Press release

GENERAL MEETING OF MAY 23:
SHAREHOLDERS APPROVE THE ACQUISITION OF MORPHOCHEM

- **The General Meeting approved the contribution in kind of the BIOVERTIS (parent company of MORPHOCHEM) shares and options and the issuance of new shares in payment.**
- **DEINOVE integrates into its *pipeline* a candidate antibiotic ready to enter phase II and intends to respond to a major health emergency.**
- **The contributors hold 4.06% of DEINOVE's capital after the transaction.**
- **TVM Capital GmbH has been appointed as a member of DEINOVE' Board of Directors.**

Montpellier, May 23, 2018 (8:30 pm - CEST) - DEINOVE (Euronext Growth Paris: ALDEI), a biotechnology company that discovers, develops and produces high value-added compounds from rare bacteria, **announces the results of its ordinary and extraordinary Annual General Meeting**.

The DEINOVE shareholders met today at the Annual General Meeting and adopted in particular the following resolutions:

- Approval of the annual and consolidated financial statements, expenses and charges (Art. 39-4 of the French General Tax Code), regulated agreements and allocation of income for the year ended December 31, 2017 (resolutions 1 to 5);
- Authorization granted to the Board of Directors for the purchase by the Company of its own shares (Resolution 6) and, in accordance with one of the objectives referred to in Resolution 6, authorization given to the Board of Directors to reduce the share capital of the Company by canceling shares (resolution 17);
- Renewal of the delegations of authority conferred to the Board of Directors, for the purpose of deciding the issuance of shares and / or securities giving immediate or future access to the capital or giving entitlement to a debt security (resolutions 10 to 16);
- Ratification of the modification decided by the Board of Directors on March 27, 2018 of the terms of the business creator shares (BSPCE) and warrants (BSA) (resolution 18).

Approval of the acquisition of BIOVERTIS and its subsidiary MORPHOCHEM through the issuance of new shares

Called to decide on the acquisition of the Austrian company BIOVERTIS, via a contribution in kind paid for by the issuance of new shares[1] (resolutions 7 to 9); the shareholders largely approved this

[1] See press release dated April 13, 2018.

transaction. DEINOVE therefore acquires the entire[2] share capital of the Austrian company Biovertis AG ("BIOVERTIS"), which itself owns the entire capital of the German company Morphochem AG für kombinatorische Chemie ("MORPHOCHEM"). The latter developed the antibiotic compound MCB3837, now in the clinical phase and targeting the treatment of severe gastrointestinal infections caused by *Clostridium difficile*, a pathogen classified as a priority by the WHO and the CDC[3].

In consideration for this contribution in kind, the contributors, including two specialized investment funds managed by TVM Capital, which hold 82.98% of the rights contributed, received 500 001 DEINOVE shares to which are attached 8 000 000 warrants.

The shareholders also approved the appointment of TVM Capital GmbH, represented by Dr. Helmut Schühsler, as a new member of DEINOVE's Board of Directors (resolution 19).

Emmanuel PETIOT, CEO of DEINOVE, stated*: "The acquisition of BIOVERTIS and MORPHOCHEM materializes the integration within our portfolio of the compound MCB3837, which consolidates our position in the antibiotic field. With this product, we have significantly expanded our portfolio of antibiotic compounds in development with a molecule already in the clinical phase and we intend to provide a response to the therapeutic deadlock that is severe infections with Clostridium difficile, causing several tens of thousands of deaths each year. This acquisition also allows DEINOVE to materialize the entry of a leading European venture capital player in the life sciences sector, TVM Capital, which will support DEINOVE in its next stages of development. We are very pleased that the shareholders have largely approved this structuring deal for DEINOVE."*

ABOUT THE MCB3837 COMPOUND

Morphochem's compound, MCB3837, targets the treatment of severe *Clostridium difficile* infections (CDI), gastrointestinal infections, and is ready to move on to Phase II.

40% of patients have severe forms, with mortality rates as high as 50%. Over the past 20 years, *Clostridium difficile* infections have had a strong tendency to increase in incidence and severity, particularly due to the development of new, hyper virulent strains, some of which are resistant to existing antibiotics. The US Center for Disease Control and Prevention recently identified CDI as one of the leading causes of healthcare-associated infections, even ahead of MRSA[4]. In 2011, about half a million Americans were infected and more than 29 000 patients died within 30 days[5] of diagnosis.

The treatment of CDI represents a real therapeutic challenge.

To date, no effective antibiotic treatment is available for severe gastrointestinal infections because of the very nature of the disease: oral treatments struggle to reach the intestine because of the pathological state of the patient (reduced gastrointestinal motility, intubation, intestinal perforation, etc.), while current intravenous (IV) antibiotics do not penetrate the gastrointestinal barrier and thus do not reach the infection site.

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[2] With the exception of 316 treasury shares.
[3] *Center for Disease Control and Prevention:* https://www.cdc.gov/drugresistance/biggest_threats.html
[4] Methicillin-resistant Staphylococcus aureus (MRSA)
[5] Burden of *Clostridium difficile* Infection in the United States - Fernanda C. Lessa, The New England Journal of Medicine, 2015

MCB3837 is an antibiotic administered by intra-venous infusion and able to cross the gastrointestinal barrier. It precisely targets the infection site. Several Phase I trials (on a hundred healthy volunteers) have shown a high concentration of the antibiotic in stools, which is a strong marker of its presence in the intestine. It has demonstrated an ability to eliminate *Clostridium difficile* bacteria without destroying other microorganisms of the gastrointestinal flora. It has also shown an acceptable tolerance profile.

The next stage of development will be a Phase II clinical trial on a small number of patients. Green light has already been given by the FDA for the initiation of this study.

Furthermore, in 2016, MCB3837 was granted the QIPD designation as well as Fast Track status from the US Food and Drug Administration ("FDA").

ABOUT TVM CAPITAL LIFE SCIENCE

TVM Capital Life Science is a group of independent investment advisories and fund managers for Venture Capital funds, investing into innovative biotech, pharmaceutical, and medtech companies, with teams based in Munich and Montreal. Since 1984, TVM Capital Life Science has invested in more than 130 life science companies in Europe, Canada and the United States, currently managing in excess of €900 million from more than 50 investors.

Notably, TVM Capital Life Science was the Series A lead investor in the following publicly listed companies with market capitalizations that at some point were or still are greater than €1 billion: Qiagen, Sequenom, Actelion, Intercell, Evotec and most recently Colucid.

ABOUT DEINOVE

DEINOVE (Euronext Growth Paris: ALDEI) is a biotech company that discovers, develops and produces high added-value compounds from rare microorganisms for use in the fields of health, nutrition and cosmetic markets. To do so, DEINOVE draws on two key assets:

- a unique library of 6,000 rare or unexploited bacterial strains;
- a metabolic and fermentation engineering platform capable of leveraging these natural "micro-factories" to turn them into new industrial standards.

Based in Montpellier, DEINOVE employs approximately 55 employees and has nearly 130 international patents. The Company has been listed on Euronext Growth since April 2010.

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