

Press release

DEINOVE ANNOUNCES A CAPITAL INCREASE, WITH SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS, OF APPROXIMATELY €9.3M TO FINANCE ITS NEW MOMENTUM AND INDUSTRIALIZE ITS BIOPROCESSES

- **Subscription parity: 1 new share for 3 existing shares**
- **Subscription price: €4.50 per share**
- **Subscription period: November 30, 2015 to December 14, 2015 (inclusive)**
- **Subscription commitments: €5.5 million**

Montpellier, 27 November 2015 – DEINOVE (Alternext Paris: ALDEI), a biotech company developing innovative processes for producing biofuels and bio-based chemicals from non-food biomass with its *Deinococcus* bacteria, announced today the terms of its capital increase with preferential subscription rights for a gross amount of approximately €9.3 million (excluding exercise of the extension option).

The proceeds of the issue will be used to give the Company the financial means to finance the acceleration of its development and the industrialization of its bioprocesses, both in biofuels and biochemicals. Specifically, the funds will be used as follow:

- **40% to the DEINOL program to:**
 - Enable the production of second generation bioethanol on an industrial scale;
 - Diversify the substrates used for the production of second generation biofuels (agricultural residues, dedicated energy crops, forestry residues, and urban and household waste).
- **40% to the DEINOCHEM / Isoprenoids-Carotenoids program** supported by the “*Investments for the Future*” State program for:
 - The developments necessary for the continuous improvement of isoprenoid production yields;
 - The tests to obtain approval of the *Deinococcus* strain used for the production of carotenoids for animal and human food in Europe and the United States;
 - The functional tests necessary for the use of carotenoids for the cosmetics sector;
 - Production of the first batches of carotenoids.

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- **20% to the DEINOCHEM / Muconic acid program** to achieve the developments necessary for the continuous improvement of production yields.

In the event of partial achievement of this capital increase (of at least 75% of the initial amount), the Company will reallocate the funds raised in proportion to their original planned use.

To enable its current shareholders to participate in its development, DEINOVE has opted for a capital increase with shareholders' preferential subscription rights ("Rights"). These Rights entitle existing shareholders priority in subscribing to a number of new shares that is proportional to the number of shares they currently hold, to ensure that their stake in the Company is not diluted. These Rights may also be divested throughout the subscription period by shareholders who do not wish to participate in the capital increase.

2015 Achievements

In 2015, DEINOVE continued its research programs and made significant progress in several areas:

- In second generation biofuels (DEINOL), the Company passed the third milestone of the collaborative research program supported by Bpifrance and obtained payment of € 1.2 million. The process scale-up entered a new phase with successful trials in a 300-litre fermenter based on second generation sugars (glucose and xylose). The Company continues to make progress with its multiple industrial partners.
- DEINOVE validated the first milestone of the DEINOCHEM / isoprenoid program and received almost € 1 million from ADEME. The Company has moved forward on the development of the carotenoids subset platform. The project dedicated to animal feed also made advances with the successful first step of the R&D project with the April group and the start of a new partnership with the American Flint Hills Resources.
- In 2015, DEINOVE also launched a new platform dedicated to muconic acid (part of the DEINOCHEM program) to develop bio-based compounds that are able to replace oil for the production of plastics or textile fibers.
- To secure the foundation of its development, DEINOVE continued its efforts to protect its industrial property and received the delivery of six new patents in the US, one of the first markets in the bio-economy.
- Finally, DEINOVE strengthened its management team with the arrival of Marie BÉZINGER as Director of Operations and Dennis McGrew as Chief Business Officer.

DEINOVE also continued to invest in its platform with a new extension to its laboratory in Montpellier, which now extends over 1,500 m² and employs more than 40 researchers. The DEINOVE science received international recognition with the publication of an article in April in the *American Journal of Applied Microbiology*.

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Investor subscription commitments

The funds managed by Truffle Capital, shareholder of the Company, have committed to subscribe to this capital increase for a maximal amount of €1.5 million. Additionally, 14 investors, whether existing shareholders or not, have committed to subscribe to this capital increase for a total amount of €4.0 million.

Overall, irreducible and reducible subscription commitments by shareholders and investors represent a maximum 58.9% of total new shares, i.e. a maximum amount of €5.5 million.

Shareholders' preferential subscription rights not exercised by the funds managed by Truffle Capital will be sold to investors who have committed to subscribe for €1 per each block of Rights, regardless the number of Rights transferred.

Main terms of the capital increase

- The capital increase will be carried out with preferential subscription rights and will result in the issuance of 2,061,423 new shares at a price of €4.50 per new share, representing gross proceeds of approximately €9,276,403.50, including issue premium. Assuming that, before December 7, 2015, all the rights giving access to DEINOVE's capital (BSPCEs and BSAs) are exercised, the gross proceeds would amount to €10,681,875.00, including issue premium.
- Should the extension clause be fully exercised, the total proceeds would amount to €12,284,154, including issue premium, representing a maximum of 2,729,812 new shares, assuming that before December 7, 2015, all the rights giving access to DEINOVE's capital (BSPCEs and BSAs) are exercised. If the said warrants are not exercised before December 7, 2015 and the extension clause is fully exercised, the total proceeds would amount to €10,667,862.00, including issue premium, representing a maximum of 2,370,636 new shares.
- Each DEINOVE shareholder will receive one Right for each share held as of the close of trading on November 27, 2015. Three (3) Rights will entitle the holder to subscribe on an irreducible basis to one (1) new share.
- Shareholders willing to exercise their preferential subscription rights shall make the request to their authorized financial intermediary at any time between November 30 and December 14, 2015 (inclusive) and pay the corresponding amount. Unexercised preferential subscription rights shall automatically lapse when the subscription period expires at the close of the December 14, 2015 stock market trading session.
- Subscriptions for shares and corresponding payments by subscribers will be registered under the following procedure:

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- Administered registered shareholders or bearer shareholders: subscriptions may be received until December 14, 2015 by the authorized intermediaries acting in their name and on their behalf.
 - Direct shareholders: subscriptions are being received by Caceis Corporate Trust (14 rue Rouget de Lisle - 92130 Issy-les-Moulineaux Cedex 09) until and including December 14, 2015.
- On the basis of the closing price of DEINOVE's shares on November 25, 2015 (i.e. €6.37), the subscription price (€4.50) represents a 29.36% discount, and a 23.76% discount compared to the theoretical ex-right price.
 - Additional subscriptions are allowed but remain submitted to reduction in the case of oversubscription.
 - The offer will be open to the public only in France.
 - The issue is not underwritten. As a result, investors that have acquired preferential subscription rights may suffer a loss equal to the price paid for those rights in the case the issue would not reach the threshold of 75%.

SwissLife Banque Privée is acting as Lead Manager and Bookrunner.

Brunswick Société d'Avocats is DEINOVE's counsel for the legal aspects of the operation.

Indicative timetable

The subscription period will run from November 30, 2015 to the close of trading on December 14, 2015. During this period, the Rights will be listed on the Euronext regulated market in Paris under ISIN code FR0013063492. Any Rights not exercised before the end of the subscription period, i.e., the close of business on December 14, 2015, will become null and void.

Settlement-delivery and listing of the new shares are expected to occur on December 23, 2015. The new shares will carry full dividend rights. They will be immediately fungible with the Company's existing shares and will be traded on the same listing line under the same ISIN code FR0010879056.

Information available to the Public

The prospectus approved by the French Financial Markets Authority (the "AMF") on November 26, 2015 under number 15-607 includes DEINOVE's Document de Reference (the "Registration Document"), registered with the AMF on November 26, 2015 under number R.15-081, a securities note (the "Securities Note") and a summary of the prospectus (included in the securities note).

- **Availability of the reference document:** copies of the prospectus are available free of charge from DEINOVE, 1682, rue de la Valsière – Cap Sigma, ZAC Euromédecine II – 34790 Grabels – France (www.deinove.com) and from the AMF website (www.amf-france.org).

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- **Risk factors:** DEINOVE wishes to draw the public's attention to chapter 4 (Risk factors) of the registration document filed with the AMF and to section 2 (Risk factors) of the Securities Note.

About DEINOVE

DEINOVE (Alternext Paris: ALDEI) is ushering in a new era of green chemistry by designing and developing new standards of production based on bacteria of untapped potential: the *Deinococci*. Taking advantage of the bacteria's unique genetic properties and unusual robustness, DEINOVE optimizes natural fermentation and metabolic capabilities of these bacterial "micro-factories" to produce high value-added products from non-food biomass. The Company's primary markets are 2nd-generation biofuels (DEINOL) and bio-based chemicals (DEINOCHEM). On these markets, the Company offers its technology to industrial partners globally.

Listed on NYSE Alternext since April 2010, DEINOVE was founded by Dr. Philippe Pouletty, General Partner of TRUFFLE CAPITAL, and Pr. Miroslav Radman, of the Faculty of Medicine of Paris Descartes University. The company employs almost 50 people in its offices and laboratories located in Montpellier, France.

More information at www.deinove.com

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Disclaimer

This press release and the information contained herein do not constitute an offer to sell or purchase, nor the solicitation to sell or purchase DEINOVE shares or Rights.

This press release and the prospectus registered with the French Financial Markets Authority (Autorité des marchés financiers) contain forwardlooking statements. No guarantee is given as to these forecasts being achieved, which are subject to risks, including those described in the prospectus, and to the development of economic conditions, the financial markets and the markets in which DEINOVE operates.

European Economic Area

The offer is open to the public in France.

With respect to members of the European Economic Area other than France (the “Member States”) that have implemented the Prospectus Directive, no action has been undertaken or will be undertaken to make an offer to the public of securities requiring the publication of a prospectus in any Member State. Therefore, the Rights, the new shares and other securities mentioned in this press release may only be offered in Member States:

- to qualified investors as defined in the Prospectus Directive;
- to less than 100 or, if the Member State has transposed the relevant provision amending the Prospectus Directive, 150 natural or legal persons (other than qualified investors as defined in the Amending Prospectus Directive) per Member State; or
- in circumstances falling under the scope of Article 3 (2) of the Prospectus Directive.

For the purposes of this paragraph, (i) the expression “public offer of securities” in a given Member State means the communication to persons, in any form and by any means whatsoever, and containing sufficient information on the conditions of the offer and the securities to be offered to enable an investor to decide to purchase or subscribe said securities, as that definition has been, where appropriate, modified by the Member State in question, (ii) the expression “Prospectus Directive” means Directive 2003/71/EC of November 4, 2003, as transposed into the law of the Member State in question (as amended, including the Amending Prospective Directive when it has been transposed by each Member State), and (iii) the expression “Amending Prospectus Directive” means Directive 2010/73/EU of the European Parliament and of the Council of November 24, 2010. These sales restrictions relating to Member States apply in addition to any other restrictions applicable in Member States that have transposed the Prospectus Directive.

United Kingdom

This press release does not contain or constitute an invitation, inducement or solicitation to invest. This press release is intended solely for persons (i) who are not in the United Kingdom, (ii) who are investment professionals within the meaning of Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Order”), (iii) who are persons falling within the provisions of Article 49 (2) (a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order, or (iv) who are persons to whom an invitation or inducement to engage in investment activity (within the meaning of the Financial Services and Markets Act 2000) may lawfully be made or caused to be made in the context of the issuance or sale of securities (all persons cited in (i), (ii), (iii) and (iv) together being designated as “Relevant Persons”).

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United States of America

This press release does not constitute an offer to sell securities or the solicitation of an offer to purchase securities in the United States of America. The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States in the absence of registration or an exemption from registration under the Securities Act. DEINOVE does not intend to register the offer in whole or in part in the United States of America, or to make a public offer in the United States of America.

Canada, Australia and Japan

The new shares and Rights may not be offered, sold or purchased in Canada, Australia or Japan.

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