Deinove Creates a Subsidiary for Its Antibiotics Program

The Associated Press

DEINOVE (PARIS: ALDEI)
To accelerate research and development of new antibiotics With a dedicated management team led by Alain CHEVALLIER and Dominique LE BELLER DEINOVE owns 49% of new entity, DEINOBIOTICS SAS, and holds the right to buy back the outstanding shares
DEINOVE (PARIS: ALDEI), the Deinococcus bacteria company, announced that the Board of Directors has decided to accelerate the development of the company's antibiotics program by establishing a dedicated subsidiary, DEINOBIOTICS, that incorporates the expertise and resources to meet its ambitions in this field.

DEINOVE's contribution to DEINOBIOTICS are the results and intellectual property rights that relate to research undertaken on antibiotics as well as the transfer of the OSEO-ERDF-LR region funding already allocated (EUR 0.7 million). DEINOVE owns 49% of the new entity.

The Holding Incubator Green Chemistry has invested EUR 0.5 million and is the majority shareholder of DEINOBIOTICS with a 51% holding. The capital injection, along with the state aid already allocated, will fund DEINOBIOTICS until a first drug candidate has been identified and value created for DEINOVE.

DEINOVE has the option to buy back, at a pre-determined price, all the DEINOBIOTICS' shares sold to the Holding Incubator Green Chemistry.

"We are excited by the spin-off of our antibiotics program into a dedicated subsidiary. Our priority at DEINOVE is to focus our energy and resources on the DEINOL project and increasingly also on DEINOCHEM," stated Emmanuel PETIOT, CEO of DEINOVE. "The know-how and expertise of Dominique LE BELLER and Alain CHEVALLIER promise to make DEINOBIOTICS successful in its ambition to discover tomorrow's new generation of antibiotics," concluded Emmanuel PETIOT.

Dominique LE BELLER, CEO of DEINOBIOTICS SAS, stated: "The priority is now to find antimicrobial agents active against antibiotic-resistant bacteria. DEINOVE's research selected 12 strains of bacteria with antibiotic activity, including 9 strains active on Gram-negative bacteria and 2 broad spectrum strains. These first results are extremely promising for the future of DEINOBIOTICS."

About the Antibiotics Market

The intensive use of antibiotics in medicine and agriculture has encouraged,

unintentionally, the rise of antibiotic resistant bacteria. This year some 25,000 patients in Europe are expected to die following infection from multi antibiotic-resistant bacteria. Furthermore, of the 8 to 10 million new cases of tuberculosis reported worldwide, more than 400,000 result from super-resistant bacteria1.

Today's therapeutic arsenal of antibiotics mainly dates from the 1940s to the 1960s and pharmaceutical companies worldwide have been actively renewing their investments in this area. After decades of standstill, the global market for antibiotics is expected to exceed $50 billion by 2020.

About DEINOBIOTICS

DEINOBIOTICS is a biotechnology company that specializes in research and development of new antibiotics from bacteria with a still untapped potential: the Deinococci. The company was established on the basis of research results obtained from the program initiated by DEINOVE in 2009 with the support of OSEO, ERDF and the Languedoc-Roussillon Region.

Based on the extraordinary genetic and metabolic properties of Deinococcus bacteria, DEINOBIOTICS intends to respond to a major public health issue: the fight against bacterial resistance to antibiotics.

Created in 2012 by DEINOVE, DEINOBIOTICS is supported by the HOLDING INCUBATOR GREEN CHEMISTRY. Dominique LE BELLER, a recognized expert in research and development of new anti-infective agents, is Chief Executive Officer of the company. DEINOBIOTICS encompasses a team of six scientists and a network of academic and industrial partners of excellence: ProBioGEM laboratory (University of Sciences and Technologies of Lille), the Centre for the Study of Pathogenic agents and Biotechnology for Health (CNRS, Universities Montpellier I and II), the Structural Genomics Institute (CNRS, Marseille) and the company NOSOPHARM (Nîmes).

Deinobiotics is co-financed by the European Union. Europe is engaged in Languedoc-Roussillon through the European Regional Development Fund (ERDF).

Alain CHEVALLIER, President of DEINOBIOTICS

Alain CHEVALLIER has spent most of his professional career in the pharmaceutical industry at ROUSSEL-UCLAF, HOECHST-MARION-ROUSSEL, AVENTIS, and SANOFI-AVENTIS where he switched responsibilities from senior financial positions to the general management of subsidiaries in France and abroad (Latin America, Japan and Germany). His last position was Member of the Executive Board of AVENTIS PHARMA SA in charge of finance, and Chief Financial Officer of SANOFI-AVENTIS France.

As an administrator or board member of young innovative companies and investment funds in France and abroad, he is currently involved in the development of innovative projects in the field of life sciences and green chemistry. He is Chairman of CARBIOS, Director of SPLICOS and OPALIA (Tunisia) and also Partner at AEC PARTNERS, a consulting firm specializing in strategic life sciences, in which he

leads the Japanese practice. Alain CHEVALLIER is a graduate of HEC.

Dominique LE BELLER, CEO, DEINOBIOTICS

After 8 years at AVENTIS as Head of Biochemistry within the Infectious Diseases Division, Dominique LE BELLER became in 2004 one of the founders of NOVOXEL a start-up specialized in the development of anti-infective agents. Whilst there, he was responsible for leading projects, and running operations until its acquisition by ASTRA ZENECA in 2010 for almost US $500 million.

Previously, Dominique LE BELLER had spent 10 years at HOECHST-MARION-ROUSSEL, first in the Department of Biotechnology and then in the Department of Anti-Infectives, where he implemented a program dedicated to finding new targets for antibiotic discovery, and built a network of academic excellence.

Dominique LE BELLER has established strategic alliances in the field of antifungal therapy and contributed to the development of three antibiotics: Ketek ®, NXL 201 and NXL 104. With the INSTITUT PASTEUR he also actively participated in the creation and implementation of the theme "Infectology" of the Pole MEDICEN, and launched its first project, the "chemical library."

Dominique LE BELLER holds a degree in Biological Engineering and a PhD in Microbiology, Enzymology and Bioconversions from the University of Technology of Compiègne.

About DEINOVE

DEINOVE (PARIS: ALDEI) is a cleantech company that designs and develops new standards of production based on bacteria of untapped potential: the Deinococci.

Taking advantage of their unique genetic properties and unusual robustness, DEINOVE optimizes natural fermentation and metabolic capabilities of these bacterial "micro-factories" to produce rare compounds or products that are technologically difficult to produce: 2nd generation biofuels (DEINOL) and chemical intermediates (DEINOCHEM), but also new antibiotics (DEINOBIOTICS project now led by the subsidiary DEINOBIOTICS SAS) or enzymes for the remediation of plastics (THANAPLAST? project led by CARBIOS).

At the end of the year 2012, the Company obtained a first validation of the approach through DEINOL, a program supported by OSEO-ISI amounting to 8.9 million Euros, conducted in partnership with the sugar group TEREOS, French leader and the second European producer of bioethanol. A DEINOVE bacterium turned wheat-based biomass into ethanol, without additives (enzymes, yeast, antibiotics or antiseptics), a world first. Based on these results, DEINOVE and TEREOS have engaged in the pre-industrial development of this process.

Listed on 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 the University René Descartes. It has a staff of about 30

people and conducts R&D programs in partnership with the CNRS (Marseille and Montpellier), INSA (Toulouse) and VTT (Finland). Headquarters and laboratories are located at DEINOVE Paris and the Technoparc Cap Alpha in Montpellier.

More information at www.deinove.com

Disclaimer: This press release and the information contained herein do not constitute an offer to sell or subscribe to, or a solicitation of an offer to buy or subscribe to, shares in DEINOVE ("the Company") in any country. This press release contains forward-looking statements that relate to the Company's objectives. Such forward-looking statements are based solely on the current expectations and assumptions of the Company's management and involve risk and uncertainties. Potential risks and uncertainties include, without limitation, whether the Company will be successful in implementing its strategies, whether there will be continued growth in the relevant market and demand for the Company's products, new products or technological developments introduced by competitors, and risks associated with managing growth. Unfavourable developments in connection with these and other risks and uncertainties described, in particular, in Chapter 4 of the Company's prospectus prepared in connection with its IPO and on which the French Autorité des Marches Financiers ("AMF") granted its visa no. 10-014 on March 25 2010, could cause the Company to fail to achieve the objectives expressed by the forward-looking statements above.

Updates are available on the Company's website at www.deinove.com

PR DEINOVE: DEINOBIOTICS: http://www.deinove.com/news/all-press-releases/deinove-creates-subsidiary-its-antibiotics-program