being specified that:

- it is expected that the first tranche of OC, for a nominal amount of €500,000 (or €485,000 net of expenses), 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 OC tranches will be for a nominal amount of €500,000;
- each tranche issuance includes a 3% fee, such as the net amount received by the Company represents 97% of the nominal amount of the issued tranche.

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 OC will amount to 0.62% in the event that all the OC that may be issued under the financing program are converted into new shares¹.

The characteristics of the warrants, of the OCs and the detailed terms of the operation are presented hereafter in appendix. It is reminded that no share subscription warrants are attached to the OC.

This financing is ultimately provided by the market as the Investor has no intention of keeping the shares issued under the financing programme, nor of remaining a shareholder of the Company in the long term.

¹ Dilution calculated on the assumption of a conversion price of €0.57 (based on an exchange rate of €0.609, closing price on September 10, 2021). This dilution does not prejudice either the final number of shares to be issued upon conversion of the OC 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.

Montpellier, France
September 14, 2021
8:00 PM CEST



Risks related to the issuance of OCs and to this type of financing

The risks linked to the issuance of OCs and to this type of financing are, without limitation, the following:

- Risk of indemnification of the Investor by the Company (described in the annex below);
- Risk of significant dilution to the extent that DEINOVE's shareholders will not participate in the issue of new shares resulting from the conversion of OCs, their share of the Company's capital and voting rights will be reduced in the event of conversion of all or part of the OCs;
- Volatility and liquidity risks: the issue of new shares resulting from the conversion of OCs could have an impact on the DEINOVE share price and trading volumes, potentially leading to a certain volatility of the share price.

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* infections, one of the world's first emergencies. The Company has also developed new bacterial micro-factories that address the other issue in the race against antimicrobial resistance: the industrial production of these rare and low concentrated compounds with often too complex chemical structures to be generated by chemical synthesis.

Located at the heart of the Euromedecine park in Montpellier, DEINOVE has been listed on Euronext Growth® (ALDEI - code ISIN FR0010879056) since 2010. The Company has over 50 employees and relies on a network of world-class academic, technological, industrial and institutional partners.

Montpellier, France
September 14, 2021
8:00 PM CEST



CONTACTS

Investors

Mario Alcaraz
Chief Financial and Administrative Officer
+33 (0)4 48 19 01 00

ir@deinove.com

Visit www.deinove.com

Media

ATCG Partners – Marie PUVIEUX
+33 (0)9 81 87 46 72 / +33 (0)6 10 54 36 72

communication@deinove.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.

Montpellier, France
September 14, 2021
8:00 PM CEST



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

Legal framework of the transaction

Pursuant to its 14th resolution, the Combined General Meeting of June 16, 2020 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 September 1, 2021, the Board of Directors (i) used this delegation, (ii) approved the principle of an issuance of OC representing a bond issuance with a maximum nominal amount of €10 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 sign the Agreement and 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 (1,000) Tranche Warrants, corresponding to the issue to a maximum of one thousand (1,000) OC, and to a bond issue of a maximum nominal amount of ten million Euro (€10,000,000) with cancellation of the preferential subscription right to the benefit of the Investor.

Main characteristics of the Tranche Warrants

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

Montpellier, France
September 14, 2021
8:00 PM CEST



Main characteristics of OC

- Subject to certain conditions², the OC will be issued in several tranches.
- The OC 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 OC 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 OC shall grant their holders the right, upon conversion, to obtain the allocation of new shares, as follows:

$$N = V_n / P$$

With:

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

"V_n": corresponding to the nominal value of the OC, i.e. €10,000

"P": corresponding to 95% of the lowest of the volume-weighted average daily prices on the trading days during 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.

² Main conditions applicable for DEINOVE to request the disbursement of a tranche (the "Request"):

- the absence of any material adverse change;
- no event constituting a default has occurred;
- no more than 24 months have elapsed since the date of issuance of the Tranche Warrants;
- post-subscription of the tranche subject to DEINOVE's request, the Investor holds no more than 25% of DEINOVE's share capital, neither directly nor indirectly through the holding of shares, OC and as the case may be OC from the previous agreement (the latter being calculated by dividing the total nominal amount of the OC 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 OC to be issued and outstanding (based on the conversion price applicable on the date of DEINOVE's request)

Montpellier, France
September 14, 2021
8:00 PM CEST



The matured OC must be redeemed at par by the Company to the Investor in cash.

Event of default

The terms and conditions of the OCs provide for the usual events of default in this type of financing, such as, in particular but not limited to:

- default by your Company in the payment of an amount due to the Investor in the under the agreement,
- failure by the Company to comply with one of the covenants provided for in the documentation of the issue,
- failure to convert OCs into shares,
- the conversion of OCs at a price lower than the nominal value of the Company's shares,
- the suspension of the listing or delisting of the Company's shares,
- the initiation of collective or voluntary liquidation proceedings against the Company,
- the occurrence of a change of control of the Company, or
- the inability of the Company to issue OCs in accordance with the terms of the issuance contract.

The occurrence of an event of default which would not be remedied would allow the Investor to claim, in addition to the early redemption of the outstanding OCs, an indemnity equal to 6.5% of the total nominal amount of the outstanding OCs, as well as the termination of the issuance contract, as the case may be. The final amount of the indemnity due by the Company in case of an event of default will be communicated by the Company.

In the event that the Company launches another dilutive or equity-line financing, the Investor may claim an indemnity equal to 15% of the total nominal amount of OCs remaining to be issued under the issuance contract.

New shares resulting from the conversion of the OC

The new shares issued upon conversion of the OC 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 OC 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 3.1.4 of its latest annual report made public on April 23, 2021, available free of charge on the Company's website.

Montpellier, France
 September 14, 2021
 8:00 PM CEST



Theoretical impact of the issuance of OC

As an indication, in the event where all the OC likely to be issued under the financing program would be converted into new shares, the impact of the issuance of the OC would be as follows³ :

- 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. 28,730,322 shares):

	Shareholder participation (in %) Undiluted basis ⁴
Before the issuance	1.00%
After issuance of the 877,193 new DEINOVE shares ⁵ resulting from the conversion of the first tranche of OC	0.97%
After issuance of the 17,543,193 new DEINOVE shares ⁵ resulting from the conversion of all the tranches of OC	0.62%

³ Dilution calculated on the assumption of a conversion price of €0.57 (based on an exchange rate of €0.609, closing price on September 10, 2021). This dilution does not prejudice either the final number of shares to be issued upon conversion of the OC 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.

⁴ The potential dilution from the exercise of all existing dilutive instruments is not taken into account here.

Montpellier, France
 September 14, 2021
 8:00 PM CEST



- on the shareholders' equity per share ratio (based on shareholders equity on December 31, 2020 and the number of shares comprising the Company's share capital on the date of this press release, i. e. 28,730,322 shares):

	Shareholders' equity per share ratio (in €)
	Undiluted basis ⁵
Before the issuance	0.35
After issuance of the 877,193 new DEINOVE shares ⁵ resulting from the conversion of the first tranche of OC	0.32
After issuance of the 17,543,859 new DEINOVE shares ⁵ resulting from the conversion of all the tranches of OC	0.00

Prospectus

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