HALF-YEAR FINANCIAL REPORT 2017

ABIVAX

Contents

1 LEADERSHIP

Board of Directors

Chairman:	Dr Philippe Pouletty

Directors:	Joy Amundson Claude Bertrand Jean-Jacques Bertrand Dr Dominique Constantini Holding Santé Spa represented by Dr Antonino Ligresti Christian Pierret Jean-Paul Prieels (resignation in July 2017) Truffle Capital represented by Antoine Pau Corinna Zur Bonsen-Thomas (appointment in June 2017)

Management

Chief Executive Officer	Pr. Hartmut Ehrlich
V.P. Chief Financial Officer and Secretary of the Board of Directors	Didier Blondel
V.P. Chief Commercial and Business Development Officer	Pierre Courteille
V.P. Regulatory Affairs, Production and Process Development	Bernard Fanget
V.P. Chief Research Officer	Didier Scherrer
V.P. Chief Medical Officer	Dr Jean-Marc Steens

2 HALF-YEAR ACTIVITY REPORT

2.1 ABIVAX - an overview

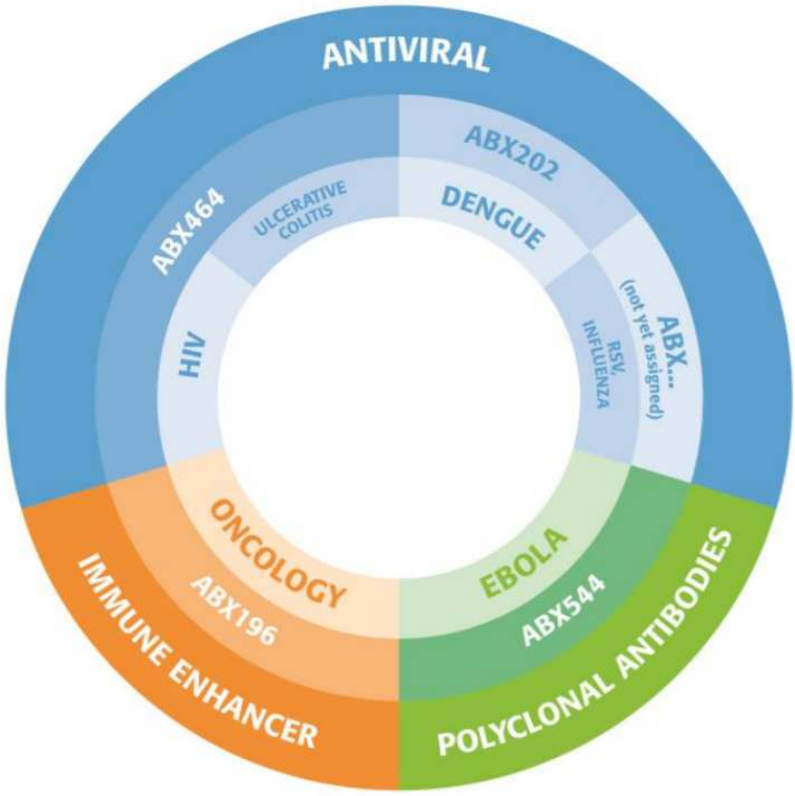
ABIVAX is an innovative biotechnology company focused on targeting the immune system to eliminate viral disease.
Its most advanced product, ABX464, is a first-in-class small molecule for oral administration which inhibits viral replication through a unique mechanism of action and has a strong anti-inflammatory effect. ABX464 is currently in Phase IIa of clinical development, to assess its ability firstly to become a factor in the long-term remission of HIV/AIDS, and secondly as a treatment for ulcerative colitis. ABIVAX is also developing an immune enhancer candidate which is in clinical trial, and several preclinical candidates for other viral targets (respiratory syncytial virus, influenza virus, dengue virus, etc.). Several of these compounds are also likely to enter clinical development over the next 18 months.

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

- **An "Antiviral" technology platform** based on technologies developed jointly with the CNRS (Montpellier-France) and the Curie Institute (Orsay-France). This platform has generated a chemical library of over 1,000 small molecules intended to block viral replication mechanisms through a unique mechanism of action, such as RNA splicing modulation. In addition to ABX464, which inhibits HIV replication, this platform has generated various molecules targeting other viruses such as dengue (ABX202), which is currently at the final identification stage.

- **An "Immune Enhancement" technology platform** based on intellectual property from the Scripps Research Institute (La Jolla, United States). It affects "iNKT" agonist compounds which have been shown to enhance immune responses at both the humoral and cellular levels, and have potential clinical applications in oncology and infectious diseases (ABX196).
  Positive preclinical data was obtained from animal models in several types of cancer including hepatocellular carcinoma and bladder cancer, with the ABX196 immune enhancer compound which demonstrated its ability to turn unresponsive tumours with checkpoint inhibitors into responsive tumours.
  ABIVAX has no strategic focus in oncology and, as such, the company is seeking an external partner to speed up development of said molecule in this therapeutic area.

- **A "Polyclonal Antibody" technology platform** that may lead to the generation of neutralising antibodies for the treatment and prevention of Ebola virus infections. The ABX544 molecule is expected to enter the preclinical phase in Q4 2017.



In addition to its head office in Paris, ABIVAX conducts its R&D activities mainly in Montpellier and has a workforce of around 25 across these two sites. The ABIVAX management team is able to draw on extensive experience in the research, development and marketing of biopharmaceutical products in the field of infectious diseases and antivirals. The Company also has an internationally renowned scientific committee made up of eminent experts in their respective fields, and a board of directors the members of which have a wealth of experience gained at major pharmaceutical laboratories and international vaccine manufacturers.

2.2 Highlights and activities of ABIVAX in the first half of 2017

Progress in the clinical development of ABX464 in HIV and discovery of potential new indications

- **Initial proof of treatment-induced reduction in HIV reservoirs observed in connection with ABX464-004, a Phase 2a clinical study**

As part of the ABX464-004 clinical trial, 30 patients with HIV received either ABX464 or a placebo in addition to their antiretroviral therapy for 28 days. The viral load at the beginning of the study was well controlled by "boosted darunavir". After 28 days' treatment, a reduction in the viral DNA copies per million PBMCs was observed in 8 of the 15 patients treated who could be assessed. No response was observed in the placebo group. Safety was the primary endpoint for the study: ABX464 was well tolerated and no serious adverse side effects were noted in the group receiving ABX464.

- **A second Phase 2a study (ABX464-005) exploring the effects of ABX464 on HIV reservoirs in intestinal tissue and peripheral blood mononuclear cells began in March 2017.**

ABX464-005 is a pharmacokinetic study lasting 28 days (for the first cohort) and 84 days (for the second cohort) in HIV-infected patients who receive ABX464 in addition to their antiretroviral therapy. Biopsies are collected at different intervals to quantify viral DNA over time, and the level of inflammation in the reservoirs. Conducted at the *Germans Trias i Pujol* University Hospital in Badalona (Barcelona, Spain), this study will assess the long-term reduction in viral DNA in immune cells, and the anti-inflammatory effect observed in preclinical models with ABX464.

Preliminary results from the first cohort of the Phase 2a ABX464-005 study showed a significant reduction in HIV reservoirs in the blood of patients infected with HIV. This data confirms and extends the reduction in HIV reservoirs seen in a previous Phase 2a clinical study, ABX464-004.

Preliminary results from the second cohort (three months' treatment) are expected during Q2 2018.

- **Launch of a further clinical study (ABX464-101) in a new indication: ulcerative colitis**

ABIVAX researchers published an article in Nature Scientific Report on the anti-inflammatory effect of ABX464 in preclinical models[1]. With this in mind, the company plans to launch ABX464-101, a Phase 2a proof-of-concept study to assess the safety and efficacy of ABX464 in 30 patients suffering from moderate to severe ulcerative colitis who are not responding to or are intolerant to immuno-modulators, anti-TNFα, vedolizumab and/or corticosteroids. Patients will be chosen at random to receive either a 50 mg dose of ABX464 or a placebo once a day for 8 weeks. The exploratory aims of the study include the assessment of clinical remission and the healing of lesions due to ulcerative colitis, as well as the level of inflammation around the intestines. This study will be conducted in 7 European countries: France, Belgium, Germany, Poland, Hungary, the Czech Republic and Spain. Requests for approval are currently being lodged with the ethical and regulatory committees in these countries. France has already given its regulatory approval.

- **ABX196 - a clinical stage immune-enhancing compound studied in cancer and based on the regulation of NKT lymphocytes**

ABX196 is a synthetic agonist (glycolipid) of iNKT (invariant natural killer T) lymphocytes, in a liposome formulation which was successfully assessed in a Phase 1 study in volunteer patients before being put on hold due to ABIVAX's decision to focus on antiviral therapies. Preclinical development highlighted the ability of ABX196 to turn non-responsive tumours with checkpoint inhibitors into responsive tumours. Since ABIVAX does not plan to continue its development in oncology, the company is currently seeking an external partner to develop this molecule. However, the company is committed to conducting research on ABX196 in a proof-

[1] https://www.nature.com/articles/s41598-017-04071-3

of-concept clinical study on hepatocellular cancer, so as to increase the value of this compound. This product is largely derived from its technology and the exclusive patent rights transferred to ABIVAX by the Scripps Research Institute (La Jolla, California), the University of Chicago (Chicago, Illinois) and Brigham Young University (Salt Lake City, Utah).

Discovery of new antiviral molecules with the potential to treat RSV, influenza and dengue fever

Exploration of the ABIVAX proprietary chemical library composed of small antiviral molecules has generated potential targets for RSV, influenza and dengue fever. The company recently signed long-term agreements with the CNRS (the French National Centre for Scientific Research) and Evotec, granting ABIVAX access to unparalleled resources and scientific expertise to develop its antiviral platform. The development of ABX311 (chikungunya) is now less of a priority due to the lower incidence of viral epidemics.

Receipt in September of the Bpifrance milestone payment of €2.1 million for the RNP-Vir program

This funding, based on the achievement of objectives, will allow ABIVAX to accelerate the ramp-up and optimisation of its antiviral platform. The first milestone payment of €2.1 million was received at the beginning of September.

As part of the "Structuring R&D Projects for Competitiveness" (PSPC) call for projects from the French Investment Programme for the Future (PIA), ABIVAX is the lead partner of a consortium that includes the CNRS and qualified scientific subcontractors, with the aim of identifying molecules to treat other viruses for which medical needs remain unmet. The aid amount stands at €10.3 million, of which ABIVAX receives €8.4 million in the form of grants and repayable aid, while the CNRS receives €1.9 million. The programme is managed by the French General Commissariat for Investment (CGI) and operated by Bpifrance.

Implementation as of September of equity line financing with Kepler Cheuvreux.

This financing line provides increased visibility in terms of the Company's medium-term financing, and provides modular access to additional financial resources, according to the development milestones for R&D projects.

In line with the terms of the agreement, Kepler Cheuvreux, acting as a financial intermediary and as the guarantor of the transaction, committed to acquire 970,000 shares of its own accord, within a maximum timeframe of 24 months.

The shares will be issued based on the average volume-weighted share price over the two trading days prior to each issue, less a maximum discount of 7.0%.
Assuming that this financing line [2] is drawn down in full, this would allow the Company to raise €12 million at the current share price [3]. Subject to the contractual conditions being met, a shareholder holding 1.00% of ABIVAX capital prior to its implementation, would see their holding reduced to 0.91% [4] of the capital. ABIVAX retains the right to suspend or terminate this agreement at any time.
The number of shares issued pursuant to this agreement and admitted to trading will be the subject of Euronext notices, as well as a notification on the ABIVAX website.

[2] In this case, 970,000 new securities would be issued.
[3] On the indicative basis of the average price of ABIVAX shares over the last 20 trading days.
[4] Based on 9,741,489 shares forming the share capital of ABIVAX at 31 July 2017.

2.3 Financial situation and results: notes on the figures

The financial statements of ABIVAX as at 30 June 2017 essentially show:

- **An operating loss of €5.5 million (compared to €8.3 million at 30 June 2016) reflects the strict control on expenditure and the discontinuation of the development of ABX 203 since the second half of 2016.**

    - R&D expenditure amounted to €5.8 million, mainly due to the development of ABX464 (50% of expenditure) and investment in the antiviral platform (30%)
    - Overheads and administrative expenses remained stable at €1.7 million in the first half of 2017, compared to €1.6 million for the first half of 2016
    - The Research Tax Credit (CIR) for the first half of 2017 is estimated to be €1.7 million. This does not take account of the expenses which will be incurred in the second half of 2017 or the reimbursable advances or grants not received as at 30 June 2017

- **Financial resources guaranteeing funding for the main projects until the end of Q2 2019**

    - The company's cash consumption stood at €1.1 million per month during the first half of 2017
    - Cash available at 30 June 2017 stood at €16.4 million, thus ensuring natural coverage of ABIVAX's financial requirements until 30 September 2018, based on current estimates of R&D needs
    - In addition, the implementation of an equity line financing facility with Kepler Cheuvreux finalised at the end of September, assuming that upon full completion and at the current ABIVAX share price €12 million will be generated, will allow the company to be financed until the end of Q2 2019

KEY FIGURES

The following tables show the key items from the half-year results drawn up according to French accounting standards, for the 1st half of the 2017 and 2016 financial years, and certain items as at 31 December 2016.

Items in the Income Statement in thousands of euros	**30/06/2017**	**30/06/2016**	**Variation**
Total operating income	4	137	-133
Total operating expenses	7,410	10,755	-3,346
of which Research and Development expenses	*5,729*	*9,205*	*-3,476*
of which administrative costs and overheads	*1,681*	*1,550*	*131*
Operating income	-7,406	-10,617	3,211
Net financial income	33	-229	262
Income from continuing operations	**-7,373**	**-10,846**	**3,473**
Extraordinary income	173	486	-313
Tax on income	-1,651	-2,086	435
Income for the period	**-5,549**	**-8,274**	**2,725**

ASSETS in thousands of euros	**30/06/2017** **Social**	**31/12/2016** **Social**	**Variation**
Fixed assets			
Intangible fixed assets	32,015	32,005	10
Property, plant and equipment	168	191	-23
Financial assets	721	560	161
Total	32,904	32,757	148
Current assets			0
Receivables	5,775	4,803	972
Marketable securities	15,093	15,050	43
Cash and cash equivalents	1,276	7,937	-6,661
Prepaid expenses	141	51	90
Total	22,285	27,841	-5,556
Grand Total	**55,189**	**60,597**	**-5,408**
LIABILITIES in thousands of euros	**30/06/2017** **Social**	**31/12/2016** **Social**	**Variation**
Shareholders' equity	**48,961**	**54,510**	**-5,549**
Conditional advances	**2,208**	**2,208**	**0**
Provisions for risks and expenses	**21**	**16**	**5**
Total	51,190	56,734	-5,544
Payables			
Convertible bonds	76	61	15
Borrowings and financial debt – Other	255	255	0
Trade payables and related accounts	2,867	2,571	296
Accrued taxes and personnel expenses	781	974	-194
Other payables	20	2	18
Total	3,999	3,863	136
Grand Total	**55,189**	**60,597**	**-5,408**

OVERVIEW OF RESULTS AT 30/06/2017

Operating income:

Income Statement Items in thousands of euros	30/06/2017	30/06/2016	Variation
Sales of goods			0
Production sold			0
Operating grants	0	24	-24
Other income	4	114	-110
Total operating income	**4**	**137**	**-133**

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

Operating grants

The grants which appear in the income statement depend on the progress of the project.

In the first half of 2016, ABIVAX had a European grant for its RNP Net project. In this regard, income of €24K was recorded for the first half of 2016 for a total amount to be received of €30K.

In the first half of 2017, expenditure incurred on the CaReNA project was not subject to corresponding payment of a grant.

Other income

During the first half of 2016, the operating income rose to €114K.
Most of this amount is linked to the contract with the INRA which has been partially continued.
Specifically, an agreement has been reached for a collaboration amount of €110K. The provision, which had been created at the end of 2015 to cover this expense, has therefore been completely reversed. This reversal appears in other income.

During the first half of 2017, operating income stood at €4K.

Net operating expenses by type:

Income Statement Items in thousands of euros	30/06/2017	30/06/2016	Variation
Purchases of raw materials	10	9	1
Third-party studies	3,590	6,583	-2,993
General subcontracting	49	107	-58
Supplies	11	10	1
Rent, maintenance and repairs	206	235	-29
Sundry expenses	157	210	-53
Documentation, technological monitoring and seminars	53	39	14
Patents	314	395	-81
Fees	772	934	-162
Assignments and travel	213	235	-22
Other purchases and external expenses	5,367	8,746	-3,379
Taxes, duties and similar payments	51	35	16
Wages and salaries	1,361	1,405	-44
Social security expenses	540	503	37
Depreciation	43	35	8
Other expenses	38	22	16
Total operating expenses	**7,410**	**10,756**	**-3,346**

At 30 June 2017, operating expenses stood at €7,410K.

Operating expenses stood at 72%, composed of “other purchases and external expenses”, more than two-thirds of which related to external studies and scientific subcontracting (clinical studies, toxicology and industrial process development).

In the first half of 2016, costs relating to external studies and outsourcing mainly related to the ABX203* Phase III trial. This was completed in December 2016.

In the first half of 2017, some changes were seen in the portfolio:

- First clinical evidence of a reduction in HIV reservoirs observed in a Phase 2a clinical trial with ABX464
- Launch of an additional Phase 2a study to see the effect of ABX464 on HIV reservoirs in intestinal tissue in the blood
- A new Phase 2a study with ABX464 in ulcerative colitis obtained initial French regulatory approvals
- Positive preclinical results with ABX196 on cancer in animal models
- The development of ABIVAX's antiviral platform generated numerous targets for the treatment of RSV, influenza and dengue

* In early 2015, ABIVAX launched a pivotal clinical efficacy trial (Phase IIb/III). This study, named ABX 203-002, is an open-label, randomised, comparative study to assess the efficacy of ABX 203 in controlling the progression of the Hepatitis B virus following the discontinuation of nucleoside analogues (NUCs), specifically to sustainably manage the viral load over a longer period compared to current standard treatments. The study was rolled out in seven countries in the Asia-Pacific region (Australia, New Zealand, Taiwan, Hong Kong, Thailand, Singapore and South Korea). In connection with this major study, for which the inclusion of 276 patients was finalised last September, one group was treated with ABX 203 for 24 weeks, in addition to the current standard treatment (nucleoside analogues (NUCs)). All treatment was then discontinued and patients were assessed against the control group receiving only nucleoside analogue therapy. The study’s primary endpoint was the percentage of subjects with a viral load below 40 IU/ml after 48 weeks, i.e. 24 weeks after treatment ended.

In June 2016, a futility analysis was conducted due to an unexpected increase in the number of patients taken off the study based on the rebound of their viral load. A futility analysis is an analysis conducted during a clinical study to describe the probability of the study achieving its primary endpoint. The outcome of this analysis indicated that a positive result of the study's primary endpoint was improbable.

The Supervisory Independent Committee for the ABX 203-002 study was convened. It acknowledged that ABX 203 was well tolerated and recommended that the study be continued partially according to its protocol, i.e. that patients be monitored for a 24-week period after treatment, in order to continue assessment of changes in their viral load and to have a comprehensive overview of secondary endpoints. The investigators, the relevant Healthcare Authorities and patients were informed of the findings of the Supervisory Independent Committee.
In December 2016, full analysis of the study was undertaken and its results confirmed the findings of the futility analysis. In the ABX 203-002 pivotal clinical trial, ABX 203 showed no efficacy in controlling the viral load after discontinuation of all treatment in patients included in the study. Under these conditions, the product development programme was suspended at Abivax, pending further information from the Cuban partners who co-developed the product.

It should be noted that the failure of the pivotal Phase IIb/III study on ABX 203 (therapeutic vaccine for hepatitis B) has no impact on these technical losses nor on any aspect of the Company's assets. ABX 203 is an ABIVAX product that existed prior to the M&A transactions and all related R&D expenditure was recorded as an expense when it was incurred. Furthermore, the agreement with the Heber Biotec licensor does not provide for any compensation and the Company is convinced that it has done its utmost to lead the project in accordance with the co-development agreement.

Net Financial Income:

Income Statement Items in thousands of euros	**30/06/2017**	**30/06/2016**	**Variation**
Financial income	51	81	-30
Financial expenses	19	310	-291
Net Financial Income	**33**	**-229**	**262**

The financial income is broken down as follows:

	Amount
Fixed-term creditor interest	48
Currency translation gain	4

In terms of financial expenses, during the first half of 2016, as the price of the shares had depreciated since the beginning of the year, particularly during the last few days of June, the market value of these shares as of 30 June 2016 was much less than their purchase value.
This difference in value led to the recording of an additional provision for financial depreciation of €289K.

For the first half of 2017, the share price at 30 June 2017 is €12.86. The stock market value of treasury shares at 30 June 2017 is €431K.
Consequently, no provision for impairment was recognised at 30 June 2017 on treasury shares.

The financial expenses also include accrued interest to be paid in connection with the CaReNA project for an amount of €15K.

The exchange loss stands at €3K.

Net Profit (Loss):

Income Statement Items in thousands of euros	**30/06/2017**	**30/06/2016**	**Variation**
Income from continuing operations before tax	-7,373	-10,846	3,473
Extraordinary income	173	486	-313
Income tax (CIR)	1,651	2,086	-435
Loss	**-5,549**	**-8,274**	**2,725**

Extraordinary income

Over the first half of 2016, a provision for €253K linked to the closure of the Evry site was recorded. As the site was closed on 30 April 2016, this was reversed in full at the end of 2016.

In parallel, the BPI announced its acceptance of two failure reports relating to terminated cancer projects. These failure reports resulted in a debt waiver for €425K recorded in extraordinary income.
In the first half of 2017, only capital gains realised on disposals of treasury shares over the half-year amounting to €202K were recognised.

Over the first half of 2016, a loss of €182K was recorded on capital losses realised on disposals of treasury shares over the half-year. At 30 June 2017, given the market price, a loss of €28K was recorded on capital losses realised on disposals of treasury shares over the half-year.

Income tax (CIR)

The Research Tax Credit (CIR) for the first half of 2017 is estimated to be €1,651K. This does not take account of the expenses which will be incurred in the second half of 2017 or the reimbursable advances or grants not received as at 30 June 2017.

Net Income

The operating loss of €5,549K (compared to €8,274K at 30 June 2016) reflects the strict control on expenditure and the halt called to the development of ABX 203 since the second half of 2016.

SHOWN ON THE BALANCE SHEET AT 30/06/2017

Intangible fixed assets

During the second half of the 2014 financial year, three mergers took place: Wittycell and Zophis were absorbed on 31 July 2014 and Splicos was absorbed on 31 October 2014 by ABIVAX. These three transactions gave rise to the recording of goodwill in place of equities received by way of contribution in asset for a total sum of €32,745K.

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

Financial assets

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

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

At 30 June 2017, the company held 33,500 treasury shares via this liquidity contract, i.e. less than 10% of its capital, for an acquisition cost of €306K. The cash account at the service provider had a balance of €338K.

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

in thousands of euros	Quantity	Average price in euros	Book value of the stock held	Other financial assets
Opening of the contract				**1,000**
Purchases	54,537	18.45	1,006	-1,006
Sales	11,091	18.18	202	202
Realised capital gains or losses				
Balance as at 31 December 2015	43,446	18	788	196
Purchases	74,993	8.31	623	-623
Sales	68,539	8.52	584	584
Realised capital gains or losses			-514	
Balance at 31 December 2016	49,900	6	313	157
Purchases	53,637	7.99	428	-428
Sales	70,037	8.70	610	610
Realised capital gains or losses			174	
Balance at 30 June 2017	33,500	9	306	338

The share price at 30 June 2017 was €12.86. The stock market value of treasury shares at 30 June 2017 therefore stood at €431K.

Consequently, no provision for impairment was recognised at 30 June 2017 on treasury shares.

Receivables:

Receivables on fixed assets correspond to the amount available under the liquidity contract entered into by the company and deposits and guarantees paid by the company.

Fixed assets receivables are mainly made up of:

	Amount
Balance outstanding on CIR 2014 (including default interest)	€122K
CIR at 31/12/2016*	€3,519K
CIR estimated at 30/06/2017	€1,651K
CICE estimated at 30/06/2017	€4K
Supplier credits earned but not yet received	€1K
Deductible VAT and VAT credits	€470K
Receivables pertaining to social security contributions	€7K

*The CIR was collected on 30 August 2017

Marketable securities:

The marketable securities are made up as follows:

in thousands of euros	30/06/2017	Available without notice	25/01/2017	25/06/2018
Term deposits	15,087	87	5,000	10,000
SICAV/UCITS	6	6		
Cash and cash equivalents	1,276	1,276		
Total	16,369	1,369	5,000	10,000

Share capital

Following the exercise of 52 BSA-2014-3 share warrants on 11 April 2016, the Board of Directors recognised a capital increase of €52 on 7 November 2016, taking it from €96,968.89 to €97,020.89.

On the authority delegated to the General Meeting on 24 June 2016, the Board of Directors decided on 7 November 2016 to issue 84,000 BCE-2016-1 share warrants and on 23 January 2017 to issue 67,374 BCE-2017-1 share warrants.

On 17 March 2017, Mr Chevallier exercised 394 BSA 2014-1 share warrants, entitling him to 39,400 shares in the Company. This capital increase has not yet been recorded by the Board of Directors.

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

Conditional advances

The variation between 31 December 2016 and 30 June 2017 can be summarised thus:

	Balance at 31/12/2016	Advances received	Advances repaid	Advances abandoned	Balance as at 30/06/2017
BPI – CaReNA*	2,269	15			2,284
Total	2,269	15			2,284

*including €15K in advances received over the period corresponding to accrued interest payable.

Borrowings and financial debt – Other

At 30/06/2017, borrowings and financial debt consisted of:

- €255K still to be repaid on the adjuvant project (BPI A106002G) for a project to develop new vaccine adjuvants and clinical assessment, in keeping with dossier A0805001G signed with Wittycell in 2010.

2.4 Principal risk factors

On the occasion of its introduction on Euronext – section B, in June 2015, ABIVAX had set out the risk factors likely to affect it in the Base Document, available on its website. More recently, the said risk factors were updated in the Registration Document 2017.
This document is available on the Company's website at www.abivax.com.

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

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

3 INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2017

3.1 Income statement

Income Statement Items in thousands of euros	Note	30/06/2017	30/06/2016	Variation
Operating income		**4**	**137**	**-133**
Production sold				0
Operating grants	8			0
Other income		4	137	-133
Operating expenses		**7,410**	**10,756**	**-3,346**
Purchases of raw materials and supplies		10	9	1
Other purchases and external expenses	3	5,367	8,746	-3,379
Taxes and duties		51	35	16
Salaries and social security contributions		1,900	1,907	-7
Amortisation, depreciation and provisions	3	43	35	8
Other expenses		38	22	16
Operating income		-7,406	-10,617	3,211
Financial income		51	81	-30
Financial expenses		19	310	-292
Net financial income		33	-229	262
Income from continuing operations		-7,373	-10,846	3,473
Extraordinary income		173	486	-313
Income tax (CIR)	11	-1,651	-2,086	435
Income for the period		**-5,549**	**-8,274**	**2,725**

3.2 Balance sheet

ASSETS in thousands of euros	Note	30/06/2016	31/12/2016	Variation
Fixed assets				
Intangible fixed assets	3	32,015	32,005	0
Concessions, patents, licences, software				10
Property, plant and equipment	3			0
Technical plant, industrial machinery and equipment		136	153	-17
Other property, plant and equipment		32	38	-6
Financial assets	3			0
Other financial assets		721	560	161
Total		32,904	32,757	148
Current assets				0
Receivables	4	5,775	4,803	972
Marketable securities		15,093	15,050	43
Cash and cash equivalents	5	1,276	7,937	-6,661
Prepaid expenses	4	141	51	90
Total		22,285	27,841	-5,556
Grand Total		**55,189**	**60,597**	**-5,408**

LIABILITIES in thousands of euros		30/06/2016	31/12/2016	Variation
Shareholders' equity				
Capital	6	97	97	0
Share, contribution and merger premiums	6	89,765	89,765	0
Retained earnings	6	-35,352	-21,045	-14,308
Income for the financial year (profit or loss)		-5,549	-14,308	8,758
Total		48,961	54,510	-5,549
Other capital				
Conditional advances	8	2,208	2,208	0
Total		2,208	2,208	0
Provisions				
Provisions for risks and expenses	7	21	16	5
Total		21	16	5
Payables				
Convertible bonds		76	61	15
Borrowings and financial debt – Other	8	255	255	0
Trade payables and related accounts	9	2,867	2,571	296
Accrued taxes and personnel expenses	9	781	974	-193
Other payables		20	2	18
Total		3,999	3,863	136
Grand Total		**55,189**	**60,597**	**-5,408**

3.3 Cash flow statement

in thousands of euros	30/06/2017	31/12/2016	Variation
Cash flow from operating activity			
Operating income	-7,406	-18,236	10,830
+ Provisions for amortisation and depreciation (excluding provisions for current assets)	43	-35	78
- Change in operating receivables	734	-595	1,330
+ Change in trade payables	296	-237	533
= Net operating cash flow	-6,333	-19,103	12,771
- Financial expenses	-3	-10	7
+ Financial income	51	136	-84
- Extraordinary expenses linked to activity	-1	-2	0
+ Extraordinary income linked to activity		0	0
- Change in other receivables linked to activity	-145	3,312	-3,457
+ Change in other payables linked to activity	-175	59	-235
= Net cash flow generated by activity (A)	-6,606	-15,608	9,002
Cash flow linked to investment			
- Acquisitions of fixed assets	-454	-721	268
+ Disposals of fixed assets	610	588	22
+ Reduction of financial assets	14	0	13
+/- Change in payables and receivables relating to investments	-181	39	-220
= Net cash flow from investment activities (B)	-11	-94	83
Cash flow linked to financing			0
+ Capital increase in cash and payments made by partners	0	58	-58
+ Loans and borrowings issued and repayable advances received		29	-29
- Repayment of loans and borrowing and repayable advances		-525	525
+/- Change in trade payables and receivables relating to financing activities		0	0
= Net cash flow from financing activities (C)	0	-438	438
Change in cash position (A+B+C)	**-6,616**	**-16,140**	**9,523**
+ Cash at the beginning of the period	22,987	39,127	-16,140
= Cash at the end of the period*	**16,370**	**22,987**	**-6,617**

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

* At 30/06/2017, the Company's net financial cash position (net of financial debt of €255K) amounted to €16,114K.

3.4 Statement of changes in shareholders' equity

in thousands of euros	Number of shares issued	Capital	Premiums	BSA warrants	Retained earnings	TOTAL
As at 31 December 2014	69,150	69	35,674	0	-5,091	30,653
Share split - AGM 20 February 2015	6,915,000					
Capital increase - Board meeting 23 June 2015	2,707,089	27	57,634			57,661
Issue costs			-3,774			-3,774
Capital increase by exercise of founders' warrants (BCE)	74,800	1				1
Subscription warrants (BSA) issued				173		173
Loss for 2015					-15,954	-15,954
At 31 December 2015	9,696,889	97	89,534	173	-21,045	68,759
Capital increase by exercise of BSA share warrants	5,200			0		0
Subscription warrants (BSA) issued				58		58
Loss for 2016					-14,308	-14,308
At 31 December 2016	9,702,089	97	89,534	231	-35,352	54,510
Capital increase by exercise of BSA share warrants	39,400					
Subscription warrants (BSA) issued						
Loss for H1 2017					-5,549	-5,549
At 30 June 2017	9,741,489	97	89,534	231	-40,901	48,961