HALF-YEAR FINANCIAL REPORT 2018

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ABIVAX

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1 LEADERSHIP

Board of Directors

Chairman:	Dr Philippe Pouletty

Directors:	Carol L. Brosgart (from 22 January 2018) Claude Bertrand Corinna zur Bonsen-Thomas Dominique Constantini Jean-Jacques Bertrand Joy Amundson Santé Holding SRL represented by Dr Antonino Ligresti Truffle Capital represented by Antoine Pau until 22 January 2018, and by Christian Pierret from 22 January 2018

Management

Chief Executive Officer	Pr. Hartmut Ehrlich
V.P. Chief Financial Officer and Secretary of the Board of Directors	Didier Blondel
V.P. Chief Commercial and Business Development Officer	Pierre Courteille
V.P. Process and Manufacturing Development	Jérôme Denis
V.P. Chief Clinical Operations Officer	Paul Gineste
V.P. Regulatory Affairs	Alexandra Pierce
V.P. Chief Research Officer	Didier Scherrer
V.P. Chief Medical Officer	Dr Jean-Marc Steens

2 HALF-YEAR ACTIVITY REPORT

2.1 ABIVAX – an overview

ABIVAX is an innovative biotechnology company targeting the immune system to eliminate viral and inflammatory diseases and cancer.

The antiviral products and immunotherapies developed by ABIVAX derive from three proprietary technological platforms:

1. **An "Antiviral" platform** based on technologies developed jointly with the CNRS (Montpellier, France) and the Institut Curie (Orsay, France). This platform has generated a chemical library of more than 1,200 small molecules designed to block mechanisms of viral replication using new modes of action targeting the biogenesis of RNA. In addition to ABX464, the platform has generated different molecules that target, with some of the first active molecules identified, other viruses such as the Respiratory Syncytial Virus, Dengue and the Influenza virus.

2. **An "Immune Enhancer" platform** based on intellectual property from the Scripps Research Institute (La Jolla, United States). This platform focuses on invariant natural killer (iNKT) agonist compounds which have been shown to stimulate both humoral and cellular immune responses, and may have clinical applications in infectious diseases and oncology. The ABX196 target product has already demonstrated its safety in a Phase I study in healthy volunteers. A recent preclinical development also demonstrated the ability of ABX196 to convert tumours that were not responsive to treatment with checkpoint inhibitors into responsive tumours. ABIVAX's strategy is not to become an immuno-oncology company and it aims instead to develop this molecule with the support of an external partner once the first clinical efficacy results have been obtained in advanced liver cancer.

3. **A "Polyclonal Antibody" platform** based on the generation of neutralising antibodies for the treatment and prevention of Ebola virus infections. The ABX544 molecule, a target product, is currently in pre-clinical development.

ABIVAX conducts its R&D work mainly in Montpellier and has its registered office in Paris. It has approximately 25 employees across both sites. The ABIVAX management team has extensive experience in the development and marketing of biopharmaceutical products for infectious diseases and antivirals. The Company also has an internationally renowned scientific committee composed of experts, as well as a Board of Directors whose members have substantial experience gained within major pharmaceutical companies and international vaccine manufacturers.

The company was set up as a *société anonyme* (public limited company) on 6 December 2013 and absorbed Splicos, Wittycell and Zophis in 2014 via a full transfer of the assets and liabilities of these companies. The Company has been listed on Euronext Compartment B in Paris since 26 June 2015.

2.2 Highlights and activities of ABIVAX in the first half of 2018

"Antiviral" platform

HIV: Publication of positive results for the ABX464-005 (cohort 2) Phase 2a study in HIV infection in July 2018

The study was carried out by University Hospital Trias i Pujol de Badalona (Barcelona, Spain).

As part of the first cohort of the ABX464-005 study, 9 patients were treated with ABX464 with daily doses of 150 mg administered over 28 days. Eight out of nine patients showed a reduction in the quantity of the HIV DNA contained in T CD4+ lymphocytes from peripheral blood (up to 52%) between day 0 and day 28. The results of this study were presented in September 2017.

In the second cohort, for which the results were presented in July 2018, one-third of the ABX464 dose initially used in the first cohort (i.e. 50 mg/day) was administered to 12 patients over a 3-month period. The aim was to evaluate the potential of this limited dose to reduce the HIV reservoir in the blood and tissues. Based on the available data for week 12 (eight patients have completed the study in full at this stage), four patients showed a reduction of between 2% and 85% in the total HIV DNA in T CD4+ lymphocytes of peripheral blood. The other four patients showed an increase (of 5% to 36%) in HIV DNA. For the first time, it was possible to extract and analyse data based on rectal tissue biopsies. Specifically, four of the patients showed a reduction of 16% to 71% in HIV DNA in T CD45+ cells in rectal tissue, and four patients saw an increase (of 14% to 123%) in HIV DNA in those same cells.

ABIVAX thereby demonstrated an observed decrease in HIV DNA in the blood and in rectal tissue with longer treatment and a low dose. ABIVAX is currently planning the Phase 2b clinical trial.

Ulcerative colitis: Impressive results from the Phase 2a clinical trial with ABX464 in oral treatment of ulcerative colitis announced on 4 September 2018

ABIVAX has announced the results of a randomised, double-blind, placebo-controlled clinical trial, ABX464-101. It shows statistically significant efficacy based on clinical and endoscopic criteria. ABIVAX has thereby demonstrated rapid and significant efficacy for its product with an improvement in the clinical remission rate 3.2 times greater and healing of the mucosa 4.5 times greater than the placebo. Intake of 50 mg of ABX464 every day for two months has proven safe and is well tolerated.

This easy treatment (taking a tablet orally every day) would treat a serious, chronic disease affecting more than 2.7 million patients throughout the world with high medical needs that have not been met. Consequently, ABIVAX is launching the accelerated preparation of the Phase 2b clinical trial

Research: Development of research into antiviral molecules

ABIVAX highlights research into small antiviral molecules on the treatment of Respiratory Syncytial Virus, Influenza and Dengue.

Research: Crossing key stage 1 of the RNP-VIR project

In August 2018, ABIVAX received €831,000, an amount corresponding to the crossing of the first stage of the RNP-VIR financing project by BPI, i.e. €485,000 in terms of subsidy and €346,000 as a repayable advance.

"Immune stimulation" platform

The ABX196 target product has already demonstrated its safety in a Phase I study in healthy volunteers. A recent preclinical development also demonstrated the ability of ABX196 to convert tumours that were not responsive to treatment with checkpoint inhibitors into responsive tumours. ABIVAX's strategy is not to become an immuno-oncology company and it aims instead to develop this molecule with the support of an external partner once the first clinical efficacy results have been obtained in advanced liver cancer.

Financing

Obtaining financing by structured borrowing from Kreos Capital that may reach €20 million

ABIVAX announced on 25 July 2018 that it had signed a loan financed by structured borrowing of €20 million with Kreos Capital.

This financing includes two tranches of €10 million each (with €8 million of bonds and €2 million of convertible bonds): a first instalment immediately paid, which extends ABIVAX cash up to Q4 2019. The second tranche can be exercised by the end of 2018, subject to an ABIVAX capital increase over the intermediate period between the two tranches, thereby allowing the financing capacity to be carried over to Q1 2020.

In the context of financing by borrowing, Kreos may also receive ABIVAX share warrants ("BSA"), for a maximum valuation of up to €1.6 million. In this context, two tranches of €800,000 may be exercised at the same time as the bonds.

The payment of the first instalment was received by ABIVAX during the summer of 2018.

Equity Line or capital financing line

The Chief Executive of the Company, acting on behalf of the Board of Directors, which met on 18 September 2017, and in accordance with the 10th resolution of the General Meeting of Shareholders of 24 June 2016[1], decided to implement this financing line. In line with the terms of the agreement, Kepler Cheuvreux, acting as a financial intermediary and as the guarantor of the transaction, is committed to acquiring 970,000 shares of its own accord, within a maximum timeframe of 24 months. The shares are issued based on the average volume-weighted share price over the two trading days prior to each issue, less a maximum discount of 7%. Since the agreement was signed, 60,000 warrants were exercised by Kepler Cheuvreux in September 2017 (20,000 securities issued) and in October 2017 (40,000 securities issued) and helped release an amount of €0.6 million. The residual amount of the equity financing line, as at 30 June 2018, is therefore 910,000 securities. In the event all 910,000 remaining securities are used, the Kepler Cheuvreux financing line would raise €6.4 million at the share price in June 2018[2].

To date, Kepler Cheuvreux carried out an additional exercise of 90,000 warrants in July 2018 (10,000 securities issued) and in September 2018 (80,000 securities issued) and helped release an additional amount of €0.6 million. ABIVAX retains the right to suspend or terminate this agreement at any time.

[1] Increase of capital with removal of preferential subscription rights by private investment within the limit of 20% of the share capital per year in accordance with the provisions of Article L. 225-136 (1° and 3°) of the French Commercial Code.
[2] On the indicative basis of the average price of the twenty ABIVAX share trading sessions of June 2018.

2.3 Financial situation and results: notes on the figures

The financial statements of ABIVAX as at 30 June 2018 essentially show:

- **A €7.2 million operating loss (compared to €5.5 million in the first half of 2017), which reflects the rigorous control of expenditure and the emphasis on the development of clinical programmes**

    - R&D expenditure amounted to €7.1 million, mainly due to the development of ABX464 (64% of expenditure) and investment in the antiviral platform (30%)
    - The overheads and administrative costs have increased slightly after the growth of clinical programmes and are €2 million in the first half of 2018 compared to €1.7 million in the first half of 2017
    - The Research Tax Credit (CIR) for the first half of 2018 is estimated to be €1.4 million. This does not take into account the expenditure which will be incurred in the second half of 2018, but does take into account 50% of subsidies and repayable advances granted under the RNP-VIR project by BPI for the key stage 1

- **Financial resources guaranteeing funding for the main projects until the end of Q4 2019**

    - The company's cash consumption stood at €1.6 million per month during the first half of 2018
    - Cash available as at 30 June 2018 at €7.6 million combined with obtaining the first instalment of the Kreos Capital loan of €10 million and equity financing line with Kepler Cheuvreux (910,000 securities as at 30 June 2018) will provide natural hedging of the ABIVAX financial needs until Q4 2019 on the basis of the current estimates of R&D needs

KEY FIGURES

The following tables summarise the key items from the half-yearly results drawn up according to French accounting standards, for the first half of 2018 and 2017 and certain items as at 31 December 2017.

Items in the Income Statement in thousands of euros	**First half of 2018**	**First half of 2017**	**Variation**
Total operating income	492	4	489
Total operating expenses	9,058	7,410	1,648
of which Research and Development expenses	*7,061*	*5,729*	*1,332*
of which administrative costs and overheads	*1,996*	*1,681*	*315*
Operating income	**-8,565**	**-7,406**	**-1,159**
Net Financial Income	27	33	-6
Income from continuing operations	**-8,538**	**-7,373**	**-1,165**
Extraordinary income	-59	173	-232
Tax on income	-1,352	-1,651	299
Income for the period	**-7,245**	**-5,549**	**-1,696**

ASSETS - in thousands of euros	**30/06/2018**	**31/12/2017**	**Variation**
Fixed assets			
Intangible fixed assets	32,005	32,005	0
Property, plant and equipment	187	202	-15
Financial assets	662	731	-69
Total	32,855	32,939	-84
Current assets			
Receivables	5,413	3,647	1,766
Marketable securities	5,006	15,151	-10,145
Cash and cash equivalents	2,573	1,881	692
Prepaid expenses	198	186	13
Advance payments on orders	0	12	-12
Total	13,190	20,876	-7,686
Total Assets	**46,045**	**53,815**	**-7,770**
LIABILITIES			
Shareholders' equity	**36,701**	**43,916**	**-7,215**
Conditional advances	**4,385**	**4,264**	**121**
Provisions for risks and expenses	**27**	**27**	**0**
Total	41,114	48,207	-7,093
Payables			
Convertible bonds	0	92	-92
Borrowings and financial debt	0	170	-170
Trade payables and related accounts	3,929	4,219	-290
Accrued taxes and personnel expenses	977	1,102	-124
Other payables	25	22	3
Total	4,931	5,604	-673
Exchange adjustments on liabilities		4	-4
Total liabilities	**46,045**	**53,815**	**-7,770**

OVERVIEW OF RESULTS AT 30/06/2018

Operating income:

Income Statement Items in thousands of euros	First half of 2018	First half of 2017	Variation
Sales of goods			
Production sold			
Operating grants	485	0	485
Other income	7	4	4
Total operating income	**492**	**4**	**489**

Because its projects are at the development stage, the Company generated no turnover during the period.

Operating grants

The grants that appear in the income statement depend on project progress.
ABIVAX receives grants from the BPI French public investment bank for the CARENA and RNP-VIR projects. Income of €485,000 was recognised for the RNP-VIR project grant in the first half of 2018. The grant corresponds to the completion of key stage 1 and was received in August 2018

Other income

Operating income was €7,000 in the first half of 2018, compared with €4,000 in 2017.

Net operating expenses by type:

Income Statement Items in thousands of euros	First half of 2018	First half of 2017	Variation
Purchases of raw materials	10	10	0
Third-party studies	4,823	3,590	1,233
General subcontracting	43	49	-7
Supplies	22	11	10
Rent, maintenance and repairs	241	206	34
Sundry expenses	138	157	-19
Documentation, technological monitoring and seminars	54	53	0
Patents	251	314	-63
Fees	1,096	772	324
Assignments and travel	202	213	-10
Other purchases and external expenses	6,869	5,367	1,502
Taxes, duties and similar payments	43	51	-8
Wages and salaries	1,462	1,361	101
Social security expenses	579	540	40
Depreciation	48	43	4
Other expenses	48	38	10
Total operating expenses	**9,058**	**7,410**	**1,648**

At 30 June 2018, operating expenses were €9,058,000. 76% of the operating expenses were made up of "other purchases and external expenses", with more than two-thirds of these relating to external studies and scientific sub-contracting (clinical trials, laboratory research studies, toxicology and industrial process development).

Costs associated with external studies and sub-contracting in the first half of 2018 are mainly linked to the following events:

- HIV: Observation of the reduction in HIV reservoirs in patients' blood in two clinical trials and particularly in cohort 2 of the ABX464-005 trial
- Ulcerative colitis: proof-of-concept Phase 2a clinical trial, i.e. the ABX464-101 trial that started in November 2017 and ended in September 2018 (trial over two months with 32 patients initially enrolled) and the ABX464-102 one-year treatment extension study that started in January 2018
- Improved understanding of the novel mechanism of action of ABX464
- Positive preclinical results with ABX196 on cancer in animal models
- Development of the ABIVAX antiviral platform in the treatment of Respiratory Syncytial Virus, Influenza and Dengue.

In the first half of 2017, the costs associated with external studies and sub-contracting were mainly associated with the following factors:

- HIV:
  - First clinical evidence of a reduction in HIV reservoirs observed as part of a Phase 2a clinical trial with ABX464 (ABX464-004 trial)
  - Launch of an additional Phase 2a trial (ABX464-005 trial, cohort 1 and 2) to see the effect of ABX464 on HIV reservoirs in intestinal tissue in the blood
- Ulcerative colitis: first French regulatory authorisations obtained
- Positive preclinical results with ABX196 on cancer in animal models
- Development of the ABIVAX antiviral platform

Net Financial Income:

Income Statement Items in thousands of euros	First half of 2018	First half of 2017	Variation
Financial income	65	51	13
Financial expenses	37	19	19
Net financial income	27	33	-6

The financial income is broken down as follows:

in thousands of euros	Amount
Fixed-term creditor interest	58
Currency translation gain	6
Total	65

Financial income in the first half of 2018 was €65,000, corresponding primarily to interest received on term deposits. Financial expenses of €29,000 primarily comprise accrued interest payable in connection with the CARENA and RNP-VIR projects.
The exchange loss stands at €8,000.

Net Profit (Loss):

Income Statement Items in thousands of euros	First half of 2018	First half of 2017	Variation
Income from continuing operations before tax	-8,538	-7,373	-1,165
Extraordinary income	-59	173	-232
Income tax (CIR)	1,352	1,651	-299
Loss	**-7,245**	**-5,549**	**-1,696**

Extraordinary income

Extraordinary income over the first half of 2018 was -€59,000, made up of one-off losses of €118,000 corresponding to realised capital losses on the sale of treasury shares and €59,000 corresponding to a write-back of part of the depreciation on the treasury shares.
Since the share price at 30 June 2018 was €6.84 (€8.63 at 31 December 2017), the market value at 30 June 2018 of the 33,400 treasury shares was therefore €229,000. A provision for impairment of €32,000 was therefore booked at 30 June 2018 in respect of the treasury shares. A provision for impairment of €91,000 had been booked at 31 December 2017. The provision reversal was therefore €59,000. This reversal was recognised as extraordinary income.
In the first half of 2017, realised capital gains and losses on sales of treasury shares amounted to €173,000, i.e. €202,000 of capital gains and €28,000 of capital losses.

Income tax (CIR)

The Research Tax Credit (CIR) for the first half of 2018 is estimated at €1,352,000. This amount corresponds to the tax credit on eligible expenditure for the first half of 2018, less grants and repayable advances received.

Net Profit (Loss)

The operating loss of €7,245,000 (compared to a loss of €5,549,000 at 30 June 2017) reflects the tight control of expenditures as well as the development of the clinical programmes.

OVERVIEW OF THE BALANCE SHEET AT 30/06/2018

Intangible fixed assets

During the second half of the 2014 financial year, three full transfers of assets and liabilities were completed: Wittycell and Zophis were absorbed on 31 July 2014 and Splicos was absorbed on 31 October 2014. These three transactions resulted in the recognition of technical losses which replaced equities received by way of contribution under Assets for a total sum of €32,745,000.

These technical losses represent the differences between the net assets received as measured at the effective accounting date and the book value of the holdings at Abivax for each of the companies absorbed. These are technical deficits and not financial deficits, since they account for the value of the research and development costs incurred by these three predecessor companies that was recognised by Abivax upon acquisition of the holdings, plus that of the research and development programmes undertaken in early 2014. These research costs had indeed not been capitalised by the three dissolved companies, which had instead accounted for them as costs when incurred.

Financial assets

The financial assets principally comprise items relating to the liquidity contract entered into by the company at the end of June 2015 and guarantee deposits paid for premises occupied by the company.

The liquidity contract was signed on 26 June 2015 for a period of 12 months and renews automatically. The sum paid to the service provider at the outset of the contract was €1,000,000, and the first operations enabling a reserve of securities to be created took place between 26 and 29 June 2015. At 30 June 2018, the company held 33,400 treasury shares via this liquidity contract, i.e. less than 10% of its capital, for an acquisition cost of €261,000. The balance of the cash account with the service provider is €343,000.

The transactions linked to the liquidity contract are listed in the table below:

In thousands of euros	Quantity	Average price in euros*	Book value of the stock held	Other financial assets
Opening of the contract				**1,000**
Purchases	54,537	18.45	1,006	-1,006
Sales	11,091	18.18	202	202
Realised capital gains or losses			-16	
Balance at 31 December 2015	43,446	18	788	196
Purchases	74,993	8.31	623	-623
Sales	68,539	8.52	584	584
Realised capital gains or losses			-514	
Balance at 31 December 2016	49,900	6	313	157
Purchases	90,109	9.26	834	-834
Sales	105,959	9.57	1,014	1,014
Realised capital gains or losses			252	
Balance at 31 December 2017	34,050	11	385	337
Purchases	32,310	7.79	252	-252
Sales	32,960	7.82	258	258
Realised capital gains or losses			-118	
Balance at 30 June 2018	33,400	8	261	343

*average values for 2018, for example, €8 = €261,000/33,400 securities

Since the share price at 30 June 2018 was €6.84 (€8.63 at 31 December 2017), the market value at 30 June 2018 of the 33,400 treasury shares was €229,000. A provision for impairment of €32,000 was therefore

booked on the treasury shares at 30 June 2018. A provision for impairment of €91,000 had been booked at 31 December 2017. The provision reversal was therefore €59,000. This reversal was recognised as extraordinary income.

Receivables:

Receivables on fixed assets correspond to the amount available under the liquidity contract entered into by the company and deposits and guarantees paid by the company.
Fixed assets receivables are mainly made up of:

in thousands of euros	**Amount**
Balance outstanding on CIR 2014 (including default interest)	122
CIR at 31/12/2017	2,563
CIR estimated at 30/06/2018	1,421
CICE at 31/12/2017	12
CICE estimated at 30/06/2018	6
Trade receivables	2
Deductible VAT and VAT credits	770
Grants receivable	485
Sundry debtors	32
Prepaid expenses	198
Total	5,611

*The CIR was received on 30 July 2018 and the CICE on 3 August 2018

Marketable securities:

The marketable securities are made up as follows:

in thousands of euros	**30/06/2018**	**Available without notice**	**Available in under a month**
Term deposits	5,000	0	5,000
SICAV/UCITS	6	6	
Cash and cash equivalents	2,573	2,573	
Total	7,579	2,579	5,000

Share capital

Over the first half of 2018, 3 entrepreneur equity warrants (*bons de créateur d'entreprise*, BCE) 2016-1 were exercised involving the creation of 3 shares and leading to an increase in the share capital of €0.03. 400 BCE 2014-2 involving the creation of 40,000 shares and resulting in an increase in the share capital of €400. 699.5 BCE 2014-4 involving the creation of 69,950 shares and resulting in an increase in the share capital of €699.50. The share capital therefore increased from €99,042.29 on 1 January 2018 to €100,141.82 on 30 June 2018. These capital increases were recorded at the General Meeting of 15 June 2018.

Note 6 of the Notes to the interim financial statements provides further details on shareholders' equity and the dilutive financial instruments currently in force.

Conditional advances

The variation between 31 December 2017 and 30 June 2018 can be summarised thus:

in thousands of euros	**Balance at 31/12/2017**	Interest accrued over the period	Advances repaid over the period	**Balance at 30/06/2018**	*Including conditional advances*	*Including accrued interest*
BPI – CARENA	**2,300**	15		**2,315**	*2,187*	*128*
BPI A1006002G	**170**		170	**0**		
BPI EBOLA	**300**			**300**	*300*	
BPI RNP-VIR	**1,756**	14		**1,770**	*1,756*	*14*
Total	**4,384**	29	170	**4,385**	*4,243*	*142*

Borrowings and financial debt – Other
As at 30/06/2018, loans and financial debt were repaid in full.

2.4 Principal risk factors

On the occasion of its introduction on Euronext – section B, in June 2015, ABIVAX had set out the risk factors likely to affect it in the Base Document, available on its website. More recently, the said risk factors were updated in the 2018 Registration Document, published on 30 April 2018.
This document is available on the Company's website at www.abivax.com.

The Company reiterates, as indicated in the Registration Document mentioned above, that its activities are essentially based on biotechnology Research and Development operations, aimed at discovering, developing and marketing novel antiviral drugs and immunotherapy products for the treatment of potentially fatal infectious diseases.

The future of the Company depends on the success of clinical development and, where appropriate, on the transfer or concession to an industrial third party of the development and/or marketing rights for one of its products.

3 INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2018

3.1 Income statement

Income Statement Items in thousands of euros	**Note**	**First half of 2018**	**First half of 2017**	**Variation**
Operating income		**492**	**4**	**489**
Production sold		2		2
Operating grants	8	485		485
Other income		5	4	1
Operating expenses		**9,058**	**7,410**	**1,648**
Purchases of raw materials and supplies		10	10	0
Other purchases and external expenses	3	6,869	5,367	1,502
Taxes and duties		43	51	-8
Salaries and social security contributions		2,041	1,900	141
Amortisation, depreciation and provisions	3	48	43	5
Other expenses		48	38	10
Operating income		-8,565	-7,406	-1,159
Financial income		65	51	13
Financial expenses		37	19	19
Net financial income		27	33	-6
Income from continuing operations		-8,538	-7,373	-1,165
Extraordinary income		-59	173	-232
Income tax (CIR)	11	1,352	1,651	-299
Income for the period		**-7,245**	**-5,549**	**-1,696**

3.2 Balance sheet

ASSETS in thousands of euros	30/06/2018	31/12/2017	Variation
Fixed assets			
Intangible fixed assets	32,005	32,005	0
Concessions, patents, licences, software			
Property, plant and equipment			
Technical plant, industrial machinery and equipment	130	147	-17
Other property, plant and equipment	58	55	2
Financial assets			
Other financial assets	662	731	-69
Total	32,855	32,939	-84
Current assets			
Receivables	5,413	3,647	1,766
Cash instruments			0
Marketable securities	5,006	15,151	-10,145
Cash and cash equivalents	2,573	1,881	692
Prepaid expenses	198	186	13
Advance payments on orders	0	12	-12
Total	13,190	20,876	-7,686
Total Assets	**46,045**	**53,815**	**-7,770**

LIABILITIES in thousands of euros	30/06/2018	31/12/2017	Variation
Shareholders' equity			
Capital	100	99	1
Share, contribution and merger premiums	90,421	90,392	30
Retained earnings	-46,575	-35,352	-11,223
Income for the financial year (profit or loss)	-7,245	-11,223	
Total	36,701	43,916	-7,215
Other capital			
Conditional advances	4,385	4,264	
Total	4,385	4,264	121
Provisions			
Provisions for risks and expenses	27	27	0
Total	27	27	0
Payables			
Convertible bonds	0	92	-92
Borrowings and financial debt – Other	0	170	-170
Trade payables and related accounts	3,929	4,219	-290
Accrued taxes and personnel expenses	977	1,102	-124
Other payables	25	22	3
Deferred income			
Total	4,931	5,604	-673
Exchange adjustments on liabilities		4	-4
Total liabilities	**46,045**	**53,815**	**-7,770**

3.3 Cash flow statement

in thousands of euros	First half of 2018	First half of 2017	Variation
Cash flow linked to operating activity			
Operating income	-8,565	-7,406	-1,159
+ Amortisation, depreciation and provisions	48	43	5
- Change in operating receivables	10	734	-724
+ Change in trade payables	-290	296	-586
= Net operating cash flow	-8,798	-6,333	-2,465
- Financial expenses	-8	-3	-5
+ Financial income	65	51	14
- Extraordinary expenses linked to activity		-1	1
+ Extraordinary income linked to activity			
- Change in other receivables linked to activity	-415	-145	-270
+ Change in other payables linked to activity	-125	-175	50
= Net cash flow generated by activity (A)	-9,281	-6,606	-2,675
Cash flow linked to investment			
- Acquisitions of fixed assets	-286	-454	168
+ Disposals of fixed assets	247	610	-363
+ Reduction of financial assets	12	14	-2
+/- Change in other payables and receivables	-6	-181	175
= Net cash flow from investment activities (B)	-33	-11	-23
Cash flow linked to financing			
+ Capital increase in cash and payments made by partners	31	0	31
- Repayment of loans and borrowing and repayable advances	-170		-170
= Net cash flow from financing activities (C)	-139	0	-139
Change in cash position (A+B+C)	**-9,453**	**-6,616**	**-2,837**
+ Cash at the beginning of the period	17,032	22,987	-5,955
= Cash at the end of the period*	**7,579**	**16,370**	**-8,791**

* The amounts indicated in Cash correspond to the Marketable securities and Cash and cash equivalents shown on the Balance Sheet

3.4 Statement of changes in shareholders' equity

	Number of shares issued	Capital	Premiums	BCE/BSA share warrants	Retained earnings	Total
At 31 December 2014	69,150	69	35,674	0	-5,091	30,653
Share split - AGM 20 February 2015	6,915,000					-
Capital increase - Board meeting 23 June 2015	2,707,089	27	57,634			57,661
Issue costs			-3,774			-3,774
Capital increase by exercising BSA/BCE share warrants	74,800	1				1
Issuance of BSA/BCE share warrants				173		173
Loss for 2015					-15,954	-15,954
At 31 December 2015	9,696,889	97	89,534	173	-21,045	68,759
Capital increase by exercising BSA/BCE share warrants	5,200	0				0
Subscription warrants (BSA) issued				58		58
Loss for 2016					-14,308	-14,308
At 31 December 2016	9,702,089	97	89,534	231	-35,352	54,510
Capital increase by exercising BSA/BCE share warrants	142,140	1	19			20
Subscription warrants (BSA) issued				21		21
Kepler Cheuvreux equity line	60,000	1	664	1		665
Issue costs			-77			-77
Loss for 2017					-11,223	-11,223
At 31 December 2017	9,904,229	99	90,139	253	-46,575	43,915
Capital increase by exercising BCE/BSA share warrants	*109,953*	1				
Subscription warrants (BSA) issued				30		30
Loss for H1 2018					-7,245	-7,245
At 30 June 2018	10,014,182	100	90,139	283	-53,820	36,701

3.5 Notes to the financial statements

Notes to the balance sheet before appropriation of total earnings of €46,045,000 at 30 June 2018 and to the income statement, presented in list form, generating a loss of €7,245,000.

The interim financial statements cover a 6-month period from 1 January 2018 to 30 June 2018.

The notes and statements below are integral to the financial statements on 30 June 2018 as agreed by the Board of Directors on 27 September 2018.

Unless otherwise indicated, the figures provided are expressed in thousands of euros.

References to the first half of 2017 and to full year 2017 enable a more meaningful comparison of changes in the data concerned to assist in understanding the company's interim income statement at 30 June 2018.

NOTE 1: THE COMPANY

ABIVAX is an innovative biotechnology company targeting the immune system to eliminate viral and inflammatory diseases and cancer.

The antiviral products and immunotherapies developed by ABIVAX derive from three proprietary technological platforms:

1. **An "Antiviral" platform** based on technologies developed jointly with the CNRS (Montpellier, France) and the Institut Curie (Orsay, France). This platform has generated a chemical library of more than 1,200 small molecules designed to block mechanisms of viral replication using new modes of action targeting the biogenesis of RNA. In addition to ABX464, the platform has generated different molecules that target, with some of the first active molecules identified, other viruses such as the Respiratory Syncytial Virus, Dengue and the Influenza virus.

2. **An "Immune Enhancer" platform** based on intellectual property from the Scripps Research Institute (La Jolla, United States). This platform focuses on invariant natural killer (iNKT) agonist compounds which have been shown to stimulate both humoral and cellular immune responses, and may have clinical applications in infectious diseases and oncology. The ABX196 target product has already demonstrated its safety in a Phase I study in healthy volunteers. A recent preclinical development also demonstrated the ability of ABX196 to convert tumours that were not responsive to treatment with checkpoint inhibitors into responsive tumours. ABIVAX's strategy is not to become an immuno-oncology company and it aims instead to develop this molecule with the support of an external partner once the first clinical efficacy results have been obtained in advanced liver cancer.

3. **A "Polyclonal Antibody" platform** based on the generation of neutralising antibodies for the treatment and prevention of Ebola virus infections. The ABX544 molecule, a target product, is currently in pre-clinical development.

ABIVAX conducts its R&D work mainly in Montpellier and has its registered office in Paris. It has approximately 25 employees across both sites. The ABIVAX management team has extensive experience in the development and marketing of biopharmaceutical products for infectious diseases and antivirals. The Company also has an internationally renowned scientific committee composed of experts, as well as a Board of Directors whose members have substantial experience gained within major pharmaceutical companies and international vaccine manufacturers.

The company was set up as a *société anonyme* (public limited company) on 6 December 2013 and absorbed Splicos, Wittycell and Zophis in 2014 via a full transfer of the assets and liabilities of these companies. The Company has been listed on Euronext Compartment B in Paris since 26 June 2015.

It does not have any subsidiaries and is thus not required to present consolidated financial statements under IFRS. Its annual financial statements are therefore prepared in accordance with French accounting standards and principles.

NOTE 2: ACCOUNTING PRINCIPLES, RULES AND POLICIES

Abivax's interim financial statements for the six-month period ending 30 June 2018 were adopted on 27 September 2018 by the Board of Directors.

These financial statements consist of a balance sheet totalling €46,045,000, an income statement showing a loss of €7,245,000, a cash flow statement, a statement of changes in shareholders' equity and the Appendix containing these notes with additional information.

The interim financial statements are presented in thousands of euros. Unless otherwise indicated, the figures provided in the Appendix are expressed in thousands of euros.

General rules

The interim financial statements at 30/06/2018 were prepared in accordance with the General Chart of Accounts and generally accepted principles. In particular, they comply with the provisions of regulation No. 2015-06 of France's Accounting Standards Authority (*Autorité des Normes Comptables*), and Articles L. 123-12 to L. 123-28 and R. 123-172 to R. 123-208 of the French Commercial Code.

The basic method selected for the valuation of accounting items is the historical cost method.

Accounting conventions have been applied in good faith in accordance with the principle of prudence and the following basic principles:

- Business continuity

The principle of business continuity was adopted by the Board of Directors despite the losses that have been accumulated since the company was set up, taking into account the high level of available cash at 30 June 2018 and the loan obtained from Kreos Capital in July 2018, which should cover the expenses for the company's research projects up to Q4 2019.

- Consistency of accounting methods from one financial year to the next

- Independence of financial years.

Accounting conventions have also been applied in accordance with the general rules on the preparation and presentation of annual financial statements.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are valued at their acquisition cost for assets acquired against payment, at their production cost for assets produced by the company, and at their market value for assets acquired free of charge or via an exchange.

The cost of an asset is made up of its purchase price, including non-recoverable customs and duties, net of rebates, trade discounts and cash discounts, and all directly attributable costs incurred to install and commission the asset in accordance with its intended use. Any transfer costs, fees or commissions and legal costs associated with the acquisition are added to this acquisition cost.

Any costs that do not form part of the asset acquisition price and which may not be directly attributed to the costs incurred in installing the asset and rendering it operational in accordance with its intended use are recognised as expenses.

Amortisation and depreciation

Amortisation and depreciation are calculated using the straight-line method based on an expected lifespan.

- Concessions, software and patents: 1 year
- Technical facilities: 5 to 10 years
- Industrial materials and equipment: 5 to 10 years
- Office equipment: 5 to 10 years
- IT equipment: 3 years
- Furniture: 10 years

For simplicity, the term of amortisation or depreciation applied for assets that cannot be broken down further is the duration of use.

Once a year, the technical losses arising from the acquisitions of Splicos and Wittycell are compared to the market values of the products resulting from the technological platforms associated with them: the "splicing" antiviral technological platform for Splicos, and the "iNKT agonists" technological platform for Wittycell. If the market value of the products is less than the value of the corresponding technical loss, depreciation is applied to reduce the

amount of technical loss in the accounts to the market value of the products.

The Zophis technical loss was fully amortised when the full transfer of assets and liabilities was completed because the partnership (licence option agreement regarding patents with the French National Institute for Agricultural Research, or INRA) supported by Zophis was abandoned.

In order to estimate the market value of a product, two references are taken into account:

- the net present value adjusted by the risk of cash flow expected from the use of the product until the patents expire;
- the prices of recent transactions for acquisition or licensing agreements for comparable products (therapeutic indication, stage of development, market size, etc.).

If the valuations obtained by these two methods are contradictory, the risk-adjusted net present value takes priority.

In the event of an accident in the development of the technology platform and related products that would undermine their use, the technical loss will be subject to full depreciation.

If a provision for impairment is recognised, it may not be reversed in the event of a subsequent improvement in the market value of the products.

In accordance with ANC Regulation 2015-6 applicable from 1 January 2016, these technical losses were kept in goodwill and not allocated to tangible assets contributed because they correspond to research and development expenditure not capitalised by the absorbed companies during the financial years preceding the full transfer of assets and liabilities.

This goodwill is not amortised because the period during which the company may benefit from economic advantages cannot be accurately determined. In fact, these research and development costs concern several different projects that are at different stages in their development and for which the duration of any economic benefits cannot currently be estimated.

Receivables

Receivables are valued at their nominal value. A provision for impairment is recognised when the net asset value is less than its book value.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at their exchange value on the date of the transaction. Foreign currency payables, receivables and cash and cash equivalents appear on the balance sheet at their exchange value at year end. The difference resulting from the discounting of foreign currency payables and receivables at this rate is shown on the balance sheet under “Translation adjustments”.

Repayable advances granted by public organisations

Advances received from public organisations to finance the company’s research activities which are subject to conditional repayments are booked as liabilities under “Other equity – Conditional advances”. Other advances received which are not subject to conditional repayments are booked under “Miscellaneous borrowings and financial debt”.
Interest accrued on these advances is booked under liabilities following the same rules.

Operating grants

Any grants received are booked as soon as the corresponding receivable is confirmed, taking into account the conditions imposed on the grant. Operating grants are booked as operating income taking into account, where applicable, the rate at which they are spent to ensure compliance with the principle of matching expenditure with income.

Subcontracting and external trial expenses

For contracts that subcontract certain research services to third parties, progress is assessed at each closing date to allow the cost of services already provided to be recorded as accrued expenses.

Research and development costs

The company’s research and development costs are booked as expenses for the period in which they are incurred.
The company’s subsidiaries have applied the same principle. However, due to their acquisition by the company via a full transfer of assets and liabilities which took effect in 2014, expenses booked prior to the effective date (31 July 2014 for Wittycell and Zophis; 31 October 2014 for Splicos) are added to the technical losses (goodwill) booked as assets as

at 31 December 2014. These technical losses are not amortised but their value is assessed once a year and a provision for impairment is booked if necessary, as was the case in 2014 for the technical loss generated when Zophis was acquired.

Share issue costs

These costs are offset against the amount of the share issue premium applicable to the capital increase, if the premium is sufficient. If applicable, the excess costs are booked as expenses. These expenses are offset before tax because the company is structurally loss-making during its development phase.

Pension commitments

The company's collective agreement provides for retirement benefits. No specific agreement has been signed.
There are no provisions for the corresponding commitments but the latter are described in this Appendix.

Retirement benefits are calculated by applying a method that takes into account projected career-end salary, staff turnover rate, life expectancy and predicted payment discount assumptions.

The actuarial assumptions used are as follows:

- Discount rate: 1.50%
- Salary growth rate: 2%
- Retirement age: 62 years
- Staff turnover rate: low
- Mortality rate table: (INSEE table TD 88-90)

Tax credits

The tax credits booked as assets under Other receivables include the research tax credit (*Crédit d'Impôt Recherche* or CIR) and the competitiveness and employment tax credit (*Crédit d'Impôt Compétitivité Emploi* or CICE). Other receivables also include VAT credits for which repayments have been requested.

The tax credit for competitiveness and employment estimated on the basis of eligible remuneration for the 2018 calendar year was booked under Other receivables. In accordance with the recommendation of the French accounting standards authority (*Autorité des Normes Comptables*), the corresponding income was credited to social security contributions in the income statement.

The research tax credit estimated on the basis of research expenses for the first half of 2018 was booked under Other receivables. This income is recorded under income (Income tax).

Both of these tax credits were calculated on the basis of transactions that were actually carried out during the first half of 2018 and do not take into account any unforeseen transactions in the second half of the year. For example, the research tax credit will inevitably be negatively impacted in the event that grants or repayable advances are received for research and development projects. Grants or repayable advances that will definitely be received during the second half of the year have been deducted from the CIR at 30 June 2018 at the rate of 50% of the expected amount.

These tax credits can be offset against the corporation tax payable for the financial year in which they were booked. In the absence of taxable earnings, the Company, considered an SME under EU regulations, may request immediate repayment when it files its tax return for the financial year in question.

Other post balance sheet events

Publication of positive results for the ABX464-005 (cohort 2) Phase 2a study in HIV infection in July 2018

ABIVAX has demonstrated an observed decrease in HIV DNA in the blood with longer treatment and a lower dose (one-third of the dose used for cohort 1). Prolonged administration of ABX464 is proven to be safe and is well tolerated and, for the first time, a reduction in HIV DNA was observed in rectal tissue as well as in the blood. ABIVAX is currently planning Phase 2b.

Impressive results from the Phase 2a clinical trial with ABX464 in oral treatment of ulcerative colitis announced on 4 September 2018

ABIVAX has announced the results of a randomised double-blind, placebo-controlled clinical trial, ABX464-101. It shows statistically significant efficacy based on clinical and endoscopic criteria. ABIVAX has thereby demonstrated rapid and significant efficacy for its product with an improvement in the clinical remission rate 3.2 times greater and healing of the mucosa 4.5 times greater than the placebo. Intake of 50 mg of ABX464 every day for two months has proven safe and is well tolerated.

This easy treatment (taking a tablet orally every day) would treat a serious, chronic disease affecting more than 2.7 million patients throughout the world with high medical needs that have not been met. Consequently, ABIVAX is launching the accelerated preparation of the Phase 2b clinical trial.

Obtaining financing by structured borrowing from Kreos Capital that may reach €20 million

ABIVAX announced on 25 July 2018 that it had signed a loan financed by structured borrowing of €20 million with Kreos Capital.

This financing includes two tranches of €10 million each (with €8 million of bonds and €2 million of convertible bonds): a first instalment immediately paid, which extends ABIVAX cash up to Q4 2019. The second tranche can be exercised by the end of 2018, subject to an ABIVAX capital increase over the intermediate period between the two tranches, thereby allowing the financing capacity to be carried over to Q1 2020.

In the context of financing by borrowing, Kreos may also receive ABIVAX share warrants ("BSA"), for a maximum valuation of up to €1.6 million. In this context, two tranches of €800,000 may be exercised at the same time as the bonds.

Kepler Cheuvreux financing line

Kepler Cheuvreux exercised the warrants in July 2018 (10,000 securities issued) and in September 2018 (80,000 securities issued) and helped release an amount of €0.6 million.

Crossing key stage 1 of the RNP-VIR project

In August 2018, ABIVAX received €831,000, an amount corresponding to the crossing of the first stage of the RNP-VIR financing project by BPI, i.e. €485,000 in terms of subsidy and €346,000 as a repayable advance.

NOTE 3 – INTANGIBLE, TANGIBLE AND FINANCIAL ASSETS

Statement of assets

in thousands of euros	At the start of the financial year	Increase	Decrease	At the date of the financial statements
Goodwill	32,745			32,745
Other intangible asset items	11			11
Intangible fixed assets	**32,756**	**0**	**0**	**32,756**
• Technical plant, industrial machinery and equipment	357	16	0	373
• Office and IT equipment, furniture	111	17	0	128
Property, plant and equipment	**468**	**33**	**0**	**501**
Other long-term investments (treasury shares)	385	252	376	261
Loans and other financial assets	438	259	263	434
Financial assets	**823**	**511**	**639**	**695**
Fixed assets	34,047	544	639	33,952

Intangible fixed assets

Intangible assets consist primarily of technical losses relating to the full transfers of assets and liabilities carried out during the second half of 2014.

in thousands of euros	30/06/2018	31/12/2017	Variation
Purchased assets			
Revalued assets			
Contributions in kind	32,745	32,745	0
Total	32,745	32,745	0

During the second half of the 2014 financial year, three full transfers of assets and liabilities were completed: Wittycell and Zophis were absorbed on 31 July 2014 and Splicos was absorbed on 31 October 2014. These three transactions resulted in the recognition of technical losses which replaced equities received by way of contribution under Assets for a total sum of €32,745,000.

These technical losses represent the differences between the net assets received as measured at the effective accounting date and the book value of the holdings at Abivax for each of the companies absorbed. They represent technical deficits and not financial deficits, since they account for the value of the research and development costs incurred by these three predecessor companies that was recognised by Abivax upon acquisition of the holdings, plus that of the research and development programmes undertaken in early 2014. These research costs had indeed not been capitalised by the three dissolved companies, which had instead accounted for them as costs when incurred.

Property, plant and equipment

Tangible assets consist primarily of laboratory and research equipment and IT equipment.

Financial assets

The financial assets principally comprise items relating to the liquidity contract entered into by the company at the end of June 2015 and guarantee deposits paid for premises occupied by the company.

Transactions related to the liquidity contract are booked in accordance with Avis CU CNC No 98-D and Bulletin CNCC No 137 - March 2005:

- treasury shares are booked under Other financial assets - Treasury shares. A provision for impairment is booked with reference to the average stock market price for the last month if this is lower than the purchase price. In determining the income from the sale, the First In First Out method is applied.
- cash paid to the intermediary and not yet used is booked under Other financial assets - Other long-term receivables

The liquidity contract was signed on 26 June 2015 for a period of 12 months and renews automatically. The sum paid to the service provider at the outset of the contract was €1,000,000, and the first operations enabling a reserve of securities to be created took place between 26 and 29 June 2015.

At 30 June 2018, the company held 33,400 treasury shares via this liquidity contract, i.e. less than 10% of its capital, for an acquisition cost of €261,000. The balance of the cash account with the service provider is €343,000.

The transactions linked to the liquidity contract are listed in the table below:

In thousands of euros	Quantity	Average price in euros*	Book value of the stock held	Other financial assets
Opening of the contract				**1,000**
Purchases	54,537	18.45	1,006	-1,006
Sales	11,091	18.18	202	202
Realised capital gains or losses			-16	
Balance at 31 December 2015	43,446	18	788	196
Purchases	74,993	8.31	623	-623
Sales	68,539	8.52	584	584
Realised capital gains or losses			-514	
Balance at 31 December 2016	49,900	6	313	157
Purchases	90,109	9.26	834	-834
Sales	105,959	9.57	1,014	1,014
Realised capital gains or losses			252	
Balance at 31 December 2017	34,050	11	385	337
Purchases	32,310	7.79	252	-252
Sales	32,960	7.82	258	258
Realised capital gains or losses			-118	
Balance at 30 June 2018	33,400	8	261	343

*average values for 2018, for example, €8 = €261,000/33,400 securities

Since the share price at 30 June 2018 was €6.84 (€8.63 at 31 December 2017), the market value at 30 June 2018 of 33,400 treasury shares was therefore €229,000. A provision for impairment of €32,000 was therefore booked on the treasury shares at 30 June 2018. A provision for impairment of €91,000 had been booked at 31 December 2017. The provision reversal was therefore €59,000. This reversal was recognised as extraordinary income.

Asset amortisation and depreciation

in thousands of euros	At the start of the financial year	Increase	Decrease	At the date of the financial statements
Other intangible asset items	11		0	11
Intangible fixed assets	**11**	**0**	**0**	**11**
• Technical plant, industrial machinery and equipment	211	33	0	244
• Office and IT equipment, furniture	56	15	0	71
Property, plant and equipment	**267**	**48**	**0**	**315**
Financial assets				
Fixed assets	278	48	0	326

Asset impairment

in thousands of euros	Impairment at the beginning of the financial year	Provisions for the financial year	Reversals for the financial year	Impairment at the end of the financial year
Intangible fixed assets	740			740
Financial assets	91		59	32
Total	831		59	772
Breakdown of provisions and reversals:				
Extraordinary		0	59	

NOTE 4 – RECEIVABLES

The total receivables at the end of the financial year amounted to €6,045,000 and the breakdown by maturity is as follows:

in thousands of euros	Gross amount	Maturities of less than one year	Maturities of more than one year
Fixed asset receivables:			
Other financial assets	434		434
Payables on current assets:			
Advance payments on orders			
Trade receivables	2	2	
Social security and other social welfare bodies			
Income tax	4,123	4,123	
VAT	770	770	
Grants receivable	485	485	
Sundry debtors	32	32	
Prepaid expenses	198	198	
Total	6,045	5,611	434

Receivables on fixed assets correspond to the amount available under the liquidity contract entered into by the company and deposits and guarantees paid by the company. Other payables on current assets are primarily composed of:

in thousands of euros	Amount
Balance outstanding on CIR 2014 (including default interest)	122
CIR at 31/12/2017	2,563
CIR estimated at 31/06/2018	1,421
CICE at 31/12/2017	12
CICE estimated at 31/06/2018	6
Trade receivables	2
Deductible VAT and VAT credits	770
Grants receivable	485
Sundry debtors	32
Prepaid expenses	198
Total	5,611

*The CIR was received on 30 July 2018 and the CICE on 3 August 2018

Prepaid expenses

in thousands of euros	Operating expenses	Financial expenses	Extraordinary expenses
Prepaid expenses	198		
Total	198		

Prepaid expenses are broken down as follows:

in thousands of euros	Amount
Equipment and office rentals	76
Other operating expenses	84
General and clinical trial insurance	38

Income receivable

in thousands of euros	Amount
Supplier reimbursements	3
Grants receivable	485
BSA Subscription	30
Total	518

NOTE 5 – CASH AND CASH EQUIVALENTS

in thousands of euros	30/06/2018	Available without notice	Available in under a month
Term deposits	5,000	0	5,000
SICAV/UCITS	6	6	
Cash and cash equivalents	2,573	2,573	
Total	7,579	2,579	5,000

NOTE 6 - SHAREHOLDERS' EQUITY

The financial information in this table is expressed in thousands of euros.

	Number of shares issued	Capital	Premiums	BCE/BSA share warrants	Retained earnings	Total
At 31 December 2014	69,150	69	35,674	0	-5,091	30,653
Share split - AGM 20 February 2015	6,915,000					-
Capital increase - Board meeting 23 June 2015	2,707,089	27	57,634			57,661
Issue costs			-3,774			-3,774
Capital increase by exercising BSA/BCE share warrants	74,800	1				1
Issuance of BSA/BCE share warrants				173		173
Loss for 2015					-15,954	-15,954
At 31 December 2015	9,696,889	97	89,534	173	-21,045	68,759
Capital increase by exercising BSA/BCE share warrants	5,200	0				0
Subscription warrants (BSA) issued				58		58
Loss for 2016					-14,308	-14,308
At 31 December 2016	9,702,089	97	89,534	231	-35,352	54,510
Capital increase by exercising BSA/BCE share warrants	142,140	1	19			20
Subscription warrants (BSA) issued				21		21
Kepler Cheuvreux equity line	60,000	1	664	1		665
Issue costs			-77			-77
Loss for 2017					-11,223	-11,223
At 31 December 2017	9,904,229	99	90,139	253	-46,575	43,915
Capital increase by exercising BCE/BSA share warrants	*109,953*	1				
Subscription warrants (BSA) issued				30		30
Loss for H1 2018					-7,245	-7,245
At 30 June 2018	10,014,182	100	90,139	283	-53,820	36,701

Share capital structure

The exercise of 1 BCE-2016-1 warrant on 14 February 2018 involving the creation of 1 Company share resulted in an increase in the share capital of €0.01, taking it from €99,042.29 to €99,042.30.

The exercise of 400 BCE-2014-2 warrants on 20 March 2018 involving the creation of 40,000 Company shares resulted in an increase in the share capital of €400, taking it from €99,042.30 to €99,442.30.

The exercise of 1 BCE-2016-1 warrant on 20 March 2018 involving the creation of 1 Company share resulted in an increase in the share capital of €0.01, taking it from €99,442.30 to €99,442.31.

The exercise of 699.5 BCE-2014-4 warrants on 13 June 2018 involving the creation of 69,950 Company shares resulted in an increase in the share capital of €699.50, taking it from €99,442.31 to €100,141.81.

The exercise of 1 BCE-2016-1 warrant on 13 June 2018 involving the creation of 1 Company share resulted in an increase in the share capital of €0.01, taking it from €100,141.81 to €100,141.82.

These capital increases were recorded at the General Meeting of 15 June 2018.

	Number of shares	% non-diluted (capital)
Medical Devices Incubator Holding	128,800	1.29%
Truffle Capital	4,811,322	48.05%
Management	85,322	0.85%
Board of Directors	446,011	4.45%
Employees	2,503	0.02%
Other advisers**	53,527	0.53%
Other*	176,282	1.76%
Treasury shares	33,400	0.33%
Floating	4,277,015	42.71%
Total	**10,014,182**	**100.00%**

* Others: includes historical minority shareholders or holders of entrepreneur equity warrants (BSPCE) or share warrants (BSA), former employees of the Company, former Board members or certain members of committees.
** Consultants: all persons who have a consulting contract with ABIVAX (scientific consultants, strategic advisers)

Issuance of dilutive financial instruments (BCE and BSA)

The Company issued securities granting access to its capital (BCE: entrepreneur equity warrants and BSA: share subscription warrants) described in the table presented below (data up to date to 30 June 2018).

	Issued	Subscribed	Exercised	Lapsed	Balance	Number of shares to be issued
BCE-2014-1	2,750	2,750	0	0	2,750	275,000
BCE-2014-2	2,750	2,750	800	0	1,950	195,000
BCE-2014-3	1,389	1,389	763	626	0	0
BCE-2014-4	984	984	799.5	0	184.5	18,450
BCE-2014-5	197	197	28	169	0	0
BCE-2014-6	525	525	0	0	525	52,500
BCE-2014-7	1,650	1,650	0	990	660	66,000
BCE-2015-9	202,122	202,122	0	202,122	0	0
BCE-2016-1	84,000	84,000	2,503	6,667	74,830	74,830
BCE-2017-1	67,374	67,374	0	0	67,374	67,374
BCE-2017-2	150,000	150,000	0	0	150,000	150,000
BCE-2017-3	101,061	101,061	0	0	101,061	101,061
BCE-2017-4	67,374	67,374	0	0	67,374	67,374
BCE-2017-5	67,374	67,374	0	0	67,374	67,374
BCE-2018-1	22,000	22,000	0	0	22,000	22,000
BCE-2018-2	67,374	0	0	0	0	0
BCE-2018-3	33,687	0	0	0	0	0
BCE-2018-4	16,843	0	0	0	0	0
BCE-2018-5	22,000	0	0	0	0	0
Total BCE	911,454	771,550	4,894	210,574	556,083	1,156,963

	Issued	Subscribed	Exercised	Lapsed	Balance	Number of shares to be issued
BSA-2014-1	394	394	394	0	0	0
BSA-2014-2	677	677	448	229	0	0
BSA-2014-3	1,172	1,008	64	100	844	84,400
BSA-2014-4	1,315	1,315	473	0	842	84,160
BSA-2014-5	787	787	0	0	787	78,700
BSA-2014-6	52	52	52	0	0	0
BSA-2014-7	81	81	29	0	52	5,200
BSA-2015-9	122,274	0	0	0	0	0
BSA-2015-11	96,924	96,924	0	0	96,924	96,924
BSA-2015-12	82,000	32,800	0	0	32,800	32,800
BSA-2017-1	16,400	16,400	0	0	16,400	16,400
BSA-2018-1	49,200	32,800	0	0	32,800	32,800
BSA-2018-2	32,800	0	0	0	0	0
Total BSA	404,076	183,238	1,460	329	181,449	431,384
Total BCE+BSA	**1,315,530**	**954,788**	**6,354**	**210,903**	**737,532**	**1,588,347**

The maximum potential dilution associated with these financial instruments issued to employees, managers, members of the Board of Directors or committees and external consultants represents 1,588,347 shares, resulting in a 13.7% dilution of issued capital at 30 June 2018.
These dilutive instruments may be exercised at a preferential price, but they have a limited term. They may be exercised gradually and/or subject to the achievement of objectives set in advance by the Board of Directors or by the plan rules.

NOTE 7 – PROVISIONS FOR RISKS AND CONTINGENCIES

	Impairment at the beginning of the financial year	Provisions for the financial year	Reversals for the financial year	Impairment at the end of the financial year
Supplier compensation				
Tax provisions	27			27
Restructuring provisions				
Total provisions for risks and contingencies	27			27
Breakdown of provisions and reversals:				
Operating				
Financial				
Extraordinary				

NOTE 8 – CONDITIONAL ADVANCES AND GRANTS

Repayable advances granted by public organisations

Following the full transfer of assets and liabilities from its former subsidiaries Splicos and Wittycell, the company gained access to the grants they had been awarded. It has recorded these obligations as liabilities, either under conditional advances where repayment is conditional, or under miscellaneous borrowings and financial debt where it is not.

The tables shown below, expressed in thousands of euros, provide details of the change in these liabilities between 31 December 2017 and 30 June 2018 as well as the position for the first half of 2018.

Position for the first half of 2018:

in thousands of euros	**Balance at 31/12/2017**	Interest accrued over the period	Advances repaid over the period	**Balance at 30/06/2018**	*Including conditional advances*	*Including accrued interest*
BPI – CARENA	**2,300**	15		**2,315**	*2,187*	*128*
BPI A1006002G	**170**		170	**0**		
BPI EBOLA	**300**			**300**	*300*	
BPI RNP-VIR	**1,756**	14		**1,770**	*1,756*	*14*
Total	**4,526**	29	170	**4,385**	*4,243*	*142*

Amounts still owed by the company:

At 30 June 2018 in thousands of euros	**Contract situation**	**Amount awarded**	**Amount collected**	**Remaining amount to be collected**	**Amount repaid**	**Amount to be repaid except in case of notified failure**
CARENA (Grants portion)	Under way	1,397	1,187	210		
CARENA (Repayable Advances portion)	Under way	3,830	2,187	1,643		**4,397**
RNP-VIR (Grants portion)	Under way	2,112	347	1,765		
RNP-VIR (Repayable Advances portion)	Under way	6,298	1,756	4,542		**6,576**
EBOLA	Under way	390	300	90		**390**

BPI – CARENA

BPIFRANCE agreement entered into with Splicos in 2013 to finance the "CARENA" strategic industrial innovation project. The agreement provides for a repayable advance of €3,830,000 at a repayment rate of 50% of total planned expenditure.

At 30 June 2018, the amount received by the company amounted to €2,187,000, of which €1,150,000 was received in December 2013, €1,008,000 was received in September 2014 and €29,000 was received in June 2016.

Financial returns will be made by means of specific payments, based on forecasts of revenues generated by the direct or indirect exploitation of the products or services resulting from the project.

The amounts payable by the repayment deadlines include a discount at an annual rate of 1.66%, which will be calculated in accordance with the contractual conditions.

The lump-sum repayment schedule, linked to the success of the project, is as follows:

No later than 30 June 2020	€300,000
No later than 30 June 2021	€500,000
No later than 30 June 2022	€750,000
No later than 30 June 2023	€1,100,000
No later than 30 June 2024	€1,747,000
TOTAL	**€4,397,000**

This amount corresponds to the maximum amount of repayable advances initially provided for in the contract. In the event that the total amount of repayable advances actually paid by Bpifrance is less than the amount originally agreed, the repayments indicated above will be reduced in proportion to the amounts paid.

If applicable, the company will also have to pay an annuity of 50% of the proceeds from the sale of the intellectual property rights resulting from the project, as well as the sale of the prototypes, preproduction and models produced under the project.
If the advance is repaid under the conditions outlined above, the company will pay BPIFRANCE, over a period of five consecutive years after the date on which the repayment timetable ends and as soon as the company has achieved cumulative revenue, excluding taxes, of €50,000,000 or more, an amount equal to 1.20% of the annual income generated from the sale of the products developed within the project.
The amount of additional payments is capped at €6,800,000.
The total period including lump sum payments and payment of the incentive is limited to 15 years.

BPI A106002G

BPIFRANCE agreement to finance the development of new vaccine adjuvants and a clinical trial, in line with the A0805001G agreement entered into with Wittycell in 2010.

The final repayments were made during the first half of 2018, and therefore no more repayments are anticipated for this advance.

BPI EBOLA

BPIFRANCE and Occitanie regional authority agreement to finance an Ebola virus treatment development project.

The agreement provides for a repayable advance of €130,000 for the Occitanie regional authority at a repayment rate of 10.2% of total planned expenditure.
The agreement provides for a repayable advance of €260,000 for the BPI at a repayment rate of 20.4% of total planned expenditure.

At 30 June 2018, the amount received by the company amounted to €300,000, received in August 2017, including €100,000 for the Occitanie regional authority and €200,000 for BPI.

The repayment timetable, which is not contingent upon the success of the project, is as follows:

No later than 30 June 2019	€40,000
No later than 30 June 2020	€60,000
No later than 30 June 2021	€80,000
No later than 30 June 2022	€100,000
No later than 30 June 2023	€110,000
TOTAL	**€390,000**

This amount corresponds to the maximum amount of repayable advances initially provided for in the contract. In the event that the total amount of repayable advances actually paid by Bpifrance is less than the amount originally agreed, the repayments indicated above will be reduced in proportion to the amounts paid.

BPI RNP-VIR

BPIFRANCE agreement to finance the "RNP-VIR" Structural R&D Project for Competitiveness. This financing was granted in the context of the Future Investment Programme.

The agreement provides for a repayable advance of €6,298,000 at a repayment rate of 50% of total planned expenditure.
At 30 June 2018, the amount received by the company amounted to €1,756,000, received in September 2017.

Financial returns will be made by means of specific payments, based on forecasts of revenues generated by the direct or indirect exploitation of the products or services resulting from the project.
The amounts payable by the repayment deadlines include a discount at an annual rate of 0.95%, which will be calculated in accordance with the contractual conditions.

The lump-sum repayment schedule, linked to the success of the project, is as follows:

No later than 31 December 2022	€1,644,000

No later than 31 December 2023	€1,644,000
No later than 31 December 2024	€1,644,000
No later than 31 December 2025	€1,644,000
TOTAL	**€6,576,000**

This amount corresponds to the maximum amount of repayable advances initially provided for in the contract. In the event that the total amount of repayable advances actually paid by Bpifrance is less than the amount originally agreed, the repayments indicated above will be reduced in proportion to the amounts paid.

If applicable, the company will also have to pay an annuity of 50% of the proceeds from the sale of the intellectual property rights resulting from the project, as well as the sale of the prototypes, preproduction and models produced under the project.

If the advance is repaid under the conditions outlined above, the company will pay BPIFRANCE, over a period of five consecutive years after the date on which the repayment timetable ends and as soon as the company has achieved cumulative revenue, excluding taxes, of €25,000,000 or more, an amount equal to 3% of the annual income generated from the sale of the products developed within the project.
The amount of additional payments is capped at €5,500,000.
The total period including lump sum payments and payment of the incentive is limited to 15 years.

Grants awarded by public organisations

The company Splicos benefited from a research programme that is still ongoing for the CARENA project.

CARENA Project

The agreement with BPIFRANCE provides for a maximum payment of €1,397,000, i.e., a grant rate of 45% of the industrial research expenses for specific steps. At 30 June 2018, the company had received a total of €1,187,000.

RNP-VIR Project

The agreement with BPIFRANCE provides for a maximum payment of €2,111,000, i.e., a grant rate of 50% of the industrial research expenses for specific steps. At 30 June 2018, the company had received a total of €347,000. Income receivable of €485,000 was recognized for the first half of 2018 for this grant. This payment corresponds to the completion of key stage 1 of the project and was received in August 2018.

NOTE 9 – LIABILITIES

Total liabilities at the closing date amounted to €4,932,000 and the breakdown by maturity is as follows:

in thousands of euros	Gross amount	Maturities of less than one year	Maturities of more than one year	Maturities of more than five years
Trade payables and related accounts	3,929	3,929		
Accrued taxes and personnel expenses	978	978		
Other liabilities (**)	25	25		
Total	4,932	4,932	0	0
(*) Loans taken out during the financial year				
(*) Loans repaid during the financial year	170			
(**) Including intra-group				

Accrued expenses

in thousands of euros	Amount
Suppliers - invoices not received	1,680
Provision for paid leave	148
Accrued personnel expenses	328
Provision for social security contributions	66
Other accrued social security contributions	144
State - other accrued expenses	53
Apprenticeship levy	11
Continuing education levy	12
New housing levy	42
Total	2,484

NOTE 10 – RESEARCH AND DEVELOPMENT COSTS

As indicated in the accounting rules and policies, the company has expensed all its research and development costs for the year.
These expenses amounted to a total of €7,061,000 for the first half of 2018, compared with €5,729,000 for the first half of 2017 (€10,846,000 for the whole of 2017).

Some of these research and development costs relate to work subcontracted to partners. These subcontracting expenses amounted to €4,822,000 for the first half of 2018, compared with €3,590,000 for the first half of 2017 (€6,318,000 for the whole of 2017).

NOTE 11 – CORPORATION TAX

R&D tax credit

As the company performs research and development work, it is eligible for the French research tax credit (CIR).

In 2015, the company had to pre-finance its 2014 CIR. As guarantees were provided to secure this pre-financing, there are still some amounts yet to be recovered; a total of €122,000 is set to be returned provided that there is no dispute.

The research tax credit for 2017 amounted to €2,563,000. The credit was received on 30 July 2018.

Based on the company's research and development activities in the first half of 2018, its research tax credit is estimated at €1,421,000. This does not take account of the expenses that will be incurred in the second half of 2018. It was reduced to take into account the amounts receivable (repayable advances and grant) for the RNP-VIR project that have already been awarded but will not be paid until the second half of 2018. 50% of the amount was deducted from expenses for the first half of 2018 that were used as the basis for calculating the CIR.

Competitiveness and Employment Tax Credit

The tax credit of €12,000 for competitiveness and employment corresponding to eligible remuneration for the 2017 calendar year was recorded under Other receivables. In accordance with the recommendation of the French accounting standards authority (*Autorité des Normes Comptables*), the corresponding income was credited to social security contributions in the income statement. The credit was received in August 2018.

The competitiveness and employment tax credit for the first half of 2018 was estimated based on the amount received for the year 2017. It was estimated at €6,000 and was recognised in Other receivables, and credited to social security charges over the period.

Corporate income tax

As the company is a loss-making entity, it does not pay tax. The amount recorded under "Income tax" in the income statement corresponds to income from the research tax credit.

At 30 June 2018, the company's tax loss and depreciation carry-forwards amounted to €96,083,000.
The offsetting of these losses is capped at 50% of the taxable profit for the year. This limit is applicable to the portion of the profits that exceeds €1 million. The unused balance of the loss remains deferrable to subsequent tax years and is imputable under the same conditions without time limit.

NOTE 12 – RELATED PARTY DISCLOSURES

Balance sheet items

in thousands of euros	Related companies	Companies related via a participating interest
Total Assets		
Advance payments on orders	0	
Total Receivables	0	
Trade payables and related accounts	0	
Total Liabilities	0	

Relations with related parties:

None.

Financial income and expenses concerning related companies

Amount included in financial expenses: None.

NOTE 13 – FINANCIAL COMMITMENTS

Commitments given

in thousands of euros	
Pension commitment	362
Lease commitment	
Other commitments given	12,882
of which firm orders placed	*12,882*
Total	13,244
Includes amounts relating to:	
Management	67

Commitments made under patent licensing agreements

The development programme for several of the Company's products forms part of long-term licensing agreements with academic institutions and research centres to develop its technology platforms, and with patent-owning partners to supplement the portfolio of candidate drugs.
These agreements include significant fixed and variable financial commitments. Fixed payment commitments are conditional on the achievement of various contractually binding key stages. The associated expense will be booked once all of the contractual conditions have been met. Variable commitments consist of future royalty payments calculated based on the revenues generated once the developed products are marketed or when sub-licences are granted to third parties.

The main licensing agreements concerning the product portfolio are as follows:

An "Antiviral" platform based on technologies developed jointly with the CNRS (Montpellier, France) and the Institut Curie (Orsay, France). This platform has generated a chemical library of over 1,200 small molecules intended to block viral replication mechanisms through a unique mechanism of action, such as RNA splicing modulation. In addition to ABX464, which inhibits HIV replication, the platform has generated different molecules targeting other viruses such as the Respiratory Syncytial Virus, Dengue and the nfluenza virus.

An "Immune Enhancer" platform based on intellectual property from the Scripps Research Institute (La Jolla, United States). The platform focuses on invariant natural killer (iNKT) agonist compounds which have been shown to stimulate both humoral and cellular immune responses, and may have clinical applications in infectious diseases and oncology. Positive preclinical data was obtained from animal models in several types of cancer, including hepatocellular carcinoma and bladder cancer, with the ABX196 immune enhancer compound which demonstrated its ability to turn unresponsive tumours with checkpoint inhibitors into responsive tumours. Since ABIVAX does not plan to continue its development in oncology, the company is currently seeking an external partner to develop this molecule.

Since 2013, ABIVAX has also partnered with the Cuban Centre for Genetic Engineering and Biotechnology (CIGB), with which it is jointly developing the drug candidate ABX203 for the treatment of Chronic Hepatitis B. Development of this candidate has been suspended since the second half of 2016.

Pension liabilities

Commitments made for pensions, supplementary pensions and similar benefits: €362,000. Recommendation CNC 03-R-01 of 1 April 2003 has been applied for defined benefit schemes.

Firm orders placed

In order to carry out its development programmes, the company frequently enters into cooperation agreements with public or private-sector partners or subcontractors. Owing to the length of these programmes, these agreements may be for periods of several years and involve significant financial commitments.

The amount of orders committed to but not yet supplied (and thus not recognised as either invoices receivable or trade accounts payable) was an estimated €12,882,000 at 30 June 2018.

Commitments received

The maximum amounts receivable by Abivax after 30 June 2018 under the "CARENA" and "RNP-VIR" innovation agreements entered into with BPIFRANCE, subject to the provision of evidence to support the forecast expenses and the completion of key scientific steps, are as follows:

in thousands of euros	
Repayable RNP-VIR advance	4,542
Repayable CARENA advance	*1,643*
RNP-VIR Grant	*1,765*
CARENA Grant	*209*
Total	8,159
Includes amounts relating to: Management	None

NOTE 14 – EMPLOYEES

At the registration date of this document, the company's average workforce was 23.67 employees.

	30/06/2018	31/12/2017
Managerial personnel	20.42	21
Non-managerial personnel	2.25	2.25
Corporate officers	1	1
Total	**23.67**	**24.25**

Average employees per site

	30/06/2018	31/12/2017
Paris	13	13.17
Montpellier	10.67	11.08
Total	**23.67**	**24.25**

NOTE 15 – STATUTORY AUDITOR'S FEES

in thousands of euros	First half of 2018	First half of 2017
Audit		
Statutory Auditor, certification of separate financial statements		
• Issuer	33	25
Total	33	25

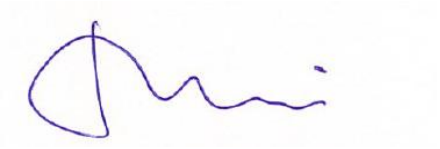
NOTE 16 – EXTRAORDINARY INCOME AND EXPENSES

in thousands of euros	Expenses	Income
Premiums on sale of treasury shares		0
Depreciation write-backs on treasury shares		59
Other extraordinary expenses:	118	
Total	118	59

Extraordinary expenses amount to €118,000 and correspond to losses realised on disposals of treasury shares. Extraordinary income of €59,000 corresponds to a reversal of some of the depreciation of treasury shares.

4 DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I hereby certify that, to the best of my knowledge, the financial statements presented for the previous half-year have been prepared in accordance with the applicable French accounting standards and accurately represent the assets and liabilities, financial position and results of the Company. I also certify that the interim management report (on pages 1 to 16) presents, to the best of my knowledge, a true and fair picture of the significant events in the first six months of the financial year, their impact on the financial statements, the main transactions between related parties, as well as a description of the main risks and uncertainties in the remaining six months of the financial year.



Pr. Hartmut Ehrlich
Chief Executive Officer

ABIVAX
STATUTORY AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

STATUTORY AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

This is a free translation into English of the Statutory Auditor's review report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Abivax
5, rue de la Baume
75008 Paris

To the Shareholders,

In compliance with the assignment entrusted to us by your articles of association and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying interim financial statements of Abivax for the six months ended 30 June 2018;
- the verification of the information contained in the half-year financial report.

These interim financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Company at 30 June 2018, and of the results of its operations for the six-month period then ended, in accordance with French accounting principles.

II. Specific verification

We have also verified the information given in the half-year financial report on the interim financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the interim financial statements.

Neuilly-sur-Seine, 27 September 2018

The Statutory Auditor
PricewaterhouseCoopers Audit

Thierry Charron


ABIVAX