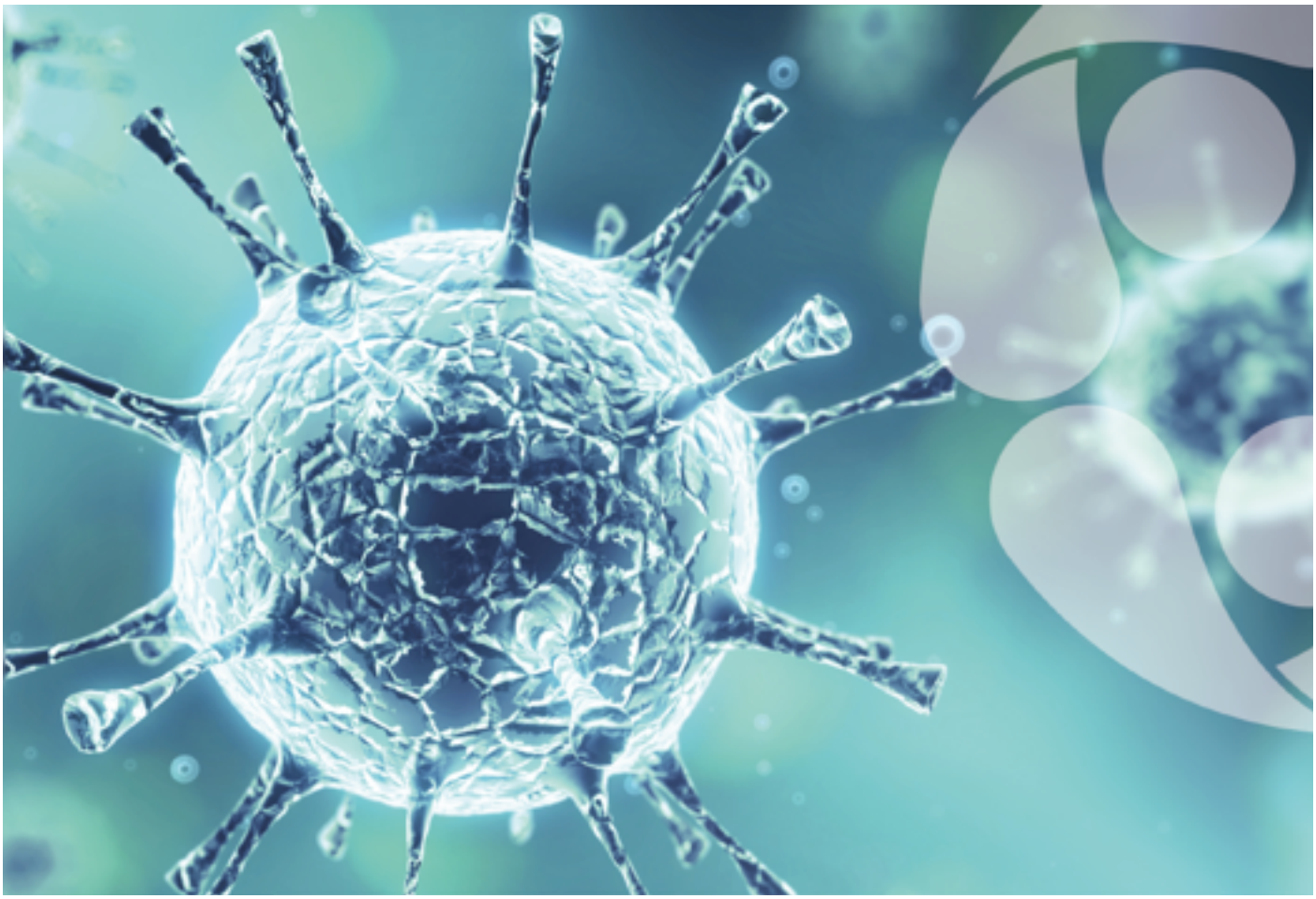

2015 FINANCIAL REPORT

ABIVAX

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Note: Chapter 3 in the French version of this document is the Reports of the Auditors. This report has not been translated into English and is thus excluded from the English language version. Chapter 3 in the English version corresponds to Chapter 4 of the French version (Report of the Chairman of the Board on internal control)

1 MANAGEMENT REPORT OF THE BOARD OF DIRECTORS TO THE MIXED ANNUAL GENERAL MEETING OF 24 JUNE 2016

1.1 PRESENTATION OF THE COMPANY

AN EMERGING LEADER IN ANTIVIRAL TREATMENTS

ABIVAX is a leading biotech company specializing in the research, clinical development and commercialization of anti-viral therapies and therapeutic vaccines for the treatment of infectious diseases, such as HIV/AIDS and chronic hepatitis B. The company was established in December 2013 at the initiative of Truffle Capital and its Chief Executive Officer, Dr. Philippe Pouletty, specifically via the integration of the assets of two French biotech companies (WITTYCELL and SPLICOS) which had developed different technological platforms and a portfolio of promising drug candidates in the field of infection control.

ABIVAX primarily manages its activities from Paris, where its head office operations are based, and from Montpellier, the location of its research laboratories. It has some 30 staff members. ABIVAX has an executive management team with extensive experience in the research, development and commercialization of biological pharmaceuticals, particularly in the areas of infectious diseases and antivirals. It also has a world-class Scientific Advisory Board comprised of leading experts in immunology and virology, and a Board of Directors composed of executives with solid experience gained within the biopharmaceutical industry.

ABIVAX also benefits from an extensive network of academic partnerships with universities and research institutes, in particular the CNRS (Montpellier, France), the Institut Curie (Paris, France), The Scripps Research Institute (La Jolla, United States) and the Institut Pasteur. It has also formed a number of strategic partnerships with Cuban Life Sciences organizations in the field of biotechnology and vaccines: Heber Biotec, exclusive owner of the rights to develop the intellectual property of the Centro de Ingenieria Genetica y Biotecnologia ("CIGB"), and Vacunas Finlay which commercializes vaccines developed and produced by the Finlay Institute.

ABIVAX's current efforts are primarily focused on:

- the clinical development of two drug candidates: one against chronic hepatitis B (ABX203) and the other against HIV/AIDS (ABX464) in Phase IIb/III and IIa of their clinical trials respectively;
- the extension of its portfolio of drug candidates to new viral targets such as Dengue fever, Chi kungunya and Ebola, for which the clinical phase is expected to start within 18 months;
- the deployment of its innovative technological platforms, one of which is based on a proprietary compound library of molecules blocking the replication of viral RNA and the other on novel vaccine adjuvants;
- the establishment of a distribution network in emerging markets for direct marketing of the products it is developing and of conventional vaccines of Cuban origin for which it has acquired distribution rights.

Since June 2015, the Company is listed on the B compartment of the Euronext Paris stock exchange (Isin code: FR0012333284 – Ticker: ABVX).

TWO PRODUCTS AT AN ADVANCED STAGE OF DEVELOPMENT

ABX203, an innovative therapeutic vaccine candidate against chronic hepatitis B

ABX203, a therapeutic vaccine candidate resulting from Cuban research, co-developed in collaboration with the CIGB, and licensed in mid-2013 from Heber Biotec to be commercialized in over 80 countries in Asia, Europe and Africa, is intended for patients suffering from chronic hepatitis B, one of the principal unmet medical needs in terms of infectious diseases. According to the WHO there are more than 350 million patients with hepatitis B worldwide and 1 million people die each year due to its acute or chronic complications, such as cirrhosis and cancer of the liver.

ABX203 comprises 2 recombinant viral antigens in the form of virus-like particles: HBsAg (surface antigen) and HBcAg (core antigen), which are believed to play a key role in inducing immune responses via CD4 and CD8 cells.

The administration of ABX203 could therefore achieve ongoing control of the disease. Four Phase I and II clinical studies have been completed. In early 2015 ABIVAX launched a pivotal clinical efficacy trial (phase IIb/III) involving 276 patients in 5 Asian countries as well as in Australia and New Zealand, the global results of which are expected in the final quarter of 2016. If the results are conclusive, they could pave the way for the first regulatory approvals in late 2017/ early 2018 in Asia and for clinical development of the product in Europe and Japan in partnership with one or more pharmaceutical laboratories.

In Asia and Africa, the Company's strategy is to commercialize the product via its own distribution network. On the basis of the regulatory approval of ABX203 in Cuba obtained at the end of 2015, ABIVAX will be able to begin the registration application in certain emerging markets, particularly in Africa, which could lead to initial commercialization of the product in 2017.

ABX464, a first-in-class small molecule inhibiting HIV replication

ABIVAX developed ABX464 using a unique technological platform set up in collaboration with the CNRS and the Institut Curie, which generates small molecules capable of modulating transformation of the viral RNA.

According to the WHO, more than 35 million people [(1)] are known to be infected with HIV worldwide and AIDS is the sixth leading cause of death [(2)] . Access to antiviral therapies such as inhibitors of integrase, reverse transcriptase and protease activity of HIV has substantially improved the prognosis of patients infected with HIV; however, the long-term use of these therapies is impacted by issues relating to tolerance, drug resistance, the occurrence of a viral rebound after treatment termination and need for daily administration for life. As such, there is a genuine ongoing need for novel, better tolerated drugs, allowing for improved control and possible cure of HIV infections.

ABX464 is a novel, first-in-class small molecule with unique properties and mode of action. It has not only been demonstrated to inhibit viral replication in vitro and in vivo, but it also induces a long lasting reduction of the viral load after treatment termination in vivo. This unique molecule has substantial potential to provide a new class of anti-retroviral drugs, which may even have the potential to achieve the functional or complete cure of patients. Two Phase I studies conducted on healthy subjects have demonstrated that the product was well-tolerated at the anticipated therapeutic doses. A Phase IIa study on 80 subjects infected with HIV-1 carried out in 2015 has recently provided initial evidence of efficacy of ABX464 in humans.

A second Phase IIa study is being set up in Spain, Belgium and France to explore the long term therapeutic effect of ABX464 when used in combination with other antivirals. A consecutive Phase IIb study is planned in Europe and the United States on a larger number of patients. ABIVAX believes that the results obtained during these Phase II studies will enable a license agreement to be entered into with one or more large pharmaceutical companies active in the HIV field.

(1) WHO - Fact sheet No.360 - Updated November 2014

(2) WHO - Fact sheet No.310 May 2014

TWO INNOVATIVE TECHNOLOGICAL PLATFORMS

ABIVAX's internal R&D, in collaboration with leading academic research centers, has built two unique proprietary technological platforms to generate novel antivirals and adjuvants, which are likely to feed the Company's product development pipeline.

The antiviral technology platform:

ABIVAX is targeting RNA and its alternative splicing to generate antiviral compounds with potential efficacy against a broad range of viral diseases. ABIVAX's antiviral technology platform has generated a compound library of over 1,000 small molecules which, by targeting RNA, aim to prevent the replication of viruses. In addition to the specific anti-HIV effect of ABX464, other compounds have exhibited their capacity to specifically inhibit the replication of other viruses. Such inhibitor molecules have been identified for Dengue fever and Chikungunya and are expected to enter Phase I in 2017. ABIVAX also proposes to screen the compound library for other major viruses, such as Zika, respiratory syncytial virus (RSV), the hepatitis B virus (HBV), the herpes virus (HSV), cytomegalovirus (CMV) and the flu virus. These other potential indications are likely to be developed through partnerships.

The adjuvant technology platform:

ABIVAX is also developing a platform which has the potential to generate a new class of adjuvants for therapeutic vaccines. This platform is based on an exclusive technology and rights granted by The Scripps Research Institute, the University of Chicago, and the Brigham Young University.

The ABIVAX technology uses iNKT agonists, in order to reinforce and modulate the immune response to an antigen. iNKT agonists are able to stimulate in a particular way a small sub-group of regulator lymphocytes known as NKT cells ("Natural Killer T" cells), which constitute powerful immune adjuvants. More effective adjuvants are clearly required in order to maximize vaccine efficacy, notably in the field of immuno-oncology.

ABX196 is an innovative adjuvant candidate which has demonstrated a strong immunogenic response in PhI patients but also some serious adverse effects when the product was jointly administered with a prophylactic vaccine against hepatitis B.

ABIVAX's strategy with regard to this product is to present it to partners active in the field of immuno-oncology to obtain a license agreement and to try to improve the product's therapeutic window by exploring lower doses in animal vaccination models.

1.2
SELECTED FINANCIAL INFORMATION

Items in the Income Statement in thousands of euros	**31/12/2015** **Company**	**31/12/2014** **Pro Forma**	**31/12/2014** **Company**
Total operating revenue	228	681	190
Total operating expenses	18 483	9 538	5 243
including Research and Development expenses of	15 267	6 870	3 764
including general and administrative expenses of	3 216	2 668	1 479
Operating profit/loss	-18 255	-8 857	-5 054
Net financial expenses	-119	-100	-65
Loss before extraordinary items and tax	**-18 374**	**-8 957**	**-5 119**
Net extraordinary expenses	-415	-704	-740
Income tax	-2 834	-1 561	-779
Profit or loss for the year	**-15 954**	**-8 099**	**-5 080**

Financial Items in the balance sheet In thousands of euros	**31/12/2015** **Company**	**31/12/2014** **Company**
Net financial position	38 722	835
including non-current financial assets* of		
including term deposits (maturity > 1 year) of	10 000	
including marketable securities of	14 001	1 703
including treasury instruments of	15 007	
including available cash of	119	1 221
(including financial liabilities of)	-405	-2 089
Total assets	76 268	37 966
Total shareholders' funds	**71 768**	**33 935**
including equity of	68 759	30 653
including conditional advances of	3 009	3 282

* Excluding liquidity contract items (liquidity and treasury stock) and deposits and guarantees

1.3
MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The beginning of 2016 was marked by turbulence on the stock markets, particularly for biotech companies, with evidence provided by a decrease of more than 30% in the European and North American biotech indices in January. Against this backdrop, ABIVAX has also lost a third of its stock market value since it was floated on the stock market last June.

These unsettled economic circumstances, caused by uncertainties affecting the global economy due to the fall in the crude oil price to below USD 30, to the slowdown in China's economy and to the tightening of US monetary policy, should not detract from the remarkable progress achieved by ABIVAX in the 2015 financial year or from the fundamental basis for the Company's existence.

2015 proved to be a year in which the Company made significant operational progress

- Phase I and IIa trials provided initial evidence of the efficacy and safety in humans of ABX464, a drug with a new mechanism of action against HIV/AIDS.

- The Phase IIb/III trial of ABX203 in patients with chronic hepatitis B was fully deployed on 276 patients in 7 Australasian countries; results confirming ABX203's efficacy as compared with current treatments should be available in 2016.

- Lastly, as a result of its IPO in June 2015, which enabled it to raise almost €58 million, the Company has the resources to meet all of its financial requirements through the end of 2017.

The spread of the Zika virus, which has received extensive media coverage in recent months, is yet further proof that combating emerging viral infections is undeniably a major public health challenge. The global fight against these diseases, in certain cases, may never be won. This is essentially due to the emergence of increasingly virulent strains of viruses which spread and resist the existing therapeutic strategies. There is clearly a vital need to provide patients all over the world with new approaches to combat these often lethal viruses, and this is the key focus of ABIVAX's mission.

As a result of the progress it has made, ABIVAX is now in pole position to become a leader in the pharmaceutical industry in the near future by bringing to market innovative treatments for endemic viral diseases with significant unmet medical need.

The Board of Directors and I, are committed to taking every possible step to create value through our leading medical innovations, developed by a highly-experienced management team, either in the form of commercial revenue or license revenue, and thus meet the expectations of the shareholders who placed their trust in the Company during our IPO.

Dr. Philippe Pouletty
Chairman of the Board of Directors

1.4
MANAGEMENT REPORT

A. ACTIVITIES, RESULTS AND FINANCIAL SITUATION

HIGHLIGHTS AND ACTIVITIES OF THE FINANCIAL YEAR

The 2015 financial year was notable for major progress in development of the Company's key programs and for a successful initial public offering which enables the Company to cover its funding requirements until the end of 2017.

ABX464 (HIV/AIDS program): initial evidence of efficacy in humans

Throughout 2015, intensive activity took place in relation to ABX464:

- in order to complete the product's pre-clinical application, notably by means of extensive toxicology studies allowing for prolonged administration to humans,
- in order to continue to establish the product's safety for humans and to provide evidence that it is well-tolerated, primarily by means of 2 pharmacokinetic clinical stu dies on healthy volunteers carried out in 2014 and continued in 2015,
- in order to evaluate its effect on the viral load of those given the drug in a Phase IIa clinical study with treatment-naive patients.

This study (ABX464-003), which was carried out with the inclusion of infected patients who had never been treated with anti-HIV drugs, was completed in December 2015. The product was tested as a monotherapy, in increasing doses, on a randomized, double-blind basis and controlled with placebo, on patients affected by HIV who had never received antiviral treatment. Five cohorts of patients received increasing doses of ABX464 once a day for 3 weeks. Each cohort included 6 patients treated with ABX464 and 2 with a placebo.

The study demonstrated a dose-dependent increase in patients' response rate to the treatment, following administration of ABX464 as monotherapy. A reduction in the viral load of at least 0.5 log (a reduction of over 68%) was effectively observed during treatment in most patients who received the highest dose of ABX464 (150 mg). The same phenomenon was not witnessed in the corresponding patients treated with a placebo.

The results of this study in terms of safety indicated that ABX464 was safe and well-tolerated by the patients. No severe and/or serious adverse effects relating to ABX464 were observed. The effects which were observed (headaches, nausea and vomiting) were mostly mild and, in certain cases, moderate.

These results were presented in February 2016 in the form of a review summarizing the latest information at the international Conference on Retroviruses and Opportunistic Infections (CROI) in Boston.

A year earlier, in February 2015, a presentation was given at the CROI on the mechanism of action and in vivo efficacy, entitled "ABX464 inhibits viral replication by preventing Rev-mediated export of unspliced HIV transcripts to the cytoplasm". Alongside this presentation, an article was published in the scientific journal Retrovirology (Campos et al, Retrovirology 2015 12:30).

ABX203 (chronic hepatitis B program): a pivotal trial under way in the Asia-Pacific zone and a first registration in Cuba

At the start of 2015, ABIVAX launched a pivotal clinical registration trial (Phase IIb/III) in 7 countries in the Asia-Pacific region (Australia, New Zealand, Taiwan, Singapore, Hong Kong, Thailand, South Korea). Recruitment of all 276 patients was completed rapidly in September as a result of the positive response to the study by clinical investigators and patients in the countries where it was carried out.

This study, conducted across 38 sites, involves adult subjects suffering from HBeAg negative chronic hepatitis B who have been treated with nucleoside analogues for 2 years and who had a controlled viral load.

A group receiving ABX203 for 24 weeks on top of their NUC therapy (nucleoside analogues, standard antiviral treatment) is being evaluated against a control group receiving only NUCs, with the following objectives at the end of week 48:

- characterization of the sustained control of hepatitis B disease 6 months after cessation of treatment with NUCs and ABX203;
- assessment of safety and reactogenicity of ABX203;
- characterization of the cellular immune response to ABX203.

The global results of this study will be available before the end of 2016.

Additionally, in December 2015 the first marketing authorization was received for ABX203. This authorization issued by CECMED (the Cuban regulatory authority) permits ABIVAX to use the Cuban registration application to initiate requests for marketing authorization in some areas, particularly in certain African countries.

The antiviral technological platform:
ABIVAX uses its antiviral platform to target other viruses and 2 pre-clinical projects are particularly promising:

Chikungunya
A screening of the compound library has been carried out against the Chikungunya virus, an endemic disease principally affecting tropical zones, notably the French overseas territories. This screening has identified hits which are at the optimization phase.

Dengue
A preliminary screening has been carried out on certain molecules in the compound library with encouraging results. ABIVAX is preparing to carry out a full screening on this target.

The adjuvant technology platform:
In order to take full advantage of its compound ABX196, the effects of which have been demonstrated in animal and human testing, ABIVAX has decided to start work on:

- an active search for partners interested in immuno-oncological applications of the product, and
- the determination of a more appropriate therapeutic window for use in infectious diseases.

Financing
On 26 June 2015, ABIVAX was floated on the regulated market of Euronext Paris market, in an IPO that raised €57.7 million from a number of institutional and individual investors. This is a record-setting amount of capital raised via the stock market launch of a biotech company in France. This means that the Company can meet its funding requirements at least until the end of 2017.

This stock market flotation was carried out following the admission to trading of 9,624,889 ordinary shares making up the registered capital of the Company, 2,707,089 of which were new shares issued as part of a Global Offering, following full exercise of the extension clause and the over-allotment option.

As a result of this increase in capital, 68.5% of ABIVAX is now owned by funds managed by Truffle Capital, 5.4% by Aviva Investors, 2.7% by Holding Incubatrice Biotechnologies (an incubator of biotech companies) and 3.1% by the management, directors and scientific founders. The free float represents 20.3% of the shares issued.

Intellectual property

The Company has an active policy in place to ensure the extensive protection of its intellectual property.

In 2015, ABIVAX registered 3 patents to protect results originating from scientific activities associated with the antiviral platform. Thirteen approvals of 4 patents already registered in this field were also obtained.

The intellectual property protection of the adjuvant ABX196 was also reinforced due to 29 approvals being obtained in a number of countries.

Facilities

In October 2015, ABIVAX decided to carry out a rationalization of its research activities by transferring all of the company's research to its Montpellier site. Consequently, the Evry site will be closed by 31 March 2016 and ABIVAX will move into brand new premises on the CNRS-Languedoc Roussillon campus comprising the L2 and L3 laboratories required for experiments to be carried out on infectious agents.

Governance and management team

During the year, ABIVAX's management team was strengthened by the appointment of Pierre Courteille as Chief Commercial Officer and Senior Vice President Business Development, and Jean-Marc Steens as Chief Medical Officer.

Two new directors, Dr. Antonino Ligresti and Dr. Dominique Costantini were appointed to the Board, following the resignations of Mr Jérôme Gallot and Mr Miguel Sieler.

ANALYSIS OF THE FINANCIAL SITUATION

To assist in the understanding and reading of the income statements, pro forma financial statements as at 31 December 2014 have been included, showing the changes that have taken place within the business perimeter of the Company as a result of the mergers and takeovers that took place in 2014 which are not fully reflected in the company financial statements for that year. The revised pro forma income statement as at 31 December 2014 will therefore act as a principal basis of comparison for the income statement as at 31 December 2015. For the balance sheet, the company financial statements as at 31 December 2014 constitute the relevant basis of comparison.

Review of the results as at 31 December 2015

The evolution of ABIVAX's operating expenses as at 31 December 2015 is affected by the increase in research and development expenses (+122%) resulting from the progress in line with forecasts of the clinical and pre-clinical programs relating to the Company's 2 key projects: ABX203 (chronic hepatitis B) and ABX464 (HIV/AIDS):

Items in the Income Statement in thousands of euros	**31/12/2015 Company**	**31/12/2014 Pro Forma**	**31/12/2014 Company**
Total operating revenue	228	681	190
Total operating expenses	18 483	9 538	5 243
including Research and Development expenses of	15 267	6 870	3 764
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Operating profit/loss	-18 255	-8 857	-5 054
Net financial expenses	-119	-100	-65
Loss before extraordinary Items and Tax	**-18 374**	**-8 957**	**-5 119**
Net extraordinary expenses	-415	-704	-740
Income Tax	-2 834	-1 561	-779
Profit or loss for the year	**-15 954**	**-8 099**	**-5 080**

In light of the increase in its clinical activities and the acceleration of the pre-clinical research programs (Dengue fever and Chikungunya in particular), R&D expenses almost doubled between 2014 and 2015. They account for 83% of operating expenses as compared with only 72% in 2014. They primarily relate to R&D work subcontracted to private service providers or awarded to public research institutions, notably for the international clinical trials with ABX203 and ABX464, and costs associated with the running of their technological platforms.

Administrative expenses, excluding the capital increase expenses directly related to the issue

premium, remained at 17% of the overall operating expenses.

As a result of the substantial expansion of R&D activities, the operating loss doubled as compared with the 2014 financial year: it stood at €18.255 million in 2015 as compared with €8.857 million in the pro forma account to 31 December 2014. It is however partially offset by the increase in the research tax credit (€2.834 million as compared with €1.561 million in the annual pro forma account for 2014).

Overall, the net loss therefore stands at €15.954 million as at 31 December 2015 as compared with €8.099 million in the pro forma accounts as at 31 December 2014.

Operating revenue

Items in the Income Statement In thousands of euros	**31/12/2015 Company**	**31/12/2014 Pro Forma**	**31/12/2014 Company**
Sales of goods purchased for resale			
Sales of goods and services	0	65	14
Operating grants	186	569	138
Other income	42	46	37
Total operating revenue	**228**	**681**	**190**

Because its projects are at the development stage, the Company generated no revenue during the year. Operating revenue for the year totalled €228,000 and primarily comprises the share of the Bpifrance operating grant payable for the "CaReNa" ISI project (€143,000).

Net operating expenses by type:

Items in the Income Statement in thousands of euros	**31/12/2015 Company**	**31/12/2014 Pro Forma**	**31/12/2014 Company**
Purchases of raw materials	345	286	163
Third party studies and subcontracting	10 269	3 389	1 563
Supplies	29	100	19
Rent, maintenance and repairs	534	308	174
Miscellaneous expenses	297	108	42
Documentation, technological updates and seminars	67	41	21
Patents	944	381	134
Fees	1 797	1 311	902
Assignments and travel	473	520	261
Other purchases and external expenses	14 407	6 159	3 115
Taxes, duties and similar payments	98	34	22
Wages and salaries	2 497	2 057	1 316
Company security expenses	927	763	503
Depreciation and amortization	151	148	82
Other expenses	58	91	42
Total operating expenses	**18 483**	**9 538**	**5 243**

In 2015, 56% of operating expenses were generated by scientific and regulatory "third party studies and subcontracting" assigned in particular to CROs (contract research organizations) and public research institutes. A sharp increase of +203% in operating expenses as compared to 2014, essentially reflects the extent of the R&D services provided by CROs for the ongoing clinical studies:

- The Phase IIb/III clinical trial for ABX203 carried out in the Asia-Pacific zone
- The Phase I/II and IIa clinical trials for ABX464 carried out in the Asia-Pacific zone and Mauritius.
- The regulatory chronic toxicity and reprotoxicity studies for the ABX464 project.

For the design, execution and evaluation of its clinical trials, the Company relies on national and international scientific experts, which in 2015 collectively led to an increase in consultancy fees as shown under the item "fees" of the income statement by type set out above: +37% compared to the previous year.

In keeping with its strategy of protecting its technology and drug candidates in development, ABIVAX is at the same time continuing to extend its portfolio of patents. Two of these in particular have entered the national phase in 14 countries and over 120 patent applications are currently in process. The pursuit of this policy of expansion of the Company's intellectual property has generated higher expenses associated with the procedures and annual payments due: +148% in 2015 as compared to the previous year.

The Company has a highly-experienced management team and a first-class research and development team, comprising a total of 25 persons as at 31 December 2015, based at its Paris headquarters and at its 2 laboratories in Evry and Montpellier, and it has taken on 2 new employees since 31 December 2014. Additionally, payment of bonuses at the end of the first full operating year of the Company resulted in 2015 in an increase in the "Salaries and Company security expenses" item of +21% compared to 2014.

Overall, the significant increase in resources devoted to research throughout 2015 was reflected in an operating loss that was 106% higher than in 2014.

Net Financial Expense

Items in the Income Statement in thousands of euros	**31/12/2015 Company**	**31/12/2014 Pro Forma**	**31/12/2014 Company**
Financial income	50	11	-3
Financial expenses	168	111	62
Net financial expense	**-119**	**-100**	**-65**

Compared to 2014, the financial loss of the Company at 31 December 2015 showed a modest increase of 20%, explained primarily by:

- The costs of obtaining the research tax credit for 2014*: €42,000
- Payment of interest on the current account advance granted by Truffle Capital for €44,000
- Interest booked in the sum of €30,000, accrued in accordance with the BPI contract on the Carena project

The Company's financial expenses for 2015 were, however, offset against the proceeds of investment of its cash in fixed deposit accounts, i.e. credit interest of €45,000.

*Please note that the research tax credit relating to research expenses for the 2014 calendar year has been booked under Other Receivables in the sum of €1,594,934. It was applied in the sum of €1,382,000 during the first semester of 2015 and repayment was requested when the tax return was filed in May 2015.

Net Profit/Loss:

Items in the Income Statement in thousands of euros	**31/12/2015** **Company**	**31/12/2014** **Pro Forma**	**31/12/2014** **Company**
Pre-tax profit	-18 374	-8 957	-5 119
Net extraordinary expenses	-415	-704	-740
Income tax (research tax credit-CIR)	2 834	1 561	779
Loss	**-15 954**	**-8 099**	**-5 080**

As the Company has made a loss, it is not subject to a tax charge. The amount booked corresponds to the proceeds from the research tax credit for 2015: €2.834 million as compared with €1.561 million in 2014.

Given the pace of expenditure generated by the acceleration of the research and development programs, the Company's net loss has doubled.

REVIEW OF THE BALANCE SHEET AS AT 31 DECEMBER 2015

Assets in thousands of euros	**Note**	**31/12/2015** **Company**	**31/12/2014** **Company**
Fixed Assets			
Intangible fixed assets	4	32 005	32 005
Concessions, patents, licenses, software	4	3	4
Tangible fixed assets	4		
Technical plant, industrial machinery and equipment	4	152	200
Other tangible fixed assets	4	19	31
Non-current financial assets	4		
Long-term investments	4		
Other non-current financial assets	4	933	86
Total		33 113	32 326
Current Assets			
Receivables	5	3 909	2 389
Treasury instruments		25 007	
Marketable securities		14 001	1 703
Cash balances	6	119	1 221
Expenses booked in advance	5	118	327
Total		43 154	5 640
Grand Total		**76 268**	**37 966**

At the end of 2014 the Company's assets included goodwill arising from the mergers, classed as intangible fixed assets, resulting from mergers and takeovers during this financial year of the companies Wittycell (provider of the adjuvant platform and the iNKT agonist adjuvant ABX196) and Splicos (provider of the antiviral platform and the small antiviral molecule ABX464). This merger-related goodwill classed as intangible fixed assets represented €32.005 million as at 31/12/2014. On the basis of the positive progress achieved with the ABX464 project and the potential for development of ABX196, the Company has decided that these assets should not be depreciated, with the result that the value of these intangible fixed assets therefore remained unchanged in 2015.

Liabilities in thousands of euros	**Note**	**31/12/2015 Company**	**31/12/2014 Company**
Shareholders' Equity			
Share capital	7	97	69
Premiums on shares issued, mergers, contributions	7	89 707	35 675
Regulatory reserves			
Retained earnings	7	-5 091	-10
Profit/loss for the year		-15 954	-5 080
Total		68 759	30 653
Other Equity			
Conditional advances	8	3 009	3 282
Total		3 009	3 282
Provisions			
Provisions for risks and expenses	9	370	49
Total		370	49
Liabilities			
Convertible bonds			
Borrowings and loans from banks			1
Other loans and financial debts	10	405	2 089
Trade accounts payable	8	2 808	1 050
Tax and social security liabilities	8	915	843
Other liabilities		1	
Income booked in advance			
Total		4 130	3 982
Grand Total		**76 268**	**37 966**

ABIVAX's capital structure has been strengthened significantly by the raising of €57.661 million from the company's IPO on 26 June 2015. The net financial position of the Company as at 31 December 2015 shows a figure of €38.722 million compared with €835,000 as at 31 December 2014.

The Company had cash of €39.127 million as at 31/12/2015; this is distributed equally amongst marketable securities, treasury instruments and fixed deposit accounts maturing in more than a year. Moreover, the Research Tax Credit for 2015, booked in the sum of €2.834 million, will be added to the Company's available cash at the time of its anticipated payment in the third quarter of 2016.

During the 2015 financial year and in particular following its IPO on compartment B of the regulated market of Euronext Paris, the registered capital was €96,000 made up of 9,696,889 shares with a face value of €0.01. The vast majority of new shares was created at the time of the flotation of shares at the price of €21.30 including an issue premium of €21.29. After the issue costs had been offset, the premiums totalled €89.534 million as at 31 December 2015. Accordingly, the Company offset the costs relating to the share capital increase effected in 2015 against the issue premiums, the total amount of costs offset being €3.774 million.

Moreover, on 26 June 2015, the Company signed a liquidity contract for a period of 12 months which is tacitly renewable, for which a sum of €1,000,000 was paid to the service provider upon entering into the contract. As at 31 December 2015 and via this liquidity contract (for which the balance with the service provider is €196,000), the Company held 43,446 of its own shares with a value of €788,000. As the acquisition of shares was made primarily at the time of the flotation, a comparison of their purchase value and their realizable value as at 31 December 2015 has resulted in a provision for depreciation being established in the sum of €144,000.

As regards to the other equity, this is entirely comprised of the repayable conditional advances granted to the Company by BPI, which principally relate to the "Carena" project (€2.179 million of a total amount booked of €3.279 million).

Finally, at the end of 2015 the Company decided to close its premises in Evry in order to increase the efficiency of the Company's research operations. These restructuring costs were booked as a provision for risks and expenses in the sum of €253,000.

POST-CLOSING EVENTS

- Upon the proposal of the Compensation Committee, the Chief Executive Officer decided on 5 January 2016 to issue 202,122 BCE-2015-9 warrants for the be nefit of four Company employees entitling them to purchase 202,122 ordinary Company shares, to be issued at the unit price of €17.79, that is with an issue premium of €17.78 per share. All of these plans have been fully subscribed.

- On 28 January 2016, the Board of Directors considered and approved the recommendations of the Company's Management concerning the adjuvant ABX196: namely to search actively for a partner for applications in the immuno-oncology field and to continue the work in the field of infection control by searching for a therapeutic window which is better suited to the product's safety profile.

- On 16 February 2016, an agreement was signed with CNRS in Montpellier for the establishment of new premises for ABIVAX's laboratories on the CNRS Languedoc-Rouissillon campus. This agreement falls within the framework of strengthening the organization of the Company's research activities, by grouping them on a single site, and of the closure of the Evry site on 31 March 2016.

OUTLOOK AND OPERATING PLAN FOR 2016

In 2016, a number of major achievements are expected to be made in relation to the Company's development programs:

- Completion of the pivotal Phase IIb-III trial for ABX203 (chronic hepatitis B) which, if positive, should pave the way for registrations in certain Asian countries;
- Filing of the regulatory approval application for ABX203 in certain countries on the basis of the Cuban registration application;
- Implementation and completion of the second Phase IIa trial for ABX464 in Spain, France and Belgium;
- Likely start of Phase IIb in Europe and in the United States for ABX464;
- Start of the regulatory pre-clinical development for anti-viral compounds targeting new viral strains such as Chikungunya or Dengue fever;
- Acceleration of the program for development of a product to combat Ebola

B. INFORMATION ON COMPANY LEGAL AFFAIRS

SIGNIFICANT LEGAL EVENTS

Division by 100

The Company divided by 100 the face value of the shares constituting the Company's registered capital which was accordingly reduced from one (1) euro to one (1) euro cent (€0.01) at the Extraordinary General Meeting of 20 February 2015.

Admission to trading on the regulated market of Euronext Paris

At its meeting of 23 June 2015, the Board of Directors decided, in light of the admission of the Company's shares for trading on the regulated market of Euronext Paris, and in accordance with the delegations of authority granted to it by the Mixed General Meeting of shareholders of 20 February 2015, to increase the registered capital by a nominal sum of €27,070.89 by:

- issuing 2,353,991 new shares, having a unit value of €21.30, that is with a face value of €0.01 and an issue premium of €21.29, by public offering and without a priority period;
- issuing 353,098 additional new shares, having a unit value of €21.30, that is with a face value of €0.01 and an issue premium of €21.29, in accordance with the over-allotment option.

The total subscription amount was €57,660,995.70, including a total issue premium of €57,633,924.81.

In order to carry out this IPO, the Company entered into an investment contract with RBC Europe Limited, SwissLife Banque Privée and Pareto Securities AB.

Liquidity contract

As of 26 June 2015, for a period of one year, the Company entrusted Tradition Securities and Futures with the implementation of a liquidity contract for a sum of €1,000,000. The contract is tacitly renewable.

This liquidity contract, dated 25 June 2015, was drawn up in accordance with the provisions required under the legal framework in force, specifically the provisions of Regulation (EC) No 2273/2003 of 22 December 2003, the provisions of Articles L225-209 et seq. of the French Commercial Code, the provisions of the General Rules of the Autorité des Marchés Financiers and the decision of the AMF of 21 March 2011, and also complies with the Professional Ethics Charter amended by the Association des Marchés Financiers on 8 March 2011.

On 31 December 2015, the treasury stock held pursuant to the liquidity contract comprised 43,446 shares acquired at a value of €788,000. The difference between the acquisition value of the shares held and their

value at the end of the financial year gave rise to a provision for depreciation of €144,000. The balance of the liquidity contract stood at €196,000 as at 31 December 2015.

Increases to the registered capital

- Following the exercise of 28 BCE-2014-5 warrants on 24 April 2015, the Board Meeting on 3 June 2015 recorded an increase to the registered capital of €28. The registered capital was therefore increased from €69,150 to €69,178.

- On 23 June 2015 the Board of Directors exercised the delegation of authority granted by the General Meeting of 20 February 2015 to increase the registered capital by €27,070.89 from €69,178 to €96,248.89, by issuing 2,707,089 ordinary shares.

- Following the exercise of 64 BSA-2014-3 warrants on 25 September 2015 and of 448 BSA-2014-2 warrants on 26 September 2015, on 4 December 2015 the Board of Directors recorded an increase to the registered capital of €512 from €96,248.89 to €96,760.89.

- Following the exercise of 208 BCE-2014-3 warrants on 22 December 2015, on 18 January 2016 the Board of Directors recorded an increase to the registered capital of €208 from €96,760.89 to €96,968.89.

Issue of dilutive financial instruments

Pursuant to the delegation of authority by the General Meeting of 20 February 2015, the Board of Directors decided on 4 December 2015 to:

- issue 96,924 BSA-2015-11 Santé Holdings SRL warrants which were fully subscribed on 10 December 2015

- issue 82,000 BSA-2015-12 warrants, 32,800 of which were subscribed prior to 4 February 2016. The 49,200 BSA-2015-12 warrants which were not subscribed became null and void.

GOVERNANCE

Appointment of directors

The terms and conditions for appointment of members of the Company's board of directors are fixed in Article 14 of the Company's Memorandum and Articles of Association and are set out below.

During the life of the Company, the directors are appointed by shareholders at the Ordinary General Meeting. However, in the event of a merger or separation, appointment may be made by the Extraordinary General Meeting. The term of office of directors is four (4) years. It ends at the end of the shareholders' Ordinary General Meeting called to approve the financial statements for the preceding period and held in the year during which said director's term of office expires.

Directors may be re-elected. They may be removed from office at any time on a decision of the shareholders at their Ordinary General Meeting.

Natural persons aged over eighty-five (85) may not be directors; where they exceed such age during their term of office, they are deemed to have resigned automatically at the next General Meeting. Any appointment made in breach of the foregoing provisions is null and void, with the exception of those made on a temporary basis.

Any natural person director must, both at the time of his appointment and throughout his term of office, comply with the legal provisions on multiple offices that the same natural person may hold in limited companies whose registered offices are in metropolitan France, except as provided by law.

An employee of the Company may be appointed as a director only if his employment contract corresponds to actual employment.

The number of the directors tied to the Company by an employment contract may not exceed one third of the directors in office.

Directors may be natural or legal persons. In the latter case, at the time of its appointment, the legal person is obliged to designate a permanent representative who is subject to the same conditions and obligations and incurs the same civil and criminal liabilities as if he were a director in his own name, without prejudice to the joint liability of the legal person that he represents. The permanent representative of a director who is a legal person is subject to the age conditions applicable to directors who are natural persons.

The mandate of the permanent representative designated by the director who is a legal person is given to him for the latter's term of office.

If the legal person revokes the mandate of its permanent representative, it is obliged to notify such revocation to the Company without delay, by recorded delivery letter, together with the identity of its new permanent representative. The same applies in the event of the death or resignation of the permanent representative.

The designation of the permanent representative and the cessation of his mandate are subject to the same disclosure formalities as if he were director in his own name.
In the event of vacancy by death or resignation of 1 or more directors' positions, the Board of Directors may make temporary appointments in the interim period between two General meetings.

Where the number of directors has fallen below the statutory minimum, the remaining directors must immediately convene an Ordinary General Meeting with the objective of increasing the number of Board members to the required minimum.

The temporary appointments made by the Board are subject to the ratification of the next Ordinary General Meeting. Failing ratification, the decisions taken and acts carried out previously by the Board nonetheless remain valid.

Composition of the Board of Directors

Two new members of the Board of Directors, Santé Holdings SRL and Dr. Costantini were appointed as replacement of Mr.Gallot and Dr.Sieler, who resigned at the Board of meeting of 6 July 2015 and 14 September 2015.

As of the date of this Management Report, the company's Board of Directors is comprised of the following nine members:

Name	Mandate	Principal positions held in the Company	Principal positions held outside the Company	Date of start and end of mandate	Number of shares of the Company's capital held and/or of securities held granting access to the Company's capital
Philippe Pouletty	Chairman of the Board of Directors Chairman of the Compensation Committee	None	Chief Executive Officer of Truffle Capital	Appointed as director under the terms of the deed of incorporation of the Company for a term of 4 years expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016, and appointed as Chairman of the Board of Directors by the Board Meeting on 4 December 2014 for the term of his directorship.	2 750 BCE-2014-1
Amundson Partners, Ltd. (permanent representative to the Board: Joy Amundson)	Independent Director [(1)] Member of the Audit Comittee	None	None	Appointed as director in replacement of Joy Amundson (resigned) by the General Meeting of 30 July 2014 for the remainder of Joy Amundson's initial term of office, that is, until the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2017.	164 BSA-2014-3

Name	Mandate	Principal positions held in the Company	Principal positions held outside the Company	Date of start and end of mandate	Number of shares of the Company's capital held and/or of securities held granting access to the Company's capital
Claude Bertrand	Independent Director [1]	None	Executive Vice President Research and Development Chief Scientific Officer, Ipsen	Appointed as director by the General Meeting of 11 March 2014 for a term of 4 years expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2017.	188 BSA-2014-3
Jean-Jacques Bertrand	Director Member of the Compensation Committee	None	Chairman of the Board of Directors of Pierre Fabre	Appointed as director by the General Meeting of 11 March 2014 for a term of 4 years expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2017.	164 BSA-2014-3
Santé Holdings SRL (permanent representative on the Board: Antonino Ligresti)	Independent Director [1]	None	None	Co-opted as director as replacement for Jérôme Gallot by the Board Meeting of 6 July 2015 and confirmed as such at the Board Meeting of 14 September 2015 for the remainder of Jérôme Gallot's initial term of office, that is, until the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016.	96.924 BSA-2015-11
Truffle Capital (permanent representative on the Board: Antoine Pau)	Director Founder	None	Partner, Truffle Capital	Appointed as director under the terms of the deed of incorporation of the Company for a term of 4 years expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016.	6.592.739 shares [2]

Name	Mandate	Principal positions held in the Company	Principal positions held outside the Company	Date of start and end of mandate	Number of shares of the Company's capital held and/or of securities held granting access to the Company's capital
Christian Pierret	Director Chairman of the Audit Committee	None	Attorney	Appointed as director by the General Meeting of 11 March 2014 for a term of 4 years expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2017.	164 BSA-2014-3
Jean-Paul Prieels	Director Member of the Audit Committee Member of the Scientific Advisory Board	None	Aucune	Appointed as director under the terms of the deed of incorporation of the Company for a term of 4 years expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016.	164 BSA-2014-3
Dominique Costantini	Independent Director [(1)]	None	OSE Pharma, Chief Executive Officer	Co-opted as director as replacement for Miguel Sieler by the Board of Directors on 14 September 2015 for the remainder of Miguel Sieler's initial term of office, that is, until the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016.	

(1) in accordance with the MiddleNext Code of Governance for small- and mid-caps

(2) held indirectly through the funds which it manages

Other offices currently held by the directors

Name	Nature of position	Company
Philippe Pouletty		FRENCH COMPANIES
	Management positions held:	
	• Chairman of the Board of Directors	**Deinove SA**
	• CEO and Board member	**Truffle Capital SAS**
	• Manager	**Nakostech SARL**
	Board memberships held:	
	• Permanent representative of Truffle Capital, Director	**Carmat SA**
	• Permanent representative of Truffle Capital, Director	**Carbios SA**
	• Permanent representative of Truffle Capital, Director	**Théraclion SA**
	• Permanent representative of Truffle Capital, Director	**Theradiag SA**
	• Permanent representative of Truffle Capital, Director	**Vexim SA**
	• Member of the Supervisory Board	**Innate Pharma SA** listed on Euronext Paris, compartment B
	• Permanent representative of Truffle Capital, Director	**Pharnext SAS**
		FOREIGN (NON-FRENCH) COMPANIES
	Permanent representative of Truffle Capital, Director	**Immune Targeting Systems, Ltd** (USA)
	Permanent representative of Truffle Capital, Director	**Myopowers SA** (Switzerland)
Joy Amundson (permanent representative of Amundson Partners, Ltd.)	None	None
Claude Bertrand	**Management positions held:**	
	• Chief Executive Officer	**Ipsen Innovation SAS**
	• Chairman	**ARIIS** (Alliance for Research and Innovation in the French Health Industry) (a 1901 Act association)
	Board memberships held:	
	• Director	**INSERM**
	• Director	**Eclosion 2**
Monsieur Jean-Jacques Bertrand	**Management positions held:**	
	• Chairman of the Board of Directors	**Neovacs SA**
	• Chairman of the Board of Directors	**Pierre Fabre SA**
	• Chairman of the Board of Directors	**Viroxis SAS**
	• Chairman	**Brive Rugby SAS**
	Board memberships held:	**Guerbet SA** (listed on Euronext Paris, compartment B)
	• Director	

Name	Nature of position	Company
Antonino Ligresti (permanent representative of Santé Holdings SRL)	**Management positions/board memberships held:** • Sole Director	 **Santé Holdings SRL**
Antoine Pau (permanent representative of Truffle Capital)	**Management positions held:** • Member of the Management Committee • Member of the Management Committee **Mandats d'Director** • Director • Director • Permanent representative of Truffle Capital, Director	 **Biokinesis SAS** **Diaccurate SAS** **Theradiag SA** **Vexim SA** **Deinobiotics SAS**
Christian Pierret	• Director • Permanent representative of Truffle Capital, Director • Director • Director	**GrDF SA** **Deinove SA** **Holding Incubatrice Medical Devices SA** **Pharnext SA**
Jean-Paul Prieels	 • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director • Director	FRENCH COMPANIES **Theradiag SA** FOREIGN COMPANIES **4 For Cells SPRL** (Belgium) **ImmuneHealth ASBL** (Belgium) **Bone Therapeutics SA** (Belgium) (listed on Euronext Paris, Compartment C) **Promethera Bioscience SA** (Belgium) **Pluriomics** (Belgium) **Euroscreen** (Belgium) **Vaximm AG** (Switzerland) **Nouscom** (Switzerland) **Q-Biologicals NV** (Belgium) **DNAlytics NV** (Belgium) **Leukocare** (Germany) **Themis** (Austria)
Dominique Costantini	**Management positions/board memberships held:** • Non-executive Chairman and Director • Non-executive Chairman and Director	 **Carthera SAS ICM Paris** **Théranexus SAS Lyon**

Offices held by the directors during the last 5 years and which have now come to an end

Name	Nature of position	Company
Monsieur Philippe Pouletty	• Chairman of the Board of Directors (November 2010 to May 2012) • Chairman and CEO (October 2009 to November 2010) • Chairman (from 2001 to 2009) • Chairman and Director • Member of the Supervisory Board (to December 2010) • Director • Director • Director • Director • Representative	**Theradiag SA** **Theradiag SA** **France Biotech** **Splicos SAS** **Cytomics SA** **Wittycell SAS** **Neovacs SA** **Symetis (Switzerland)** **Myopowers (Switzerland)** **Plasmaprime SA**
Joy Amundson (permanent representative of Amundson Partners, Ltd.)	• Chairman • Corporate Vice-President • Director	**Baxter Bioscience Corporation** (USA) **Baxter International, Inc.**(USA) listed on the New York Stock Exchange **Covidien Plc.** (USA) listed on the New York Stock Exchange
Claude Bertrand	• Director	**Splicos SAS**
Jean-Jacques Bertrand	• Chairman of the supervisory board • Chairman of the supervisory board • Director	**Cytheris, Inc** **Guerbet SA** listed on Euronext Paris, compartment B **Fondation de la Recherche Médicale** (Foundation for Medical Research)
Antonino Ligresti	• Chairman of the Board of Directors and reference shareholder	**Générale de Santé**
Antoine Pau	None	None
Christian Pierret	• Chairman & CEO	**SEV**
Jean-Paul Prieels	• Director • Director • Director • Director • Director	**GSK Biologicals SA** (Belgium) **Masthercell SA** (Belgium) **Univac NV** (Belgium) **Pevion Biotech AG** (Switzerland) **Okairos AG** (Switzerland)
Dominique Costantini	• Chief Executive Officer (from 1997 to 2012)	**BioAlliance Pharma SA**

In the period ended 31 December 2015 the Company's Board of Directors met 11 times and the members' attendance rate stood at 92%.

With the exception of contracts entered into with affiliated companies, the Company did not enter into any contracts with its directors or its CEO during the 2015 financial year.

Compensation and benefits

Compensation of corporate officers

Summary table of compensation, options and shares granted to each corporate officer

In keeping with the internal guidelines of Truffle Capital, Philippe Poulettty, CEO and Board member at Truffle Capital, does not receive any compensation for his Board position within the Company.

Philippe Pouletty **Chairman of the Board of Directors**	**Financial Year 2014**	**Financial Year 2015**
Compensation due for the year	0€	0€
Value of the multi-year variable compensation assigned during the year	None	None
Value of options granted during the year	2 750 BCE- 2014-1	None
Value of shares granted free of charge in respect of the year	0€	None
Total	**0€**	**0€**

Hartmut Ehrlich **Chief Executive officer**	**Financial Year 2014**	**Financial Year 2015**
Compensation paid for the year	103 016,30 [(5)]	335.688,08
Value of the multi-year variable compensation assigned during the year	None	None
Value of options granted during the year	2 750 BCE- 2014-2	None
Value of shares granted free of charge in respect of the year	0€	0€
Total	**103 016,30€**	**335.688,08€**

[(5)] Dr. Ehrlich was paid as of 31 July 2014 for his functions within the Company, and the sum actually received (€95,843.90) was calculated pro rata temporis.

Summary table of wages granted to each corporate officer

The following tables show the compensation due to the executive directors for the years ended 31 December 2014 and 2015 and the compensation received by them during those years.

	Financial Year 2014		Financial Year 2015	
Philippe Pouletty Chairman of the Board of Directors	**Amount due[1]**	**Amount paid[2]**	**Amount due[1]**	**Amount paid[2]**
Fixed compensation	None	None	None	None
Annual variable compensation	None	None	None	None
Multi-year variable compensation	None	None	None	None
Extraordinary compensation	None	None	None	None
Attendance fees	None	None	None	None
Benefits in kind	None	None	None	None
Total	**None**	**None**	**None**	**None**

	Financial Year 2014		Financial Year 2015	
Hartmut Ehrlich – Chief Executive officer	**Amount due[1]**	**Amount paid[2]**	**Amount due[1]**	**Amount paid[2]**
Fixed compensation	95.843,90€[6]	95.843,90€	240.000€[7]	235.012,68€
Annual variable compensation	57.500 €[8]	0€[9]	93.600€[10]	57.500€ [11]
Multi-year variable compensation	None	None	None	None
Extraordinary wages	0€	0€	36.000€[12]	36.000€
Directors' attendance fees	N/A	N/A	N/A	N/A
Benefits in kind	7.172,40€[13]	7.172,40€[14]	7.172,40€[15]	7.172,40€[16]
Total	**160.516,30€**	**103.016,30€**	**376.772,40€**	**335.688,08€**

[1] for the period [2] during the period [6]The annual compensation of Mr Ehrlich include a fixed portion in the gross sum of €230,000 per annum. Mr Ehrlich having been paid as of 31 July 2014 for his functions within the Company, the sum actually received (€95,843.90) was calculated pro rata temporis.[7] The annual compensation of Mr Ehrlich for the 2015 financial year include a fixed portion in the gross sum of €240,000 per annum.[8] On 28 September 2015, upon the proposal of the Compensation Committee, the Company's Board Meeting ratified payment of the maximum amount of variable remuneration for the 2014 financial year, that is a gross sum of €57,500 per annum.[9] The variable remuneration of Mr Ehrlich for the 2014 financial year was paid by the Company in March 2015 and July 2015. [10] Mr Ehrlich receives, in addition to the fixed portion of his remuneration, variable remuneration up to the maximum gross amount of €96,000 for 2015 subject to the achievement of personal and company targets, as established by the Company's Board of Directors. Upon the proposal of the Compensation Committee, the Board Meeting of 28 January 2016 awarded Mr Ehrlich gross variable remuneration in the sum of €93,600 for the 2015 year. [11] The gross sum of €57,500 corresponds to the gross variable annual remuneration for 2014 and was paid to Mr Ehrlich in March 2015 and July 2015. The gross variable annual remuneration for the 2015 financial year in the sum of €93,600 will be paid to Mr Ehrlich in the 2016 financial year. [12] On 28 September 2015, upon the proposal of the Compensation Committee, the Company's Board Meeting ratified payment to Mr Ehrlich in July 2015 of an extraordinary bonus in the gross sum of €36,000, awarded in view of the success of the Company's IPO on the regulated market of Euronext Paris. [13] The Company pays Mr Ehrlich's vehicle rental costs up to a maximum of €900 inclusive of tax per month. [14] As of 31 July 2014, the Company pays the rental costs of the vehicle used by Mr Ehrlich up to a maximum of €900 inclusive of tax per month. [15] The Company pays the rental costs of the vehicle used by Mr Ehrlich up to a maximum of €900 inclusive of tax per month.[16] The Company pays the rental costs of the vehicle used by Mr Ehrlich up to a maximum of €900 inclusive of tax per month.

Attendance fees

The Mixed General Meeting of 20 February 2015 decided to allocate to the directors, as remuneration for their activity, a maximum overall sum of €80,000 for the financial year ending 31 December 2015 in respect of directors' attendance fees.

The Board Meeting of 14 March 2016 decided on the allocation of the directors' attendance fees.

Table of directors' attendance fees and other compensation received by non-executive directors

Non-executive directors	Amount paid during the 2014 financial year	Amount paid during the 2015 financial year
Joy Amundson (Amundson Partners, Ltd.)		
Directors' attendance fees	3 700 €	5 700 €
Other compensation	None	None
Claude Bertrand		
Directors' attendance fees	6 250 €	6 600 €
Other compensation	None	None
Monsieur Jean-Jacques Bertrand		
Directors' attendance fees	6 250 €	9 950 €
Other compensation	None	None
Jérôme Gallot		
Directors' attendance fees	6 250 €	10 000 €
Other compensation	None	None
Antoine Pau (Truffle Capital)		
Directors' attendance fees	0 €	0 €
Other compensation	None	None
Christian Pierret		
Directors' attendance fees	6 250 €	7 450 €
Other compensation	None	None
Jean-Paul Prieels		
Directors' attendance fees	6 250 €	5 700 €
Other compensation	None	None
Miguel Sieler		
Directors' attendance fees	5 000 €	6 200 €
Other compensation[17]	49 338,60 €	None
Antonino Ligresti (Santé' Holdings SRL)		
Directors' attendance fees	None	2 900 €
Other compensation	None	None
Dominique Costantini		
Directors' attendance fees	None	1 650 €
Other compensation	None	None
Total	**89 228,60 €**	**56 150 €**

(17) For his role and work at Wittycell

Powers of the Board of Directors

The powers of the Board of Directors are set in Article 15 of the Company's Articles of Association and are set out below.

The Board of Directors determines the overall business strategy of the Company and supervises its implementation.

Subject to the powers expressly attributed to the shareholders' Meetings and within the Company's objectives, the Board of Directors addresses all matters affecting the proper functioning of the Company and settles matters concerning the Company through its deliberations.

In its dealings with third parties, the Company is bound even by the acts of the Board of Directors that fall outside the scope of the Company's objectives unless it proves that the third party knew that the act exceeded such objectives or could not have failed to know, under the circumstances, that the act exceeded such objectives, with mere publication of the Articles of Association being insufficient to constitute such proof.

The Board of Directors performs the checks and verifications that it deems appropriate.

The Chairman or the Chief Executive Officer is required to provide each director with the information needed for the fulfilment of his duties. Each director may obtain from them all the documents that he deems useful.

Share subscription and share purchase options allocated during the period to each corporate officer by the issuer and by all companies in the group	None
Share subscription and share purchase options exercised during the period by each corporate officer	None
Free shares allocated during the period to each corporate officer	None
Free shares allocated that have become available for each corporate officer	None

History of allocations of share purchase and share subscription options – Information on share subscription warrants (BSA) (bons de souscription d'actions) and founders' warrants (BSPCE) (bons de souscription de parts de créateur d'entreprise) subscribed in the financial year ending 31 December 2015

Category	BCE-2014- 1	BCE-2014- 2	BCE-2014- 3	BCE-2014- 4	BCE-2014- 5	BCE-2014- 6	BCE-2014- 7
Date of General Meeting	11/03/2014	11/03/2014	11/03/2014	11/03/2014	11/03/2014	11/03/2014	06/06/2014
Date of Board Meeting	21/02/2014	21/02/2014	21/02/2014	21/02/2014	21/02/2014	21/02/2014	23/06/2014
	Total number of shares that may be subscribed for or purchased[18], including the number that may be subscribed for or purchased by*:						
Philippe Pouletty*	275.000	-	-	-	-	-	-
Hartmut Ehrlich*	-	275.000	-	-	-	-	-
Starting date for exercise of options	01/07/2015	09/12/2014	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)
Expiry date	11/03/2024 ou or at the end of a period of 90 days following expiry of the beneficiary's mandate	11/03/2024 ou or at the end of a period of 90 days following expiry of the beneficiary's mandate	11/03/2024 ou or at the end of a period of 90 days following expiry of the beneficiary's mandate	11/03/2024 ou or at the end of a period of 90 days following expiry of the beneficiary's mandate	11/03/2024 ou or at the end of a period of 90 days following expiry of the beneficiary's mandate	11/03/2024 or at the end of a period of 90 days following expiry of the beneficiary's mandate	23/06/2024 or at the end of a period of 90 days following expiry of the beneficiary's mandate
Subscription or purchase price	0€	0€	0€	0€	0€	0€	0€
Exercise price per share	0,01€	0,01€	0,01€	0,01€	0,01€	0,01€	12,50€
Terms of exercise	Achievement of targets Note (1)	Achievement of targets Note (2)	Achievement of targets Note (3)	Achievement of targets Note (4)	Achievement of targets Note (5)	Achievement of targets Note (6)	Achievement of targets Note (7)
Number of shares subscribed	0	0	21.355	0	0	0	0
Total number of BSA or BCE warrants cancelled or that became null and void	0	0	0	0	0	0	0
BSA or BCE warrants outstanding at end of period	2 750	2 750	0 (19)	984	197 (20)	525	1 650 (21)

Category	BSA-2014- 1	BSA-2014- 2	BSA-2014- 3	BSA-2014- 4	BSA-2014- 5	BSA-2014- 6	BSA-2014- 7	BSA-2015-11-Holding SRL
Date of General Meeting	11/03/2014	11/03/2014	11/03/2014	11/03/2014	11/03/2014	11/03/2014	11/03/2014	20/02/2015
Date of Board Meeting	21/02/2014	21/02/2014	21/02/2014	21/02/2014	21/02/2014	21/02/2014	21/02/2014	04/12/2015
	Total number of shares that may be subscribed for or purchased[18], including the number that may be subscribed for or purchased by*:							
Miguel Sieler*	–	67.700	–	–	–	–	–	
Joy Amundson (à titre personnel)*	–	–	16.400	–	–	–	–	–
Claude Bertrand*	–	–	18.800	–	–	–	–	
Jérôme Gallot*	–	–	16.400	–	–	–	–	–
Christian Pierret*	–	–	16.400	–	–	–	–	–
Jean-Jacques Bertrand*	–	–	16.400	–	–	–	–	–
Others								
Luc Teyton	–	–	–	–	45.900	–	–	–
JPP Consulting SPRL	–	–	16.400	–	–	–	–	–
Santé' Holding SRL	–	–	–	–	–	–	–	96.924
Starting date for exercise of options	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	Subject to the achievement of criteria (see Exercise terms)	11/03/2014	11/03/2014	20/02/2015
Expiry date	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	11/03/2024 or at the end of a 90-day period following the date of termination of the activity carried out by the Beneficiary for the Company	04/12/2025 or at the end of a period of 90 days following expiry of the Beneficiary's mandate
Subscription or purchase price	0,10€	0,10€	0,10€	0,10€	0,10€	0,10€	0,10€	1,78€
Exercise price per share	0,01€	0,01€	0,01€	0,01€	0,01€	0,01€	0,01€	17,49 €
Terms of exercise	Achievement of targets Note (8)	Achievement of targets Note (9)	Achievement of targets Note (10)	Achievement of targets Note (11)	Achievement of targets Note (12)			Achievement of targets Note (13)
Number of shares subscribed	0	0	0	0	0	0	0	0
Total number of BSA or BCE warrants cancelled or that became null and void	0	0	0	0	0	0	0	0
BSA or BCE warrants outstanding at end of period	394	0 (22)	844 (22)	1315	787	52	81	96.924

Notes

* corporate officer (1) Per complete monthly period up to a number X calculated in accordance with the following rule: X = 2,750 multiplied by (number of months elapsed from the date of incorporation of the Company/48) from the 1st day following the 18th month following the date of incorporation of the Company (on the understanding that the beneficiary must devote, from the 1st day following the 18th month following the date of incorporation of the Company and up to and including the 48th month following the date of incorporation of the Company, more than 33% of his/her professional time to the Company). Accelerated exercise of the entirety of the non-exercised balance (i) in the event of firm and final sale of the Company's securities, having as a consequence the change in control of the Company within the meaning of Article L. 226-3 of the French Commercial Code, in favor of any third party, on the basis of a valuation of the Company in excess of €300 million calculated on the basis of the capital issued at 31 December 2014, such valuation having to be increased proportionally to the increase in the number of the Company's shares resulting from the capital increases decided after 31 December 2014, or (ii) in the event of firm and final sale of the entirety of the Company's assets, in favor of any third party, on the basis of a valuation of its assets in excess of €300 million. (2) Per full month up to a number X calculated in accordance with the following rule: X = 2,750 multiplied by (number of months elapsed since 9 December 2014/48). The accelerated exercise mentioned in note (1) also applies. (3) 555 BCE-2014-3 warrants are exercisable at any time as of 11 March 2014. 417 BCE-2014-3 warrants are exercisable per full month up to a number X calculated in accordance with the following rule: X = 417 multiplied by (number of months elapsed since the date of incorporation of the Company/48) with effect from the 1st anniversary of the incorporation of the Company. 417 BCE-2014-3 warrants are exercisable exclusively in the event of the achievement of qualitative and/or quantitative targets, as set by the Board of Directors at its meeting on 8 September 2014.(4) 246 BCE-2014-4 warrants are exercisable at any time as of 11 March 2014. 369 BCE-2014-4 warrants are exercisable per full month up to a number X calculated in accordance with the following rule: X = 369 multiplied by (number of months elapsed since the date of incorporation of the Company/48) with effect from the 1st anniversary of the incorporation of the Company. 369 BCE-2014-4 warrants are exercisable exclusively in the event of the achievement of qualitative and/or quantitative targets, as set by the Board of Directors at its meeting on 8 September 2014. (5) 99 BCE-2014-5 warrants are exercisable per full month up to a number X calculated in accordance with the following rule: X = 99 multiplied by (number of months elapsed since the date of incorporation of the Company/48) with effect from the 1st anniversary of the incorporation of the Company. 99 BCE-2014-5 warrants are exercisable exclusively in the event of the achievement of qualitative and/or quantitative targets, as set by the Board of Directors at its meeting on 8 September 2014. (6) 197 BCE-2014-6 warrants are exercisable per full month up to a number X calculated in accordance with the following rule: X = 197 multiplied by (number of months elapsed since the date of incorporation of the Company/48) with effect from the 1st anniversary of the incorporation of the Company. 328 BCE-2014-6 warrants are exercisable exclusively in the event of the achievement of qualitative and/or quantitative targets, as set by the Board of Directors at its meeting on 8 September 2014. (7) 50% of the BCE-2014-7 warrants allocated to each beneficiary per full month up to a number X calculated in accordance with the following rule: X = 50% multiplied by (number of months elapsed since the date of incorporation of the Company/48), for the 1st time with effect from the 1st anniversary of the incorporation of the Company. 50% of the BCE-2014-7 warrants are exercisable exclusively in the event of the achievement of qualitative and/or quantitative targets, as set by the Board of Directors at its meeting on 8 September 2014. (8)Exercisable in accordance with the terms of exercise set by the Board of Directors at its meeting on 8 September 2014. (9) 271 BSA-2014-2 warrants are exercisable at any time as of 11 March 2014. 406 BSA-2014-2 warrants are exercisable per full month in accordance with the following rule: X = 406 multiplied by (number of months elapsed since the date of incorporation of the Company/48). (10)Exercisable per full month in accordance with the following rule: X = [number of BSA 2014-3 warrants awarded to the beneficiary] multiplied by (number of months elapsed since the date of incorporation of the Company/48). (11)263 BSA-2014-4 warrants are exercisable at any time as of 11 March 2014. 1,052 BSA-2014-4 warrants are exercisable exclusively in the event of the achievement of qualitative and/or quantitative targets, as set by the Board of Directors at its meeting on 8 September 2014. (12)Exercisable by the beneficiary in accordance with the terms of exercise set by the Board of Directors at its meeting on 8 September 2014. (13) the SANTE HOLDINGS SRL BSA-2015-11 warrants allocated to Santé Holdings SRL may be exercised pro rata to the number of months for which Mr Antonino Ligresti has continuously held a stake in Santé Holdings SRL, at the meeting of the Company's Board of Directors, over a total period of 36 months, i.e. a number X of BSA warrants calculated in accordance with the following rule: X = 96,924 multiplied by (number of months elapsed since 6 July 2015/36). (14) the BSA-2015-12 warrants may be exercised pro rata to the number of months for which a stake has been held continuously, at the meeting of the Company's Scientific Advisory Board or Board of Directors, over a total period of 48 months, i.e. a number X of BSA warrants calculated in accordance with the following rule: X = 16,400 multiplied by (number of months elapsed as of 4 December 2015/48), on the understanding that each beneficiary may not exercise his/her BSAs until a year has elapsed from the date they were allocated.

Aditional information

(18) The number of shares acquired pursuant to exercise of the BSA and BCE warrants has been multiplied by 100 for all the BSA and BCE warrants issued prior to division of the face value of the shares by 100, in accordance with the resolution of the Company's General Meeting of 20 February 2015.(19)Mr Serra exercised 208 BCE 2014-3 warrants on 22 December 2015 entitling him to 20,800 Company shares. The remaining BCE 2014-3 warrants of Mr Serra have become null and void. (20) Mr Vandepapelière exercised 28 BCE 2014-5 warrants on 24 March 2015 entitling him to 2,800 Company shares. (21) The 990 BCE 2014-7 warrants held by Mr Kenny became null and void on 31 March 2015. (22)Mr Sieler exercised 448 BSA 2014-2 warrants on 26 September 2015 entitling him to 44,800 Company shares. The remaining BSA 2014-2 warrants of Mr Sieler have become null and void. (23)Mr Gallot exercised 64 BSA 2014-3 warrants on 25 September 2015 entitling him to 6,400 Company shares. The remaining BSA 2014-3 warrants of Mr Gallot have become null and void.

INFORMATION RELATING TO REGISTERED CAPITAL

Distribution of the registered capital

Summary of shareholders identified as at 31 December 2015:

	Number of shares	% non-diluted (capital)	Number of fully-diluted shares including BSPCE & BSA warrants subscribed	% fully-diluted (capital)	Number of voting rights	% non-diluted (votes)	Number of fully-diluted voting rights including BSPCE & BSA warrants subscribed	% fully-diluted (voting rights)
Holding Incubatrice	257 600	2,66%	257 600	2,36%	307 600	2,56%	307 600	2,33%
Truffle Capital	6 592 739	67,99%	6 592 739	60,44%	8 872 439	73,97%	8 872 439	67,18%
Others	241 600	2,49%	249 700	2,29%	248 100	0,00%	256 200	1,94%
Management	0	0,00%	275 000	2,52%	0	0,00%	275 000	2,08%
Board of Directors	0	0,00%	456 324	4,18%	0	0,00%	456 324	3,46%
Employees	101 400	1,05%	318 300	2,92%	106 700	0,89%	323 600	2,45%
Consultants	31 200	0,32%	286 000	2,62%	31 200	0,26%	286 000	2,17%
Free float	2 428 904	25,05%	2 428 904	22,27%	2 428 904	20,25%	2 428 904	18,39%
Treasury stock	43 446	0,45%	43 446	0,40%	0	0,00%	0	0,00%
Total	**9 696 889**	**100%**	**10 908 013**	**100,00%**	**11 994 943**	**100,00%**	**13 206 067**	**100,00%**

In the 2015 financial year, the Company received only one declaration that the statutory threshold had been exceeded pursuant to Article L233-7 of the French Commercial Code:

- Aviva Investors Global Services Limited declared that it holds 516,431 shares in the Company and that it has raised its holding above the threshold of 5% of the registered capital (notification of 1 July 2015).

Voting rights of the main shareholders

In accordance with Article 12 of the Company's Articles of Association, double the voting right attached to other shares, relative to the proportion of the share capital that they represent, is granted for all fully paid up shares (whatever their class) which have been registered in the same shareholder's name for at least 2 years.

This right is also attached to registered shares granted free of charge to a shareholder in connection with existing shares already entitling the holder to this right, from the time of issue of the shares, in the event of capital increases through the capitalization of reserves, profits or issue premiums.

Control of the Company

As at 31 December 2015, the Company was controlled, as defined by Article L. 233-3 of the French Commercial Code, by the investment funds managed by the company Truffle Capital, a société par actions simplifiée (simplified joint stock company), which has share capital of €2,000,000, whose registered office is located at 5 rue de la Baume, 75008 Paris, and which is registered with the Paris trade and companies register under number 432 942 647 and has been approved by the AMF under number GP 01-029. These funds collectively

held 6,592,739 shares representing 67.99% of the Company's share capital and 73.97% of the Company's voting rights on a non-diluted basis as at 31 December 2015.

To the best of the Company's knowledge, there are no acting-in-concert agreements between its shareholders.

In the event of a change in control of the Company, certain significant agreements signed by the Company which are subject to a confidentiality clause may terminate or be the subject of notices sent to the contracting parties.

Treasury stock

The treasury stock owned that appears in the table below (43,446 shares) is set out in this report in the paragraph on "Review of the balance sheet as at 31 December 2015."

Securities giving access to the registered capital issued by the Company

Between 1 January 2015 and 31 December 2015, the Company issued the securities giving access to the registered capital stated as indicated in the paragraph on increases to registered capital under Highlights.

Employee shareholdings

Identity of Company employees and connected companies pursuant to Article L. 225-180 of the French Commercial Code owning a stake in the registered capital as at 31 December 2015:

- Vincent Serra, holding 101,400 Company shares,

Identity of employees holding BSPCE warrants entitling them to obtain the following stakes in the Company on a fully-diluted basis:

- Didier Scherrer, holding 0.90 % of the registered capital,
- Bernard Fanget, , holding 0.48% of the registered capital,
- Karl Birthistle, holding 0.61 % of the registered capital.

Operations carried out on Company securities by managers

When the Company was floated on the regulated market of Euronext Paris, the funds managed by Truffle Capital subscribed to 234,739 Company shares.

Following the issue of the dilutive financial instruments (BSA), Santé Holdings SRL subscribed to 96,924 Santé Holdings SRL BSA-2015-11 warrants.

AUDITORS' MANDATE

The by-laws on incorporation dated 4 December 2013 provided for the appointment of:

- PricewaterhouseCoopers Audit as statutory Auditors,
- Jean-Christophe GEORGHIOU as deputy Auditor,

with their mandate terminating at the end of the General Meeting called in 2019 to approve the financial statements for the year ending 31 December 2018.

SUBSIDIARIES AND SHAREHOLDINGS

As at 31 December 2015, the Company does not own any subsidiaries nor does it hold shares in any other company.

TABLE OF RESULTS FOR COMPLETED FINANCIAL YEARS SINCE INCORPORATION OF THE COMPANY

Nature of indications	Financial year ending 31 December 2013	Financial year ending 31 December 2014	Financial year ending 31 December 2015
I. FINANCIAL SITUATION AT THE END OF THE YEAR:			
a) Registered capital.	40 000 €	69 150 €	96 969 €
b) Number of shares issued.	None	29 150	9 627 739
c) Number of bonds convertible in shares.	No convertible bonds	No convertible bonds	No convertible bonds
II. OVERALL PROFIT/LOSS FROM ACTUAL TRANSACTIONS:			
a) Turnover before tax.	None	14 488 €	None
b) Profits before tax, depreciation and provisions.	-10 374 €	-5 070 511,65 €	-18 255 705 €
c) Income Tax.	None	-778 732 €	-2 834 015 €
d) Profits after tax, depreciation and provisions.	-10 374 €	-5 080 225,05 €	-15 954 354 €
e) Amount of distributed profit (1).	No distribution	No distribution	No distribution
II. PROFIT/LOSS FROM TRANSACTIONS PER SHARE (2):			
a) Profit after tax, but before depreciation and provisions.	-0,26 €	-62,06 €	-1,07 €
b) Profit after tax, depreciation and provisions.	-0,26 €	-73,47 €	-1,64 €
c) Dividend paid on each share (1).	No dividend paid	No dividend paid	No dividend paid

INFORMATION ON PAYMENT DEADLINES

Breakdown, at the end of the previous two financial years, of the balance of liabilites relating to suppliers, by payment date:

Payment dates	Amount of liability as at 31 December 2014	Amount of liability as at 31 December 2015
Provision for invoices not yet received	544.579,69 €	1 059 411,68 €
Invoices not yet due for payment	423.678,18 €	1 072 473,04 €
Invoices due for payment 1 - 30 days ago	34.351,67 €	224 307,82 €
Invoices due for payment 31 - 60 days ago	11.601,72 €	122 680,38 €
Invoices due for payment 61 - 90 days ago	262,80 €	6 578,00 €
Invoices due for payment over 90 days ago	35.200,00 €	322 819,78 €
Total	1.049.674,06 €	2 808 270,70 €

NOTE ON DIVIDENDS

Pursuant to Article 243 bis of the French General Tax Code, no dividends have been paid for the Company's last three financial years.

NOTIFICATION OF SUMPTUARY EXPENSES

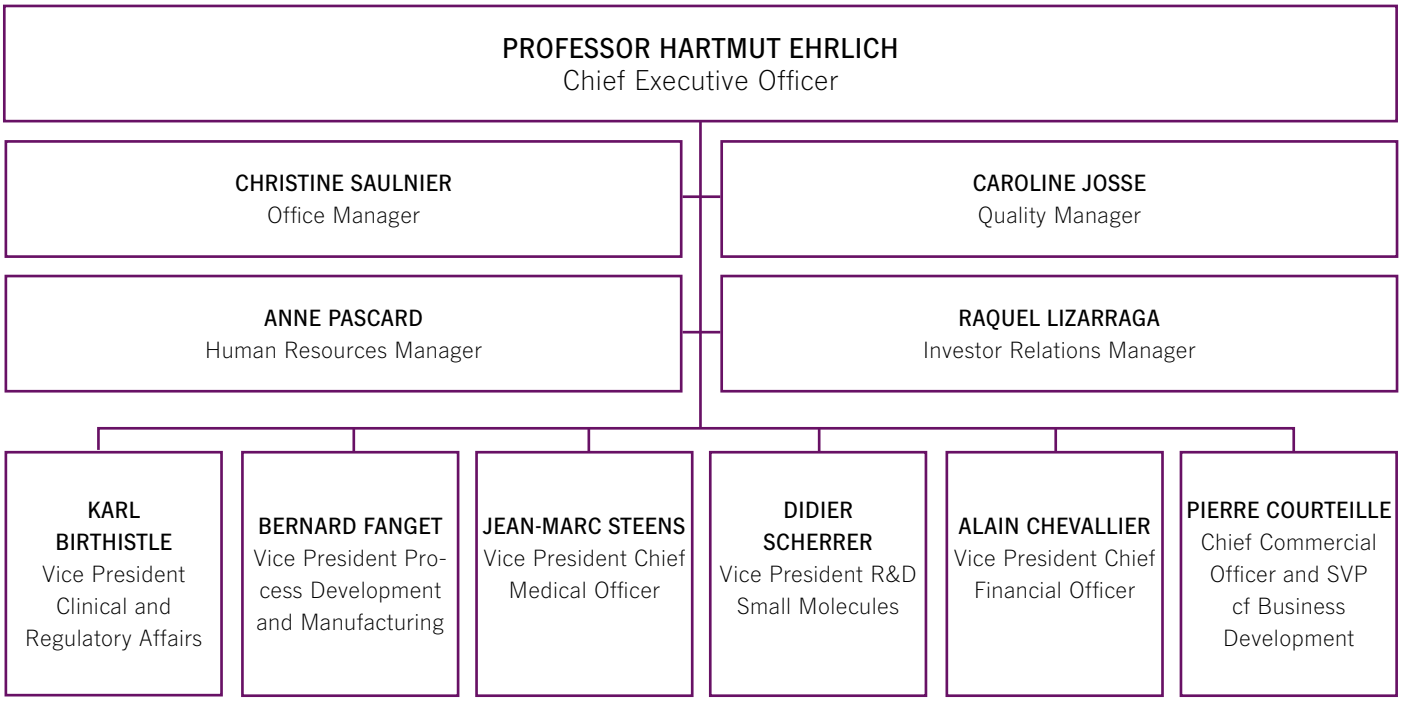
There were no expenses or expenditures which are not deductible for tax purposes pursuant to Article 39 of the French General Tax Code, in the financial year ending 31 December 2015.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG)

This report sets outs the Company's commitment in relation to ESG. It also fulfils the requirements of Article 255-105-1 of the French Commercial Code (Grenelle 2).

SOCIAL INFORMATION

As at 31 December 2015, the Company's functional organizational chart was as follows:



Number and breakdown of staff

Staff numbers are expressed as a number of employees and include all persons paid by the Company who were present at the Company upon closure of the financial year (31 December 2015), with the exception of trainees, temporary workers and unpaid corporate officers.

As at 31 December 2015, the Company employed 26 people, whereas staff numbers stood at 28 at the end of 2014.

On that date, 21 employees worked in Research and Development and 5 in administrative roles. As the company has undertaken no commercial activity to date, it has no commercial staff.

Age pyramid for 2015 and distribution by gender

Age bracket	M	W	TOTAL
< 21 years	0	0	0
Between 21 and 25	0	1	1
Between 26 and 30	1	3	4
Between 31 and 35	0	2	2
Between 36 and 40	2	4	6
Between 41 and 45	1	2	3
Between 46 and 50	3	2	5
Between 51 and 55	1	1	2
Between 56 and above	3	0	3
Total	**11**	**15**	**26**

As at 31 December 2015, 57.7% of staff were women (57.1% in December 2014), 42.3% were men (42.9% in December 2014).

The average age was 38.5 years in December 2015, compared with 39 years as at 31 December 2014.

Lastly, the minimum age was 21 years and the maximum age was 71 years as at 31 December 2015.

Staff numbers per site

Paris	11
Montpellier	8
Evry	7

Changes in staff numbers

	Au 31/12/2014	As at 31/12/2015
Managers	20	20
Non-Managers	7	5
Corporate officer	1	1
Total	**28**	**26**

Distribution by gender

	Au 31/12/2014	As at 31/12/2015
Men*	11	11
Women	17	15
Total	**28**	**26**

* including one corporate officer

Appointments, departures and dismissals:

During the 2015 financial year, 8 members of staff left the Company, 4 of whom left at the end of a fixed term contract.

Between 1 January and 31 December 2015, 7 employees were appointed and no employees were dismissed.

Organisation of work

As at 31 December 2015, 7 members of staff out of 26 had senior manager status. 13 had managerial status and 5 staff members had non-managerial status. Due to the history of the business (absorption of pre-existing companies), managerial and non-managerial staff working at the Paris and Evry sites had a fixed weekly working time of 39 hours, with payment of 4 hours of overtime per week. Staff working at the Montpellier site had a weekly working time of 37 hours, offset by the allocation of 9 additional leave days (RTT). In 2015, all staff were employed on permanent contracts, except for 2 employees on fixed term contracts. All staff are full-time, except for 1 employee who works part-time.

Summary of collective agreements

As at 31/12/2015, there were no collective agreements at the Company. In particular, it was not deemed necessary to set up an agreement in relation to health and safety at work.

Absenteeism

There is no significant absenteeism at the Company. The great majority of absences in 2015 involved 2 instances of maternity leave, 1 accident en route to work resulting in sick leave of around 3 weeks and a number of short, one-off periods of sick leave (unrelated to activity at work).

Remuneration

Average gross monthly remuneration per level in 2015 is shown in the tables below. This monthly average remuneration (gross basic salary) excludes bonuses, benefits in kind and payments in shares for employees present as at 31 December 2015.

	Average 2015/ month	Average 2014/ month
Senior managers	12 300 €	11 168 €
Managers	4 540 €	3 644 €
Non-managers	2 168 €	2 181 €

Certain employees on permanent contracts benefit from fixed variable remuneration based on a percentage of between 10% and 40% of the fixed portion. Certain employees benefit from bonuses on annual objectives, corresponding at most to 2 months' basic salary. Certain employees also benefit from the allocation of BSPCE warrants. The Chief Executive Officer receives a benefit in kind (vehicle).

The allocation used for increases based on merit was 3% of the wages bill in 2015. This allocation was distributed in the form of extraordinary bonuses.

Professional relations

The elections of Staff Representatives have been arranged. A first round of voting took place on 16 June 2015 and the second round took place on 30 June 2015. Since the election, meetings of staff representatives have taken place every month. The Company has no trade union representation.

Health and safety conditions

The purpose of ABIVAX is the research and development of new drugs for treatment of certain infectious diseases. The research activities are based at one research center located in Montpellier within the CNRS Languedoc Roussillon campus and another located at the Génopole d'Evry. The general departments and activities relating to clinical development and regulation are managed from the Paris head office.

It should be noted that all operations relating to clinical development, including the manufacture of experimental drugs, are subcontracted to service providers who are duly audited by our quality department in accordance with good quality practice in force in the pharmaceutical industry.

Consequently, the Company does not consider that it exposes its employees to any particular risks. Moreover, the Company trains some of its engineers on the various standards relating specifically to GCP (good clinical practice) and GLP (good laboratory practice).
As staff numbers stood at 26 as at 31 December 2015, the Company has no committee for health, safety and working conditions (CHSCT).

The number of workplace accidents (accident en route to work) in 2015 for the Company stood at 1 corresponding to a period of 13 days' leave. There were no instances of occupational disease in 2015.

Training

Although the Company has not formally set up a training policy, it is mindful of staff development and facilitates access to training throughout the year. In 2015, priority was

given to training on the Perkin Elmer Robot, a new tool assisting with R&D handling. Moreover, certain staff have benefited from training in English and training on different handling techniques.

149 hours of training were received by staff in 2015. Future training requirements will be determined either at the annual interview to set individual objectives, or within the framework of company decision-making. In both cases, the aim of the training course will be to develop the staff member's skills to make him/her more effective and/or better-prepared (change of software, etc.) for organizational changes.

Gender equality

The Company is committed to complying with the conditions relating to balanced representation between men and women on the Board of Directors, in accordance with French Act No 2011-103 of 27 January 2011.

Employment and integration of disabled workers

In 2015, the Company employed no disabled workers. The Company is nevertheless mindful of the integration of disabled workers and intends to implement specific measures to foster the employment and integration of disabled persons.

Fight against discrimination

The Company has not yet put in place specific measures to combat discrimination, but if a case of discrimination were to arise, the Company would take appropriate steps.

Promotion of and compliance with the provisions of the ILO conventions relating to the freedom of association and the right to collective bargaining, the elimination of discrimination in relation to employment and occupation, the elimination of forced or compulsory labor and the effective abolition of child labor:

In view of the fact that the Company's premises are located in France, ABIVAX is subject to French law, which it duly applies. The provisions of the ILO conventions do not represent a particular challenge for ABIVAX.

ENVIRONMENTAL INFORMATION

The Company's activities are carried out in offices and laboratories the owners and operators of which (Sogelym - Dixence for the head office located at 5, rue de la Baume 75008, SEM Génopole d'Evry for the research and development laboratory at Evry, CNRS-Campus Languedoc Roussillon for the Montpellier research and development laboratory) adopt a meticulous approach to the environmental impact of activities carried out on the sites which they manage.

General policy on environmental matters

In general, the Company's activities are not likely to generate substantial environmental impact. The Research and Development activities are governed by strict regulations, one of the purposes of which is to avoid contamination of the environment, which are duly applied by the Company.

Given the nature of the Company's activities and to its size, there is, however, no internal environmental management department. The Company is not subject to any certification procedures relating specifically to the environment. There are no provisions or guarantees for environmental risks. The Company has not paid any compensation during the financial year in relation to enforcement of any judicial decisions concerning environmental matters.

No staff training or awareness-raising initiatives relating to environmental matters have been undertaken during the financial year.

The Company will, in accordance with requirements, implement all necessary measures for the prevention of environmental risk and pollution.

Pollution and waste management

The Research and development activities sub-contracted or carried out by the Company might involve storing, using or eliminating biological and dangerous products. This could translate to greenhouse gas emissions and chemical agents, contributing to the

acidification of water, air and soil. The impact of these remains within the limit authorized by applicable regulation.

Measures for the prevention, reduction and preparation of emissions into the air, water and soil having severe environmental impact

In view of the fact that the two laboratories (the Evry and Montpellier sites) are reserved for the handling of biological and chemical products in the context of the Company's Research and Development activities, precautions with regard to the handling and recycling of waste have been implemented to ensure that there are no significant emissions into the air, water or soils which are likely to have a severe environmental impact.

Similarly, no products which are hazardous to the environment are stored, including hydrocarbons, as the premises have electric heating.

Measures for the prevention, recycling and removal of waste

In relation to the Evry site, a company specializing in the recycling of biological and chemical waste and sharps has been selected which regularly collects waste from the site directly. Such waste is quarantined in a dedicated area fitted with storage containers to hold waste pending removal.
In relation to the Montpellier laboratory, as it is directly located within the CNRS premises, our activities benefit from the initiatives implemented by the CNRS in relation to waste recycling.

Other waste is removed by the municipal collection departments. This waste does not include any hazardous waste.

The quantities generated at the Evry site in terms of chemical products equated to around 100L in 2015 and 10m3 of biological products.

In view of the fact that our laboratory in Montpellier is shared with the CNRS, no quantitative information is available to date.

Control of noise pollution and any other forms of pollution specific to an activity

Given the Company's activities, there are no issues with noise pollution or any other specific forms of pollution other than those referred to above.

Sustainable use of resources (water - energy)
The Company's non-subcontracted activities generate standard consumption of water, raw materials and energy in view of the fact that they are carried out in offices and laboratories. They do note generate significant land use impact.

In view of the fact that the Company undertakes no industrial activity, the associated consumption of raw materials is not significant. Accordingly, the Company's major consumable is paper.

Staff are made aware of the need to save paper and the photocopiers are also set to print on both sides.

The Company believes that its water consumption for 2015 equated to 288m3 of water, given that each employee consumes 50 liters of water per working day. As the Company’s water at each site is supplied by the general drinking water supply network, there are no particular constraints on supply.

In relation to energy consumption, although this is limited as the Company carries out purely tertiary activities, consumption has been unable to be determined due to the fact that it is not invoiced on an individual basis by the organizations hosting the Company's activities. No measures have therefore been able to be implemented to improve energy efficiency, beyond raising staff awareness of energy-saving. We pay particular attention to systematically switching off any lighting which is not necessary.

The nature of the Company's activities does not therefore result in significant risk for the

environment or for the sustainable use of resources.

Contribution to adaptation and to the prevention of global warming

The Company is of the view that global warming resulting in an increase in temperatures of 2° would not have a significant impact on its activities.

The Company's emissions of greenhouse gases originate primarily from its energy consumption and from staff transport.

Accordingly, the Company's CO2 emissions are not significant and therefore have not been quantified to date.

Biodiversity

In view of the Company's limited resources, it has not undertaken any initiatives for the preservation of biodiversity, although this subject is of interest to it.

SOCIETAL INFORMATION

The Company complies with the regulations for the prevention of discrimination and the promotion of diversity.

Territorial, economic and social impact of activity

The Company employs 26 persons. These jobs represent its direct contribution to local employment, in addition to the impact of employees' families and the knock-on effects in terms of employment and economic activity with its service providers and suppliers.

Nevertheless, in view of its size and of the fact that it is based in urban areas, the Company considers that its impact in terms of employment and regional development and on the resident and local populations is not significant for the zone in question and it has not identified any specific challenges relating to this matter.

Relations with persons or organizations affected by the Company's activity (associations fostering integration, teaching institutions, environmental protection associations, consumer associations and resident populations)

The terms of the dialogue with such persons or organizations

Given the Company's size, and to its limited staff numbers, no particular relationship has been forged with the Company's stakeholders. Nevertheless, managers are aware of the expectations which certain stakeholders may have, such as universities, schools or local authorities.

Partnership and sponsorship initiatives

In 2015 the Company paid the sum of €1,200 to charitable causes (prevention, awareness and combating of AIDS).

Subcontracting and suppliers

ABIVAX depends on external consultants and subcontractors (such as university researchers, specialist doctors and clinical and pre-clinical research organizations) for the development of its research. Moreover, the Company depends on third parties for the manufacture and supply of all products.

When selecting new partners, the Company's management checks their financial statements, solvency and reputation, albeit without dwelling on the social and environmental issues they face. Accordingly, the purchasing policy does not currently explicitly incorporate the consideration of social and environmental issues.

The contracts between ABIVAX and its contractors do not include any provisions relating to ethical, environmental and social practices beyond the applicable regulatory requirements.

Nevertheless, no ethical issues relating to its contractors' practices were identified in 2015.

Subcontracting of certain Human Resources activities

HR activities are currently centralized within the Company. The Company nevertheless works with

specialized service providers (management of payroll and social security declarations).

Fair practice - Steps taken to ensure the safety of patients and consumers

In accordance with the regulations and system of reference ("good practices") in force governing clinical development activities, ABIVAX will incur liability vis-à-vis healthy volunteers and patients who voluntarily consent to take part in the clinical trials set up by the Company. This liability covers the pharmaceutical aspects relating to the product as well as those relating to the status of sponsor of clinical trials. It relates specifically to the occurrence of adverse effects even where the provisions and procedure prescribed by the protocol have been adhered to. This liability applies in particular in the case of delayed adverse effects arising after cessation of treatment, where a causal link between the occurrence of the event and the test product has been established. With a view to ensuring that the volunteers in its trials are entirely safe, ABIVAX complies strictly with the regulations in force in each country which authorizes its trials and with the principles of good practice (Good Clinical Practice defined by the International Council for Harmonisation) and ethics charter (Helsinki Declaration) which govern international clinical development. Compliance with this regulatory framework is monitored continuously by the monitoring and quality control units set up and managed by ABIVAX or, under its responsibility, by its partners. Moreover, it is regularly assessed independently by the Quality Assurance department and by the Competent Authorities through audits and inspections.

With a view to the prevention of corruption, the Company has put in place procedures governing the signature of contracts with third parties. In the course of these procedures, several units are called upon to approve the principle and terms of such agreements.

Other human rights initiatives implemented

We have not identified any issues in this regard.

DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS

Nature of delegation or authorization	Date of General Meeting	Validity period /Expiry	Use	Residual amount as at 31 December 2015
Issue, maintaining preferential subscription rights, of shares and/or transferable securities giving immediate and/or future access to the Company's capital	20.02.2015	26 months 19/04/2017	None	122 929,11€ (1)
Issue, removing preferential subscription rights, in a public offering, of shares and/or transferable securities giving immediate and/or future access to the Company's capital and with the option to confer a priority right	20.02.2015	26 months 19/04/2017	None	122 929,11€ (1)
Immediate or future capital increase by issuing ordinary shares or any transferable securities giving access to the capital, up to a limit of 20% of the registered capital per year, removing shareholders' preferential subscription rights, by an offering to qualified investors or a restricted circle of investors within the meaning of paragraph II of Article L. 411-2 of the French Monetary and Financial Code (private investment)	20.02.2015	26 months 19/04/2017	Board Meeting of 23/06/2015 issue of 2,707,089 new shares recorded at the Board Meeting of 06/07/2015	122 929,11 € (1) and up to a maximum of 20% of the registered capital existing on the date of the transaction and per year
Possibility of increasing the number of securities to be issued in the event of a capital increase with or without preferential subscription rights	20.02.2015	26 months 19/04/2017	None	15% of the initial issue
Issue of ordinary shares or transferable securities giving access to the capital intended to remunerate contributions of securities in the event of a public offering comprising an exchange component initiated by the Company	20.02.2015	26 months 19/04/2017	None	122 929,11€ (1)
Delegation of powers granted to the Board with a view to increasing the registered capital, up to the limit of 10% of the capital, to remunerate contributions in kind of equity or transferable securities giving access to the capital of third-party companies outside any public exchange offer	20.02.2015	26 months 19/04/2017	None	122 929,11 € and up to a maximum of 10% of the registered capital per year (1)

Nature of delegation or authorization	Date of General Meeting	Validity period /Expiry	Use	Residual amount as at 31 December 2015
Delegation of powers granted to the Board with a view to increasing the capital by incorporating premiums, reserves, profits or other items	20.02.2015	26 months 19/04/2017	None	70 000 €
Authorization given to the Board to grant options to subscribe for or purchase shares in the Company	20.02.2015	38 months 19/04/2018	None	1.800,46 € Up to a maximum of 5% of the registered capital [2]
Authorization given to the Board to award existing or new shares free of charge	20.02.2015	38 months 19/04/2018	None	1.800,46 € up to a maximum of 10% of the capital existing at the time of the award [2]
Authorization given to the Board of Directors to issue and award free of charge founders' warrants (bons de souscription de parts de créateurs d'entreprise) to employees and officers of the Company	20.02.2015	[3] 18 months 19/08/2016	Board Meeting of 14/09/2015 setting up of a facility for 288,746 BCE-2015-9 warrants and subdelegation to the Chief Executive Officer for the purpose of issuing and awarding these warrants	1.800,46 € Up to a maximum of 5% of the registered capital [2]
Issue of share subscription warrants (bons de souscription d'actions) in favor of (i) members of the Company's Board of Directors in office on the date of award of the warrants who are not employees or officers of the Company or any of its subsidiaries, (ii) persons linked to the Company by a service or consultancy contract, or (iii) members who are not employees or officers of the Company or any of its subsidiaries, or of any committee that the Board of Directors might put in place	20.02.2015	18 months 19/08/2016	Board Meeting of 14/09/2015 issue of 122,274 BSA-2015-9 warrants Board Meeting of 04/12/2015 issue of 96,924 SANTE HOLDINGS SRL BSA-2015-11 warrants and 82,000 BSA-2015-12 warrants	1.800,46 € Up to a maximum of 5% of the registered capital [2]

[1] Such amounts are not cumulative. The maximum threshold in terms of total face value for registered capital increases authorized by the General Meeting of 20 February 2015 is fixed at €150,000. This delegation was used at the Board Meeting of 23 June 2015 which decided to issue 2,707,089 new shares with a face value of €27,070.89. The overall nominal amount for issues of transferable securities representing claims against the Company giving access to the Company's registered capital cannot, for its part, exceed €70,000,000;

[2] 5% of the Company's registered capital, on a fully-diluted basis (i.e. supposing exercise of all the transferable securities and other rights giving access to the Company's capital in circulation) immediately after realization of the IPO and the additional capital increase that will follow, as the case may be, within 30 days on exercise of the greenshoe option by the banks in charge of the IPO. Such amounts are not cumulative. The registered capital taken into consideration is the registered capital after listing of the Company's shares on the regulated market of Euronext Paris, that is €96,248.89. At the Board Meetings of 14 September 2015 and 4 December 2015 it was decided to issue 122,274 BSA 2015-9 warrants, 96,924 Santé Holdings SRL BSA-2015-11 warrants and 82,000 BSA 2015-12 warrants entitling their owners to subscribe for 301,198 shares with a face value of €3,011.98.

[3] This authorization will end and the BSPCE warrants that have not yet been awarded by the Board of Directors will be automatically null and void on the date on which the conditions specified in Article 163(bis)(G) of the General Tax Code cease to be met.

1.5
RISK FACTORS

A. RISKS LINKED TO THE BUSINESS OF THE COMPANY

The future of the Company rests on the success of clinical development and, in some cases, on the sale or concession to an industrial third party of the development and/or marketing rights of one of its products.

The risk factors below show the risks and events which are likely to delay, interrupt, render more costly, or even to cause the total stoppage of the development of the Company's projects, as well as the factors which could limit the commercial development of its products or those of Vacunas Finlay for which it has concluded distribution contracts, or even cause a failure thereof.

If one of these events should occur, this would have a material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

A.1 Risks linked to clinical development and marketing of the drug candidates of the Company

The development of the Company's products could be delayed or be unsuccessful

The Company is running the following clinical programs:

- ABX203, a therapeutic vaccine candidate against chronic hepatitis B which entered into the pivotal clinical phase IIb/III in Asia, Australia and New Zealand in December 2014, after conducting a Phase I study on healthy volunteers followed by one Phase I and two Phase II studies on patients with chronic hepatitis B; 276 patients have been recruited for the new study and results are expected by the end of 2016;

- ABX464, an antiviral drug candidate which inhibits the replication of HIV, currently in Phase IIa clinical trials following the success of two Phase I clinical trials on healthy volunteers and the confirmation of its safety and effectiveness in an initial Phase IIa study on treatment-naïve patients carried out during 2015.

The Company is also working on the following pre-clinical programs:

- ABX220, an anti-viral candidate for treatment of Dengue fever;

- ABX544, a drug candidate for treatment of Ebola based on polyclonal antibodies;

- ABX309, an anti-viral candidate for the treatment of Chikungunya;

- ABX196, a candidate vaccine adjuvant which is expected shortly to re-enter the clinical phase for anti-infection applications and which is the subject of a partnership action plan in the immuno-oncology field.

The development of a drug candidate is a long and costly process with uncertain results, taking place over several stages with the objective of showing the therapeutic benefit brought by the drug candidate for one or more given indications. Any delay during one of the various pre-clinical and clinical phases for a given indication may delay the development, the production and the marketing of the therapeutic product concerned, or even cause development to cease.

During clinical trials, the Company may encounter difficulties in establishing and recruiting a suitable patient profile. This profile may also vary over the various aforementioned clinical trial phases. The recruitment of patients thus may not take place in accordance with a timetable compatible with the financial resources of the Company.

At each clinical development phase, the Company must ask for authorization to carry out the clinical trials from the appropriate authorities in various countries in accordance with its development plan, and then present the results of its clinical studies to said authorities. The authorities may refuse the authorizations needed for the clinical trials, demand additional requirements, for example, in relation to the study protocols,

the characteristics of the patients, the duration of the treatment, the post-treatment follow-up, and certain variations between local regulatory agencies in the interpretation of the results and may sometimes require additional studies. Any refusal, or any decision by the health authorities to ask for additional trials or examinations, would be likely to interrupt or delay the development of the products concerned. In addition, since therapeutic vaccines have a slow clinical response, the effects expected during the trials may not be visible in the short term. The absence or delay in a therapeutic response could also delay or halt the development of the Company's drug candidates.

The Company cannot guarantee that its development of drug candidates (ABX203, ABX464, ABX196, ABX220, ABX544 or ABX309) will be successful, or that they will be successful within a timeframe compatible with its financial resources or market requirements. Any delay or stoppage in the development of these products will have a substantial material adverse effect on the business of the Company, its results, its financial situation and its prospects.

Finally, the appearance of secondary effects which cannot be identified on the basis of current knowledge could cause a delay in or the halting of the development of the Company's drug candidates. In addition, after the Company or its partners or licensees has obtained marketing authorization (MA), if the Company's products cause unacceptable secondary effects or effects not noticed during the clinical trials, their marketing and/or their market prospects will be put into doubt, which would have a substantial material adverse effect on its business, its prospects, its financial situation, its results and its development.

The absence from the market of products of the same type marketed for the treatment of chronic hepatitis B, HIV, Dengue fever, Ebola or Chikungunya generates several unknown factors

The Company develops drug candidates against chronic hepatitis B, HIV, Dengue fever, Ebola and Chikungunya. To date, no therapeutic vaccines or anti-viral therapies of this type exist that have received marketing authorization from the appropriate regulatory authorities.

This is why the prospects for the development and profitability of ABX203, ABX464, ABX220, ABX544 and ABX309, their safety, their effectiveness as well as their acceptance by patients, doctors and the paying entities, are uncertain. Tests on animals are not necessarily predictive of the results which may be obtained in humans. Positive results achieved by ABX203 in the completed Phases I and II, by ABX464 in Phase I or Phase IIa clinical studies or by any products in the portfolio in research or pre-clinical phases may not be confirmed by later phases. Such a situation would have a very material adverse impact on the business, the results, the financial situation and the development of the Company.

A.2 Risks linked to the technology of the Company and the partners of the Company with which it has concluded licensing agreements

The different drug candidates developed by the Company arise from proprietary or licensed technology from leading academic partners (Center for Genetic Engineering and Biotechnology (CIGB) represented by Heber Biotec in Cuba, The Scripps Research Institute, La Jolla, the University of Chicago, Brigham Young University, Salt Lake City, the Institut Génétique Moléculaire de Montpellier, the Institut Curie and the CNRS – the French National Center for Scientific Research). If the clinical studies carried out by the Company were to reveal problems of safety and/or therapeutic effectiveness or if the use of one of the platforms breached an intellectual property right held by a third party, this could put in doubt the use and even the functioning of certain technological platforms of the Company and require new research and development efforts, as well as delays and extra costs to address these difficulties, without any guarantee of success. The development of part of the Company's portfolio of products would be affected, which would have a material adverse effect on the business, the prospects, the development, the financial situation and the results of the Company.

A.3 Risks linked to the market and competition

The Company cannot guarantee the commercial success of the drug candidates which it develops and the commercial products covered by the distribution contracts with Vacunas Finlay

If the Company and/or one or more of its commercial partners succeed in obtaining an MA allowing them to market the therapeutic products developed by the Company, it may nevertheless need time to achieve the support of the medical community, the prescribers of health care and paying third parties.

The degree of market acceptance for each of the Company's products or the products for which distribution contracts have been concluded with Vacunas Finlay (Cuba) will depend on several factors, particularly:

- the perception of the therapeutic benefits of the product by the prescribers;
- the vaccination policies established by the various countries in which the Company foresees marketing its products or those for which licenses are granted;
- any occurrence of undesirable effects once an MA has been obtained;
- the ease of use of the product, linked particularly to its method of administration;
- the cost of treatment;
- the reimbursement policies of governments and other third parties;
- the effective establishment of a scientific publication strategy; and
- the development of one or more competing products for the same indication.

Even if the products developed by the Company or those of Vacunas Finlay for which distribution contracts have been concluded with the Company, are able to offer a therapeutic response to an unmet need, poor market penetration resulting from one or more of the factors described above would have an unfavorable effect on their marketing and on the capacity of the Company to generate profits, which would have a negative impact on its business, its prospects, its financial situation, its results and its development.

The Company could depend, in its clinical development programs, on its most advanced products: ABX203, a therapeutic vaccine against chronic hepatitis B; and ABX464, a small anti-viral molecule against HIV; this in comparison to the less advanced development stage of the other products

ABX203, the therapeutic vaccine against chronic hepatitis B, and ABX464, a small anti-viral molecule against HIV, are the drug candidates of the Company for which the development process is the most advanced.

The development of ABX203 and of ABX464 has required and will continue to require large investments from the Company in terms of time and financial resources, as well as the dedicated attention of highly qualified staff. Consequently, if the Company does not succeed in obtaining positive results from the clinical trials for phase IIb/III of ABX203 and at the time of the trials for phase II of ABX464, its prospects and its financial situation will be adversely affected to a material degree.

The Company cannot guarantee the absence of competitors in the markets it is targeting.

Many pharmaceutical laboratories, biotechnology companies, institutions, universities and other research bodies are actively engaged in the research, discovery, development and marketing of preventive and therapeutic responses to the treatment of chronic hepatitis B, HIV, Dengue fever, Ebola, Chikungunya and the development of new adjuvants.

While the market for HIV treatment and adjuvants is characterized by intense competition, the competition is weaker for the development of drug candidates for the treatment of chronic hepatitis B, Dengue fever, Ebola and Chikungunya. Nevertheless for the latter markets, the development potential is such that the arrival of new

competitors is highly likely. Certain firms active in the sector of therapeutic vaccines or others having a lead in the development of anti-virals or adjuvants have significantly greater means than those of the Company and could decide to develop competing products by allocating much greater resources and experience to these than those of the Company in terms of clinical development, management, manufacture, marketing and research.

Such events would have a material adverse effect on the business of the Company, its results, its financial situation and its development prospects.

A.4 Risks linked to the commercial and strategic development of the Company

The Company might not be able to find industrial partners to pursue the clinical and commercial development of ABX196, of ABX464 in Europe, in the United States and Japan or of ABX203 in Europe and Japan

The Company must conclude licensing and distribution partnerships with pharmaceutical establishments in order to finance the completion of the clinical development of its adjuvant candidate for ABX196 vaccines, of its anti-viral candidate ABX464 for the treatment of HIV in Europe and/or in the United States and/or in Japan and of its vaccine candidate ABX203 for the treatment of chronic hepatitis B in Europe and Japan. The Company must consequently find partners with sufficient capacity to conduct phase II and/or III clinical trials at a national or international level, to produce on an industrial scale, to distribute and market the vaccines or anti-virals using ABX196, ABX464 or ABX203. If the Company were to enter into such partnerships, the marketing of its products would depend partly on the clinical development and industrial, marketing and commercial efforts deployed by its commercial partners as well as the ability of these partners to produce and sell ABX196, ABX464 in Europe, the United States and Japan or ABX203 in Europe and Japan. Any failure on the part of these partners would have unfavorable consequences for the Company, its development and its prospects.

It is also possible that the Company may not succeed in entering into partnerships on reasonable financial terms. This would have a substantial material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

The obtaining of marketing authorization (MA) and other certifications prior to any marketing may prove to be uncertain

In Europe, in the United States and in Japan, as well as in many other countries, access to the market for medicines and vaccines is controlled and authorization must be obtained from a regulatory authority prior to marketing. The application for registration is usually filed with a national health authority, except in the case of the European Union where there is a centralized procedure for the review of registration applications (the European Medicines Agency).

Obtaining MA, which is obtained by country (or by geographic area in the case of the European Union) presumes observance of the restrictive rules imposed by the regulatory authorities as well as communication to the authorities of much information concerning the new product, which may relate to its toxicity, its dosage, its quality, its effectiveness or its safety. The authorization process is long and costly and the outcome is uncertain. The Company therefore takes care to constantly observe best practices in order not to hinder its long-term chances of obtaining, directly or through the mediation of its commercial partners, an MA for the products it develops. Obtaining a marketing authorization in a given country or geographic area does not automatically or immediately lead to the obtention of an MA in other countries.

To obtain the MA for a Company product, the Company and/or the partner chosen for the product concerned may need to carry out pre-clinical trials on animals and full clinical trials on humans in order to demonstrate the safety and effectiveness of the product. In the event that patients are exposed to unexpected and serious risks, the Company, the partner concerned or the regulatory authorities may choose to suspend or to end these clinical trials.

The continuance or obtaining of a Good Manufacturing Practices (GMP) certificate by the Company and/or its future partners could turn out to be necessary for the manufacture of the vaccines, adjuvants or anti-virals which the Company is developing (for the purposes of clinical trials or during the marketing stage). The Company cannot guarantee that it and/or its partners will obtain or succeed in maintaining this certificate, nor that certain additional constraints linked to this certificate may not be imposed upon it in the future.

If the MA or the GMP certificate is not obtained, the products concerned cannot be manufactured or marketed by the Company and/or its partners. In addition a product might not obtain an MA or a GMP certificate for a given geographic area, which could significantly restrict its marketing. Finally, even if the MA or GMP certificate is obtained in good order, they might be suspended, particularly in a case of non-observance of the manufacturing rules or the occurrence of an undesirable effect.

The occurrence of one or more of these events would have a material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

The Company has limited sales, marketing and distribution experience

The Company lacks experience in the fields of sales, marketing and distribution. It must develop its own capacity for marketing and sales, whether on its own or with partners, particularly for the distribution of the Vacunas Finlay vaccines and for its own products, once the MAs have been obtained.

In the framework of the creation of its sales and marketing infrastructure, it will need to incur extra expense, to mobilize management resources, to establish new skills and to take the necessary time to establish the appropriate organization and structure to support the products, in accordance with current legislation and, more generally, to optimize marketing efforts. The Company must conclude partnerships with local distributors for the sale and marketing of its products and for those of Vacunas Finlay regarding which the Company has reached distribution agreements. These partnerships must be agreed on reasonable financial terms and be maintained over time.

If ABIVAX is to bear responsibility for carrying out the regulatory procedures in each of the markets in which the Vacunas Finlay vaccines have not yet obtained the necessary approvals for their commercialization, and/or for which ABIVAX holds the exclusive rights, the signing of contracts with local distributors will also be important as said local distributors will support ABIVAX in expediting the regulatory procedures in order to obtain the various MAs.

Non-compliance with the deadlines and arrangements for distribution by local partners of the Company could have a material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

Specific risks linked to the consequences of the American embargo on Cuba

An economic, commercial and financial embargo on Cuba has been operated by the United States since 1962, meaning a ban on direct or indirect exports and imports by any “US person” (including the subsidiaries and the overseas branches of American entities, but also physical persons being American citizens or having a green card) for products, technology and services directed towards or coming from Cuba.

This embargo also prevents any US person from taking part in or facilitating any operation linked to Cuba, at the risk of being sanctioned.

On 17 December 2014, a historic re-establishment of diplomatic relations between the United States and Cuba was announced. However, to date, nothing indicates that the American embargo on Cuba will be lifted in the short term since it requires, at the very least, the US Congress to vote in favor.

Even though ABIVAX is a French company, not exporting any product to Cuba and not having received any Cuban capital, it is indirectly affected by the restrictions arising from American rulings on the Cuban embargo because of the establishment of partnerships with:

- Vacunas Finlay, the exclusive licensee of the Institut Finlay, for the marketing of vaccines against typhoid fever, meningococcus (groups B & C) and leptospirosis; and

- Heber Biotec, the exclusive licensee of the Centro de Ingeniería Genetica y Biotecnología– CIGB, Cuba (Center for Genetic Engineering and Biotechnology) for the development and marketing of the candidate drugs ABX203 with the supply of an active ingredient for this vaccine in the treatment of chronic hepatitis B.

Thus, up to the present ABIVAX cannot establish any sub-contracting agreement with any US person for the clinical development and marketing of these products (contract research organizations, distributors, etc.) and has established a recusal policy which envisages that none of the members of the Board of Directors, salaried staff or suppliers of the Company considered as US persons can take part in or facilitate any operations with Cuba and must refrain from taking part in discussions and relevant decision-making.

The Company cannot exclude that its relations with Cuba might dissuade potential partners of American origin from cooperating with it in the clinical development and marketing of the other candidate drugs of the Company (ABX464, ABX196, ABX220, ABX544 or ABX309) which have no link with the Cuban research centers and from taking part in the financing of the Company.

Neither can the Company guarantee that the members of the Board of Directors, salaried staff or suppliers of the Company considered as US persons might fail to observe the recusal policy established and fail to recuse themselves voluntarily from any discussions or decisions relating to any dealings with Cuba.

Such consequences could have a material adverse effect on its business, its prospects, its financial situation, its results and its development.

B. RISKS LINKED TO THE ORGANIZATION OF THE COMPANY

B.1. Risks of dependence on third parties

The supply of specific raw materials and the products needed for carrying out clinical trials and the manufacture of the Company's products is not guaranteed

The Company is dependent on third parties for its supplies of various materials, chemical products or biological products necessary for the production of vaccines, adjuvants or experimental anti-viral products for the performance of its clinical trials and, ultimately, of vaccines, adjuvants or anti-virals developed by the Company. The Company is particularly dependent on Heber Biotec in relation to the supply of the active ingredients needed for the production of the therapeutic vaccine against chronic hepatitis B.

The supply to the Company of any one of these materials and products could be reduced or interrupted. In such a case, the Company might not be able to find other suppliers of chemical or biological materials or products of an acceptable quality and cost and in the appropriate quantities. If a supplier or manufacturer failed or if its supply of products and materials was reduced or halted, the Company might not be able to continue to develop, have produced, and then have its products marketed on time and at a competitive price. In addition, the materials and products of the Company are subject to strict manufacturing requirements and rigorous tests. Any delays in the manufacture of these materials and products by the suppliers of the Company could affect its capacity to complete the clinical trials and to have its products marketed in an economic manner within a reasonable timescale.

If the Company were to encounter difficulties in the supply of these materials, chemical or biological products, if it were unable to maintain its current supply agreements or establish new agreements to develop its products and have them manufactured in the future, its business, its

prospects, its financial situation, its results and its development could be materially affected.

The Company could find itself dependent upon its sub-contractors

In the course of its development, the Company uses sub-contractors particularly for the manufacture of batches of finished or semi-finished products intended for pre-clinical studies and clinical trials.

In addition, to the extent to which, at this stage of its development, the Company does not have the human resources and expertise needed to perform all the clinical trials needed for the development of the vaccines, adjuvants or anti-virals it develops, these are entrusted to specialized care institutions through firms specializing in the management of clinical trials (CROs – clinical research organizations) and in the provision of related services, such as Eurofins Medinet, Novotech Australia, Zuellig Pharma, Centre Cap, Cap Research or Aclires. The outsourcing of clinical trials engenders risks and costs linked to the selection of these establishments. Operational difficulties could also occur, particularly because of the distance or the geographic dispersion of the clinical study centers.

Any failings on the part of these sub-contractors could have consequences for the timetable or even the continuation of clinical studies mainly on the candidate drugs ABX203 and ABX464 and ultimately on ABX196, ABX220, ABX544 and ABX309, as well as for the quality of the data which must meet strict rules (Good Clinical Practices, Good Manufacturing Practices or the "ICH Harmonized Tripartite Guideline for Good Clinical Practice") imposed by the regulatory authorities – this could delay the marketing of the products.

In addition, the Company cannot guarantee that the amount of any damages linked to clinical research on the products it develops will not exceed the indemnity ceiling provided for in the contracts made with the CROs.
Such events could have a material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

B.2 The Company could lose key staff and not be able to attract new qualified people

The success of the Company depends largely on the involvement and the expertise of its directors and its qualified scientific staff. The Company has not up to now arranged any "key person" insurance (insurance policy for permanent invalidity/death). The temporary or definitive unavailability of these persons could cause:

- Losses of knowhow and the weakening of certain businesses, all the more so in the case of a move to the competition, or

- Deficiencies in terms of technical skills that could slow down the business and alter the ability of the Company to achieve its objectives over time.

The Company will also need in the future to recruit new senior managers and qualified scientific staff for the development of its businesses as the Company extends itself into areas which will require additional skills such as marketing or sales. The Company competes with other companies, research bodies and academic institutions particularly to recruit and keep scientific staff, technical staff and highly qualified managers. To the extent that this competition is very intense, the Company might not be able to attract or to retain these key persons on terms which would be acceptable from a financial point of view.

The inability of the Company to attract and retain these key people could prevent the overall attainment of its objectives and thus have a material adverse effect on its business, its results, its financial situation, its development and its prospects.

B.3 Risks linked to the management of the growth of the Company

In the framework of its development strategy, the Company must recruit extra staff and develop its operational capacities, which could put great pressure on its internal resources.

For this reason, the Company must particularly:

- Train, manage, motivate and retain a growing number of employees;
- Anticipate expenditure linked to this growth and the associated financing needs;
- Manage the sub-contracting of production of its developed medicines;
- Manage partnership agreements with the business partners of the Company in charge of pursuing the clinical development and the marketing of the Company's products;
- Anticipate demand for its products and the revenues which it is likely to generate; and
- Increase the capacity of its existing operational IT, financial and management systems.

To meet demand within the timing agreed with its future partners, the Company would need to negotiate new sub-contracting contracts.

The inability of the Company to manage growth, or unexpected problems encountered during its expansion, could have a material adverse effect on its business, its results, its financial situation, its development and its prospects.

C. REGULATORY AND LEGAL RISKS

C.1 Risks linked to a restrictive and evolving regulatory environment

One of the major challenges for a growth company like ABIVAX is to succeed in developing, alone or with the help of partners, products incorporating its technology in the context of an increasingly restrictive regulatory framework. In fact the pharmaceutical industry is faced with a permanent evolution of its legal and regulatory environment and increased surveillance by the relevant authorities, in particular the Agence Nationale de Sécurité du Médicament et des produits de santé ("ANSM") in France, the European Medicines Agency ("EMA") in Europe or the Food and Drug Administration ("FDA") in the United States or other regulatory authorities in the rest of the world. Similarly, the general public now demands more guarantees regarding the safety and effectiveness of the medicines.

The health authorities also supervise, in particular, research and development work, pre-clinical studies, clinical studies, the regulation of pharmaceutical establishments and the manufacture and marketing of medicines. This strengthening of the legislative and regulatory framework is common all around the world, although the requirements vary from one country to another. In particular the health authorities and particularly the ANSM, the EMA and the FDA have imposed increasingly heavy requirements in terms of the volume of data required in order to demonstrate the effectiveness and safety of a product. These increased requirements have therefore reduced the number of products authorized relative to the number of applications filed. Marketed products are also subject to the regular re-evaluation of the benefit/risk ratio after their authorization. The tardy discovery of problems not found at the research stage can lead to restrictions on marketing, to the suspension or withdrawal of the product and to an increased risk of disputes.

Hence the authorization process is long and costly, sometimes taking several years, with unpredictable results.

To the extent that new legal or regulatory provisions may bring about an increase in the costs of obtaining and maintaining product MAs, limit the indications targeted by a product or limit the financial value of a new product for its inventor, the growth outlook for the pharmaceuticals industry and the Company could thereby be reduced.

The occurrence of one or more of these risks could have a material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

C.2 Specific risks linked to the pre-clinical studies and clinical trials that will be necessary in order to obtain marketing authorizations for the Company's therapeutic products

The organization of pre-clinical studies on animals and clinical trials on humans is vital for obtaining authorization to market the products developed by the Company. Their achievement is generally spread over several years and is very costly.

As these studies and trials must be carried out by pre-clinical and clinical research centers, their quality and the interest they present will depend largely on the capacity of the Company and its partners to select the pre-clinical and clinical research centers and, with regard to trials on humans, to recruit the number of patients needed within relatively limited timeframes in order to be able to publish results rapidly and to choose, where relevant, the best providers for the implementation of the study protocol drawn up by the Company or its partners. The distance or the geographic dispersion of the clinical or pre-clinical study centers can also raise operational and logistical difficulties, possibly causing supplementary costs and more time.

In a case where the Company or its partners are not able to recruit patients as expected, which would cause delays in the clinical studies and the publication of their results, this would result in delays in obtaining support both from specialized companies and professionals in the medical areas concerned; the marketing of the products of the Company would then be affected.This in turn would be likely to have a material adverse effect on the Company, its business, its financial situation, its results, its development and its prospects.

C.3 Risks linked to the reimbursement and the cessation of refunding of medicines and treatments

At the end of the regulatory authorization stage and once the MA has been issued, the process of establishing the selling price of the medicines and the reimbursement rate begins. The terms for establishing the reimbursement selling price for the medicines are outside the control of the pharmaceutical companies. They are respectively decided by the committees and public institutions concerned as well as by the social services bodies or private insurance companies. In the current context of health expenditure reduction and the economic and financial crisis, pressure on selling prices and the level of reimbursement is intensifying, particularly because of price controls imposed by many governments and the increased difficulties in obtaining and maintaining a satisfactory reimbursement rate for medicines.

In this context the Company and/or its partners could be asked to carry out supplementary studies on their products. These studies would then engender extra costs for the Company and/or its partners, delays in marketing and for this reason could have an impact on the financial situation of the Company.

The possibility for the Company to receive royalties from its industrial partners for the sale of certain of its products and the ability of the Company to extract sufficient profits from the marketing of its treatments or of those for which it has reached distribution contracts will depend on these reimbursement terms. If the time taken for price negotiation procedures causes a significant delay in putting these items on the market, if a Company product does not obtain an appropriate reimbursement rate or if the level of prices and the reimbursement rate accepted for the treatments marketed by the Company are altered, its profitability would be reduced.

Neither can the Company guarantee that it will succeed in maintaining over time the level of prices of its products or those for which licenses have been granted to it, nor can it guarantee the reimbursement rate accepted. Under these conditions, its turnover, its profitability and its prospects could be significantly changed.

C.4 Risks linked to the portfolios of patents and licenses

The protection of patents and other intellectual property rights of the Company is uncertain

The economic project of the Company depends particularly on its ability, and that of its partners,

to obtain, maintain and uphold against third parties the protection of its own patents, brands and associated applications, as well as its other intellectual property rights and similar (such as, in particular, its commercial and business confidentiality and its knowhow) as well as those which it is authorized to develop in the framework of its businesses. It is also important for the success of its business that the Company is able to enjoy similar protection for all of its other intellectual property rights in Europe, in the United States, in Asia and in other key countries. The Company, which allocates significant financial and human resources hereto, intends to pursue its protection policy by new patent applications as soon as it judges this opportune. To its knowledge, its technology is at the moment effectively protected by the patents and patent applications which it has filed or over which it has an exclusive license.

However, the Company or its partners might not be able to maintain the protection of its intellectual property rights and, consequently, the Company could lose its technological and competitive advantage.

First, the intellectual property rights of the Company and its partners offer a protection for a period which can vary from one country to another (for a patent, for instance, this period is 20 years from the date on which the patent applications are filed in France and Europe, it being emphasized that this period may be extended for up to five extra years in the event that a complementary protection certificate is filed).

Second, the Company and/or its partners could encounter difficulties in the context of the filing and scrutiny of some of its applications for patents, trademarks or other intellectual property rights currently under examination and/or registration. In fact, at the moment a patent application is being filed, other patents can constitute defensible precedence, although not yet published. In spite of searches for preceding cases and even just before it files an application, the Company cannot be certain to be the first to have developed an invention and to file an application for a patent referring to it. It is worth noting that in most countries, the publication of patent applications takes place 18 months after the filing of the applications themselves and that the discoveries are sometimes the subject of a publication or a patent application only months or often years later. Similarly, on the occasion of the lodging of one of its trademarks in a country where it is not covered, the Company can discover that the trademark in question is not available in that country. A new trademark must then be sought for the given country or an agreement negotiated with the owner of the earlier one. Therefore there is no certainty that current and future applications for patents, trademarks and other intellectual property rights of the Company will give rise to registrations.

Third, the mere granting of a patent, a trademark or other intellectual property rights does not guarantee validity or enforceability. In fact, the competitors of the Company could at any time contest the validity or the enforceability of the patents, trademarks or related applications of the Company or its partners before a court or in the framework of other specific procedures, which, depending on the result of said contestations, could reduce their reach, result in their invalidity or allow them to be bypassed by competitors. In addition, developments, changes or differences of interpretation of the legal framework governing intellectual property in Europe, in the United States or in other countries could enable competitors to use the inventions or the intellectual property rights of the Company or of its partners, to develop or to market the products of the Company or its technology without financial compensation. In addition, there are still some countries which do not protect intellectual property rights in the same manner as in Europe or in the United States, and the effective procedures and rules needed to ensure the defense of the Company's rights may not exist in these countries. There is therefore no certainty that the patents, brands and other intellectual property rights of the Company, existing and future, will not be contested, invalidated or bypassed or that they will achieve effective protection vis à vis the competition and the patents of third parties covering similar inventions.

Consequently, the rights of the Company over its proprietary or licensed patents, its trademarks, the relevant applications and other intellectual

property rights might not grant due protection against competition. The Company cannot therefore guarantee in a sure and certain manner:

- That the patent applications and other rights under examination will actually give rise to the issue of patents, trademarks or other intellectual property rights registered;

- That the patents or other intellectual property rights issued to the Company or its partners will not be contested, invalidated or bypassed;

- That the field of protection granted by the patents, the trademarks and the intellectual property rights of the Company or of its partners is and will remain sufficient to protect it against competition and the patents, trademarks and intellectual property rights of third parties covering similar devices, products, technologies or developments.

If such eventualities occur, they could have negative effects on the Company and its development.

The right of the Company to pursue the development of certain of its basic drug candidates depends on the maintenance in force of the licenses concluded with Heber Biotec, The Scripps Research Institute, the University of Chicago, Brigham Young University, the CNRS, the Institut Curie, and the Université de Montpellier 2.

The Company benefits from licenses granted by:

- The Scripps Research Institute, the University of Chicago and Brigham Young University on certain patents for the development of the "iNKT agonist" platform having enabled the development of the adjuvant ABX196;

- Heber Biotec on certain CIGB patents for which it holds the exploitation rights of the intellectual property, for the development of the drug candidates ABX203 (chronic Hepatitis B);

- the CNRS, the Université de Montpellier 2 and/or the Institut Curie on certain patents, or co-ownership rights on the patents arising from cooperation with the CNRS, the Université de Montpellier 2 and the Institut Curie having allowed us to develop the antiviral ABX464;

These licensing contracts envisage particularly the possibility for the license giver to end the exclusivity agreed or to cancel the contracts in the cases particularly of non-payment of invoices, any contestation of the validity of the patents being licensed, or any breach by ABIVAX of its obligations.

The Company cannot guarantee the absence of any breach of intellectual property rights either by itself or against it.

The commercial success of the Company will also depend on its ability to develop products and technologies which do not counterfeit or encroach upon third party patents or other rights. It is in fact important, for the success of its business, that the Company is able to exploit its products freely without these going against patents or other rights, particularly research and development efforts in this domain and the intellectual property of third parties, without third parties harming particularly the intellectual property rights of the Company.

The Company continues, as it has done up to now, to work on the initial studies which seem to it to be necessary with regard to the above-mentioned risks before engaging in investments with a view to developing its various products and technologies. With the help of its advisers on industrial property, it keeps watch, in particular, on the activities (particularly in terms of patent applications) of its competitors.

On the other hand, to check on the unauthorized use of the products and technology of the Company and therefore any breaches of its own rights, particularly intellectual property rights, is a delicate matter. The Company cannot therefore guarantee in a sure and certain manner:

- that it will be able to prevent, punish and obtain compensation for misappropriation or unauthorized usage of its products and

technologies, particularly in foreign countries where its rights may be less well protected because of the territorial limits of industrial property rights;

- that there are no patents or other prior third party rights, particularly intellectual property rights, likely to cover certain products, procedures, technologies, results or activities of the Company and as a consequence of third parties acting fraudulently or in breach of their rights vis-à-vis the Company with a view to obtaining, in particular, damages and/or the cessation of its manufacturing and/or marketing activities for the products, procedures and other elements thus incriminated;

- that there are no brand rights or other prior rights of third parties on which a prosecution for fraud or regarding liability against the Company is likely to be based; and/or

- that the domain names of the Company shall not be the object, by a third party which had prior rights (for example brand rights), of a UDRP procedure (Uniform Dispute Resolution Policy) or similar or a prosecution for fraud.

In the case of disputes over the intellectual property, the Company could be forced to:

- cease developing, selling or using the product/s which depend upon the disputed intellectual property;

- obtain a license from the holder of the intellectual property rights, a license which might not be obtainable, or only on financial terms unfavorable to the Company;

- review the approach to certain of its products/technologies or, in the case of applications concerning brands, rename its products, in order to avoid harming the intellectual property rights of third parties, which could prove impossible or lengthy and costly, and could in fact impact on its marketing efforts.

On the other hand, third parties (even employees of the Company) could use or try to use elements of the technologies of the Company protected by an intellectual property right, which would create a damaging situation for the Company. The Company could thus be forced to open a legal or administrative dispute against these third parties in order to protect its rights, particularly the intellectual property rights (its patents, brands, designs and models or domain names) in court.

Any dispute or litigation, whatever the result, could cause substantial costs, affect the reputation of the Company, negatively influence the results and the financial situation of the Company and possibly not offer the protection or sanctions sought. Certain competitors with greater resources than those of the Company could be capable of better supporting the costs of litigation.

To date, however, the Company has not been faced with any of these situations nor has it been involved in any legal dispute, either as plaintiff or defendant, relating to its rights, particularly regarding intellectual property, or those of a third party.

The Company might not be able to prevent any disclosure of information to third parties likely to have an impact on its future intellectual property rights

It is also important for the Company to protect itself against the unauthorized use and disclosure of its confidential information, its know-how and its commercial secrets. In fact, its own non-patented and/or not patentable technologies, procedures, methods, know-how and data are considered as commercial secrets which the Company tries partly to protect through confidentiality agreements.

In the framework of cooperation, partnership, research or other types of cooperative contracts agreed between the Company and university researchers, with other public or private entities, sub-contractors, or with any third party co-contractor different information and/or products may be entrusted to them particularly in order to carry out certain tests and clinical trials. In these cases, the Company requires in principle

the signature of confidentiality agreements. In addition, generally the Company checks that the cooperation or research contracts which it signs give it access to full ownership, co-ownership of the results and/or the inventions arising from this cooperation or to an exclusive license for these results and/or inventions arising from this cooperation.

It cannot be excluded that the agreements established to protect the technology and the commercial secrets of the Company and/or the know-how acquired do not ensure the needed protection or are breached, that the Company does not have any appropriate solutions against such breaches, that its commercial secrets are disclosed to its competitors or developed independently by them. In the framework of the contracts which it concludes with third parties, the Company sometimes takes the precaution of ensuring that these are not authorized to turn to the services of third parties or that they cannot do so without the prior agreement of the Company. However, it cannot be excluded that certain of its co-contractors may nevertheless turn to third parties. In this case, the Company has no control over the conditions under which the third parties with whom it has contracts protect its confidential information, regardless of the fact that the Company sets out in its agreements with its co-contractors that they undertake to pass on these confidentiality obligations to their own co-contractors.

Such contracts therefore expose the Company to the risk of seeing the third parties concerned (i) claim the benefit of intellectual property rights on the inventions or other intellectual property rights of the Company, (ii) not being able to ensure the confidentiality of the non-patented innovations or improvements in the confidential information and know-how of the Company, (iii) divulge the commercial secrets of the Company to its competitors or develop these commercial secrets independently and/or (iv) breach such agreements, without the Company having any appropriate solution against such breaches.

Consequently, the rights of the Company over its confidential information, its commercial secrets and its know-how might not confer the expected protection against the competition and the Company cannot be sure of guaranteeing:

- that its know-how and its commercial secrets cannot be obtained, usurped, diverted or transmitted without its authorization, or used;

- that the competitors of the Company have not already developed technology or products that resemble or are similar to those of the Company in their nature or intended use; or

- that no co-contractor shall claim the benefit of all or part of the intellectual property rights over the inventions, knowledge or results that the Company owns itself or in co-ownership, or over which it may benefit from a license; or

- that the staff of the Company shall not claim rights or the payment of an additional compensation or a fair price as a counterpart to the inventions in whose creation they have taken part.

The occurrence of one or more of these risks could have a material adverse effect on the business, the prospects, the financial situation, the results and the development of the Company.

C.5 Risks linked to invoking liability because of the products

The Company could be exposed to risks of being held liable during the clinical development of its products, particularly in relation to product liability, in connection with the trials and the manufacture of therapeutic products for humans or animals. Its liability could thus be engaged by patients taking part in the clinical trials in the framework of the development of the therapeutic products tested and unexpected secondary effects arising from the administration of these products.

The liability of the Company could also be invoked during the marketing stage of its products or the products for which distribution contracts have been concluded with Vacunas

Finlay. Criminal complaints or legal procedures could be lodged or started against the Company by patients, the regulatory authorities, pharmaceutical companies and any other third party using or marketing its products. These procedures could include claims arising from the acts of its partners, licensees and sub-contractors, over whom the Company exercises little or no control.

The Company cannot guarantee that the insurance policies subscribed to (refer to the section "Insurance and risk coverage" below) or that the indemnity undertakings, contractually limited where appropriate, granted by its sub-contractors will be sufficient to respond to any liability claims which could be launched against it.

If its liability or that of its partners, licensees and sub-contractors were to be invoked, if the Company itself or its partners, licensees and sub-contractors were not able to obtain and maintain appropriate insurance cover at an acceptable cost or in some other way to prevent actions for liability, this would have the result of seriously affecting the marketing of the Company's products and more generally harm its business, its results, its financial situation and its development prospects.

C.6 Risks linked to potential conflicts which might affect the relations of the Company with its potential licensees

The strategy of the Company for certain of its products under development, particularly ABX196, ABX464 in Europe and/or the United States and/or Japan and ABX203 in Europe and Japan, is to license them to pharmaceutical laboratories. The signing of license contracts and their future is therefore important to the Company.

Conflicts may arise with the licensees during the performance of the contracts with the Company which could affect their continuation and consequently the manufacture and the marketing of the products developed by the Company. These could be conflicts concerning the terms of such contracts or the successful performance, by one or other of the parties, of its obligations under these contracts. Such conflicts of interest could significantly affect the business, the financial situation, the results, the development and the prospects of the Company.

C.7 Risks linked to the status of a pharmaceutical establishment of the Company or its manufacturers

The Company does not yet have the status of a pharmaceutical establishment and cannot therefore either manufacture the medicines which it develops or organize directly their commercial development. The obtention of pharmaceutical establishment status requires the submission of an application dossier to the ANSM which only grants it after examining this dossier and evaluating, generally after verification, that the Company has adequate premises, the necessary staff and an appropriate organization with satisfactory procedures to carry out the pharmaceutical activities envisaged.

It is worth noting that there are several types of pharmaceutical establishment status:

- operator status can be obtained in a relatively short period - a few months - after submission of the request: pharmaceutical establishment operator status requires the establishment of specific "Pharmacovigilance" procedures, follow-up of complaints, recall of lots, and particularly control over publicity, enables the marketing of pharmaceuticals and the organization of their promotion;

- the status of manufacturer which itself requires the availability of premises suitable for manufacture and control, qualified staff and a Quality Assurance system meeting "Good Manufacturing Practices" standards.

If the Company were not able to obtain the status of pharmaceutical operator, it could not carry out a direct sales approach to the French market and would therefore have to reach licensing agreements for marketing with pharmaceutical companies. Failure to obtain the status of a pharmaceutical establishment would, however,

have limited consequences over the short and medium terms regarding its development prospects, its businesses, its results and its financial situation.

D. INDUSTRIAL RISKS

Risks linked to the use of products dangerous to health and/or the environment

The activities of the Company include the controlled storage, handling, usage and treatment of dangerous materials, of poisons, and chemical and biological agents.

There are therefore not only environmental risks linked to contamination of the environment but also risks in terms of health (particularly professional diseases) linked to the handling by Company employees of active products or poisonous products during product research and manufacture. These risks also exist for the third parties with which the Company works.

Even though the Company estimates that the safety measures it takes regarding the maintenance and treatment of dangerous materials meet current standards and enable its employees and sub-contractors to carry out their activities under good conditions regarding the environment, health and safety, the risk of accidental contamination or professional diseases linked to the handling of dangerous materials cannot be completely eliminated. In the case of an accident, the Company could be held responsible for any damages arising from this and the liability incurred could exceed the insurance ceiling subscribed by the Company, or even not be covered by the insurance policies in question.

E. FINANCIAL RISKS

E.1. Risks linked to historic and future losses

Since its foundation, the Company has recorded losses as follows: €15.954M in 2015, €5.080M in 2014 and €0.01M in 2013.

As it generates no revenues from its marketing activities or from licensing agreements with its partners, the Company is likely to experience larger operational losses than in the past, due particularly to:

- planned pre-clinical and clinical research programs;
- the need to undertake new pre-clinical and clinical trials to begin to tackle new market segments;
- all the steps which will need to be taken with a view to obtaining MAs and applications for products to become eligible for reimbursement;
- the increase in regulatory requirements covering the manufacture of its products;
- possible marketing and sales expenditure to be incurred, depending on the degree to which its product development advances;
- the pursuit of an active research and development policy which could possibly involve the acquisition of new technology, products or licenses.

The increase of these operating losses could have a material adverse effect on the Company, its business, its financial situation, its results, its development and its prospects.

E.2 Uncertain capital resources and uncertain additional financing

The Company will continue in the future to have considerable financing needs for the development of its technologies. It is possible that the Company will be unable to self-finance its growth which will lead it to seek other sources of finance, through the strengthening of its equity by means of a capital increase and/or taking out bank loans.

The level of the financing needs of the Company and the timetable for these depend on elements which are largely outside the control of the Company, such as:

- higher costs and slower progress than planned for its research and development programs and clinical studies;
- costs for the preparation, filing, defense and maintenance of its patents and other intellectual property rights;
- the extent of the prior research work and the time needed leading to the signature of licensing agreements with industrial partners;
- costs required to respond to technological and market developments;
- higher costs and longer timeframes than planned for obtaining regulatory authorizations, including the time for preparation of the application dossiers for the competent authorities; and
- new opportunities for the development of new products or the acquisition of technologies, products or companies.

It is possible that the Company will not manage to obtain additional capital when it needs it, or that this capital is not available on financial terms which are acceptable to the Company. If the necessary funds were not available, the Company might have to:

- delay, reduce or drop research programs;
- obtain funds through partnership agreements which could force it to renounce rights on some of its technologies or some of its products; or
- grant licenses on all or part of its technologies to partners or to third parties; or
- conclude new cooperation agreements which could be less favorable for it than those which it could have obtained in a different context.

In addition, to the extent to which the Company could raise capital by the issue of new shares, the holdings of its shareholders could be diluted. Financing through debt, to the extent that this would be available, could also include restrictive conditions for the Company and its shareholders.

The occurrence of one or more of these risks could have a material adverse effect on the Company, its business, its financial situation, its results, its development and its prospects.

E.3 Risks linked to the access to grants and repayable advances

The Company has benefited from various grants and repayable advances, particularly in the framework of:

- the development of new vaccine adjuvants and their clinical evaluations in oncology and infectious diseases of Phase I (Innovation funding A 08 05 001G in the form of a repayable advance financed by Bpifrance – Minimum lump-sum repayment of €350,000 in the case of failure);
- the identification and development of new active molecules against HIV by interfering with the alternative splicing mechanism (Innovation funding A 08 09 006J in the form of a repayable advance 50% financed by Bpifrance and 50% by the Languedoc-Roussillon Region – Minimum lump-sum repayment of €140,000 in the case of failure);
- the identification of new active molecules against cancer and metastasis (Innovation funding A 09 04 010J in the form of a repayable advance 50% financed by Bpifrance and 50% by the Languedoc-Roussillon Region Minimum lump-sum repayment of €60,000 in the case of failure);
- the identification of new active molecules against cancer and metastasis in the framework of an in vivo validation (Innovation funding A 10 08 005J in the form of a repayable advance 50% financed by Bpifrance and 50% by the Languedoc-Roussillon Region

Minimum lump-sum repayment of €100,000 in the case of failure);

- the development of new vaccine adjuvants and their clinical evaluations in oncology and infectious diseases continuing with A 08 05 001G funding (Innovation funding A 10 06 002G in the form of a repayable advance financed by Bpifrance and the FEDER fund – Full repayment);

- the development of therapeutic solutions targeting the alternative splicing of RNA interference in the domain of virology and metabolism (project ISI " CaReNa" financed by Bpifrance with subsidies and repayable advances. In the case of success, repayment of the funding for an amount of €4,397,000 and additional payments limited in time and in amount, on the basis of the turnover effected through the program);

In the future, the Company intends to continue to apply for grants and repayable advances in order to speed up its development.

At 31 December 2015 and since inception, the Company has benefited from the following financial aid:

At 31 December 2015 (in Euros)	Original beneficiary	Date obtained	Progress of the contract	Amount granted as at 31 December 2015	Amount received as at 31 December 2015	Amount still to be received [1]	Amount repaid as at 31 December 2015	Amount repayable except in the event of recognized failureé [1]
Innovation funding (A 08 05 001G)	WITTYCELL	05/12 /2008	Being repaid	1 000 000€	1 000 000€	0€	625 000€	375 000€
Innovation funding (A 08 09 006J)	SPLICOS	18/02 /2009	Funding completely repaid at 31/12/2015	700 000€	700 000€	0€	700 000€	0€
Innovation funding (A 09 04 010J)	SPLICOS	05/11 /2009	Failure notice lodged on 17/12/2012	300 000€	300 000€	0€	130 000€	170 000 €
Innovation funding (A 10 08 005J)	SPLICOS	14/10 /2010	Failure notice lodged on 21/02/2013	500 000€	444 809€	0€	190 000€	254 809€
Joint funding Bpifrance and Feder (A 10 06 002G)	WITTYCELL	03/12 /2010	Being repaid	800 000€	800 000€	0€	395 000€	405 000€ (not dependent on success)
Project ISI-CaReNa (grants portion)	SPLICOS	16/12 /2013	Under implementation Rearrangement following the abandonment of the metabolism project	1 396 524€	1 044 139€	352 385€ [2]	-	-
Project ISI-Ca-ReNa (Repay-able Advances portion)	SPLICOS	16/12 /2013	Under imple-mentation Rearrangement following the abandonment of the metabolism project	3 829 682€	2 158 340 €	1 671 342€ [2]	0€	4 397 000 €

[1] Excluding accrued interest [2] Maximum payments

For the Bpifrance repayable advances, in a case where the Company does not observe the contractual terms set out in the funding agreements concluded, it can be forced to make an advance repayment of the sums advanced. Such a situation could deprive the Company of the financial means needed for its research and development projects and it cannot guarantee that it would find the necessary extra financial means, the time or the possibility of replacing these financial resources with others.

In addition, the amount and the date of payment of the grants and the current and future funding depend on several factors not under the control of the Company, particularly any non-distribution decisions or credits being frozen. The delay, or the absence, of these payments which finance part of its growth could affect the business, the financial situation, the results, the development and the prospects of the Company.

E.4 Risks linked to research tax credit

To finance its businesses, the Company has also opted for the Research Tax Credit (the Crédit d'Impôt Recherche or CIR) which consists of the State offering a tax credit to firms investing significantly in research and development. The Research expenses eligible for the CIR include particularly salaries and stipends, the amortization of research materials, the provision of services sub-contracted to approved research bodies (public or private) and intellectual property expenses.

As at 31/12/2015, the Company recorded a research tax credit of €2.834 million in relation to eligible R&D expenses incurred in 2015.

For 2016 and future years, it cannot be excluded that the tax authorities may question the methods of calculation of the research and development expenditure claimed by the Company or that the CIR be modified by a change in regulations or by a claim from the tax departments even though the Company considers that it complies with the documentation requirements and the eligibility of its expenditure. If such a situation were to arise, it would have an unfavorable effect on the results, the financial situation and the prospects of the Company.

E.5 Risks linked to the future use of loss carryforwards

At 31 December 2015, after taking account of the net loss made in the period, the Company has loss carryforwards of €59,014,356.

The existing carryforwards at the three companies (Splicos, Wittycell and Zophis), which amounted to €26,021,497 on the date of the dissolution and merger transactions, were the subject of requests for approval with the tax authorities after the operations. On 8 October 2015, the Bureau des Agréments informed the Company that the Ministry of Finance and Public Accounts had granted Abivax's request to carry forward the losses of €9,956,501 assumed by the Company in 2014 in relation to the accrued losses of Splicos and the losses of €12,574,221 assumed in the same year in relation to the accrued losses of Wittycell.

In accordance with Article 209 of the General Tax Code, utilization of these losses is conditional on Abivax continuing the activity from which the losses originated with no material changes for a minimum period of three years.

In France, utilization of these loss carryforwards is restricted to 50% of the taxable profit for the financial period; this limitation is applicable to the portion of the profits which exceeds €1 million. The non-utilized balance of the loss can be carried forward to the following financial periods, and it may be used under the same conditions with no time limit.

It cannot be excluded, however, that regulatory or legislative changes to corporate taxation could call into question, wholly or partly, the possibility of utilizing these loss carryforwards against future profits or set a time limit for their utilization.

E.6 Risks of dilution

Since its creation, the Company has issued and allocated share subscription warrants and founders' share subscription warrants. At 31 December 2015, the full exercising of all allotted convertible instruments currently in circulation would allow the subscription of 1,211,124 new

ordinary shares, generating a dilution equal to 12.49% of current share capital existing at this moment and 11.10% of the fully diluted share capital.

In the framework of its incentive policies for managers and staff and in order to attract and retain qualified staff, the Company could proceed with a future issue or allocation of shares or new financial instruments giving access to the capital of the Company which could lead to a potentially significant additional dilution for the Company's shareholders. In this regard, as indicated in the post-balance sheet events, the Chief Executive Officer decided on 5 January 2016 to issue 202,122 BCE-2015-9 warrants to four Company employees entitling them to purchase 202,122 ordinary shares in the Company; all of these warrants have been exercised in full.

In addition, the delegation of powers granted to the board of directors by the "mixed" (ordinary and extraordinary) general meeting of 20 February 2015 to effect one or more capital increases and/or issues of convertible securities, the details of which appear in Section 1.4 B "Delegation of powers to the Board of Directors" of this report, relate to an amount which could reach a cumulative total of 201% of the share capital as at 31 December 2015.

E.7 Risks for intangible assets

The Extraordinary General Meeting of 25 April 2014 noted the contribution to the Company of 100% of the shares in three companies (Wittycell, Zophis and Splicos) held by several investment funds. As a result of these contributions in kind, the shares in the three contributed companies were recorded as assets at a total value of €29,494,000. During the second six months of 2014, three mergers ("transmissions universelles de patrimoine") were carried out: Wittycell and Zophis were absorbed as at 31 July 2014, while Splicos was absorbed as at 31 October 2014. These three transactions gave rise to the recognition of merger goodwill totaling €32,745,000 in place of the shareholdings previously contributed to the Company. Due to the abandonment of a project between Zophis and the INRA, an impairment charge of €740,000 was recorded at the end of 2014 against the goodwill recognized upon the merger of Zophis.

The merger goodwill recorded in intangible assets thus stood at €32,005,000 at 31/12/2014.

At each period end, the goodwill arising on the merger and absorption of Splicos and Wittycell is compared to the market values of the products generated by the technological platforms associated with them. These are respectively the Splicos antiviral technology platform and the Wittycell adjuvants technology platform. If the market value of these products is less than the corresponding merger goodwill, an impairment charge is recorded against the goodwill in order to reduce the amount of goodwill recorded in the accounts to the market value of the products.

In order to calculate the market value of a product, two reference values are taken into consideration:

- the risk-adjusted net present value of the anticipated cash flows generated by the product up to expiration of its patents;

- recent transaction prices for the acquisition or the granting of licenses for comparable products (therapeutic indication, stage of development, size of market, etc.).

If the conclusions arrived at by these two methods are not similar, the net present value is adjusted by the risk premium. In the event of an accident in the development of the technological platform and the related products that would call their development into question, the relevant merger goodwill would be written off in full. If a provision for impairment is recorded, the impairment may be partially or completely reversed in the event of a subsequent improvement in the market value of the products. Given the good progress of the ABX 464 project and the commercial potential of ABX 196, the Company, having performed the tests described above, has determined that no impairment charge needs to be made to these assets and that the value of said intangible assets at 31/12/2015 thus remains unchanged at €32,005,000.

F. MARKET RISKS

F.1 Liquidity risks

The net financial position of the Company as at 31 December 2015 was €38,722,000. The Company considers that with these resources, along with the innovation funding contracts and Research Tax Credit it will receive, it has the financial means to meet all of its requirements until the end of 2017.

The Company is not exposed to an immediate liquidity risk on the innovation funding contracts with regard to repayable advances, as the said advances do not provide for early implementation of the repayment clause. The table below illustrates the liquidity risk on repayment obligations entered into by the Company for repayable advances:

At 31 December 2015 (en Euros)	Progress of the contract	Total at 31 December 2015 to be repaid	Future receipts (+) and Repayments (-) of innovation funding (unless the program has failed)								
			2016	2017	2018	2019	2020	2021	2022	2023	2024
Innovation funding (A 08 05 001G)	Being repaid	-375 000€	-375 000€			-	-	-	-	-	-
Innovation funding (A 09 04 010J)	Failure notice lodged on 17/12/2012 – being addressed	-170 000€	-170 000€	-	-	-	-	-	-	-	-
Innovation funding (A 10 08 005J)	Failure notice lodged on 21/02/2013 – being addressed	-254 809€	-254 809€	-	-	-	-	-	-	-	-
Project ISI-CaReNa (grants portion)	Under implementation	N/A		+209 524€[1]	-	-	-	-	-	-	
Project ISI-CaReNa (Repayable Advances portion excluding accrued interest)[2]	Under implementation	-2 158 340€	+1 096 000€ [1]	+574 682€[1]	-	-	-300 000€	-500 000€	-750 000€	-1 100000€	-1 747000€
Sub-Total Other Equity (excluding accrued interest)		-2 958 149€	-248 309€	784 206€	-	-	-300 000€	-500 000€	-750 000€	-1 100 000€	-1 747 000€
Joint funding Bpifrance and Feder (A 10 06 002G)	Being repaid	-405 000€	-320 000€	-85 000€	-	-	-	-	-	-	-
Sub-Total Loans And Financial Debt		-405 000 €	-320 000€	-85 000€	-	-	-	-	-	-	-
Total		**-3 363 149€**	**-568 309 €**	**+699 206 €**	**0€**	**0€**	**-300 000€**	**-500 000€**	**-750 000€**	**-1 100 000€**	**-1 747000€**

[1]Maximum payments [2]Maximum receivable: €1,671,342 / Maximum repayable: €4,397,000 (excluding financial returns)

It is noted that of the advances mentioned above, only the €405,000 repayment of the Bpifrance-FEDER joint funding will be debited from loans and other financial payables. The rest of the repayments will be debited to other equity (conditional advances).

In addition, considerable expenses in relation to the research and development of the clinical studies have been incurred since the Group began its operations, which have generated negative operating cash flows to date.

F.2 Exchange rate risks

The strategy of the Company is to prefer the euro as the contractual currency when making contracts. It is noted in particular that payments to the Company's Cuban partners (Vacunas Finlay, Heber Biotec) will be settled in euros, as is also the case for all imports from Cuba.

At present, the Company considers that it is not exposed to a material exchange rate risk, insofar as only a small portion of its supplies are invoiced in foreign currencies.

Similarly, the cash of the Company is invested solely in euro denominated investment products. Given these rather immaterial amounts, the Company has not, at this stage of the development of its business, made hedging arrangements in order to protect its business against exchange rate fluctuations.

The Company cannot exclude that a large increase in its business would result in greater exposure to exchange rate risk. The Company foresees establishing an appropriate hedging policy to cover these risks in the future.

F.3 Credit risks

The Company manages its cash funds prudently. Cash and equivalents include the funds and financial instruments currently held by the Company (essentially term accounts). At 31 December 2015, the Company held cash and term deposits of €39,127,000 which were held in immediately available products.

Credit risk is associated with deposits with banks and financial institutions. The Company places its cash with premier financial institutions and does not therefore have to bear any significant credit risk for its cash.

F.4 Interest rate risk

The Company has no variable-rate debt and is therefore not exposed to interest rate risk.

F.5 Risk on own shares

On 25 June 2015, the Company entered into a liquidity contract with TSAF (Tradition Securities and Futures). To this end, €1 million was deposited in the liquidity account. Under this contract, the Company has acquired Abivax securities and held 43,446 shares at 31/12/2015.

Holding its own shares causes the Company to suffer the impact of fluctuations in the Abivax share price in the event that the price declines. The Company has consequently recognized an impairment of €144,000 on the value of its treasury shares at 31/12/2015. This is due to the fact that the shares, which were initially floated at €21.30, were valued at only €14.15 at 31/12/2015.

It cannot be ruled out that holding treasury shares may lead to further impairments, the amount of which will vary according to future movements in the Abivax share price and the number of treasury shares held.

Other than treasury shares, the Company holds no other listed or unlisted shares in other companies.

G. INSURANCE AND RISK COVERAGE

The Company has established a policy of covering the principle insurable risks with cover amounts that it considers compatible with the nature of its business and its cash flow requirements. Total premiums of approximately €67,000 were paid for insurance policies during the period ended 31 December 2015.

Summary table for insurance policies held by the Company:

Type of insurance	Insurer	Amounts covered	Deductible per claim	Expiry/Renewal
Directors & officers liability	AIG	€5 000 000 per year	None	One year with automatic renewal cancelable at 1 months' notice before expiry
Civil Liability - Operations	CNA Insurance Company Limited	(per claim and per year)		One year with automatic renewal cancelable at 3 months' notice before expiry
All losses: (including bodily injury)		€7 000 000	None	
Including:				
• Inexcusable fault		€1 000 000	€1 000	
• Material and non-material losses		€2 000 000	€1 000	
Including:				
√ Theft committed by agents		€20 000	€1 000	
√ Damage to assets entrusted		€200 000	€1 000	
√ Intangible losses, non-consecutive		€500 000	€1 000	
√ Sudden and accidental pollution		€500 000	€1 000	
• Defense and appeal		€30 000	Litigation above € 500	
Business travel / Assignments	ALBINGIA			One year with automatic renewal cancelable at a minimum of 2 months' notice
• Individual accident		Up to €150 000 per victim	None	
• Assistance		Up to €1 000 000 per victim	None	
• Cancelation of trip		Up to €5 000 per insured	€40 max	
• Third party, private life		Jusqu'à €5 000 000 per insured	€8 000 max	

Type of insurance	Insurer	Amounts covered	Deductible per claim	Expiry/Renewal
IT, all risks	AXA			One year with automatic renewal cancelable at 2 months' notice
• Damage to equipment		€80 000	€200	
Total value of insured assets		€40 000		
Value limited during transportation to				
• Damage to data		€20 000	€760	
All risks, corporate	AXA			One year with automatic renewal cancelable at 2 months' notice
Fire and associated risks Assets, expenses and losses, liability				
• fixtures and fittings		€420 000		
• equipment and furnishing at replacement cost		€325 000		
• IT support		€50 000		
• goods		€100 000		
• goods in warehouse		€50 000		
• costs and losses		€200 000	€500	
• claims from neighbours and third parties		€1 500 000	10% of damage	
Events				
• fire and sundry risks		fully-covered	€500	
• storm, hail and snow		fully-covered	€500	
• riots, sabotage, vandalism		fully-covered	10% of indemnity	
• water and ice damage		fully-covered	€879	
• electricity accidents of any kind up to €500,000		fully-covered	€879	
Theft (assets, costs and losses)		€100 000		
Broken glass (assets, costs and losses)		€20 000		
Damage to machinery		€300 000		
Losses of refrigerated goods		€30 000		
Costs re-starting work		€200 000	€1 759	
Clinical trials liability ABX464 antiviral testing in Mauritius	CFC Underwriting	USD 2 000 000	USD 1,000 per claim USD 10,000 in total	1 January 2016 at 00:01
Clinical trials liability ABX464 antiviral testing in Mauritius	CFC Underwriting	USD 2 000 000	USD 1 000 per claim USD 10 000 in total	30 June 2016 at 00:01
Clinical trials liability ABX464 antiviral testing in Thailand	HDI	€200,000 per person tested €2,000,000 in total		1 April 2016 at 00:01
Clinical trials liability ABX464 antiviral testing in Belgium	QBE	€400,000 per person tested €3,000,000 in total		1 September 2016 at 0h01

Type of insurance	Insurer	Amounts covered	Deductible per claim	Expiry/Renewal
Clinical trials liability ABX464 antiviral testing in France	QBE	€1,000,000 per person tested €6,000,000 in total		1 September 2016 at 00:01
Clinical trials liability ABX464 antiviral testing in Spain	QBE	€250,000 per person tested €2,500,000 in total		1 September 2016 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in Taiwan	Fubon	€200,000 per person tested €2,000,000 in total		1 April 2017 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in Australia	HDI	AUD 20,000,000 per year	AUD 10 000 per claim	1 December 2016 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in New Zealand	HDI	AUD 10,000,000 per year in total AUD 1,000,000 per person tested		1 February 2017 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in Hong Kong	HDI	€2,000,000 in total €200,000 per person tested		1 April 2017 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in Singapore	HDI	€2,000,000 in total €200,000 per person tested		1 February 2017 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in South Korea	KB Insurance	€2,000,000 in total €200,000 per person tested		1 March 2017 at 00:01
Clinical trials liability ABX203 therapeutic vaccine (hepatitis B) testing in Thailand	HDI	€2,000,000 in total €200,000 per person tested		1 July 2017 at 00:01

H. EXTRAORDINARY EVENTS AND DISPUTES

During 2015, the Company was not involved in any administrative, legal, judicial or arbitration proceedings likely to have a material adverse impact on the Company, its activity, its financial position, its results or its development that is not reflected in its financial statements. To the best of the Company's knowledge, it was also not at risk of becoming involved in any such proceedings as of the date of this financial report.

Neither, to the Company's knowledge, has any event of an exceptional nature occurred during that period that entails any supplementary risks or costs to be borne by the Company for which provision has not been made.

2 FINANCIAL STATEMENTS AND NOTES

2.1 BALANCE SHEET

Assets in thousands of euros	**Note**	**31/12/2015** **Company**	**31/12/2014** **Company**
Fixed Assets			
Intangible fixed assets	4	32 005	32 005
Concessions, patents, licenses, software	4	3	4
Property, plant & equipment	4		
Technical plant, industrial machinery and equipment	4	152	
Other tangible fixed assets	4	19	31
Non-current financial assets	4		
Long-term investments	4		
Other non-current financial assets	4	933	86
Total		33 113	32 326
Current assets			
Receivables	5	3 909	2 389
Treasury instruments		25 007	
Marketable securities		14 001	1 703
Cash balances	6	119	1 221
Prepaid expenses	5	118	327
Total		43 154	5 640
Grand Total	-	**76 268**	**37 966**

Equity & Liabilities in thousands of euros	**Note**	**31/12/2015** **Company**	**31/12/2014** **Company**
Shareholders' Equity			
Share capital	7	97	69
Premiums on share issues, mergers, contributions	7	89 707	35 675
Regulatory reserves			
Retained earnings	7	-5 091	-10
Profit/loss for the year		-15 954	-5 080
Total		68 759	30 653
Other Equity			
Conditional advances	8	3 009	3 282
Total		3 009	3 282
Provisions			
Provisions for risks and charges	9	370	49
Total		370	49
Liabilities			
Convertible bonds			
Borrowings and loans from banks			1
Other loans and financial debts			
Trade accounts payable	10	405	2 089
Tax and social security liabilities	8	2 808	1 050
Other liabilities	8	915	843
Income booked in advance		1	
Total		4 130	3 982
Grand Total		**76 268**	**37 966**

2.2
INCOME STATEMENT

Income statement in thousands of euros	**Note**	**31/12/2015** **Company**	**31/12/2014** **Pro Forma**	**31/12/2014** **Company**
Operating revenue		**228**	**681**	**190**
Sales of goods and services			65	14
Operating grants	8	186	569	138
Other revenue		42	46	37
Operating expenses		**18 483**	**9 538**	**5 243**
Purchases of raw materials and supplies		345	286	163
Other purchases and external expenses	3	14 408	6 159	3 115
Taxes and duties		98	34	x22
Wages and social security	3	3 424	2 820	1 819
Depreciation and provisions		151	148	82
Other expenses		58	91	42
Operating profit/loss		-18 255	-8 857	-5 054
Net financial expenses		-119	-100	-65
Loss before extraordinary items and tax		-18 374	-8 957	-5 119
Net extraordinary expenses		-415	-704	-740
Income tax	11	-2 834	-1 561	-779
Profit or loss for the year		-15 954	-8 099	-5 080
Net earnings per share		-1,65 €	/	/
Diluted net earnings per share		-1,46 €	/	/

2.3
CASH FLOW STATEMENT

in thousands of euros	12/2015	12/2014 Company	12/2014 Pro Forma (unaudited)
Cash flow from operating activity	-18 255	-5 054	-8 857
Operating loss			
Elimination of charges and income not affecting cash or not related to operations			
+ Depreciation charges (excluding allowances on current assets)	136	49	114
= Gross operating income	-18 119	-5 005	-8 743
Changes in working capital			
- Change in inventory			
- Change in accounts receivable	-137	-663	78
+ Change in accounts payable	1 759	1 400	-509
= Net operational cash flow	-16 498	-4 268	-9 173
Other operating receipts and expenditures			
- Financial expenses	-191	-19	-111
+ Financial income	53	0	8
- Corporation tax			
- Extraordinary operating expenses	0		0
+ Extraordinary operating income	0		36
- Change in other operating accounts receivable	1 659	981	1 055
+ Change in other payables	74		130
= Net cash flow from operations (A)	-14 904	-3 305	-8 056
Cash flow from investing activity			
- Capital expenditures	-1 025	-43	-278
+ Disposal of fixed assets	202		
+ Reduction of financial assets	2		10
+/- Change in payables and receivables related to investing activity	-196		
= Net cash flow from investments (B)	-1 016	-43	-268
Cash flow from financing activity			
+ Capital increase in cash and payments by partners	55 834	6 210	6 210
- Capital decrease			
- Dividends paid			
+ Receipt of loans and repayable advances			
- Repayment of loans and repayable advances	2 000	45	1 074
+ Investment grants received	-483	-124	-728
+/- Change in payables and receivables related to financing activity	-5 224	-190	1 380
= Net cash flow from financing (C)	52 126	5 941	7 936
Change in cash (A+B+C)	**36 206**	**2 593**	**-388**
+ Opening cash	2 921	40	3 308
+ Cash of absorbed companies		287	
= Closing cash	39 127	2 921	2 921

Cash as stated is the sum of treasury instruments, marketable securities and cash balances (excluding accrued interest) as disclosed in the balance sheet.

2.4
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – THE COMPANY

ABIVAX is a leading biotech company specializing in the discovery, development and marketing of antivirals and vaccines for the treatment of serious infectious diseases such as HIV/AIDS and chronic hepatitis B.

The company was established as a Société Anonyme on 6 December 2013 and absorbed the companies Splicos, Wittycell and Zophis by way of merger (transmission universelle de patrimoine) during the course of 2014.

The Company has been listed in compartment B of the regulated market of Euronext, Paris since 26 June 2015. It has no subsidiaries and is therefore not obliged to present consolidated financial statements under IFRS. Its financial reporting is therefore prepared in accordance with French accounting standards and principles.

In order to make the financial statements for 2015 easier to understand, which is made difficult by the changes in the scope of the Company's activity following the merger/absorption transactions carried out in 2014, a pro forma income statement and cash flow statement have been drawn up for the year 2014 to provide a more relevant basis of comparison for the accounts from 31 December 2014 to 31 December 2015. The income statement and cash flow statement are therefore presented in three columns, as follows:

- Company accounts to 31 December 2015
- Company accounts to 31 December 2014
- Pro forma accounts to 31 December 2014

NOTE 2 – HIGHLIGHTS OF THE PERIOD

During the year, the company carried out several capital increases, the details of which are as follows:

- Four capital increases totaling €748 following the exercise of 74,800 BCE warrants. This increase involved the issue of 74,800 new shares. These transactions did not give rise to a share premium.

- Capital increase of €27,070.89 following the issue of 2,707,089 new shares upon the public offering of the Company's equity. Share capital increased from €69,178 to €96,248.89 and the issue premium rose from €57,633,924.81 to €93,308,364.81. Fees of €3,621,264.30 in relation to this capital increase were offset against the issue premium.

The research tax credit for 2015 of €2.834 million has been recognized in the income statement under Income Tax.

At the end of 2015, the decision was taken to close the premises in Evry in order to increase the cost-efficiency of the Company's research operations. As from 2016, staff performing research work will be transferred to the Montpellier site and management and administration staff will be transferred to the Paris site.

Costs, particularly personnel costs, have been incurred as a result of this restructuring. This has impacted the 2015 financial statements in the form of a risk provision of €253,000.

NOTE 3 – ACCOUNTING POLICIES

The annual financial statements of Abivax for the twelve-month period ended 31 December 2015 were adopted by the Board of Directors on 14 March 2016 and will be submitted for approval to the General Meeting of shareholders that has been called for 24 June 2016. These financial statements comprise a balance sheet showing total assets of €76,268,234, an income statement disclosing a loss of €15,954,354, a cash flow statement, a statement of changes in equity and these additional notes.

The annual financial statements are presented in euros. Unless otherwise stated, all figures shown in the Notes are stated in thousands of euros.

General regulations

The annual financial statements have been prepared in accordance with the standards laid down by ANC Regulation no. 2014-03 and in application of articles L. 123-12 to L. 123-28 and R. 123-172 to R. 123-208 of the French Commercial Code.

The basic method used for valuing items recorded in the accounts is the historical cost method.

Generally accepted accounting standards have been applied, in accordance with the principle of prudence, based on the following fundamental assumptions:

- Going concern, the assumption of ongoing operations

- The Board of Directors has deemed the Company to be a going concern, notwithstanding the losses accumulated since its foundation, on account of the high level of funds available at the balance sheet date, which should be sufficient to cover the expenses related to the Company's research projects until the end of 2017.

- Consistency of accounting policies between periods,

- Clear cut-off between periods,

and in compliance with the general standards for the preparation and presentation of annual financial statements.

Property, plant & equipment and intangible assets

Property, plant & equipment and intangible assets are valued at their acquisition cost for assets acquired for valuable consideration, at production cost for assets produced by the business and at market value for assets acquired free of charge and by barter.

The cost of a fixed asset is composed of its purchase price, including customs duties and irrecoverable taxes, net of any reductions, rebates or cash discounts applied to all directly attributable costs incurred to install the asset and make it fit for its intended use. Transfer taxes, fees or commissions and legal documentation costs relating to the acquisition are included in the acquisition cost.

All costs that do not form part of the acquisition price of the fixed asset and which cannot be linked directly to the costs required to install the asset and make it fit for its intended use are recorded as expenses.

Depreciation and amortization

Assets are depreciated or amortized on a straight-line basis over their expected useful lifetime.

- Concessions, software and patents: 1 year
- Technical fixtures & fittings: 5-10 years
- Industrial machinery and equipment: 5-10 years
- Office equipment: 5-10 years
- IT equipment: 3 years
- Furniture: 10 years

In the interest of simplification, the depreciation period applied is the period of use for assets that are not separable.

Merger goodwill arising on the absorption of subsidiaries by merger (transmission universelle de patrimoine) is treated in the same way as other goodwill and is not amortized.

At each period end, the merger goodwill arising on the merger and absorption of Splicos and Wittycell is compared to the market values of the products generated by the technological platforms associated with them. These are respectively the Splicos "splicing" antiviral technology platform and the Wittycell "iNKT agonist" technology platform. If the estimated market value of these products is less than the corresponding merger goodwill, an impairment charge is recorded against the goodwill in order to reduce the amount of goodwill recorded in the accounts to the market value of the products.

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

- the risk-adjusted net present value of the anticipated cash flows generated by the product up to expiration of its patents;

- recent transaction prices for the acquisition or the granting of licenses for comparable products (therapeutic indication, stage of development, size of market, etc.).

If the valuations obtained via these two methods are not similar, the adjusted net present value takes precedent.

In the event of an accident in the development of the technological platform and the related products that would call their development into question, the relevant merger goodwill would be written off in full.

If a provision for impairment is recorded, the impairment may be partially or completely reversed in the event of a subsequent improvement in the market value of the products.

Receivables

Receivables are valued at their nominal value. An allowance is made when the inventory value is lower than the book value.

Repayable advances granted by public organizations

Advances received from public organizations to finance the Company's research activities that are subject to conditional repayment appear as liabilities under "Other equity - Conditional advances" Other advances received which are not subject to conditional repayment appear as "Other loans and financial debts".

Interest accrued on such advances is disclosed in the balance sheet pursuant to the same rules.

Operating grants

Grants received are recognized once the relevant receivable becomes certain in accordance with the conditions set for the grant. Operating grants are recognized as income as and when the relevant expenses are charged, to ensure compliance with the principle of matching expenses to income.

Subcontracting and external study expenses

The progress of contracts subcontracting certain research services to third parties is assessed at the end of each accounting period, so that the costs of services rendered can be recognized as accrued expenses.

Research and development expenses

The Company's research and development expenses are recognized in the period in which they are incurred.

The same principle was applied by the company's subsidiaries. However, as a result of their absorption by the Company by way of merger (universal transfer of assets and liabilities) during 2014, expenses recorded prior to the effective date (31 July 2014 for Wittycell and Zophis; 31 October 2014 for Splicos) have been incorporated into the merger goodwill recorded as an asset at 31 December 2014. This goodwill is not amortized. Its value is reviewed at the end of each accounting period and an impairment provision is recognized if necessary, as was the case in 2014 for the goodwill arising upon the absorption of Zophis.

Share issue costs

Share issue costs are offset against the issue premium relating to the capital increase, provided that the premium is sufficient. Any excess costs are recorded as expenses. Such issue costs are offset gross of tax effects, given that the Company is in a structurally loss-making situation during its development phase.

Fee advances of €153,193 paid to various service providers at the end of 2014 in preparation for the capital increase planned for 2015 were recognized as assets under prepaid expenses as at 31 December 2014, so that they could be offset against future issue premiums. They were offset accordingly against the issue premiums relating to the capital increases made in 2015.

Expenses of €3.621 million incurred in 2015 in relation to the capital increases have been offset against the issue premiums.

Pension liabilities

The company's collective bargaining agreement provides for end of career awards. No specific agreement has been signed.No provision has been made for the relevant obligations but they are described in these Notes.

Lump-sum retirement benefits are calculated using a method which takes account of the projected end of career salary, the staff turnover rate, life expectancy and discounting assumptions in relation to the expected payments.

The actuarial assumptions used are as follows:

- Discount rate: 2.08 %
- Salary growth rate: 2 %
- Retirement age: 62 years
- Staff turnover rate: low
- Mortality tables: INSEE TD table 88-90

Tax credits

Tax credits recorded as assets under Other Receivables include the research tax credit (crédit d'impôt recherche or CIR) and the tax credit for competitiveness in employment (crédit d'impôt compétitivité emploi or CICE). Also included in Other Receivables are VAT credits of €316 000 for which repayment requests have been made.

The tax credit for competitiveness in employment of €22,000, corresponding to eligible salaries for the 2014 calendar year, was recognized under Other Receivables. Payment of the tax credit was requested in May 2015 on submission of the tax return.

The tax credit for competitiveness in employment of €24,000 for eligible salaries for the 2015 calendar year has been recognized under Other Receivables. The associated income was credited to social security expenses in the income statement, as recommended by the Autorité des Normes Comptables.

The research tax credit of €1.595 million relating to research expenses for the 2014 calendar year was recognized in Other Receivables. Of this amount, €1.382 million was applied during the first semester of 2015 and payment was requested when the tax return was filed in May 2015. The research tax credit of €2.834 million relating to research expenses for the 2015 calendar year has been recognized under Other Receivables. This income is credited to the income statement under Income Tax.

These tax credits can be offset against the corporation tax payable for the year in which they were recognized. The Company is regarded as an SME within the EU sense of the term. As such, if it has no taxable earnings it may request these amounts to be paid out immediately in cash when it files its tax return for the financial year in question.

Circumstances impeding comparison between financial periods

Abivax was incorporated at the end of 2013 and completed its first full twelve-month financial year in 2014.

During the second semester of the 2014 financial year, three mergers ("universal transfers of assets and liabilities") took place: Wittycell and Zophis were absorbed on 31/07/2014 and Splicos was absorbed on 31/10/2014. These three transactions gave rise to the recognition of merger goodwill totaling €32.745 million in place of the shareholdings previously contributed to the Company. This goodwill represents the difference between the net assets received as measured at the effective accounting date and the book value in Abivax's accounts of the holdings in the three companies absorbed. It constitutes merger goodwill (mali techniques) and not a financial loss (mali financiers) recorded on the income statement, since it represents the value of research and development costs incurred by these three companies that was recognized by Abivax upon acquisition of the holdings plus that of subsequent research and development programs undertaken since early 2014. These research costs had not been capitalized by the three dissolved companies, which had accounted for them as costs as and when incurred.

Other material items

During the 2014 accounting year, the Company's share capital rose from €69,000 (69,150 shares with a par value of €1) to €96,000 (9,624,889 shares with a par value of €0.01).

During 2015, the share capital was increased several times, notably at the Mixed (Ordinary and Extraordinary) General Meeting of 20 February 2015 which authorized a capital increase by way of a public offering of new shares. Details of these transactions are presented in the table showing the change in shareholders' funds appearing in these Notes.

With the exception of 74,800 shares issued through the exercise of BCE or BSA warrants at their nominal value, all new shares created were issued at the price of €21.30, including an issue premium of €21.29. Premiums net of issue costs totaled €89.534 million as at 31 December 2015.

NOTE 4 – FIXED ASSETS

Table of fixed assets

in thousands of euros	Start of period	Increase	Decrease	End of period
Establishment and development expenses				
Goodwill	32 745			32 745
Other intangible fixed assets	21			21
Intangible fixed assets	**32 766**	**0**	**0**	**32 766**
• Technical plant, machinery and industrial equipment	262	5	10	257
• Office & IT equipment, furniture	67	4		71
Property, plant & equipment	**329**	**9**	**10**	**328**
• Other non-current securities (treasury shares)		1 006	218	788
• Loans and other non-current financial assets	86	205	2	289
Non-current financial assets	**86**	**1 211**	**220**	**1 077**
Fixed assets	33 181	1 220	230	34 172

Intangible assets

Intangible assets principally comprise merger goodwill arising on the mergers (full transfers of assets and liabilities) carried out in the second half of 2014.

in thousands of euros	31/12/2015
Purchased assets	
Revalued assets	
Contributions in kind	32 745
Total	32 745

Property, plant & equipment

Property, plant & equipment is principally comprised of laboratory and research equipment and IT equipment.

Non-current financial assets

Non-current financial assets principally comprise items relating to the liquidity contract subscribed by the company in June 2015 and rental deposits paid for premises occupied by the company.

Transactions relating to the liquidity contract are recorded in accordance with the provisions of Avis CU CNC No. 98-D and Bulletin CNCC No. 137 of March 2005:

- treasury stock is recorded under Other non-current financial assets - Treasury stock. A provision for impairment is recorded if the average stock market price for the last month of the financial year is lower than the purchase price. In determining gains or losses on sale, the first in, first out method is applied.
- unused cash transferred to the intermediary is recorded under Other non-current financial assets - other non-current receivables

The liquidity contract was signed on 26 June 2015 for a period of 12 months and renews automatically unless canceled.

The sum of €1,000,000 was transferred to the service provider at the outset of the contract and the first purchases of stock were made between 26 and 29 June 2015.

As at 31 December 2015, the Company held 43,446 of its own shares via this liquidity contract, i.e. less than 10% of its share capital. The total acquisition cost of the shares was €788,000.

The cash account at the service provider had a balance of €196,000.

Depreciation of fixed assets

in thousands of euros	Start of period	Charged	Write off	End of period
Establishment and development costs				
Goodwill				
Other intangible fixed assets	18	1		19
Intangible fixed assets	18	1	0	19
- Land				
- Buildings on own land				
- Buildings on land owned by third parties				
- General installations and fixtures (buildings)				
- Technical plant, machinery and industrial equipment	62	52	8	105
- General installations and fixtures (miscellaneous)				
- Transport equipment				
- Office & IT equipment, furniture				
- Reusable and other packaging	36	15		52
- Property, plant & equipment under construction				
- Advances and down payments				
Property, plant & equipment assets	**98**	**67**	**8**	**157**
Fixed Assets	116	68	8	175

Accumulated depreciation

	Start of period	Charge for the period	Written off during the period	End of period
Intangible fixed assets	740			740
Property, plant & equipment				
Non-current financial assets		144		144
Inventories				
Receivables and marketable securities				
Total	**740**	**144**		**883**
Distribution of charges and write offs				
Operating				
Financial		144		
Extraordinary				

	Amount	Carrying value	Reason
Goodwill on absorption of Zophis	740		Sole service contract terminated on 31 December 2014
Treasury shares	788	644	Valuation at average share price during the last month of the period
Total	**1 528**	**644**	

Treasury shares held by the Company at 31 December 2015 have been valued at the average share price during December 2015, in accordance with accounting rules. The purchases were made primarily at the time of the IPO. A comparison of the purchase cost and the realizable value as at 31 December 2015 has resulted in the recording of an impairment provision of €144,000.

NOTE 5 – RECEIVABLES

Receivables at the year end totaled €4.316 million, classified by payment date as follows:

In thousands of euros	Gross amount	Due within one year	Due in more than one year
Receivables classified as fixed assets:			
• Receivables associated with holdings in other entities			
• Loans			
• Other non-current financial assets	289		289
Current receivables:			
• Trade accounts receivable			
• Other accounts receivable from customers	17	17	
• Personnel and related	4	4	
• Social security and other social entities	0	0	
• Income taxes	3 093	3 093	
• Value-added tax	522	522	
• Other taxes, duties and similar payments			
• Sundry	149	149	
• Group and affiliates			
• Sundry debtors	123	123	
• Prepaid expenses	118	118	
Total	**4 316**	**4 027**	**289**

Receivables classified as fixed assets relate to the cash balance held under the liquidity contract entered into by the Company and to rental and other deposits that the Company has paid.

Other receivables break down as follows (in thousands):

- CIR 2014 - balance outstanding €213
- CIR at 31 December 2015 €2 834
- CICE 2014 - balance outstanding €22
- CICE at 31 december 2015 €24
- Recoverable VAT and VAT credits €522
- Grants receivable €149
- Accounts receivable from staff €4
- Accounts receivable from suppliers €123

Accrued income

in thousands of euros	Amount
Accrued interest on term deposits	7
Total	**7**

Prepaid expenses

in thousands of euros	Operating expenses	Financial expenses	Extraordinary expenses
Cca	118		
Total	**118**		

NOTE 6 – CASH

In thousands of euros	31/12/2015	Available without notice	25/01/2016	25/12/2016	25/06/2018
Term deposits	25 007	7	5 000	10 000	10 000
SICAV and UCITS Funds	14 001	14 001			
Available cash	119	119			
Total	**39 127**	**14 127**	**5 000**	**10 000**	**10 000**

The amounts shown above as at 31 December 2015 include accrued interest on term deposits of €7,000.

Transactions in foreign currency are recorded at their euro value on the transaction date. Foreign currency receivables, payables and cash are translated in the balance sheet at the year end exchange rate. The difference arising on the retranslation of foreign currency receivables and payables at the year end rate is disclosed in the balance sheet under "Translation differences".

A full or partial provision is made for unrealized currency losses, insofar as they are not offset.

The Company is exposed to exchange rate risks on the US dollar and Singapore dollar by virtue of its commercial relationships with foreign suppliers.

NOTE 7 – SHAREHOLDERS' EQUITY

Items in the table are stated in thousands of euros

in thousands of euros	Number of shares issued	Share capital	Premium	BSA warrants	Retained earnings	Total
As at 31 December 2013	40 000	40			(10)	30
Contribution of Zophis	576	1	719			720
Contribution of Wittycell	9 259	9	11 564			11 574
Contribution of Splicos	13 760	14	17 186			17 200
Capital increase - EGM 25 April 2014	2 400	2	2 998			3 000
Subscription warrants issued (BSA)				0		0
Issue costs			(35)			(35)
Capital increase - exercise of founders' warrants (BCE)	555 2 600	1 3	 3 247			1 3 250
Capital increase - EGM 30 July 2014			(6)			(6)
Issue costs					(5 080)	(5 080)
Loss for 2014						
As at 31 December 2014	69 150	69	35 674	0	(5 091)	30 653
Share split - EGM 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 - exercise of founders' warrants (BCE)	74 800	1				1
Subscription warrants issued (BSA)				173		173
Loss for 2015					(15 954)	(15 954)
As at 31 décembre 2015	9 696 889	97	89 534	173	(21 045)	68 759

Composition of the share capital

During 2015, the Company's share capital increased from €69,150 (69,150 shares of €1 each) to €96,968.89 (9,696,889 shares of €0.01 each), principally as a result of the Mixed (Ordinary and Extraordinary) General Meeting of 20 February 2015 which authorized a capital increase by way of a public offering of new shares.

Apart from the 74,800 shares issued through the exercise of BCE warrants at their nominal value, all of the new shares created were issued upon the initial public offering at a price of €21.30, including an issue premium of €21.29. Premiums net of issue costs totaled €89,533,907 as at 31 December 2015.

The Company offset the costs incurred in relation to the capital increases made in 2015 against the issue premiums, in accordance with the accounting policies.

Costs of €3.774 million were thus offset. Of this amount, €153,000 related to expenses incurred in 2014 that were classified as prepaid expenses at 31 December 2014.

	Number of shares	% non-diluted (capital)
Holding Incubatrice	257 600	2,66%
Truffle Capital	6 592739	67,99%
Others	241 600	2,49%
Management	0	0,00%
Board of Directors	0	0,00%
Employees	101 400	1,05%
Consultants	31 200	0,32%
Free float	2 428 904	25,05%
Treasury stock	43 446	0,45%
Total	**9 696 889**	**100,00%**

Issuance of dilutive financial instruments (BSPCE and BSA warrants)

The Company has issued instruments convertible into shares, as shown in the table below. These comprise BCE warrants (founders' warrants: bons de souscription de parts de créateurs d'entreprise) and BSA warrants (share subscription warrants: bons de souscription d'actions). Data is current as of 31 December 2015.

	Issued	Subscribed	Exercised	Lapsed	Balance	Number of shares to be issued
BCE-2014-1	2 750	2 750			2 750	275 000
BCE-2014-2	2 750	2 750			2 750	275 000
BCE-2014-3	1 389	1 389	763	626	0	0
BCE-2014-4	984	984			984	98 400
BCE-2014-5	197	197	28	169	0	0
BCE-2014-6	525	525			525	52 500
BCE-2014-7	1 650	1 650		990	660	66 000
Total BCE	10 245	10 245	791	1 785	7 669	766 900
BSA-2014-1	394	394			394	39 400
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			1 315	131 500
BSA-2014-5	787	787			787	78 700
BSA-2014-6	52	52			52	5 200
BSA-2014-7	81	81			81	8 100
BSA 2015-11	96 924	96 924			96 924	96 924
Total BSA	101 402	101 238	512	329	100 397	444 224
Total BCE+BSA	**111 647**	**111 483**	**1 303**	**2 114**	**108 066**	**1 211 124**

These financial instruments, which have been issued to the benefit of staff members, managers, board members and external consultants, could lead to a maximum dilution of 12.49% of the share capital in issue as at 31 December 2015.

The dilutive instruments are exercisable at a discounted price (generally the nominal value of €1). They are limited in duration and their exercise is conditional on the achievement of predefined objectives set by the board of directors. If all dilutive instruments valid as at 31 December 2015 were exercised, the equity per share as at 31 December 2015 would be reduced from €7.11 to €6.31.

NOTE 8 – CONDITIONAL ADVANCES AND GRANTS

Repayable advances granted by public organizations

Following its merger, by way of a full transfer of the assets and liabilities (transmission universelle du patrimoine), with its former subsidiaries Splicos and Wittycell, the Company benefits from financial aid that had been awarded to those subsidiaries. It has recorded the corresponding obligations as liabilities. The amounts are recorded under Conditional advances where repayment is conditional, or under Other loans and financial debts where this is not the case.

The table below sets out the details of movements in these liabilities between 31 December 2014 and 31 December 2015. Figures are stated in thousands of euros.

	As at 31/12/2014	Advances received during year	Interest accrued	Advances repaid during year	As at 31/12/2015	including Conditional advances of	including Financial payables of
BPI - Carena	2 179		30		2 210	2 210	
BPI A0805001G - vaccine adjuvants	650			275	375	375	
BPI and Languedoc-Roussillon Region A0904010J - new active molecules	170				170	170	
BPI and Languedoc-Roussillon Region A1008005J - new active molecules in vivo	282			28	255	255	
BPI A1006002G – new vaccine adjuvants	585			180	405		405
Total	3 867		30	483	3 414	3 009	405

a - BPI – Carena

Bpifrance contract entered into with Splicos in 2013 to finance the Industrial Strategic Innovation project named “Carena".

The contract provides for a repayable advance of €3.830 million at a repayable advance rate of 50% of the total planned expenses.

At 31 December 2015, the Company had received €2.158 million of which €1.150 million was received in December 2013 and €1.008 million in September 2014.

Fixed installments are to be paid, based on the forecast revenues from the direct or indirect development of the products or services arising from the project.

The installment amounts are discounted at a rate of 1.66% per annum, calculated as provided for in the contract.

The fixed repayment schedule (subject to the project being a success) is as follows (in thousands of euros):

No later than 30 June 2020	300
No later than 30 June 2021	500
No later than 30 June 2022	750
No later than 30 June 2023	1 100
No later than 30 June 2024	1 747
Total	4 397

If relevant, the Company will also be required to make an annual payment of 50% of the proceeds of the sale of intellectual property rights pertaining to the project and the sale of

prototypes and pre-production models developed in connection with the project.

If the advance is repaid in accordance with the terms set out above, the Company will pay Bpifrance, for a period of five consecutive years from the date of the last payment under the above repayment schedule and as soon as its total accumulated sales (gross of tax) have reached or exceeded €50 million, 1.20% of the annual revenues from the exploitation of the products developed in connection with the project.

The amount of the additional payments is capped at €6.800 million.

The total period, including fixed-rate repayments and the payment of the profit-sharing amount, is limited to 15 years.

b - BPI A0805001G

Bpifrance contract entered into with Wittycell in 2008 to finance the development of new vaccine adjuvants and phase 1 pre-clinical trials in the areas of oncology and infectious diseases.

The contract provides for a repayable advance of €1,000,000 at a repayable advance rate of 50.12% of total planned expenditure.

At 31 December 2015, the amount received by the Company totaled €1,000,000 and repayments totaling €625,000 had already been made.

The fixed repayment schedule (subject to the project being a success) is as follows (in thousands of euros):

No later than 31 December 2015 (payment taken in January)	125
No later than 31 March 2016	125
No later than 30 June 2016	125
Total	**375**

Where relevant, the Company will also be required to pay an annual payment of 50.12% of the proceeds generated by:

- Proceeds (excluding taxes) from the sale or granting of licenses - for patents or know-how - received during the previous calendar year, where such sales or grants concern all or part of the results of the subsidized program;

- Proceeds (excluding taxes) generated through the marketing, especially the sale to a third party, or the Company's use for its own needs of prototypes and pre-production models developed within the scope of the project.

c - BPI and Languedoc-Roussillon Region A0904010J

A contract, financed equally by Bpifrance and the Languedoc-Roussillon Region, entered into with Splicos in 2009 to finance the identification of new molecules active against cancer and metastatic invasion.The contract provides for a repayable advance of €300,000 at a repayable advance rate of 49.87% of total planned expenditure.

At 31 December 2015, the amount received by the Company totaled €300,000 and repayments totaling €130,000 had already been made.

The fixed repayment schedule (subject to the project being a success) is as follows (in thousands of euros):

No later than 30 September 2015 (payment not made)	25
No later than 31 December 2015	25
No later than 31 March 2016	30
No later than 30 June 2016	30
No later than 30 September 2016	30
No later than 31 December 2016	30
Total	**170**

d - BPI and Languedoc-Roussillon Region A1008005J

Contract, financed equally by Bpifrance and the Languedoc-Roussillon Region, entered into with Splicos in 2010 to finance the identification of new molecules active against cancer and metastatic invasion (in vivo evaluation).

The contract provides for a repayable advance of €500,000 at a repayable advance rate of 49.55% of total planned expenditure.
At 31 December 2015, the amount received by the Company totaled €444,800 and repayments totaling €190,000 had already been made.

The fixed repayment schedule (subject to the project being a success) is as follows (in thousands of euros):

No later than 30 June 2015 (payment not made)	37,5
No later than 30 September 2015 (payment not made)	37,5
No later than 31 December 2015 (payment not made)	37,5
No later than 31 March 2016	37,5
No later than 30 June 2016	40,0
No later than 30 September 2016	40,0
No later than 31 December 2016	24,8
Total	**254,8**

Where relevant, the Company will also be required to make an annual payment of 50% of the proceeds generated by:

- Proceeds (excluding taxes) from the sale or granting of licences - for patents or know-how - received during the previous calendar year, where such sales or grants concern all or part of the results of the subsidized program;
- Proceeds (excluding taxes) generated through the marketing, especially the sale to a third party, or the Company's use for its own needs of prototypes and pre-production models developed within the scope of the project.

e - BPI A106002G

Bpifrance contract to finance a project to develop new vaccine adjuvants and clinical assessment, as an extension of contract A0805001G entered into with Wittycell in 2010.

The contract provides for a repayable advance of €800,000 at a repayable advance rate of 31.95% of total planned expenditure.

At 31 December 2015, the amount received by the Company totaled €800,000 and repayments totaling €395,000 had already been made.

The fixed-rate repayment schedule (irrespective of the success of the project) is as follows (in thousands of euros):

No later than 31 March 2016	65
No later than 30 June 2016	85
No later than 30 September 2016	85
No later than 31 December 2016	85
No later than 31 March 2017	85
Total	**405**

Where relevant, the Company will also be required to pay an annual payment of 31.95% of the proceeds generated by:

- Proceeds (excluding taxes) from the sale or granting of licences - for patents or know-how - received during the previous calendar year, where such sales or grants concern all or part of the results of the subsidized program;

- Proceeds (excluding taxes) generated through the marketing, especially the sale to a third party, or the Company's use for its own needs of prototypes and pre-production models developed within the scope of the project.

Application of the above additional payments clause cannot require the company to repay to Bpifrance a principal amount greater than the amount of aid it has received.

As these repayments are not conditional, the liability for this repayable advance is disclosed in the balance sheet under Other loans and financial debts.

Grants awarded by public bodies

Splicos has benefited from two research programs for the CARENA and RNPnet projects.

a - Project CARENA

The contract with Bpifrance provided for a maximum payment of €1,396,500 at a grant rate of 45%.

At 1 December 2015, the Company had already received a total of €1,044,000.

Total expenses incurred since the project was launched in 2013 are €4 million, including €1.651 million incurred in 2015.

Applying a grant rate of 45%, the amount of the grant to be received for the expenses incurred in 2015 is €130,000, in accordance with achievement of the milestones provided for under the contract. This amount was recognized under grants in the income statement.

Income of €12.800 was receivable in respect of this grant at 31 December 2014. A total of €143,000 therefore remained to be received at 31 December 2015. This amount is stated on the balance sheet under Other receivables.

b - Project RNPnet

This project is a European project in which the Company is involved.

The contract provided for a maximum payment of €254,000, at a grant rate of 100%.

At 31 December 2015, the Company had already received a total of €216,000.

Total expenses of €223,000 have been incurred since the project was launched in 2013, of which €55,000 was incurred in 2015.

Applying a grant rate of 100%, the amount of the grant to be received for the expenses incurred in 2015 is €55,000 This amount was recognized under grants in the income statement.

Income of €30,000 was receivable in respect of this grant at 31 December 2014. The Company received €79,000 in 2015. A total of €6,000 therefore remained to be received at 31 December 2015. This amount is stated on the balance sheet under Other receivables.

NOTE 9 – PROVISIONS FOR RISKS AND CHARGES

	Start of period	Increase during period	Utilized/written back during period	End of period
Supplier indemnities	49	76	15	110
Tax provisions		7		7
Restructuring provision		253		253
Total provisions for risks and charges	**49**	**336**	**15**	**370**
Distribution of increases and utilization /write offs				
Operating		83	15	
Financial				
Extraordinary		253		

Provisions for supplier indemnities were recognized in 2014 upon the announcement of the cancelation of contracts entered into by Wittycell (with BC Cancer Agency) and Zophis (with the INRA).

The indemnities provided for in respect of BC Cancer Agency were paid out during 2015. Part of the contract with the INRA was ultimately continued, and an agreement was reached to limit the amount for this contract to €110,000.

Tax provisions relate to the evaluation of the risk in relation to the payroll levy (taxe sur les salaires) for the year 2015. The position of the tax authorities on this matter with respect to innovative companies is not clear. In the event of a tax audit, there is a risk that the payroll levy could be charged on the salaries of administrative personnel, on the grounds that financial income exceeds revenue from operations.

The restructuring provision relates to outstanding salaries and indemnities payable to staff from the site at Evry who opted not to join the Montpellier site. The amount has been determined on the basis of discussions with the staff in question, which were ongoing at the time the financial statements were prepared.

NOTE 10 – LIABILITIES

Liabilities at the year end stood at €4.130 million.
The detailed breakdown by due date is as follows:

In thousands of euros	Gross amount	Due within one year	Due in more than one year	Due in more than five years
Convertible bonds (*)				
Other bonds (*)				
Borrowings (*) and loans from banks, repayable:				
- not more than 1 year after inception				
- more than 1 year after inception				
Sundry loans and financial debts (*)	405	320	85	
Trade accounts payable	2 808	2 808		
Tax and social security liabilities	915	915		
Accounts payable in relation to fixed assets				
Other liabilities (**)				
Deferred income	1	1		
Total	**4 130**	**4 045**	**85**	**0**
(*) Loans taken out during the year				
(*) Loans repaid during the year	180			
(**) Including intra-group:				

Accrued expenses

In thousands of euros	Montant
Suppliers - invoices not received	1 059
Provision for paid holidays	79
Accrued staff expenses	302
Provision for social security charges	36
Other accrued social security charges	136
State - other accrued expenses	28
Apprenticeship levy	19
Ongoing training levy	27
Housing contribution tax	14
Total	**1 700**

NOTE 11 – RESEARCH AND DEVELOPMENT EXPENSES

As stated in the accounting policies, the Company has expensed all of its research and development expenses.

Such expenses totaled €15.267 million in 2015. Part of these research and development expenses relates to work subcontracted to external partners. Costs in relation to such subcontracted work and external studies were €10.076 million in 2015, as against €3.181 million in 2014 (the latter figure including all expenses incurred during the period by Abivax, Splicos, Wittycell and Zophis).

NOTE 12 – INCOME TAXES

Research tax credit

As the company has a research and development activity, it benefits from the research tax credit (CIR).

The 2014 CIR of €1.595 million was claimed during the first half of 2015. As the company is regarded as an SME within the EU sense of the term, it requested payment of the tax credit in cash upon filing its tax reporting package and research tax credit declaration.

Under the 2014 CIR assignment agreement, Abivax remains responsible for the complete repayment of the amount ceded to the assignee. In the event that the tax authorities pay less than the amount passed on, the company will be obliged to pay the difference between the two amounts to the assignee.

As the tax authorities paid the CIR in full in February 2016, Abivax will receive the amount retained as a guarantee by the assignee body during the course of 2016.

The research tax credit for 2015 is €2.834 million. This amount is included in the income statement.

Corporation tax

As the Company has made a loss, it is not subject to a tax charge. The amount recorded under "Income tax" in the income statement represents income from the research tax credit.

As at 31 December 2015, the company had carried-forward tax losses and capital allowances of €59.014 million.

NOTE 13 – RELATED PARTY DISCLOSURES

Balance sheet items

In thousands of euros	Related enterprises	Enterprises related via participating interests
Trade accounts payable	23	
Total liabilities	**23**	

Relationships with related parties are as follows:

1. Payment of interest-bearing current account advances of €1,450,000 by the FCPI funds holding shares in the company. Interest of €83,000 has been charged to the income statement. These advances were repaid in 2015.

2. Head office accommodation at 5 Rue de la Baume, Paris. The lease agreed with SCI Truffle Baume on 1 September 2014 has a term of two years and will therefore end on 31 August 2016. Rent payable for the year to 31 December 2015 is €176,000, excluding VAT. This transaction does not affect the balance sheet as the invoice had been paid by 31 December 2015.

3. Neovacs suppliers
   Neovacs, which has shareholders in common with Abivax, invoices Abivax for the provision of personnel, essentially the finance manager and director of regulatory affairs. Services invoiced for the year 2015 amounted to €137,000 excluding VAT. The invoice for December 2015, for an amount of €11,000 including VAT, had not been paid and is therefore included in trade accounts payable.

Financial income and expenses concerning related enterprises

Amount included in financial expenses: €83,000

NOTE 14 – FINANCIAL COMMITMENTS

Commitments given

In thousands of euros	
Pension obligations	100
Lease commitments	56
Firm orders placed	9 232
Other commitments given	9 232
Total	**9 388**
Including amounts relating to: Management	17

Commitments made under patent licensing agreements

The development program for several of the Company's products involves long-term licensing agreements with academic institutions and research centers for the development of two technological platforms and with patent-owning commercial partners aimed at supplementing the portfolio of candidate medicines. These agreements involve material financial commitments of a fixed and variable nature. Commitments to make payments of fixed amounts are dependent on the passing of various milestones specified in the contracts.

The associated expense will be recognized in the accounts once all of the contractual conditions have been met. Variable commitments comprise future royalty payments based on revenues accruing once the developed products are marketed or upon the granting of sub-licenses to third parties.

The main licensing agreements in relation to the product portfolio are as follows:

- Licensing agreement signed in October 2006 with The Scripp Research Institute (USA) (the "iNKT agonist" platform, which has, in particular, enabled the development of ABX464)

- Licensing agreements signed in 2008 with the Centre National de la Recherche Scientifique (CNRS), the University of Montpellier 2 – Science and Technology and the Institut Curie in the field of human and animal health over their technology and products relating to the use of synthetic products modifying the splicing of mRNA, for the purposes of research into and the diagnosis, prevention and treatment of any possible indication (the "Splicing" platform which has in particular enabled the development of ABX 196)

- Licensing agreements signed with Heber Biotec, representing the Center of Genetic Engineering and Biotechnology (Havana, Cuba) in July 2013 (development of the ABX203 therapeutic vaccine against hepatitis B) and November 2014 (development of an antiviral against Dengue fever).

Firm orders placed

In order to carry out its development programs, the Company frequently enters into collaboration agreements with public or private-sector partners or subcontractors. Owing to the length of the programs, these agreements may be for multi-year periods and involve material financial commitments.

The amount of orders committed to but not yet supplied (and thus not recognized as either invoices not received or trade accounts payable) as at 31 December 2015 is estimated at €9.232 million. The main commitments relate to the key phase IIB/III clinical trial recently begun in the Asia-Pacific region to confirm the effectiveness of the ABX203 therapeutic vaccine on patients with chronic hepatitis B.

Commitments received

In thousands of euros	
Authorized overdraft limits	
Guarantees and deposits	
Repayable advance - Carena	1 316
Grant - Carena	352
Other commitments received	1 668
Total	**1668**

The maximum amounts receivable by Abivax after 31 December 2015 under the Carena innovation assistance agreement signed with Bpifrance, subject to the provision of supporting evidence for the forecast expenses, are as follows:

- Repayable advances: €1.316 million
- Operating grants: €352,000

Leases

In thousands of euros	Land	Buildings	Equipment Tooling	Others	Total
Gross book value			78		78
Accumulated depreciation brought forward			8		8
Charge for the period			8		8
Depreciation and amortization			16		16
Accumulated depreciation brought forward			5		5
Year			10		10
Leasing fees paid			15		15
up to 1 year after inception			9		9
1-5 years			17		17
over 5 years					
Leasing fees to be paid			26		26
up to 1 year after inception			30		30
1-5 years					
over 5 years					
Residual value			30		30
Charge during period			13		13

Retirement pension

Commitments made in relation to pensions, supplementary pensions and similar indemnities: €100 000.

CNC Recommendation 03-R-01 of 1 April 2003 has been applied in relation to defined benefit schemes.

NOTE 15 – EMPLOYEES

Average workforce: 26.5 persons including 1 intern.

	Salaried personnel	Seconded personnel
Executives	22,3	
Supervisors and technicians	4,2	
White-collar staff		
Blue-collar staff		
Totalx	**26,5**	

NOTE 16 – AUDITOR'S FEES

In thousands of euros	**31/12/2015**
Audit	
Auditing and certification of the company financial statements	
Issuer [1]	157
Fully consolidated subsidiaries	
Other procedures required by law	
Issuer	
Fully consolidated subsidiaries	
Sub-Total	157
Other services rendered by the firms to fully consolidated subsidiaries	
Legal, tax, social security	
Others (details to be stated if higher than 10% of audit fees)	
Sub-Total	0
Grand Total	**157**

[1] Includes €102 000 of fees related to the IPO. These fees were included in the €3.774 million offset against the issue premium

3 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON INTERNAL CONTROL

In accordance with Article L. 225-37 of the Commercial Code, the Chairman of the Board of Directors has prepared this report in order to report to the shareholders on the composition of the board and the application within it of the principle of the equal representation of women and men, on the conditions under which the work of the board was prepared and organized and on the internal control and risk management procedures put in place by the Company, setting out in particular those procedures concerning the preparation and disclosure of accounting and financial information in the company financial statements.

The Auditor's findings on the internal control procedures concerning the preparation and disclosure of the Company's accounting and financial information are set out in a separate report.

1. BOARD OF DIRECTORS

1.1 Composition of the Board of Directors

In accordance with the provisions of the law and the bylaws, the Board of Directors is, as of the date of this report, composed of nine members. Each member is appointed for four years except the Chairman of the Board of Directors, whose mandate is for an unlimited period.

The composition of the Board of Directors during 2015 was as follows:

Chairman

~ PHILIPPE POULETTY

Appointed as director under the founding bylaws of 4 December 2013 for a term expiring at the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016, and appointed as Chairman at the initial Board Meeting on 4 December 2013 for the term of his directorship.

Members of the Board of Directors

~ TRUFFLE CAPITAL – SAS – 6.592.739 shares

Appointed as director under the founding bylaws of 4 December 2013 for a term of four years expiring at the end of the General Meeting to be called in 2017 to approve the annual accounts for the year ending 31 December 2016.

~ JEAN-PAUL PRIEELS

Appointed as director under the founding bylaws of 4 December 2013 for a term of four years expiring at the end of the General Meeting to be called in 2017 to approve the annual accounts for the year ending 31 December 2016.

~ AMUNDSON PARTNERS – company under United States law

Appointed by the General Meeting of 30 July 2014 for the remainder of the initial term of office of Ms Joy Amundson, that is, until the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2017.

~ CLAUDE BERTRAND
Appointed by the Board of Directors on 11 March 2014 for a term of four years expiring at the end of the General Meeting to be called in 2018 to approve the annual accounts for the year ending 31 December 2017.

~ JEAN-JACQUES BERTRAND
Appointed by the Board of Directors on 11 March 2014 for a term of four years expiring at the end of the General Meeting to be called in 2018 to approve the annual accounts for the year ending 31 December 2017.

~ CHRISTIAN PIERRET
Appointed by the Board of Directors on 11 March 2014 for a term of four years expiring at the end of the General Meeting to be called in 2018 to approve the annual accounts for the year ending 31 December 2017.

~ SANTE' HOLDING S.R.L
– company under Italian law
Co-opted as replacement for Mr Jérôme Gallot by resolution of the Board of Directors on 6 July 2015 and confirmed at the Board Meeting of 14 September 2015 for the remainder of Mr Jérôme Gallot's initial term of office, that is, until the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016.

~ DOMINIQUE COSTANTINI
Co-opted as replacement for Mr Miguel Sieler by the Board of Directors on 14 September 2015 for the remainder of Mr Miguel Sieler's initial term of office, that is, until the end of the General Meeting called to approve the annual accounts for the year ending 31 December 2016.

The company takes particular care to ensure the application of the principle of equal representation of women and men on the Board of Directors. In particular, the Board of Directors coopted Santé Holding SRL as a director subject to compliance with Law 2011-103 of 27 January 2011 on the equal representation of women and men on the Board of Directors. At its meeting of 14 September 2015, the Board of Directors, having appointed Ms Costantini as a director, noted that the equal representation of women and men on the Board of Directors had been observed and consequently confirmed the cooptation of Santé Holding SRL as a director.

1.2 Duration of directors' appointments
Directors are appointed for a term of four (4) years which expires at the end of the Ordinary General Meeting of shareholders held during the final year of a director's mandate which rules on the accounts for the preceding financial year. Directors may be re-elected. They may be dismissed at any time.

1.3 Compensation of directors
Attendance fees are awarded to the directors based on their regularity of attendance at Board Meetings.

The General Meeting sets a maximum total amount each year and the Board of Directors, based on a proposal by the Compensation Committee, sets the final amount of the attendance fees and awards them to the individual directors.

Details of the compensation paid to the directors for the year ended 31 December 2015 appears in the Company's management report.

Directors who are also officers of companies in the Truffle Capital group do not receive attendance fees.

1.4 Conditions of preparation and organization of the work of the Board of Directors
In accordance with the Company's bylaws, the Board of Directors determines the directions to be taken by the Company's business and ensures that they are followed.

Subject to the powers expressly attributed to shareholders' meetings and within the bounds of the corporate object, the Board of Directors addresses all matters affecting the proper functioning of the Company and settles matters through its deliberations.

As part of its ongoing duties, the Board of Directors convenes the General Meeting of shareholders and sets the agenda, appoints and dismisses the Chairman and CEO, oversees their management, draws up the annual accounts submitted for annual approval at the General Meeting of shareholders and reports on its activity in the annual management report.

Directors may be paid via attendance fees in accordance with their attendance at Board Meetings and their participation in specialist committees.

Internal rules of procedure were adopted by the Board of Directors on 14 February 2014 and revised on 23 January 2015 with a view to establishing, among other things, the role and composition of the Board and the principles of conduct and responsibilities of the members of the Board and specialist committees. Each member of the Board of Directors undertakes in particular to maintain his/her independence of analysis, judgment and action and to participate actively in the Board's work. They shall inform the Board of any instances of conflict of interest that they may encounter. Furthermore, they shall bear in mind the current regulations on the dissemination and use of inside information and note that members must not transact in the Company's securities when they are in possession of inside information. Each member of the Board of Directors is required to declare any direct or indirect transactions in the Company's securities to the Company and the AMF.

1.5 Board Meetings held during 2015

During 2015, the Company's Board of Directors met eleven times and deliberated in particular on the following principal matters:

Meeting of 12/01/2015	Examination of a revised schedule for the Company's initial public offering; Approval of the recusal policy adopted by the Company with regard to the OFAC embargoes; Ratification of the appointment of Messrs Christian Trepo, Christoph Huber, Lawrence Stanberry, Jamal Tazi and Mark A. Wainberg as members of the Scientific Advisory Board. Appointment of a new member to the Audit Committee.
Meeting of 23/01/2015	Scrutiny and adoption of the financial statements for the year ended 31 December 2014; Proposed allocation of net income for the year ended 31 December 2014; Agreements subject to Article L. 225-38 of the Commercial Code; Proposal to fix amount of attendance fees; Decision to apply the MiddleNext code of governance; Scrutiny and adoption of the amended internal rules of procedure for the Board of Directors and annexes thereto.
Meeting of 29/01/2015	Scrutiny and adoption of the pro forma financial statements for the years ended 31 December 2013 and 31 December 2014; Issue of a bond for up to €5,000,000; Calling the mixed (ordinary and extraordinary) general meeting of shareholders; Scrutiny and adoption of the document de base (Registration Document) to be filed with the Autorité des Marchés Financiers and Euronext with a view to the Company's initial public offering, and authorization of the CEO to file said document with the Autorité des Marchés Financiers and Euronext.
Meeting of 09/03/2015	Amendment no. 1 Bond issue agreement (O-2015) dated 29 January 2015.
Meeting of 03/06/2015	Approval of the "Abivax" brand assignment agreement in accordance with Article L. 225-38 of the Commercial Code; Noting the carrying-out of a share capital increase by way of the exercise of 28 BCE-2014-5 warrants; Corresponding amendment of the bylaws; Presentation of the procedure for the initial public offering of the Company and approval of the principle of floating the Company; Setting the indicative range of the Company's share price; Indicative amount and structure of the capital increase to be made in connection with the Company's initial public offering; Scrutiny and approval of the ffering Memorandum note to be filed with the Autorité des Marchés Financiers and Euronext with a view to the Company's initial public offering, and authorization of the CEO to finalise the formulation of and file said document with the Autorité des Marchés Financiers and Euronext.
Meeting of 23/06/2015	Capital increase, based on the delegation of competence by the Mixed (Ordinary and Extraordinary) General Meeting of 20 February 2015, through the issue by way of a public offering of shares and/or marketable securities convertible into shares immediately and/or at a later date either for cash or by conversion of debt, with a waiver of pre-emption rights – Setting of the share price for the admission of the Company's shares to trading on the regulated market market of Euronext Paris – Utilization of the Overallocation Option authorized by the sixteenth resolution of the Mixed General Meeting of 20 February 2015, Authorization to enter into a placement agreement between Company and the banks; Authorization to enter into a liquidity agreement between the Company and Tradition Securities and Futures (TSAF SA); Determination of debts with a view to paying up new shares by way of offset against certain liquidated and payable debts of the Company; Authorization to enter into a loan agreement between FCPR Truffle Capital II and RBC Europe Ltd.

Meeting of 06/07/2015	Noting the definitive carrying-out of a capital increase by way of the public offering of shares and corresponding amendment of the bylaws; Noting the resignation of a director; Cooptation of a new director to replace the resigning director; Noting the resignation of the Chairman of the Audit Committee and appointment of a new Chairman of the Audit Committee; Noting the resignation of a member of the Audit Committee and appointment of a new member of the Audit Committee as replacement; Principle of an issue of share subscription warrants, under the delegation of competence by the Mixed General Meeting of 20 February 2015, to the benefit of the Company's board of directors.
Meeting of 14/09/2015	Noting the resignation of a director; Cooptation of a new director to replace the resigning director; Confirmation of the appointment of Sante' Holding Srl as director; Issue of share subscription warrants, under the delegation of competence by the Mixed General Meeting of 20 February 2015, to the benefit of the Company's board of directors; Issue of founders' warrants to the staff and management of the Company under the delegation of competence by the Mixed General Meeting of 20 February 2015.
Meeting of 28/09/2015	Scrutiny and approval of the half-yearly financial statements for the period to 30 June 2015; Setting the compensation of the CEO
Meeting of 09/11/2015	Personal and business objectives of the CEO for 2015.
Meeting of 04/12/2015	Approval of the minutes of the Board Meeting of 9 November 2015; Issue of share subscription warrants (BSA warrants), under the delegation of competence by the Mixed General Meeting of 20 February 2015, to the benefit of Sante' Holding SRL, a member of the Company's board of directors; Issue of share subscription warrants, under the delegation of competence by the Mixed General Meeting of 20 February 2015, to the benefit of the Company's Scientific Advisory Board and Ms Dominique Costantini, a member of the Company's board of directors; Noting the definitive carrying-out of a capital increase following the exercise of BSA warrants Corresponding amendment of the bylaws.

2.PERSONS INVOLVED IN INTERNAL CONTROL AND THEIR ROLES

The Board of Directors may make use of its general powers to conduct any checks it deems appropriate. It resolves upon the establishment of various committees whose purpose is to assist it and create a reporting and management structure for internal control practices.

2.1 Specialized committees assisting the Board of Directors

The Board of Directors is assisted by three committees, namely the Compensation Committee, the Scientific Advisory Board and the Audit Committee.

2.1.1 Compensation Committee

The Compensation Committee, set up on 21 February 2014, is composed of at least two members appointed by the Board of Directors. Members of the Compensation Committee need not be members of the Board of Directors. They are appointed for an indefinite period.

The members of the Compensation Committee are:

- Philippe Pouletty (Chairman)
- Jean-Jacques Bertrand.

The responsibilities of the Compensation Committee include the following:

- making any proposals to the Board of Directors relating to the setting of the components of the pay of the Chairman, the CEO, the executive directors and the senior managers, and concerning shareholding policy and incentive schemes for Company managers and employees, taking into consideration the Company's

objectives and individual and group performance; and

- identifying, evaluating and proposing the appointment of independent directors with a view to ensuring good governance of the Company.

In general terms, the Compensation Committee provides advice and makes recommendations as may be appropriate in the above areas.

The Compensation Committee meets at least once a year according to a schedule set by its Chairman. It is convened by the Chairman on his own initiative, on the initiative of at least two members of the Compensation Committee, or on the initiative of the Chairman of the Board of Directors or the CEO.

The agenda of each meeting is set by the Chairman of the Compensation Committee, or if the meeting is not on his initiative, by the Chairman of the Committee in collaboration with the Chairman of the Board of Directors, the CEO or the members of the Committee, as appropriate.

The agenda of each meeting shall be sent to the members of the Committee at least seven calendar days in advance of the date of the meeting, except in emergencies.

The Chairman of the Company's Board of Directors may be invited to attend the Committee's meetings, if he is not a member. The Committee shall invite him to present his proposals. He has no vote and may not take part in deliberations relating to his own position.

The Compensation Committee may ask the Chairman of the Board of Directors to request the attendance of any Company manager whose skills could help address an agenda item. The Chairman of the Compensation Committee or the chairman of the meeting shall remind all persons attending the discussions of their confidentiality obligations.

2.1.2 Scientific Advisory Board

The Scientific Advisory Board was set up by the Board of Directors on 21 February 2014. It is composed of at least four members, who need not be directors. They are appointed for an indefinite period.

The Scientific Advisory Board's responsibilities are as follows:

- examining any specific scientific questions the Company submits to it;

- making recommendations to determine the major areas the Company will pursue in the field of science; and

- making recommendations to define the Company's priorities in the field of research and development, and the means for achieving the objectives thus defined.

The Scientific Advisory Board meets at least once a year according to a schedule set by its Chairman. It is convened by the Chairman on his own initiative, on the initiative of at least two members of the Scientific Advisory Board, or on the initiative of the Chairman of the Board of Directors or the CEO.

The agenda of each meeting is established by the Chairman of the Scientific Advisory Board, or if the meeting is not on his initiative, by the Chairman of the Advisory Board in collaboration with the Chairman of the Board of Directors, the CEO or the members of the Advisory Board, as appropriate.

The agenda of each meeting shall be sent to the members of the Advisory Board at least seven calendar days in advance of the date of the meeting, except in emergencies.

All the work and the objectives of the Company's science department shall be presented to the Scientific Advisory Board at its meetings. It shall also perform a detailed analysis of the data submitted.

The members of the Scientific Advisory Board are:

- Professor Luc Teyton, M.D., Ph.D., (Chairman) Immunology department of The Scripps Research Institute, La Jolla;
- Professor Christian Trépo, Ph.D., Hepatology, Lyon;
- Professor Christoph Huber, M.D., former Chairman, Hematology/Oncology department, University of Mainz (Germany);
- Dr Jean-Paul Prieels, Ph.D., Former Vice-Chairman of R&D at GSK Biologics;
- Professor Lawrence Stanberry, M.D., Ph.D., Chairman of the Pediatrics department, University of Columbia;
- Professor Jamal Tazi Ph.D., Molecular Genetics, University of Montpellier;
- Professor Mark A. Wainberg, M.D., Ph.D., Director, McGill University AIDS Center.

2.1.3 Audit Committee

The fundamental roles of the Audit Committee are to monitor the process of preparing financial information, the efficiency of the internal control and risk management systems and the statutory audit of the financial statements by the Auditor. It manages the process for selecting the Auditor and monitors the Auditor's independence.

It is currently composed of three members appointed by the Board of Directors. The current members of the Audit Committee are:

- Christian Pierret: Chairman and member of the Audit Committee, nominated by the Board of Directors for an unlimited duration on 6 July 2015.
- Amundson Partners Ltd., represented by Joy Amundson, member of the Audit Committee. Amundson Partners Ltd. was nominated by the Board of Directors for an unlimited duration on 6 July 2015.
- Jean-Paul Prieels, member of the Audit Committee, nominated by the Board of Directors for an unlimited duration on 12 January 2015.

The Audit Committee meets at least once a year. All of the Committee's meetings are held in the presence of all of its members.

The meetings are also attended by the Auditor and the Director of Administration and Finance.

2.2 General management

According to article 17.2 of the Company's bylaws: "The Chief Executive Officer has the widest powers to act under all circumstances on behalf of the Company. He exercises such powers within the bounds of the corporate object and subject to those powers expressly attributed by law to shareholders' General Meetings and the Board of Directors. He represents the Company in its relations with third parties. The Company is bound by acts of the Chief Executive Officer even if they fall outside the corporate object unless it proves that the third party knew that the act exceeded the bounds of the corporate object or could not have failed to know, in the circumstances, that the act exceeded the bounds of the object; the publication of the bylaws does not in itself suffice to constitute such proof. "

Hartmut Ehrlich was appointed as CEO of the Company at the initial Board Meeting on 4 December 2013, for a term of four years expiring at the end of the General Meeting to be called in 2017 to approve the annual accounts for the year ending 31 December 2016.

3. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES PUT IN PLACE BY THE COMPANY

3.1 Definition of internal control

The Company's internal controls aim to:

- ensure that the Company's activities comply with the law and regulations;

- verify that the Company's activities are consonant with the strategy that has been set and that performance is in line with expectations;

- prevent errors and fraud, and limit and repair the effects thereof in the event that they occur;

- ensure the protection and safeguarding of the Company's assets;

- deliver true and fair financial and accounting information;

More generally, internal control contributes to the Company's effective performance of its activities, to the efficiency of its operations and to the efficient use of its resources.

Whilst one of the objectives of the internal control system is to prevent and control business risks and the risk of error or fraud, it cannot be absolutely guaranteed that the Company's objectives will be achieved.

3.2 Implementation of the control system

~ Internal control procedures cover the entire Company.

~ Our examination of the procedures related to our activity related firstly to compiling a list of existing procedures and then secondly to the identification and evaluation of risk control measures aimed at ensuring the proper performance of operations. The internal control system in place is based principally on:

- Ensuring that staff bear responsibility at all levels;
- Using a range of risk prevention and risk detection tools and resources aimed at enabling each manager to be constantly aware of the cluster of which he/she is in charge and to better anticipate the (legal, financial and social) difficulties and risks and, insofar as possible, the extent of and impact of failures so as to be able to introduce the necessary corrective measures.

~ We remind you that the Company prepares these financial statements in accordance with the statutory requirements each year as at 31 December of the preceding year.

Interim and annual financial statements are audited by the Auditor.

3.3 Risk management

Business risk management is defined as a cross-functional business process put in place at any level by the Company's Board of Directors, management and staff which is intended to be used for the determination of strategy. It aims to provide ongoing reasonable assurance that:

- events that may potentially impact the organization are identified;

- risks remain within the bounds of the business's "risk appetite", this being the level of risk accepted by the business as it strives to increase its value, such that these risks are kept under control;

- achievement of the organization's objectives is not compromised.

The Company ensures that risk management measures are in place with regard to these items. Risk mapping and the implementation of control systems have the principal aim of reducing or eliminating the negative impact of any event that may occur.

The principal risk factors are identified in the Company's management report.

3.4 General organization and implementation of accounting and financial internal controls

The Company follows the CNCC's definition of internal control with regard to accounting and financial information:
"Internal control procedures regarding the preparation and disclosure of accounting and financial information means such procedures as enable the Company to produce accounts and information on its financial position and accounts. Such information means that obtained from the annual company or consolidated financial statements or that which can be estimated from the basic accounting

data that was used to prepare them."

The Company's accounting and financial internal controls form part of the overall internal control system. They cover the entirety of the process for producing and communicating the Company's accounting and financial information. Their aim is to meet the requirements for the security, reliability, availability and traceability of information.

The accounting and financial internal controls aim to ensure:

- compliance of the published accounting and financial information with the applicable rules;
- the application of instructions and guidelines set by general management;
- the preservation of assets;
- the prevention and detection of accounting and financial fraud and irregularities;
- the reliability of information circulated and used internally for management or control purposes, insofar as it contributes to the preparation of the published accounting and financial information;
- the reliability of the published financial statements and other information published on the market.

CONCLUSION

This report describes the functioning of the Company, the Board of Directors and the internal control system. They appear to me to be appropriate to the desire for transparency and security expressed by the financial markets and of a nature suitable to maintain the confidence of the shareholders in the governance of their company.

Dr. Philippe Pouletty
Chairman of the Board of Directors


ABIVAX