HALF-YEAR FINANCIAL REPORT 2019

abivax

Contents

1. LEADERSHIP

Board of Directors

Chairman:	Dr Philippe Pouletty

Directors:	Carol L. Brosgart
	Claude Bertrand
	Corinna zur Bonsen-Thomas
	Jean-Jacques Bertrand
	Joy Amundson
	Santé Holding SRL represented by Dr Antonino Ligresti
	Truffle Capital represented by Christian Pierret

Management

Chief Executive Officer	Pr. Hartmut Ehrlich
V.P. Chief Financial Officer and Secretary of the Board of Directors	Didier Blondel
V.P. Chief Commercial and Business Development Officer	Pierre Courteille
V.P. Process and Manufacturing Development	Jérôme Denis
V.P. Clinical Operations	Paul Gineste
V.P. Regulatory Affairs, Quality and Pharmacovigilance	Alexandra Pearce
V.P. R&D	Didier Scherrer
V.P. Chief Medical Officer	Dr Jean-Marc Steens
V.P. Research and Director of the Abivax–CNRS Collaborative Laboratory	Jamal Tazi

2. HALF-YEAR ACTIVITY REPORTS

2.1. ABIVAX – an overview

ABIVAX is an innovative biotech company that is mobilising the body's natural immune "machinery" to treat patients suffering from inflammatory diseases, infectious diseases and cancer. As a clinical-stage biotech company, ABIVAX is leveraging its three platforms to discover and optimise drug candidates to treat inflammatory bowel diseases, HIV and even liver cancer. The anti-inflammatory and antiviral products and immunotherapies developed by ABIVAX derive from three proprietary technological platforms:

1. A "Modulation of RNA Biogenesis" platform, based on technologies developed jointly by the CNRS (Montpellier, France) and the Institut Curie (Orsay, France). In addition to ABX464, this platform has generated a chemical library of more than two thousand small molecules that act on RNA maturation phases to precisely block viral replication mechanisms using new modes of action. ABX464 is the flagship molecule derived from this platform. Originally developed to target the HIV virus, this molecule has proven to be effective on the RNA splicing process, and has also had an anti-inflammatory effect, which has become the main indication of this drug candidate. The platform has also generated different molecules that target, with some of the first active molecules identified, other viruses such as the Respiratory Syncytial Virus, Dengue, and the influenza virus.
2. An "Immune Enhancer" platform based on intellectual property from the Scripps Research Institute (United States). This platform affects "iNKT" agonist compounds which stimulate immune responses at both the humoral and cellular levels. These compounds have clinical applications in oncology and infectious diseases. ABX196, the target product derived from this platform, has already demonstrated its safety in a Phase 1 study in healthy volunteers. A preclinical development has shown the ability of ABX196 to convert tumours that were not responsive to treatment with checkpoint inhibitors into responsive tumours. Since ABIVAX does not intend to work in immuno-oncology, it is seeking to develop this molecule on liver cancer or advanced hepatocellular carcinoma with the support of an external partner after receiving the first clinical efficacy results.
3. A "Polyclonal Antibody" platform based on the generation of neutralising antibodies for the treatment and prevention of viral infections like Ebola.

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

ABIVAX is currently focusing its efforts on the following issues:

- continuing the clinical development programme for ABX464, with a strategic priority now given to treating chronic inflammatory bowel disease (IBD) and other inflammatory diseases, then, secondly, to searching for a functional cure for HIV;
- initiation of the clinical development of ABX196 in the treatment of hepatocellular cancer, in combination with checkpoint inhibitors;
- lastly, the discovery of new molecules to treat major viral infections ("Modulation of RNA Biogenesis" platform).

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

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

2.2. Description of the highlights and activities of ABIVAX in the first half of 2019

"Modulation of RNA Biogenesis" platform

ABX464
Ulcerative colitis
Phase 2a

Abivax unveils compelling six-month results from its Phase 2a maintenance study with ABX464 - March 2019
On 8 March 2019, ABIVAX unveiled compelling results from its Phase 2a maintenance study with ABX464 for ulcerative colitis. This presentation was made at the Annual Congress of the European Crohn's and Colitis Organisation (ECCO). These results highlighted the long-term efficacy of daily oral administration of 50 mg of ABX464 as part of a maintenance treatment. These results show that the partial Mayo score continues to improve for 92% of patients treated since the ABX464-101 induction study. Lastly, the long-term tolerance of a daily 50 mg dose of ABX464 remains excellent.

Abivax presented the results of its Phase 2a nine-month maintenance study in Ulcerative Colitis at the International Gastroenterology Conference (DDW) held in the United States and which demonstrate the long-term efficacy and safety of ABX464 - May 2019
Abivax gave an oral presentation of the results of its phase 2a maintenance study in ulcerative colitis at the Digestive Disease Week (DDW) in San Diego (California, USA) on 21 May 2019. 18 of the 19 patients present a consistent clinical response with significant decrease in the median level of fecal calprotectin (biomarker of the disease) to normal values, indicative of mucosal healing. Seven patients are in clinical remission. All patients in the maintenance phase at six months continued the study at nine months, thus demonstrating the long-term efficacy and safety of ABX464.

Phase 2b

Abivax obtains the first authorisations for the launch of its Phase 2b induction study with ABX464 - April 2019
Abivax received full authorisation from the Canadian regulatory authorities to start its Phase 2b clinical trial with 232 patients affected with moderate to severe ulcerative colitis. This study will be distributed over a maximum of 150 sites in more than 15 countries, mainly European. This will be a randomised, double blind, placebo controlled study. ABX464 will be given through oral administration and the study will include four treatment groups with three increasing ABX464 doses (25, 50 and 100 mg/day) as well as a placebo. This 16-week study will be followed by an open-label maintenance study. The primary endpoint is reduction in modified Mayo Score at eight weeks, The secondary endpoints will include clinical remission, endoscopic improvement and biomarker fecal calprotectin. Top-level results are expected around the end of 2020.

Rheumatoid arthritis
Phase 2a

Abivax receives first clinical trial authorisation for ABX464 Phase 2a study - June 2019
The French ANSM agency (National Agency for Medicines and Health Products Safety) was the first to approve clinical trial with ABX464 in moderate to severe rheumatoid arthritis. This Phase 2a clinical trial will be carried out with 60 patients in five countries. The study is designed to evaluate the tolerability and preliminary efficacy of two oral dose levels (50 and 100 mg) of ABX464 administered daily, in combination with methotrexate (MTX), in patients with moderate to severe Rheumatoid Arthritis who presented an inadequate response to MTX and/or to one or more anti-tumour necrosis factor alpha (TNFα) biologicals. This will be a multicentric, randomised, double blind, placebo-controlled study. The study will last 12 weeks

and will be followed by a maintenance study. The primary endpoint of the study will be tolerability to ABX464. Secondary endpoints will be indicators of efficacy including the change from baseline in the individual components of the American College of Rheumatology (ACR), the proportion of patients achieving ACR2O response and change from baseline in Disease Activity Scores (DAS) in 28 joints.

ABX464
Mechanism of action

Abivax publishes in Nature Scientific Reports ABX464's unique mechanism of action leading to both anti-inflammatory and antiviral effects - January 2019
The data further demonstrate that ABX464 binds to an mRNA-binding protein complex known as the cap binding complex (CBC) and enhances its functioning, resulting in the enhanced splicing of two types of RNA: 1) a segment of HIV RNA which the HIV virus needs in an unspliced form for replication, thus inhibiting replication; and 2) a long non-coding human RNA (lncRNA 0599-205), which, upon splicing, results in specific increased expression of miR-124, a microRNA with potent anti-inflammatory properties. MicroRNAs are known to dampen gene expression, and miR-124 is known to specifically downregulate the expression of a number of pro-inflammatory cytokines, thereby mitigating inflammation. Furthermore, by binding to CBC, ABX464 reinforces the biological functions of CBC in cellular RNA biogenesis including splicing, which is especially important in tissues suffering from perturbations, like inflammation. Therefore, the molecule acts inside injured immune cells to preserve the integrity of newly synthesised RNA. Based on this assumption, ABX464 is clearly defined as a drug candidate that is simultaneously antiviral and anti-inflammatory. Importantly, ABX464 did not modulate the rate of splicing of cellular genes, a key requirement for a safe and well tolerated drug.

"Immune stimulation" platform
ABX196
Phase 1/2

ABX196: Abivax and Scripps Research Institute announce receipt of FDA approval to initiate a Phase 1/2 clinical trial with ABX196 in patients with hepatocellular carcinoma (CHC) - June 2019
Last June, U.S. FDA has accepted an investigational new drug (IND) application for ABX196, which has shown potent efficacy in HCC animal models. ABX196 is a synthetic glycolipid drug candidate, agonist of invariant Natural Killer T cells. The open IND allows Abivax to test ABX196 in combination with nivolumab (Opdivo®, Bristol Myers Squibb), a checkpoint inhibitor, in the context of a phase 1/2 first clinical trial to treat patients with CHC. The initial dose escalation phase of the study will be conducted at 2 internationally renowned U.S. cancer centres of excellence (the Scripps Clinic in San Diego, California & the MD Anderson Cancer Center in Houston, Texas). Top-line results from the dose-escalation part are expected during summer 2020.

Financing

Receipt of the second tranche of the structured loan with Kreos Capital.
On 31 May 2019, Abivax received the second tranche of €10 million euros of the structured loan contracted from Kreos Capital in July 2018. This borrowing is made up of €8 million in simple bonds and 2 million in convertible bonds. The drawdown of this second tranche was made possible by the agreement of the regulatory authorities and the Canadian ethics committee for the launch of the Phase 2b clinical trial in ulcerative colitis with ABX464. The second tranche of share subscription warrants, with a (BSA) with a value of €0.8 million, was also subscribed at the same time as the bonds. The repayment conditions of the Kreos loan are as follows: each tranche carries an annual interest of 8% plus three months Euribor with a minimum value at 8% and maximum value of 9%, the repayment of the capital is deferred by one year. As such, interests are repaid in 54 monthly payments (4.5 years) and capital in 42 monthly payments (3.5 years). The breakdown of the structured loan can be found in the press release of 25 July 2018 made at signature.

Receipt in June 2019 of the Research Tax Credit for 2018
On 26 June 2019, Abivax received its Research Tax Credit of €4,057,000 from the French tax administration.

Tax audit

The Company underwent a tax audit in 2018 covering the period between 01/01/2015 and 31/12/2016 and relating to French Research Tax Credits filed in 2015, 2016 and 2017. In July 2019, Abivax received final notice from the general management of the public finance authority. This led Abivax to adjust the amount of expected rectifications (€49,000) in the first half of 2019.

POST BALANCE SHEET EVENTS

ABIVAX carried out a capital increase of €12 million entirely subscribed by Sofinnova Partners at market price - July 2019

Abivax successfully completed a capital increase of 1,500,000 new ordinary shares with a nominal value of €0.01 per share (12.7% of the current capital), which was entirely subscribed at market price by Sofinnova Crossover I, a fund managed by Sofinnova Partners, globally recognised as a leading specialist investor. The investment, combined with the continued support of Abivax's founding shareholder, Truffle Capital (45.8% of the current capital), validates the science and strategy and extends the cash runway to the end of the second quarter of 2020. Dr Kinam Hong, Partner at Sofinnova has been appointed to the Board of Directors of Abivax.

Abivax now has sufficient time and resources to leverage maximum value in ongoing partnering discussions for ABX464, while also providing funding to achieve important value-creating milestones in three Phase 2 programs for ABX464 in ulcerative colitis, rheumatoid arthritis and Crohn's disease and the Phase 1/2 program for ABX196 in liver cancer.

ABX464, Ulcerative colitis (RCH), Phase 2b

In August 2019, the first patient was enrolled in the multinational Phase 2b clinical trial of ABX464 with once a day, convenient oral dosing, for the treatment of moderate to severe active UC. In total, the clinical trial will be conducted in more than 15 countries globally. Twelve countries involved have already approved the study. The objectives of this trial are to confirm that ABX464's novel mechanism of action will result in potent and durable anti-inflammatory responses in a much larger patient population, and to define the optimal dose for subsequent Phase 3 testing. Top-line data after 2 months of induction treatment are expected around the end of 2020.

ABX464, Rheumatoid arthritis, Phase 2a

In August 2019 as well, the first patient of the ABX464-301 study, a Phase 2a clinical trial of ABX464 was given ABX464 to treat moderate to severe active rheumatoid arthritis (RA). The clinical trial has been fully approved in four countries (France, Poland, Czech Republic, and Hungary). ABX464-301 is a Phase 2a study designed to evaluate the safety, tolerability and preliminary efficacy of two oral dose-levels of ABX464 administered daily, in combination with methotrexate (MTX), in patients with moderate to severe active RA who had an inadequate response to MTX and/or to one or more anti-tumour necrosis factor alpha (TNFα) biological therapeutics. The primary endpoint of the study will be safety and tolerability. Top-line data, after 3 months of induction treatment, are expected during the summer of 2020.

ABX544, Ebola, Pre-clinical development

With a vaccine for this indication currently under regulatory review and a change of the macroeconomic landscape in public funding, Abivax has decided to terminate the Ebola program linked to the ABX544 drug candidate.

Maintenance of Kepler Cheuvreux equity line of credit

The Chief Executive Officer of the Company, acting on behalf of the Board of Directors, which met on 17 September 2019, and in accordance with the 15th resolution of the Combined General Meeting of shareholders of 07 of June 2019, decided to renew the equity line of credit. In line with the terms of the agreement, Kepler Cheuvreux, acting as a financial intermediary and as the guarantor of the transaction, has undertaken to acquire a maximum of 730,000 shares or 6.1% of the present capital, or the remainder of the previous line of credit. The acquisition will be carried out within a maximum timeframe of 24 months until

September 2021. 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%. This will allow the Company to enhance its financing and cover its expenditure related to its research projects and its financial commitments until the second quarter of 2020. The agreement was signed on 30 September 2019.

2.3. Financial situation and results: notes on the figures

The financial statements of ABIVAX as at 30 June 2019 essentially show:

- **Half-year results of -€14.2 million (-€7 million compared to -€7.2 million as of 30 June 2018). These results mainly reflect the increasing investment in development of ABX464 in inflammatory indications (+€8.0 million), as well as ABX196 clinical study preparation in hepatocellular carcinoma (+€0.8 million), while toning down investment for ABX464 in HIV indication (-€1.3 million).**

    - R&D expenses amounted to €15 million, focused on ABX464 development costs (76%).
    - Administrative costs and overheads amounted to €2.3 million in H1 2019 (13% of operating expenses) compared to €2 million (22%) in H1 2018.
    - The Research Tax Credit (CIR) for the first half of 2019 is estimated to be €3.8 million. This does not take into account the expenditure that will be incurred in the second half of 2018, but does take into account 100% of the grants and repayable advances granted under the RNP-VIR project by BPI for the key stage 2
    -

Financial resources guaranteeing funding for the main projects until the second quarter of 2020

- Cash at the end of June 2019 totalled €11.6 million, compared to €13.0 million at the end of 2018.
- The Company's cash consumption stood at €2.7 million per month during the first half of 2019
- The Company cashed in the €10 million second tranche of Kreos Capital loan agreement during H1 2019, and reported a capital increase of €12 million completed with Sofinnova Partners, which is therefore adding to existing cash at the end of June 2019. In September 2019, it also extended the remainder of its existing line of credit with Kepler Cheuvreux (730,000 shares or 6.1% of the current capital) by another two years until September 2021.
- The Company is fully funded through Q2 2020, based on the assessment of planned R&D needs.

KEY FIGURES

The following tables summarise the key items from the half-yearly results drawn up according to French accounting standards, for the first half of 2019 and 2018 and certain items as at 31 December 2018.

Income statement items in thousands of euros	**H1 2019**	**H1 2018**	**Variation**
Total operating income	40	492	-452
Total operating expenses	17,268	9,058	8,210
of which Research and Development costs	*14,981*	*7,061*	*7,920*
of which administrative costs and overheads	*2,288*	*1,996*	*292*
Operating income	**-17,228**	**-8,565**	**-8,663**
Net Financial Income	-655	27	-683
Income from continuing operations	**-17,883**	**-8,538**	**-9,345**
Extraordinary income	-47	-59	12
Income tax	-3,759	-1,352	-2,407
Income for the period	**-14,172**	**-7,245**	**-6,926**

ASSETS - in thousands of euros	**30/06/2019**	**31/12/2018**	**Variation**
Fixed assets			
Intangible fixed assets	32,005	32,005	0
Property, plant and equipment	163	151	13
Financial assets	1,137	915	222
Total	33,306	33,071	235
Current assets			
Receivables	9,443	7,774	1,669
Marketable securities	6	5,006	-5,000
Cash and cash equivalents	11,550	7,996	3,554
Prepaid expenses	293	201	92
Total	21,292	20,977	315
Currency translation gains	1		1
Total Assets	**54,598**	**54,048**	**550**
LIABILITIES			
Shareholders' equity	**14,977**	**28,744**	**-13,767**
Conditional advances	**5,936**	**5,910**	**26**
Provisions for risks and expenses	**1**	**0**	**1**
Total	20,914	34,655	-13,741
Payables			
Convertible bonds	4,000	2,000	2,000
Non-convertible bonds	17,800	8,900	8,900
Trade payables and related accounts	10,155	6,654	3,501
Accrued taxes and personnel expenses	1,730	1,819	-89
Other payables	0	19	-19
Total	33,684	19,392	14,292
Exchange adjustments on liabilities		1	-1
Total liabilities	**54,598**	**54,048**	**550**

OVERVIEW OF RESULTS AT 30/06/2019

Operating income

Income Statement Items in thousands of euros	H1 2019	H1 2018	Variation
Sales of goods			
Production sold			
Operating grants	-21	485	-506
Other income	61	7	54
Total operating income	**40**	**492**	**-452**

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

Operating grants

The grants that appear in the income statement depend on project progress.
ABIVAX receives grants from Bpifrance, a French public investment bank for the CARENA and RNP-VIR projects. Income of €485,000 was recognised for the RNP-VIR project grant in the first half of 2018, corresponding to the completion of key stage 1. This amount was received in August 2018. Income of €311,000 was recognised for the completion of key phase 2 of the second half of 2018 of the RNP-VIR project. This amount was adjusted in H1 2019 leading to a correction of -€21,000 in H1 2019. As such, Abivax expects to receive €290,000 from Bpifrance for key stage 2 of the RNP-VIR project.

Other income

In H1 2018, operating income amounted to €61,000 compared to €7,000 in 2018. This income corresponds to various operating expense transfers as well as the grand received under the Research Tax Credit scheme which allowed the hiring of a young PhD student.

Net operating expenses by type:

Income Statement Items in thousands of euros	H1 2019	H1 2018	Variation
Purchases of raw materials	16	10	7
Third-party studies	11,927	4,823	7,104
General subcontracting	170	43	128
Supplies	42	22	21
Rent, maintenance and repairs	237	241	-4
Sundry expenses	208	138	70
Documentation, technological monitoring and seminars	21	54	-32
Patents	487	251	235
Fees	1,338	1,096	242
Assignments and travel	177	202	-25
Other purchases and external expenses	14,607	6,869	7,738
Taxes, duties and similar payments	67	43	24
Wages and salaries	1,776	1,462	315
Social security expenses	728	579	149
Depreciation	45	48	-3
Other expenses	29	48	-19
Total operating expenses	**17,268**	**9,058**	**8,210**

At 30 June 2019, operating expenses were €17,268,000. 85% of the operating expenses were made up of "other purchases and external expenses", with more than 80% of these relating to external studies and scientific sub-contracting (clinical trials, laboratory research studies, toxicology and industrial process development).

Costs associated with external studies and sub-contracting in the first half of 2019 are mainly linked to the following events:

- Ulcerative colitis: Extension study of the Phase 2a clinical trial, i.e. The ABX464-102 study extended to two years of treatment (study started in January 2018 and for which the results at six months and nine months were published in the first half of 2019), launch of the Phase 2b induction study (16 weeks, 232 patients) in the second quarter of 2019 with a first patient included in August 2019.
- Rheumatoid arthritis: Launch of the induction study in the second quarter of 2019 (12 weeks, 60 patients) with a first patient included in August 2019.
- HIV: Finalisation of the ABX464-005 study
- In-depth research into understanding the mechanism of action of ABX464
- Preparation of the phase 1/2 clinical trial on the treatment of liver cancer with the ABX196 drug candidate; launch planned in summer 2019.
- Development of the ABIVAX antiviral platform on the treatment of the Respiratory Syncytial Virus, Influenza, and Dengue with the crossing of key stage 2 of the RNP-VIR project (identification of five hits for 2 indications (RSV, Dengue) and identification of the specific RNP involved in viral replication for RSV.

In the first half of 2018, the costs associated with external studies and sub-contracting were mainly associated with the following factors:

- Ulcerative colitis: Proof-of-concept Phase 2a clinical trial, i.e. the ABX464-101 trial that started in November 2017 and ended in September 2018 (trial over two months with 32

patients initially enrolled) and the ABX464-102 one-year treatment extension study that started in January 2018

- HIV: Observation of the reduction in HIV reservoirs in patients' blood in the two clinical studies and particularly in cohort 2 of the ABX464-005 study.
- Improved understanding of the novel mechanism of action of ABX464
- Positive preclinical results with ABX196 on cancer in animal models
- Development of the ABIVAX antiviral platform in the treatment of Respiratory Syncytial Virus, Influenza and Dengue.

Net Financial Income:

Income Statement Items in thousands of euros	**H1 2019**	**H1 2018**	**Variation**
Financial income	5	65	-59
Financial expenses	661	37	624
Net financial income	-655	27	-683

Financial income is broken down as follows:

in thousands of euros	**Amount**
Fixed-term creditor interest	5
Currency translation gain	0
Total	5

Financial income in the first half of 2019 was €5,000, corresponding primarily to interest received on term deposits. Financial expenses mainly include interests on the Kreos borrowing (-€618,000) then the interests incurred to be paid in the context of CARENA and RNP-VIR projects (-€26,000) and currency translation losses (-€16,000).

Net Profit (Loss):

Income Statement Items in thousands of euros	**H1 2019**	**H1 2018**	**Variation**
Income from continuing operations before tax	-17,883	-8,538	-9,345
Extraordinary income	-47	-59	12
Income tax (CIR)	3,759	1,352	2,407
Loss	**-14,172**	**-7,245**	**-6,926**

Extraordinary income

Extraordinary result in the first half of 2019 was a loss of -€47,000, comprised of extraordinary losses of -€59,000 corresponding to the capital losses realised on treasury share sales (-€13,000) and impairment of treasury shares due to the stock market price at 30 June 2019 (-€46,000), an adjustment of the provision linked to the tax audit (-€49,000) as well as +€61,000 linked to capital gains realised during the sale of treasury shares. Concerning the tax audit, Abivax received final notice from the French general directorate for public finances in July 2019. This led Abivax to make an immaterial adjustment to the amount of the expected corrections.

In the first half of 2018, the recognition of capital gains realised on treasury share sales (-€118,000) as well as the writeback of part of the impairment of treasury shares (+€59,000) resulted in an extraordinary loss of -€59,000.

Income tax (CIR)

The Research Tax Credit (CIR) for the first half of 2019 is estimated to be €3,759,000 million. This amount corresponds to the tax credit on eligible expenditure for the first half of 2018, less grants and repayable advances received.

Net Profit (Loss)

The operating loss of -€14,172,000 (compared to -€7,245,000 at 30 June 2018) reflects the ramp-up of ABX464 clinical development programs.

OVERVIEW OF THE BALANCE SHEET AT 30/06/2019

Intangible fixed assets

During the second half of the 2014 financial year, three full transfers of assets and liabilities were completed: Wittycell and Zophis were absorbed on 31 July 2014 and Splicos was absorbed on 31 October 2014. These three transactions resulted in the recognition of technical losses which replaced equities received by way of contribution under Assets for a total sum of €32,745,000. These technical losses represent the differences between the net assets received as measured at the effective accounting date and the book value of the holdings at Abivax for each of the companies absorbed. These are technical deficits and not financial deficits, since they account for the value of the research and development costs incurred by these three predecessor companies that was recognised by Abivax upon acquisition of the holdings, plus that of the research and development programmes undertaken in early 2014. These research costs had indeed not been capitalised by the three dissolved companies, which had instead accounted for them as costs when incurred.

Financial assets

Financial assets mainly correspond to items relating to the liquidity agreement subscribed by Abivax at the end of June 2015, and the warranty deposits paid for the premises occupied by the Company and in the context of the bond loan subscribed from Kreos in July 2018 and June 2019. The liquidity agreement was signed on 26 June 2015 for a period of 12 months and renews automatically. The sum paid to the service provider at the outset of the agreement was €1,000,000, and the first operations enabling a reserve of securities to be created took place between 26 and 29 June 2015. At 30 June 2019, the company held 27,400 treasury shares via this liquidity agreement, i.e. less than 10% of its capital, for an acquisition cost of €254,000. The balance of the cash account with the service provider is €401,000.

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

In thousands of euros	Quantity	Average price in euros*	Book value of the stock held	Other financial assets
Opening of the contract				**1,000**
Purchases	54,537	18.45	1,006	-1,006
Sales	11,091	18.18	202	202
Realised capital gains or losses			-16	
Balance at 31 December 2015	43,446	18	788	196
Purchases	74,993	8.31	623	-623
Sales	68,539	8.52	584	584
Realised capital gains or losses			-514	
Balance at 31 December 2016	49,900	6	313	157
Purchases	90,109	9.26	834	-834
Sales	105,959	9.57	1,014	1,014
Realised capital gains or losses			252	
Balance at 31 December 2017	34,050	11	385	337
Purchases	65,211	7.59	495	-495
Sales	75,291	7.76	585	585
Realised capital gains or losses			-116	
Balance at 31 December 2018	23,970	8	180	426
Purchases	30,729	9.46	291	-291
Sales	27,299	9.72	265	265
Realised capital gains or losses			48	
Balance at 30 June 2019	27,400	9	254	401

*average values for 2019, for example, €9 = €254,000/27,400 securities

Since the share price at 30 June 2019 was €7.58, the market value at 30 June 2019 of the 27,400 treasury shares was therefore €208,000 compared to €254,000. A provision for impairment of -€46,000 was therefore booked at 30 June 2019 in respect of the treasury shares.

Receivables:

Receivables on fixed assets correspond to the amount available under the liquidity agreement entered into by the Abivax and deposits and guarantees paid by the Company.
Other receivables are mainly made up of:

in thousands of euros	**Amount**
Balance outstanding on CIR 2014 (including default interest)	64
CIR estimated at 30/06/2019	3,753
VAT	2,154
Trade receivables-CIFRE revenue	5
Grants receivable - BPI RNP-VIR	290
Repayable advance receivable - BPI RNP-VIR	1,153
Reimbursement premium - Kreos	1,583
Loan issue costs - Kreos	287
Sundry debtors	153
Prepaid expenses	293
Total	9,735

Marketable securities:

Marketable securities are made up as follows:

in thousands of euros	**30/6/2018**	**Available without notice**	**Available in under a month**
Term deposits			
SICAV/UCITS	6	6	
Cash and cash equivalents	11,550	11,550	
Total	11,556	11,556	0

Share capital

The exercise of 1 BCE-2016-1 warrant on 21 May 2019 involving the creation of 1 Company share resulted in an increase in the share capital of €0.01, taking it from €101,991.89 to €101,991.90. The exercise of 1 BCE-2014-4 warrants on 06 June 2019 involving the creation of 50 Company shares resulted in an increase in the share capital of €0.50, taking it from €101,991.90 to €101,992.40. The exercise of 19,600 BCE-2014-6 warrants on 17 January 2019 involving the creation of 19,600 Company shares resulted in an increase in the share capital of €196, taking it from €101,992.40 to €102,188.40.

The adjustment of the exercise of 99 BCE-2014-6 warrants on 12 December 2018 involving the creation of 99 Company shares resulted in an increase in the share capital of €0.99, taking it from €102,188.40 to €102,189.39. The exercise of 50,000 warrants by KEPLER-CHEUVREUX during the second half of 2019, which resulted in the issuance of 50,000 Company shares, led to a share capital increase of €500, taking it from €102,189.39 to €102,689.39.

As at 30 June 2019, the Board of Directors had not yet recorded these capital increases.

However, the Board of Directors' meeting of 9 July 2019 duly noted these capital increases.
The exercise of 20,000 warrants by KEPLER-CHEUVREUX on 1 July leading to the creation of 20,000 Company shares resulted in an increase in the share capital of €200, taking it from €102,689.39 to €102,889.39. The exercise of 20,000 warrants by KEPLER-CHEUVREUX on 2 July leading to the creation of 20,000 Company shares resulted in an increase in the share capital of €200, taking it from €102,889.39 to €103,089.39.

On 11 July, the Company also finalised a capital increase of 1,500,000 new ordinary shares with a par value of €0.01 per share raising the share capital from €103,089.39 to €118,089.39.

As of the date of this document, the Board of Directors had not yet acknowledged these last capital increases.

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 2018 and 30 June 2019 can be summarised as follows:

in thousands of euros	**Balance at 31/12/2018**	Interest accrued over the period	Advances repaid over the period	**Balance at 30/06/2019**	*Including conditional advances*	*Including accrued interest*
BPI – CARENA	**2,331**	15		**2346**	*2187*	*159*
BPI EBOLA	**300**			**300**	*300*	
BPI RNP-VIR	**3,280**	11		**3291**	*3255*	*36*
Total	**5,911**	26	0	**5,937**	*5,742*	*195*

Borrowings and financial debt – Other

At 30/06/2019, borrowings and financial debt include the Kreos loan with a convertible bond loan (€4,000,000), a non-convertible bond loan (€16,000,000) and a repayment premium (€1,800,000).

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 Background Document, available on its website. More recently, the said risk factors were updated in the 2018 Registration Document, published on 30 April 2018.
This document is available on the Company's website at www.abivax.com.

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

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

3. INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2019

3.1. Income statement

Income Statement Items in thousands of euros	H1 2019	H1 2018	Variation
Operating income	**40**	**492**	**-452**
Production sold		2	-2
Operating grants	-21	485	-506
Other income	61	5	56
Operating expenses	**17,268**	**9,058**	**8,210**
Purchases of raw materials and supplies	16	10	7
Other purchases and external expenses	14,607	6,869	7,738
Taxes and duties	67	43	24
Salaries and social security contributions	2,504	2,041	463
Amortisation, depreciation and provisions	45	48	-3
Other expenses	29	48	-19
Operating income	-17,228	-8,565	-8,663
Financial income	5	65	-59
Financial expenses	661	37	624
Net financial income	-655	27	-683
Income from continuing operations	-17,883	-8,538	-9,345
Extraordinary income	-47	-59	12
Income tax (CIR)	3,759	1,352	2,407
Income for the period	**-14,172**	**-7,245**	**-6,926**

3.2. Balance sheet

ASSETS in thousands of euros	30/06/2019	31/12/2018	Variation
Fixed assets			
Intangible fixed assets	32,005	32,005	0
Concessions, patents, licences, software			
Property, plant and equipment			
Technical facilities, industrial tools and equipment	124	103	21
Other property, plant and equipment	39	48	-8
Financial assets			
Other financial assets	1,137	915	222
Total	33,306	33,071	235
Current assets			
Receivables	9,443	7,774	1,669
Cash instruments			
Marketable securities	6	5,006	-5,000
Cash and cash equivalents	11,550	7,996	3,554
Prepaid expenses	293	201	92
Advance payments on orders	0	0	0
Total	21,292	20,977	315
Currency translation gains	1	0	1
Total Assets	**54,598**	**54,048**	**550**

LIABILITIES in thousands of euros	30/06/2019	31/12/2018	Variation
Shareholders' equity			
Capital	103	102	1
Share, contribution and merger premiums	91,444	91,040	403
Retained earnings	-62,398	-46,575	-15,823
Income for the financial year (profit or loss)	-14,172	-15,823	1,651
Total	14,977	28,744	-13,767
Other capital			
Conditional advances	5,936	5,910	26
Total	5,936	5,910	26
Provisions			
Provisions for risks and expenses	1	0	1
Total	1	0	1
Payables			
Convertible bonds	4,000	2,000	2,000
Non-convertible bonds	17,800	8,900	8,900
Borrowings and financial debt – Other	0	0	0
Trade payables and related accounts	10,155	6,654	3,501
Accrued taxes and personnel expenses	1,730	1,819	-89
Other payables	0	19	-19
Deferred income			
Total	33,684	19,392	14,292
Exchange adjustments on liabilities	0	1	-1
Total liabilities	**54,598**	**54,048**	**550**

3.3. Cash flow statement

in thousands of euros	H1 2019	H1 2018	Variation
Cash flow linked to operating activity			
Operating income	-17,228	-8,565	-8,663
+ Amortisation, depreciation and provisions	43	48	-5
- Change in operating receivables	-66	10	-76
+ Change in trade payables	3,501	-290	3,791
= Net operating cash flow	-13,750	-8,798	-4,952
- Financial expenses	-483	-8	-475
+ Financial income	5	65	-60
- Extraordinary expenses linked to activity			0
+ Extraordinary income linked to activity			
- Change in other receivables linked to activity	2,847	-415	3,262
+ Change in other payables linked to activity	-142	-125	-17
= Net cash flow generated by activity (A)	-11,523	-9,281	-2,242
Cash flow linked to investment			
- Acquisitions of fixed assets	-568	-286	-282
+ Disposals of fixed assets	265	247	18
+ Reduction of financial assets		12	-12
+/- Change in other payables and receivables	25	-6	31
= Net cash flow from investment activities (B)	-277	-33	-244
Cash flow linked to financing			
+ Capital increase in cash and payments made by partners	404	31	373
+ Loans and borrowings issued and repayable advances received	10,000		10,000
- Repayment of loans and borrowing and repayable advances		-170	170
+/- Change in trade payables and receivables related to financing activities	-50		-50
= Net cash flow linked to financing activities (C)	10,354	-139	10,493
Change in cash position (A+B+C)	**-1,446**	**-9,453**	**8,007**
+ Cash at the beginning of the period	13,002	17,032	-4,030
= Cash at the end of the period*	**11,556**	**7,579**	**3,977**

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

3.4. Statement of changes in shareholders' equity share

	Number of shares	Capital	Premiums	BCE/BSA	Retained earnings	Total
At 31 December 2014	69,150	69	35,674	0	-5,091	30,653
Share split - AGM 20 February 2015	6,915,000					-
Capital increase – BoD Meeting 23 June 2015	2,707,089	27	57,634			57,661
Issue costs			-3,774			-3,774
Capital increase by exercising BSA/BCE share warrants	74,800	1				1
Issuance of BSA/BCE share warrants				173		173
Loss for 2015					-15,954	-15,954
At 31 December 2015	9,696,889	97	89,534	173	-21,045	68,759
Capital increase by exercising BSA/BCE share warrants	5,200	0				0
Subscription warrants (BSA) issued				58		58
Loss for 2016					-14,308	-14,308
At 31 December 2016	9,702,089	97	89,534	231	-35,352	54,510
Capital increase by exercising BSA/BCE share warrants	142,140	1	19			20
Subscription warrants (BSA) issued				21		21
Kepler Cheuvreux equity line	60,000	1	664	1		665
Issue costs			-77			-77
Loss for 2017					-11,223	-11,223
At 31 December 2017	9,904,229	99	90,139	253	-46,575	43,915
Capital increase by exercising BCE/BSA share warrants	204,960	2				2
Kepler Cheuvreux equity line	90,000	1	629			630
Issue costs			-10			-10
Subscription warrants (BSA) issued				30		30
Loss for 2018					-15,823	-15,823
At 31 December 2018	10,199 189	102	90,758	283	-62,398	28,744
Capital increase by exercising BCE/BSA share warrants	19,750					
Kepler Cheuvreux equity line	50,000	1	410			411
Issue costs			-7			-7
Loss H12019					-14,172	-14,172
At 30 June 2019	10,268 939	103	91,161	283	-76,570	14,977

3.5. Notes to the financial statements

Notes to the balance sheet before appropriation of total earnings of €54,598,000 at 30 June 2019 and to the income statement, presented in list form, generating a loss of -€14,172,000.

The interim financial statements cover a six-month period from 1 January 2019 to 30 June 2019.

The notes and statements below are integral to the financial statements on 30 June 2019 as agreed by the Board of Directors on 17 September 2019.

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

References to the first half of 2018 and to full year 2018 enable a more meaningful comparison of changes in the data concerned to assist in understanding the company's interim income statement at 30 June 2019.

NOTE 1: THE COMPANY

ABIVAX is an innovative biotech company that is mobilising the body's natural immune "machinery" to treat patients suffering from inflammatory diseases, infectious diseases and cancer. As a clinical-stage biotech company, ABIVAX is leveraging its three platforms to discover and optimise drug candidates to treat inflammatory bowel diseases, HIV and even liver cancer. The anti-inflammatory and antiviral products and immunotherapies developed by ABIVAX derive from three proprietary technological platforms:

1. A "Modulation of RNA Biogenesis" platform, based on technologies developed jointly by the CNRS (Montpellier, France) and the Institut Curie (Orsay, France). In addition to ABX464, this platform has generated a chemical library of more than two thousand small molecules that act on RNA maturation phases to precisely block viral replication mechanisms using new modes of action. ABX464 is the flagship molecule derived from this platform. Originally developed to target the HIV virus, this molecule has proven to be effective on the RNA splicing process, and has also had an anti-inflammatory effect, which has become the main indication of this drug candidate. The platform has also generated different molecules that target, with some of the first active molecules identified, other viruses such as the Respiratory Syncytial Virus, Dengue, and the influenza virus.
2. An "Immune Enhancer" platform based on intellectual property from the Scripps Research Institute (United States). This platform affects "iNKT" agonist compounds which stimulate immune responses at both the humoral and cellular levels. These compounds have clinical applications in oncology and infectious diseases. ABX196, the target product derived from this platform, has already demonstrated its safety in a Phase 1 study in healthy volunteers. A preclinical development has shown the ability of ABX196 to convert tumours that were not responsive to treatment with checkpoint inhibitors into responsive tumours. Since ABIVAX does not intend to work in immuno-oncology, it is seeking to develop this molecule on liver cancer or advanced hepatocellular carcinoma with the support of an external partner after receiving the first clinical efficacy results.
3. A "Polyclonal Antibody" platform based on the generation of neutralising antibodies for the treatment and prevention of viral infections like Ebola.

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

ABIVAX is currently focusing its efforts on the following issues:

- Continuing the clinical development programme for ABX464, with a strategic priority now given to treating chronic inflammatory bowel disease (IBD) and other inflammatory diseases, then, secondly, to searching for a functional cure for HIV.
- Initiation of clinical development of ABX196 in the treatment of hepatocellular cancer, in combination with checkpoint inhibitors
- Finally, the discovery of new molecules to treat major viral infections ("Modulation of RNA Biogenesis" platform)

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

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

NOTE 2: ACCOUNTING PRINCIPLES, RULES AND METHODS

Abivax's interim financial statements for the six-month period ending 30 June 2019 were adopted on 17 September 2019 by the Board of Directors.

These financial statements consist of a balance sheet totalling €54,598,000, an income statement showing a loss of €14,172,000, a cash flow statement, a statement of changes in shareholders' equity and the Appendix containing these notes with additional information.

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

General rules

The interim financial statements as at 30/06/2019 were prepared in accordance with the standards defined by ANC Regulation No. 2015-06, and with Articles L. 123-12 to L. 123-28 and R. 123-172 to R. 123-208 of the French Commercial Code.

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

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

- Going concern,

The going concern assumption has been applied by the Board of Directors despite the losses that have accumulated since the founding of the Company. Considering the high level of available cash at 30 June 2019, of the capital increase of €12 million completed in July 2019 with Sofinnova Partners, from the upcoming receipt of the financing by Bpifrance of key stage 2 of the RNP-VIR project, renewal of the equity line of credit with Kepler Cheuvreux, the Company should be able to cover its expenditure relating to research projects and its financial commitments until the second quarter of 2020.

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

- Independence of financial years.

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

Property, plant and equipment and intangible assets

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

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

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

Amortisation and depreciation

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

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

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

At the end of each financial year, the technical losses resulting from the mergers of Splicos and Wittycell are compared to the market values of the molecules produced by the technological platforms associated with each company: "Modulation of RNA biogenesis" or "splicing" for Splicos and the

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

If the estimated market value of the molecules is less than the corresponding technical loss, a provision for impairment is recorded to reduce the technical loss shown in the accounts to the market value of the projects.

In order to estimate the market value of a project, two references are taken into account:
- the adjusted net current value of expected cash flows generated by the sale of the molecules;
- the prices of recent transactions for acquisition or licensing agreements for comparable projects (therapeutic indication, stage of development, market size, etc.).

If the valuations obtained by these two methods are contradictory, the net current value is used.

In the event of an unfavourable change in the development of the technology platform that might undermine its operation, the technical loss will be impaired in full.

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

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

This goodwill is not amortised, as the period during which the Company may receive economic benefits is undetermined. In fact, this goodwill concerns several projects that are at different stages in their development and for which the duration of any economic benefits cannot be currently estimated. Accordingly, given the current progress of the ongoing research projects, the duration of use for this goodwill is not restricted.

Receivables

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

Transactions in foreign currencies

Transactions in foreign currencies are recorded at their exchange value on the date of the transaction. Foreign currency payables, receivables and cash and cash equivalents appear on the balance sheet at their exchange value at year end. The difference resulting from the discounting of foreign currency payables and receivables at this rate is shown on the balance sheet under "Translation adjustments". Unrealised currency translation losses not fully or partially offset by gains are subject to a provision for risks. Because of its business relationships with foreign service providers, the Company is exposed to foreign exchange risk for the US dollar, the Singapore dollar, the Swiss franc and the pound sterling.

Repayable advances granted by public organisations

Advances received from public organisations to finance the company's research activities which are subject to conditional repayments are booked as liabilities under "Other equity – Conditional advances".

Other advances received which are not subject to conditional repayments are booked under "Miscellaneous borrowings and financial debt". Interest accrued on these advances is booked under liabilities following the same rules.

As from the financial year starting on or after 01/01/2018, the Company has amended the presentation in its annual financial statements of repayable advances to achieve consistency with the grants received under the Bpifrance contract. Repayable advances are recognised when their payment is considered as certain in the light of the contract conditions. This change has no impact on income.

Operating grants

Any grants received are booked as soon as the corresponding receivable is confirmed, taking into account the conditions imposed on the grant. Operating grants are booked as operating income taking into account, where applicable, the rate at

which they are spent to ensure compliance with the principle of matching expenditure with income.

Sub-contracting and external trial expenses

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

Research and development costs

The company's research and development costs are booked as expenses for the period in which they are incurred.
The company's subsidiaries have applied the same principle. However, due to their acquisition by the company via a full transfer of assets and liabilities which took effect in 2014, expenses booked prior to the effective date (31 July 2014 for Wittycell and Zophis; 31 October 2014 for Splicos) are added to the technical losses (goodwill) booked as assets as at 31 December 2014. These technical losses are not amortised but their value is assessed once a year and a provision for impairment is booked if necessary, as was the case in 2014 for the technical loss generated when Zophis was acquired.

Share issue costs

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

Pension liabilities

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

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

- Discount rate: 1.08 %
- Salary growth rate: 2 %
- Retirement age: 62 years
- Staff turnover rate: low
- Mortality rate table: (INSEE table TD 88-90)

Tax credits

The tax credits booked as assets under "Other receivables" include the research tax credit (Crédit d'Impôt Recherche or CIR) and the competitiveness and employment tax credit (Crédit d'Impôt Compétitivité Emploi or CICE) until 31/12/2018. Other receivables also include VAT credits for which repayments have been requested.

Due to its deletion for 2019, no competitiveness and employment tax credit was recognised in the first half of 2019.

The research tax credit estimated on the basis of research expenses for the first half of 2019 was booked under "Other receivables". This income is recorded under income (Income tax).

This tax credit was calculated on the basis of transactions that were actually carried out during the first half of 2019 and do not take into account any unforeseen transactions in the second half of the year. For example, the research tax credit will inevitably be negatively impacted in the event that grants or repayable advances are received for research and development projects. Grants and repayable advances that will definitely be received during the second half of the year were deducted from the CIR at 30/06/2019 at the rate of 100% of the expected amount.

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

Other post balance sheet events

Please refer to Note 2 – Highlights of the year

NOTE 3 – INTANGIBLE, TANGIBLE AND FINANCIAL ASSETS

Statement of assets

in thousands of euros	At the start of the financial statements	Increase	Decrease	At the date of the
Goodwill	32,745			32,745
Other intangible asset items	11			11
Intangible fixed assets	**32,756**	**0**	**0**	**32,756**
• Technical facilities, industrial tools and equipment	377	49	0	426
• Office and IT equipment, furniture	134	8	0	142
Property, plant and equipment	**510**	**57**	**0**	**568**
Other long-term investments (treasury shares)	180	291	217	254
Loans and other financial assets	735	485	291	930
Financial assets	**915**	**776**	**508**	**1,184**
Fixed assets	34,181	833	508	34,507

Intangible fixed assets

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

in thousands of euros	30/06/2019	31/12/2018	Variation
Purchased assets			
Revalued assets			
Contributions in kind	32,745	32,745	0
Total	32,745	32,745	0

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

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

Property, plant and equipment

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

Financial assets

Financial assets correspond primarily to items relating to the liquidity agreement signed by the Company at the end of June 2015 and to security deposits paid for the premises occupied by the

Company and in as part of the bond loan taken from Kreos in July 2018 and June 2019.

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

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

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

At 30 June 2019, the Company held 27,400 treasury shares via this liquidity agreement, i.e. less than 10% of its capital, for an acquisition cost of €254,000. The balance of the cash account with the service provider is €401,000.

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

In thousands of euros	Quantity	Average price in euros*	Book value of the stock held	Other financial assets
Opening of the contract				**1,000**
Purchases	54,537	18.45	1,006	-1,006
Sales	11,091	18.18	202	202
Realised capital gains or losses			-16	
Balance at 31 December 2015	43,446	18	788	196
Purchases	74,993	8.31	623	-623
Sales	68,539	8.52	584	584
Realised capital gains or losses			-514	
Balance at 31 December 2016	49,900	6	313	157
Purchases	90,109	9.26	834	-834
Sales	105,959	9.57	1,014	1,014
Realised capital gains or losses			252	
Balance at 31 December 2017	34,050	11	385	337
Purchases	65,211	7.59	495	-495
Sales	75,291	7.76	585	585
Realised capital gains or losses			-116	
Balance at 31 December 2018	23,970	8	180	426
Purchases	30,729	9.46	291	-291
Sales	27,299	9.72	265	265
Realised capital gains or losses			48	
Balance at 30 June 2019	27,400	9	254	401

*average values for 2019, for example, €9 = €254,000/27,400 securities

The share price at 30 June 2019 was €7.58. The market value at 30 June 2019 of the treasury shares was therefore €208,000.

A provision for impairment of €46,000 was therefore booked at 30 June 2019 in respect of the treasury shares. The provision was booked under extraordinary expenses.

Asset amortisation and depreciation

in thousands of euros	At the start of the financial statements	Increase	Decrease	At the date of the
Other intangible asset items	11		0	11
Intangible fixed assets	**11**	**0**	**0**	**11**
• Technical facilities, industrial tools and equipment	274	28	0	302
• Office and IT equipment, furniture	86	17	0	102
Property, plant and equipment	**359**	**45**	**0**	**404**
Financial assets				
Fixed assets	370	45	0	415

Asset impairment

in thousands of euros	Impairment at the beginning of the financial year	Provisions for the financial year	Reversals for the financial year	Impairment at the end of the financial year
Intangible fixed assets	740			740
Property, plant and equipment		46		46
Financial assets				
Total	740			786
Breakdown of provisions and reversals:				
Extraordinary		46		

NOTE 4 – RECEIVABLES

The total receivables at the end of the financial year amounted to €10,665,000 and the breakdown by due date is as follows:

in thousands of euros	Gross amount	Maturities of less than one year	Maturities of more than one year
Fixed asset receivables:			
Other financial assets	930		930
Payables on current assets:			
Advances and deposits paid on orders			
Trade receivables	5	5	
Social security and other social welfare bodies			
Income tax	3,817	3,817	
VAT	2,154	2,154	
Grants receivable	290	290	
Repayable advance receivable	1,153	1,153	
Repayment premium	1,583	400	1183
Loan issue costs	287	79	208
Sundry debtors	153	153	
Prepaid expenses	293	293	
Total	10,665	8,344	2,321

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

in thousands of euros	Amount
Balance outstanding on CIR 2014 (including default interest)	64
CIR estimated at 30/06/2019	3,753
VAT	2,154
Trade receivables-CIFRE revenue	5
Grants receivable – BPI RNP-VIR	290
Repayable advance receivable – BPI RNP-VIR	1,153
Reimbursement premium - Kreos	1,583
Loan issue costs - Kreos	287
Sundry debtors	153
Prepaid expenses	293
Total	9,735

Prepaid expenses

in thousands of euros	Operating expenses	Financial expenses	Extraordinary expenses
Prepaid expenses	293		
Total	293		

Prepaid expenses are broken down as follows:

in thousands of euros	Amount
Equipment and office rentals	77
Other operating expenses	104
General and clinical trial insurance	112

Accrued income

in thousands of euros	Amount
Other receivables/Insurance reimbursement	105
Sundry debtors/trade asset	61
Grants and repayable advances receivable	1,443
Total	1,609

NOTE 5 – CASH AND CASH EQUIVALENTS

in thousands of euros	6/30/2018	Available without notice	Available in under a month
Term deposits			
SICAV/UCITS	6	6	
Cash and cash equivalents	11,550	11,550	
Total	11,556	11,556	0

NOTE 6 – SHAREHOLDERS' EQUITY

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

	Number of shares	Capital	Premiums	BCE/BSA	Retained earnings	Total
At 31 December 2014	69,150	69	35,674	0	-5,091	30,653
Share split - AGM 20 February 2015	6,915,000					-
Capital increase – BoD Meeting 23 June 2015	2,707,089	27	57,634			57,661
Issue costs			-3,774			-3,774
Capital increase by exercising BSA/BCE share warrants	74,800	1				1
Issuance of BSA/BCE share warrants				173		173
Loss for 2015					-15,954	-15,954
At 31 December 2015	9,696,889	97	89,534	173	-21,045	68,759
Capital increase by exercising BSA/BCE share warrants	5,200	0				0
Subscription warrants (BSA) issued				58		58
Loss for 2016					-14,308	-14,308
At 31 December 2016	9,702,089	97	89,534	231	-35,352	54,510
Capital increase by exercising BSA/BCE share warrants	142,140	1	19			20
Subscription warrants (BSA) issued				21		21
Kepler Cheuvreux equity line	60,000	1	664	1		665
Issue costs			-77			-77
Loss for 2017					-11,223	-11,223
At 31 December 2017	9,904,229	99	90,139	253	-46,575	43,915
Capital increase by exercising BCE/BSA share warrants	204,960	2				2
Kepler Cheuvreux equity line	90,000	1	629			630
Issue costs			-10			-10
Subscription warrants (BSA) issued				30		30
Loss for 2018					-15,823	-15,823
At 31 December 2018	10,199 189	102	90,758	283	-62,398	28,744
Capital increase by exercising BCE/BSA share warrants	19,750					
Kepler Cheuvreux equity line	50,000	1	410			411
Issue costs			-7			-7
Loss H12019					-14,172	-14,172
At 30 June 2019	10,268 939	103	91,161	283	-76,570	14,977

Share capital structure

The exercise of 1 BCE-2016-1 warrant on 21 May 2019 involving the creation of 1 Company share resulted in an increase in the share capital of €0.01, taking it from €101,991.89 to €101,991.90.

The exercise of 1 BCE-2014-4 warrants on 06 June 2019 involving the creation of 50 Company shares resulted in an increase in the share capital of €0.50, taking it from €101,991.90 to €101,992.40.

The exercise of 19,600 BCE-2014-6 warrants on 17 January 2019 involving the creation of 19,600 Company shares resulted in an increase in the share capital of €196 taking it from €101,992.40 to €102,188.40.

The adjustment of the exercise of 99 BCE-2014-6 warrants on 12 December 2018 involving the creation of 99 Company shares resulted in an increase in the share capital of €0.99, taking it from €102,188.40 to €102,189.39. The exercise of 50,000 warrants by KEPLER-CHEUVREUX during the second half of 2019, which resulted in the issuance of 50,000 Company shares, led to a share capital increase of €500, taking it from €102,189.39 to €102,689.39.

As at 30 June 2019, the Board of Directors had not yet recorded these capital increases.

However, the Board of Directors' meeting of 9 July 2019 duly noted these capital increases.

The exercise of 20,000 warrants by KEPLER-CHEUVREUX on 1 July leading to the creation of 20,000 Company shares resulted in an increase in the share capital of €200, taking it from €102,689.39 to €102,889.39. The exercise of 20,000 warrants by KEPLER-CHEUVREUX on 2 July leading to the creation of 20,000 Company shares resulted in an increase in the share capital of €200, taking it from €102,889.39 to €103,089.39.

On 11 July, the Company also finalised a capital increase of 1,500,000 new ordinary shares with a par value of €0.01 per share raising the share capital from €103,089.39 to €118,089.39.

As of the date of this document, the Board of Directors had not yet acknowledged these last capital increases.

The capitalisation table below provides details of the shareholding at 30 June 2019:

30 June 2019	**Number of shares**	**Undiluted % (capital)**
Medical Devices Incubator Holding	210,970	2.05%
Truffle Capital	5,393,493	52.52%
Management	226,963	2.21%
Board of Directors	446,011	4.34%
Employees	10	0.00%
Other advisers**	19,987	0.19%
Other*	174,066	1.70%
Treasury shares	27,400	0.27%
Floating	3,770,039	36.71%
Total	**10,268 939**	**100.00%**

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

Issuance of dilutive financial instruments (BCE and BSA)

The Company issued securities granting access to its capital (BCEs, or founder warrants and BSAs, or stock subscription warrants) detailed in the table provided below (data current as at 30 June 2019)

	Issued	**Subscribed**	**Exercised**	**Lapsed**	**Balance**	**Number of shares to be issued**
BCE-2014-1	2,750	2,750	0	0	2,750	275,000
BCE-2014-2	2,750	2,750	1,750	0	1,000	100,000
BCE-2014-3	1,389	1,389	763	626	0	0
BCE-2014-4	984	984	800	0	184	18,400
BCE-2014-5	197	197	28	169	0	0
BCE-2014-6	525	525	197	0	328	32,800
BCE-2014-7	1,650	1,650	0	1,650	0	0
BCE-2015-9	202,122	202,122	0	202,122	0	0
BCE-2016-1	84000	84,000	2,510	7,500	73,990	73,990

BCE-2017-1	67,374	67,374	0	0	67,374	67,374
BCE-2017-2	150,000	150,000	0	0	150,000	150,000
BCE-2017-3	101,061	101,061	0	0	101,061	101,061
BCE-2017-4	67,374	67,374	0	0	67,374	67,374
BCE-2017-5	67,374	67,374	0	0	67,374	67,374
BCE-2018-1	22,000	22,000	0	0	22,000	22,000
BCE-2018-2	67,374	67,374	0	0	67,374	67,374
BCE-2018-3	33,687	33,687	0	0	33,687	33,687
BCE-2018-4	16,843	16,843	0	0	16,843	16,843
BCE-2018-5	22,000	22,000	0	0	22,000	22,000
Total BCE	911,454	911,454	6,048	212,067	693,339	1,115,277
BSA-2014-1	394	394	394	0	0	0
BSA-2014-2	677	677	448	229	0	0
BSA-2014-3	1,172	1,008	64	264	844	84,400
BSA-2014-4	1,315	1,315	473	0	842	84,160
BSA-2014-5	787	787	0	0	787	78,700
BSA-2014-6	52	52	52	0	0	0
BSA-2014-7	81	81	29	0	52	5,200
BSA-2015-9	122,274	0	0	0	0	0
BSA-2015-11	96,924	96,924	0	0	96,924	96,924
BSA-2015-12	82,000	32,800	0	49,200	32,800	32,800
BSA-2017-1	16,400	16,400	0	0	16,400	16,400
BSA-2018-1	49,200	32,800	0	16,400	32,800	32,800
BSA-2018-2	32800	0	0	32,800	0	0
Total BSA	404,076	183,238	1,460	98,893	181,449	431,384
Total BCE + BSA warrants	**1,315,530**	**1,094,692**	**7,508**	**310,960**	**874,788**	**1,546,661**

The maximum potential dilution associated with these financial instruments issued to employees, managers, members of the Board of Directors or committees and external consultants represents 1,546,661 shares, resulting in a 13.1% potential dilution of issued capital at 30 June 2019.

These dilutive instruments may be exercised at a preferential price, but they have a limited term. They may be exercised gradually and/or subject to the achievement of objectives set in advance by the Board of Directors or by the plan rules.

NOTE 7 – PROVISIONS FOR RISKS AND CONTINGENCIES

	Impairment at the beginning of the financial year	Provisions for the financial year	Reversals for the financial year	Impairment at the end of the financial year
Supplier compensation				
Other provisions for risks and contingencies				
Provisions for foreign exchange risks		1		1
Total provisions for risks and contingencies		1		1
Breakdown of provisions and reversals:				
Operating				
Financial		1		
Extraordinary				

NOTE 8 – CONDITIONAL ADVANCES AND GRANTS

Repayable advances granted by public organisations
Position for the first half of 2019:

in thousands of euros	**Balance at 31/12/2018**	Interest accrued over the period	Advances repaid over the period	**Balance at 30/06/2019**	*Including conditional advances*	*Including accrued interest*
BPI – CARENA	**2,331**	15		**2346**	*2187*	*159*
BPI EBOLA	**300**			**300**	*300*	
BPI RNP-VIR	**3,280**	11		**3291**	*3255*	*36*
Total	**5,911**	26	0	**5,937**	*5,742*	*195*

Amounts still owed by the company:

At 30 June 2019 in thousands of euros	**Contract status**	**Amount awarded**	**Amount collected**	**Remaining amount to be collected**	**Amount repaid**	**Amount to be repaid except in the event of recorded failure**
CARENA (Grants portion)	Ongoing	1,397	1,187	210	-	-
CARENA (Repayable advances portion)	Ongoing	3,830	2,187	1,643	-	**4,397**
RNP-VIR (Grants portion)	Ongoing	2,112	832	1,280	-	-
RNP-VIR (Repayable advances portion)	Ongoing	6,298	2,102	4,196	-	**6,298**
EBOLA	Ongoing	390	300	90	-	**390**

BPI – CARENA

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

At 30 June 2019, the Company had received €2,187,000, of which €1,150,000 was received in December 2013, €1,008,000 in September 2014 and €29,000 received in June 2016.

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

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

The Company obtained Bpifrance's agreement to change key stages 3 and 4 and the repayment timetable. The repayment timetable, which is contingent upon the success of the project, is as follows:

No later than 30 June 2023	€300,000
No later than 30 June 2024	€500,000
No later than 30 June 2025	€750,000
No later than 30 June 2026	€1,100,000
No later than 30 June 2027	€1,747,000
TOTAL	€4,397,000

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

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

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

BPI EBOLA

Bpifrance and Occitanie regional authority agreement to finance an Ebola virus treatment development project. The agreement provides for a repayable advance of €130,000 with the Occitanie regional authority at a repayment rate of 16.55% of total program expenditure. The agreement provides for a repayable advance of €260,000 for the BPI at a repayment rate of 33.11% of total planned expenditure.

At 30 June 2019, the amount received by the Company amounted to €300,000, received in August 2017, including €100,000 for the Occitanie regional authority and €200,000 for BPI.

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

30/09/2019	10,000
31/12/2019	10,000
31/03/2020	10,000
30/06/2020	10,000
30/09/2020	15,000
31/12/2020	15,000
31/03/2021	15,000
30/06/2021	15,000
30/09/2021	20,000
31/12/2021	20,000
31/03/2022	20,000
30/06/2022	20,000
30/09/2022	25,000
31/12/2022	25,000
31/03/2023	25,000
30/06/2023	25,000
30/09/2023	27,500
31/12/2023	27,500
31/03/2024	27,500
30/06/2024	27,500
Total	**390,000**

This amount corresponds to the maximum amount of repayable advances initially provided for in the contract. In the event that the total amount of repayable advances actually paid by Bpifrance is less than the amount originally agreed, the repayments indicated above will be reduced in proportion to the amounts paid. The minimum amount to be repaid to Bpifrance is €180,000.

BPI RNP-VIR

Bpifrance agreement to finance the "RNP-VIR" Structuring R&D Projects for Competitiveness project. This financing was granted under the French Future Investments Programme.

The agreement provides for a repayable advance of €6,298,000 at a repayment rate of 50% of total planned expenditure.

At 30 June 2019, the amount received by the Company amounts to €2,102,000 of which €1,756,000 received in September 2017 and €346,000 received in August 2018.

As a result of the application of the assessment method mentioned in Note 4, the payment relating to key stage 2 was recognised in 2018 for €1,153,000 because the grant contract conditions had been completed at the end of the financial year. The amount of €3,255,000 posted as a liability in the balance sheet therefore corresponds to €2,102,000 already received and €1,153,000 receivable in the second half of 2019.

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

The amounts payable by the repayment deadlines include a discount at an annual rate of 0.95%, which will be calculated in accordance with the contractual conditions.

The repayment timetable, which is contingent upon the success of the project, is as follows:

No later than 31 December 2022	€1,644,000
No later than 31 December 2023	€1,644,000
No later than 31 December 2024	€1,644,000
No later than 31 December 2025	€1,644,000
TOTAL	**€6,576,000**

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

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

If the advance is repaid under the conditions outlined above, the company will pay Bpifrance, over a period of five consecutive years after the date on which the repayment timetable ends and as soon as the company has achieved cumulative revenue, excluding taxes, of €25,000,000 or more, an amount equal to 3% of the annual income generated from the sale of the products developed within the project.

The amount of additional payments is capped at €5,500,000.

The total period including lump sum payments and payment of the incentive is limited to 15 years.

Grants awarded by public organisations

CARENA Project
The agreement with Bpifrance provides for a maximum payment of €1,397,000, i.e., a grant rate of 45% of the industrial research expenses for specific steps. At 30 June 2019, the company had received a total of €1,187,000.

RNP-VIR Project
The agreement with Bpifrance provides for a maximum payment of €2,111,000, i.e., a grant rate of 50% of the industrial research expenses for specific steps. At 30 June 2019, the Company had received an amount of €832,000 (of which €485,000 in August 2018).

As the contract objectives to be reached for the payment related to key stage 2 had been completed, a receivable grant of €311,000 was recognised at 31 December 2018. The amount was adjusted at €290,000 at 30 June 2019. The latter corresponds to 50% of the industrial research expenditure presented on this project during key stage 2.

NOTE 9 – LIABILITIES

Total liabilities at the closing date amounted to €33,684,000 and the breakdown by maturity is as follows:

in thousands of euros	Gross amount	Maturities of less than one year	Maturities of more than one year	Maturities of more than five years
Convertible bonds	4,000		4,000	
including tranche A	*2,000*		*2,000*	
including tranche B	*2,000*		*2,000*	
Non-convertible bonds	17,800	2,320	15,480	
including tranche A	*8,900*	*2,102*	*6,798*	
including tranche B	*8,900*	*218*	*8,682*	
Trade payables and related accounts	10,155	10,155		
Personnel and related accounts	685	685		
Social security and other social welfare bodies	505	505		
Other taxes and duties and similar payments	539	539		
Other liabilities (**)				
Total	55,484	16,524	38,960	0
(*) Loans taken out during the financial year	10,000			
(*) Loans repaid during the financial year				
(**) Including intra-group				

Recognition of the termination fees for the bond subscribed during the financial year and in 2018 were recognised as “Bond redemption premium” raises the amount of financial debt (“non-convertible bonds”) by an additional €1,800,000.

Accrued personnel expenses

in thousands of euros	Amount
Suppliers – Invoices Not received	4440
Provision for paid leave	253
Accrued personnel expenses	432
Provision for social security contributions	114
Other accrued social security contributions	187
State - Other accrued expenses	87
Apprenticeship levy	368
Continuing education levy	19
New housing levy	41
Total	5,941

NOTE 10 – RESEARCH AND DEVELOPMENT COSTS

As indicated in the accounting rules and policies, the Company has expensed all its research and development costs for the year.

These expenses amounted to a total of €14,981,000 for the first half of 2019, compared with €7,061,000 for the first half of 2018 (€15,894,000 for the whole of 2018).

Some of these research and development costs relate to work subcontracted to partners. These subcontracting expenses amounted to €11,927,000 for the first half of 2019, compared with €4,822,000 for the first half of 2018 (€10,999,000 for the whole of 2018).

NOTE 11 – CORPORATION TAX

R&D tax credit

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

In 2015, the company had to pre-finance its 2014 CIR. As guarantees were provided to secure this pre-financing, there are still some amounts yet to be recovered; a total of €64,000 is set to be returned provided that there is no dispute.

The research tax credit for 2018 amounted to €4,052,000. It was repaid by the tax administration for €4,057,000 in June 2019. The difference corresponding to additional services was recognised in the income statement in addition to the research tax credit generated in the first half of 2019.

Based on the Company's research and development activities in the first half of 2019, its research tax credit is estimated at €3,753,000. This does not take account of the expenses that will be incurred in the second half of 2019. It was reduced to take into account the amounts receivable (repayable advances and grant) for the RNP-VIR project that have already been awarded but will not be paid until the second half of 2019. 100% of the amount was deducted from expenses for the first half of 2019 that were used as the basis for calculating the CIR.

Competitiveness and Employment Tax Credit

The Competitiveness and Employment Tax Credit corresponding to eligible compensation for the 2018 calendar year was recorded under "Other receivables" for an amount of €7,000. In accordance with the recommendation of the French accounting standards authority (*Autorité des Normes Comptables*), the corresponding income was credited to social security contributions in the income statement. The credit was received in May 2019.

The remunerations paid on or after 1 January 2019 no longer grant entitlement to this Tax Credit which no longer has a legal existence.

Corporate income tax

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

The Company's tax loss and amortisation and depreciation carry-forwards amounted to €123,895,000 at 30 June 2019.

The offsetting of these losses is capped at 50% of the taxable profit for the year. This limit is applicable to the portion of the profits that exceeds €1 million. The unused balance of the loss remains deferrable to subsequent tax years and is imputable under the same conditions without time limit.

NOTE 12 – RELATED PARTY DISCLOSURES

Balance sheet items

in thousands of euros	Related companies	Companies linked by a participating interest
Total assets		
Advances and deposits paid on orders	0	
Total Receivables	0	
Trade payables and related accounts	0	
Total Liabilities	0	

Relations with related parties:

None.

Financial income and expenses concerning related companies

Amount included in financial expenses: None.

NOTE 13 – FINANCIAL COMMITMENTS

Commitments given

in thousands of euros	
Pension commitment	492
Lease commitment	
Other commitments given	29,051
of which firm orders placed	*29,051*
Total	29,543
Of which relating to:	
Management	85

Commitments made under patent licensing agreements

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

The main licensing agreements concerning the product portfolio are as follows:
A "Modulation of RNA Biogenesis" platform, based on technologies developed jointly by the CNRS (Montpellier, France) and the Institut Curie (Orsay, France). In addition to ABX464, this platform has generated a chemical library of more than two thousand small molecules that act on RNA maturation phases to precisely block viral replication mechanisms using new modes of action. ABX464 is the flagship molecule derived from this platform. Targeting the HIV virus, this molecule demonstrated action on the RNA splicing process and also had an anti-inflammatory effect. The platform has also generated different molecules that target, with some of the first active molecules identified, other viruses such as the Respiratory Syncytial Virus, Dengue, and the influenza virus.
An "Immune Enhancer" platform based on intellectual property from the Scripps Research Institute (United States). This platform affects "iNKT" agonist compounds which stimulate immune responses at both the humoral and cellular levels. These compounds have clinical applications in oncology and infectious diseases. ABX196, the target product derived from this platform, has already demonstrated its safety in a Phase 1 study in healthy volunteers. A preclinical development has shown the ability of ABX196 to convert tumours that were not responsive to treatment with checkpoint inhibitors into responsive tumours. Since ABIVAX does not intend to work in immuno-oncology, it is seeking to develop this molecule on liver cancer or advanced hepatocellular carcinoma with the support of an external partner after receiving the first clinical efficacy results.

Pension liabilities

Commitments made for pensions, supplementary pensions and similar benefits: €492,000. Recommendation CNC 03-R-01 of 1 April 2003 has been applied for defined benefit schemes.

Firm orders placed

In order to carry out its development programmes, the company frequently enters into cooperation agreements with public or private-sector partners or subcontractors. Owing to the length of these programmes, these agreements may be for periods of several years and involve significant financial commitments. In order to carry out its development programmes, the company frequently enters into cooperation agreements with public or private-sector partners or subcontractors. Owing to the length of these programmes, these agreements may be for periods of several years and involve significant financial commitments. The amount of orders committed to but not yet supplied (and thus not recognised as either invoices receivable or trade accounts payable) was an estimated €29,051,000 at 30 June 2019.

Commitments received

The maximum amounts receivable by Abivax after 30 June 2019 under the "Carena" and "RNP-VIR" innovation agreements entered into with Bpifrance, subject to the provision of evidence to support the forecast expenses and the completion of key scientific stages, are as follows:

in thousands of euros	
Repayable RNP-VIR advance	4,196
Repayable CARENA advance	*1,643*
RNP-VIR Grant	*1,280*
CARENA Grant	*210*
Total	7,328
Includes amounts relating to: Management	None

NOTE 14 – EMPLOYEES

At 30 June 2019, the Company's average workforce was 25.8 employees.

	30/06/2019	31/12/2018
Managerial personnel	22.8	21.08
Non-managerial personnel	2	2
Corporate officers	1	1
Total	**25.8**	**24.08**

Average employees per site

	30/06/2019	31/12/2018
Paris	12	12.83
Montpellier	13.8	11.25
Total	**25.8**	**24.08**

NOTE 15 – STATUTORY AUDITOR'S FEES

in thousands of euros	H1 2019	H1 2018
Audit		
Statutory Auditor, certification of separate financial statements		
• Issuer	7.5	23
Services other than the certification of accounts		
• Issuer	3	10
Total	10.5	33

In the first half of 2019, the costs relating to the interim audit of the 2019 accounts totalled €7,500. Services other than the certification of accounts entail the verification of expenses linked to key stage 2 of the RNP-VIR project. In the first half of 2018, out of the €23,000 of audit expenses for the certification of accounts, €14,000 concern an adjustment of the fees due under the 2017 financial year. Services other than the certification of accounts entail for 2018, the review of expenses linked to key stage 1 of the RNP-VIR project and to the issue of reports for the 2018 General Meeting of Shareholders.

NOTE 16 – EXTRAORDINARY INCOME AND EXPENSES

in thousands of euros	**Expenses**	**Income**
Premiums on sale of treasury shares		61
Extraordinary taxes	50	
Other extraordinary expenses:	13	
Prov. Depreciat. Amort. Extraordinary/Impairment treasury shares	46	
Total	108	61

The extraordinary result in the first half of 2019 is a loss of -€47,000. It is comprised of:

- Extraordinary income of €61,000 correspond to the capital gains generated on the disposals of treasury shares.
- Extraordinary taxes related primarily to the tax audit -€50,000.
- Extraordinary losses of -€59,000 corresponding to the capital losses realised during treasury share sales (-€13,000) and the provision for impairment of the treasury shares held at 30 June 2019 - €46,000)

4. DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I certify that, to the best of my knowledge, the accounts presented for the half-year ended in the half-year financial report have been prepared in accordance with the applicable French accounting standards and that they provide a true and fair view of the assets and liabilities, the financial position and results of the Company. I also certify that the half-year activity report (provided in pages 4 to 15) presents, to the best of my knowledge, a true and fair view of the important events that occurred in the first six months of the financial year and their impact on the interim financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

[Document signed in French version]

Pr. Hartmut Ehrlich
Chief Executive Officer

ABIVAX

STATUTORY AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2019

STATUTORY AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2019

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

Abivax
5, rue de la Baume
75008 Paris

To the Shareholders,

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

- the review of the accompanying interim financial statements of Abivax for the six months ended 30 June 2019;
- the verification of the information contained in the half-year financial report.

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

1. Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Company as at 30 June 2019, and of the results of its operations for the six-month period then ended, in accordance with French accounting principles.

2. Specific verification

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

Neuilly-sur-Seine, 20 September 2019

The Statutory Auditor

PricewaterhouseCoopers Audit

Thierry Charron
[Document signed in the French version]


abivax