HALF-YEAR FINANCIAL REPORT 2021

abivax

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1 LEADERSHIP

Board of Directors

Chairman:	Philippe Pouletty, M.D.

Directors:	Carol L. Brosgart, M.D. Corinna zur Bonsen-Thomas Jean-Jacques Bertrand Joy Amundson Sofinnova Partners represented by Kinam Hong, M.D. Santé Holding SRL represented by Antonino Ligresti Truffle Capital represented by Christian Pierret

Management

Chief Executive Officer	Pr. Hartmut Ehrlich, M.D.
V.P. Executive Chief Financial Officer and Secretary of the Board of Directors	Didier Blondel
V.P. Chief Commercial Officer and V.P Business Development	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. Communication	Regina Jehle
V.P. R&D	Didier Scherrer
V.P. Chief Medical Officer	Sophie Biguenet, M.D.
V.P. Research	Pr. Jamal Tazi

2 HALF-YEAR ACTIVITY REPORTS

2.1 ABIVAX – an overview

ABIVAX aims to modulate the body's immune system to treat patients with chronic inflammatory diseases, viral infections and cancer. A clinical-stage biotech company, ABIVAX uses its three platforms to discover and optimise drug candidates, two of which are currently being tested in various clinical trials for the treatment of inflammatory bowel disease, rheumatoid arthritis, HIV and liver cancer. The anti-inflammatory and antiviral drug candidates and immunotherapies developed by ABIVAX come from three proprietary technology 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 2,200 small molecules that act on RNA maturation phases to specifically block virus reproduction mechanisms using new modes of action. ABX464 is the flagship molecule generated by this platform. This molecule was initially developed to target the HIV virus and has shown an action for the RNA splicing process, thus also generating an anti-inflammatory effect that has led the company to further assess its potential for inflammatory diseases. The platform has also generated different molecules targeting viruses such as respiratory syncytial virus and dengue fever, with the first active molecules identified.
2. **An "Immune Stimulation" platform** based on intellectual property licensed from the Scripps Research Institute (United States). This platform focuses on "iNKT" agonist compounds which stimulate immune responses at both the humoral and cellular levels. These compounds have clinical applications in oncology and infectious diseases. The safety of ABX196, the target product derived from this platform, has already been demonstrated in a Phase 1 trial on healthy volunteers. Preclinical development also demonstrated that ABX196 was able to convert tumours that were not responsive to treatment into responsive tumours with checkpoint inhibitors.
3. **A "Polyclonal Antibody" platform** based on the generation of neutralising antibodies, including the flagship drug candidate, ABX544, designed to treat and prevent infections caused by the Ebola virus. Due to the approval of the ERVEBO® vaccine (Ebola Zaire Vaccine, Live) and the difficulty of accessing public funding, ABIVAX has decided to stop the development of this molecule, but the platform remains available to the company and can be reactivated whenever necessary.

ABIVAX conducts its R&D activities mainly in Montpellier and has its registered office in Paris. It has 29 employees at both locations. The ABIVAX management team has extensive experience in the development and marketing of biopharmaceutical products for inflammatory and infectious diseases and antivirals. The Company has a world-renowned Scientific Committee and a Board of Directors comprising members with solid experience gained at major pharmaceutical laboratories and international vaccine manufacturers.

ABIVAX currently prioritises studies in its clinical development program with ABX464 and, depending on the decision taken with respect to this upcoming prioritisation, focuses its efforts on the following:

- **Continuation of the ABX464 clinical development programme**, with priority given to the treatment of ulcerative colitis.
- **Continuation of the clinical development programme of ABX464** in other chronic inflammatory diseases, including Crohn's disease and rheumatoid arthritis, based on the outcome of the prioritisation of the ABX464 clinical development programme expected for the fourth quarter of 2021.
- **Continuation of other therapeutic indications of ABX464** according to the relevance of scientific data and **research into potential derivative molecules of ABX464,** based on the outcome of the prioritisation of the clinical development programme of ABX464 expected for the fourth quarter of 2021.

- **Continuation of the Phase 1/2 clinical trial on the treatment of liver cancer with the ABX196 drug candidate.** Currently, data consolidation from the dose escalation phase study is under way. Provided that the results are positive, the decision on the next stage of clinical development will also be taken on the basis of the availability of the necessary financial means or the possibility of concluding a licence agreement.
- **Finally, research into new molecules** aimed at treating major viral infections ("Modulation of RNA Biogenesis" platform), based on the outcome of the prioritisation of the ABX464 clinical development programme expected for the fourth quarter of 2021

The Company was incorporated as a Société Anonyme (French limited company) on 6 December 2013 and, in 2014, it acquired Splicos, Wittycell and Zophis by means of a universal transfer of assets and liabilities (*transmission universelle de patrimoine*, or TUP). The Company is listed on Euronext Paris since 26 June 2015. ABIVAX is currently listed on Compartment B of Euronext Paris.

It does not have any subsidiaries and is thus not required to present consolidated financial statements under IFRS rules. 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 2021

"Modulation of RNA Biogenesis" platform

ABX464

ABIVAX publishes an article on the mechanism of action of ABX464 and its capacity to significantly improve the treatment of inflammatory diseases in "Drug Discovery Today" – January 2021

ABIVAX was invited to publish an article on 5 January 2021 in the prestigious journal, "Drug Discovery Today", on the subject of "Specific and selective induction of miR-124 in immune cells by ABX464: a transformative therapy for inflammatory diseases".

Ulcerative colitis

Phase 2a

ABIVAX publishes the results of the Phase 2a study assessing induction and maintenance with ABX464 in ulcerative colitis in the prestigious review, "Gastroenterology" – March 2021

The article, reviewed by the "Gastroenterology" reading committee, confirms the quality and soundness of the clinical data demonstrating the high tolerability and long-term efficacy of ABX464 administered orally daily to patients with moderate to severe ulcerative colitis.

Rheumatoid arthritis

Phase 2a

ABIVAX announces excellent efficacy and tolerance results with 50 mg of ABX464 in the treatment of rheumatoid arthritis – June 2021

On 23 June 2021, ABIVAX announced excellent results in the Phase 2a induction study for ABX464, administered in combination with methotrexate (MTX), in the treatment of rheumatoid arthritis (RA). 60 patients who presented an insufficient response to methotrexate and/or TNFα inhibitors took part in this study.

On the basis of these results, ABIVAX is preparing to launch a Phase 2b clinical programme for rheumatoid arthritis in early 2022.

Ulcerative colitis

Phase 2b

ABIVAX ends the treatment of the last patient in the Phase 2b induction study with ABX464 in ulcerative colitis - April 2021

On 14 April 2021, ABIVAX announced that it had ended its Phase 2b induction study that took place over 16 weeks with ABX464 or placebo for the treatment of moderate to severe ulcerative colitis (UC).

ABIVAX gives a webcast presentation on ABX464 as a potential treatment for ulcerative colitis – April 2021

On 19 April 2021, ABIVAX announced a "Key Opinion Leader" (KOL) webcast presentation on ABX464 as a potential treatment for ulcerative colitis (UC) on 20 April 2021, before the announcement of the results of the Phase 2b induction study in UC.

ABIVAX announces excellent efficacy and tolerance results for ABX464 in the Phase 2b clinical trial for the treatment of ulcerative colitis and plans to start Phase 3 – May 2021

On 24 May 2021, ABIVAX announced positive results in the Phase 2b induction study and positive preliminary data in the maintenance phase in ulcerative colitis (UC). 254 patients with moderate to severe UC were treated with ABX464. The initial data for this Phase 2b showed statistically significant clinical efficacy, taking all patients (intention to treat (ITT)) into account in the main analysis criterion and the secondary key criteria, and a good tolerance profile for ABX464 during the 8 weeks of the induction treatment. Only a very low percentage of patients (9%) withdrew from the study early, despite the situation caused by the COVID-19

pandemic. The interim data from the 51 patients first treated with ABX464 in the open-label maintenance study again showed an increased and sustainable improvement in clinical remission and endoscopic results after 48 weeks. ABIVAX plans to start the ABX464 Phase 3 clinical programme for the treatment of ulcerative colitis by the end of 2021.
The clinical trial steering committee (Prof. Séverine Vermeire, Prof. William Sandborn and Prof. Bruce Sands), at its meeting of 22 May 2021, reviewed and approved the initial results of Phase 2b induction and maintenance and released preliminary conclusions on these results.

COVID-19

Phase 2b/3

ABIVAX implements DSMB recommendations to halt the miR-AGE Phase 2b/3 clinical trial for COVID-19 due to lack of efficacy – March 2021

The miR-AGE Phase 2b/3 international study (ABX464-401) had already recruited 500 high-risk COVID-19 patients from the planned number of 1,034. The rigorously conducted clinical trial, which was randomised, double blind and placebo-controlled, assessed the ability of ABX464 to prevent progression to the severe form of the illness in patients. The DSMB recommendation was based on an interim analysis of the data of 305 high-risk COVID-19 patients who completed the treatment. The comparison between the data generated from patients treated with ABX464 and the placebo group showed no difference in the rate of progression to severe disease between the placebo group and the ABX464 group. Furthermore, ABX464 was found to be safe and well-tolerated by these high-risk COVID-19 patients.

Dr Eric Cua, an infectious disease specialist at the University Hospital of Nice and lead coordinator of the miR-AGE study, said: “The aim of this rigorous study, conducted under state-of-the-art rules, was to prevent the development of severe illness in an acute context characterised by hyper-inflammation and cytokine storm. Thanks to a rigorous trial methodology, we can be confident about the results of the interim analysis, which concluded that it would be pointless to continue the study. The analysis confirms that ABX464 is well-tolerated”.

Professor Hartmut J. Ehrlich, M.D., Chief Executive Officer of ABIVAX, said: “The miR-AGE trial was based on sound scientific grounds and was designed with the contribution of the very experienced study steering committee. The aim of this trial was to assess the tolerance and efficacy of ABX464 in preventing severe forms of disease and death in high-risk COVID-19 patients. Although this result is disappointing, the positive tolerance data for ABX464 in these vulnerable patients will be very useful in future stages. […]. Furthermore, as a reminder, ABX464 has been shown to be very efficacious in the treatment of “chronic” inflammation according to clinical, endoscopic and histological criteria in ulcerative colitis, which was confirmed by the results of the Phase 2a study published in March 2021 in an article in “Gastroenterology” reviewed by experts in the field. The results obtained in the prevention of acute inflammation occurring with COVID-19 cannot be transposed to a context of chronic inflammatory diseases and therefore do not compromise ABX464’s potential success in these diseases”.

This decision has had no impact on the development of ABX464 in chronic inflammatory diseases.

General

ABIVAX appoints Dr Sophie Biguenet as Chief Medical Officer – March 2021

On 1 March 2021, ABIVAX announced the appointment of Dr Sophie Biguenet as Chief Medical Officer as of 1 March 2021. Dr Biguenet has 25 years of experience in the academic sector and in the biopharmaceutical industry. She brings extensive international expertise in clinical development, having successfully registered many new medicines in various therapeutic domains, including immunology, virology and liver disease. In her new role, Dr Biguenet is replacing Dr Jean-Marc Steens, who will retire in the next few months after six years as ABIVAX’s Chief Medical Officer.

POST BALANCE SHEET EVENTS

ABIVAX announces the success of its capital increase, which was oversubscribed by €60 million, and the issuance of €25 million in convertible bonds, for total financing of €85 million – July 2021

On 23 July 2021, ABIVAX announced the completion of a reserved capital increase, oversubscribed by around €60 million, through the issuance of 1,964,031 shares with a par value of €0.01 per share, representing 13.34% of its current share capital, with a subscription price of €30.55 per share, and an issuance of €25 million in unsecured senior convertible bonds exchangeable for new or existing shares, maturing on 30 July 2026. The proceeds of the transaction will mainly serve to finance the progress of ABX464 clinical trials in chronic inflammatory diseases and to extend its cash until the second quarter of 2022.

ABIVAX is authorised to conduct a Phase 1 study on healthy Japanese volunteers in order to include Japan in its global Phase 3 programme in ulcerative colitis – August 2021

On 17 August 2021, ABIVAX announced that the Japanese Pharmaceuticals and Medical Devices Agency (PMDA) has approved the Phase 1 clinical trial for ABX464, which will be conducted on healthy Japanese volunteers. This trial is necessary for regulatory purposes as part of the clinical development, in order to confirm the pharmacokinetic (PK) profile of ABX464 in healthy Japanese volunteers. Provided that the results of this Phase 1 study are positive, ABIVAX will be authorised to include Japanese patients directly in its Phase 3 global clinical development programme to develop ABX464 for the treatment of UC.

ABIVAX provides additional clinical data and reports on the development strategy of ABX464 in ulcerative colitis

On 14 September 2021, ABIVAX communicated its development strategy for its ABX464 flagship molecule in UC, and announced additional data supporting the first positive results of Phase 2b recently announced. The latest additional analyses confirm and reinforce the efficacy and safety of the daily oral administration of ABX464 after 16 weeks, already observed after the eight week induction treatment.

2.3 Financial situation and results: notes on the figures

The financial statements of ABIVAX at 30 June 2021 mainly reflect:

- **A half-year result of -€16.5 million (-€1.1 million compared with -€15.4 million as at 30 June 2020). This result, affected by the recognition of operating grants for the Bpifrance COVID-19 programme (€9.6 million), mainly relates to operating expenses (€26.5 million, i.e. -€10 million vs H1 2020). These reflect ongoing investments in the development of ABX464 in inflammatory indications (-€0.4 million vs H1 2020), the COVID-19 indication (-€2.0 million) and cross-cutting programmes (-€7.5 million), as well as the ongoing clinical study for ABX196 in hepatocellular carcinoma (-€0.1 million).**

    - R&D expenses amounted to €24.0 million in the first half of 2021, compared with €13.5 million in the first half of 2020, focused on ABX464 development costs (representing 94% of R&D investments in the first half of 2021).
    - Administrative costs and overheads amounted to €2.6 million in H1 2021 (10% of operating expenses) compared with €2.8 million (17%) in H1 2020.
    - The company's research and development activity during the first half of 2021, less a grant receivable of €3.3 million, gave rise to a research tax credit of €1.6 million.

- **Financial resources guaranteeing funding for the main projects until the end of Q2 2022**

    - Cash at the end of June 2021 totalled €4.3 million, compared with €29.3 million at the end of 2020.
    - The Company's cash consumption stood at €5.3 million per month during the first half of 2021.
    - In view of the level of available cash at 30 June 2021, the equity line with Kepler Cheuvreux, the receivable held in respect of Bpifrance for the financing of the balance of the ABX464 COVID-19 programme, the 2020 research tax credit refund in August 2021 of €2.6 million, the capital increase of €60 million in July and the issuance of €25 million in convertible bonds in July, the Company is currently financed until the second quarter of 2022.
    - The Company plans to extend its financial resources through the end of the third quarter of 2022, anticipating the prioritisation of clinical programmes with ABX464 expected for the fourth quarter 2021, and with a continued focus on the Phase 3 programme in UC.

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 2021 and 2020 and certain items as at 31 December 2020.

Income Statement Items in thousands of euros	H1 2021	H1 2020	Change
Total operating income	9,640	1,633	8,008
Total operating expenses	-26,534	-16,258	-10,277
of which Research and Development costs	*-23,955*	*-13,468*	-10,487
of which administrative costs and overheads	*-2,579*	*-2,790*	*211*
Operating income	**-16,894**	**-14,625**	**-2,269**
Net Financial Income	-1,347	-963	-384
Income from continuing operations	**-18,241**	**-15,588**	**-2,653**
Extraordinary income	99	166	-67
Income tax	-1,611	0	-1,611
Income for the period	**-16,531**	**-15,422**	**-1,109**

ASSETS - in thousands of euros	30/06/2021	31/12/2020	Change
Fixed assets			
Intangible assets	32,101	32,102	-2
Property, plant and equipment	79	99	-20
Financial assets	1,536	1,428	108
Total Fixed assets	33,716	33,630	86
Current assets			
Advances and deposits paid on orders	4,000	0	4,000
Receivables	12,729	8,040	4,688
Marketable securities	6	6	0
Cash and cash equivalents	4,339	29,296	-24,958
Prepaid expenses	305	324	-19
Total Current assets	21,378	37,667	-16,288
Currency translation gains	0	1	-1
Total Assets	**55,094**	**71,298**	**-16,204**
LIABILITIES			
Shareholders' equity	**-4,467**	**4,665**	**-9,132**
Conditional advances	**6,841**	**13,235**	**-6,395**
Provisions for risks and contingencies	**33**	**1**	**32**
Total Other capital	2,407	17,902	-15,495
Payables			
Convertible bonds	0	0	0
Non-convertible bonds	26,799	28,982	-2,184
SGL Loans	5,000	5,000	0
Trade payables and related accounts	18,868	17,408	1,460
Accrued taxes and personnel expenses	2,003	1,987	16
Other payables	18	12	6
Total Payables	52,687	53,389	-702
Currency translation losses	0	7	-7
Total liabilities	**55,094**	**71,298**	**-16,204**

OVERVIEW OF RESULTS AT 30/06/2021

Operating income

Income Statement Items in thousands of euros	H1 2021	H1 2020	Change
Sales of goods	0	0	0
Production sold	0	0	0
Operating grants	9,627	1,587	8,040
Other income	13	46	-32
Total operating income	**9,640**	**1,633**	**8,008**

Given the early stage of its projects, the Company did not generate any revenue for the year.

Operating grants

The grants that appear in the income statement depend on project progress. ABIVAX receives grants from Bpifrance, the French public investment bank, for the COVID-19, CARENA and RNP-VIR projects.

During the first half of 2021, ABIVAX terminated the COVID-19 project on the basis of the results of the study and the recommendations of the Data and Safety Monitoring Board. As Bpifrance had recorded the failure of the project, the repayable advance of €6,348 thousand received in June 2020 became a grant. In addition, at 30 June 2021, ABIVAX estimated the total financing by Bpifrance of the part of the project concerning ABIVAX at €11,214 thousand. As the amounts of €1,587 thousand and €6,348 thousand (repayable advance reclassified as a grant) had already been received in 2020, the balance of the grant receivable is €3,279 thousand. As discussions with Bpifrance are still ongoing, this amount may change.

Other income

In H1 2021, operating income amounted to €13 thousand compared with €46 thousand in 2020. These mainly correspond to transfers of miscellaneous operating expenses.

Net operating expenses by type:

Income Statement Items in thousands of euros	H1 2021	H1 2020	Change
Purchases of raw materials	0	1	-1
External studies	17,904	10,063	7,841
General subcontracting	1,030	288	742
Supplies	7	55	-48
Rents, maintenance and upkeep costs	283	249	35
Miscellaneous expenses	241	191	50
Documentation, technological intelligence and seminars	15	31	-16
Patents	955	482	474
Professional fees	2,274	1,695	580
Work assignments and travel	26	106	-79
Other purchases and external expenses	22,738	13,158	9,579
Taxes and similar levies	65	55	10
Wages and salaries	2,578	2,165	413
Social security contributions	988	800	188
Depreciation expense	32	33	-1
Increase in provisions for risks and contingencies	33	0	33
Other expenses	100	45	56
Total operating expenses	**26,534**	**16,258**	**10,277**

As at 30 June 2021, operating expenses were €26,534. "Other purchases and external expenses" represented 86% of operating expenses, with more than 79% of them 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 2021 are mainly linked to the following events:

- Ulcerative colitis:
  - Continuation of the Phase 2a maintenance study, ABX464-102, extended to four years of treatment (study started in January 2018 with promising three-year results published in September 2021);
  - Continuation and completion of the Phase 2b induction study, ABX464-103, launched at the end of 2018 (254 patients, 16 weeks, first patient in August 2019) with FDA approval of the IND in January 2020. Excellent efficacy and tolerance results were announced in May 2021.
  - This induction study, ABX464-103, was supplemented by a two-year maintenance study, ABX464-104, which was launched in July 2019 with the first patient enrolled in January 2020; positive preliminary data on 51 patients at 48 weeks in this maintenance phase were also announced at the same time as the Phase 2b results, in May 2021.
  - Given these very encouraging results, the Company plans to start the Phase 3 clinical programme, subject to a positive response from the American regulatory agency (FDA), expected by the end of this year, and the scientific advice provided by the European Medical Agency (EMA), expected during the first quarter of 2022.
- Rheumatoid arthritis: Continuation of Phase 2a of the induction study launched in 2019 (12 weeks, 60 patients) with a first patient admitted in August 2019. Excellent efficacy and tolerance results were announced in June 2021. The Phase 2a induction study is

supplemented with a maintenance study, extended to two years in September 2020, with the first patient enrolled in November 2019. Following the positive results of this Phase 2a trial, initiation of the next steps in the clinical development of ABX464 in RA will depend on the decision made to prioritise the clinical programme with ABX464.

- COVID-19: Completion of the Phase 2b/3 clinical trial with ABX464 to prevent the severe inflammation that leads to Acute Respiratory Distress Syndrome (ARDS) in people affected with COVID-19. The interim analysis of the data of 305 patients in March 2021 showed no difference in the rate of progression to severe disease between the placebo group and the ABX464 group. The Company therefore followed the recommendations of the Data and Safety Monitoring Board and terminated the study in March 2021. This study was conducted jointly with the University Hospital of Nice, which directly managed part of its financing.
- Continuation of the Phase 1/2 clinical trial on the treatment of liver cancer with the ABX196 drug candidate. Currently, data consolidation from the dose escalation phase study is under way. Provided that the results are positive, the decision on the next stage of clinical development will also be taken on the basis of the availability of the necessary financial means or the possibility of concluding a licence agreement.
- Continued activity of the ABIVAX antiviral platform in the treatment of the respiratory syncytial virus, influenza and dengue fever. The research into new molecules to treat major viral infections also depends on the outcome of the prioritisation of the ABX464 clinical development programme, expected for the fourth quarter of 2021.

Costs associated with external studies and sub-contracting in the first half of 2020 were mainly linked to the following events:

- Ulcerative colitis: Continuation of the extension study of the Phase 2a clinical study, ABX464-102, extended to three years of treatment (study started in January 2018 with two-year results published in September 2020), continuation of the Phase 2b induction study, ABX464-103, launched at the end of 2018. This induction study has been supplemented by a maintenance study, ABX464-104, launched in July 2019 with the first patient enrolled in January 2020.
- Rheumatoid arthritis: Continuation of Phase 2a of the induction study launched in 2019 (12 weeks, 60 patients) with a first patient admitted in August 2019. This study has been supplemented by a maintenance study of at least one year, with the first patient enrolled in November 2019.
- COVID-19: Launch of a Phase 2b/3 clinical trial with ABX464 to prevent the severe inflammation that leads to Acute Respiratory Distress Syndrome (ARDS) in people affected with COVID-19. This study, conducted in 1,034 elderly or high-risk patients with COVID-19 (“miR-AGE” study) had a duration of administration calibrated at 28 days and was randomised, double blind and placebo-controlled. The first patient was enrolled in July 2020.
- Continuation of the Phase 1/2 clinical trial on the treatment of liver cancer with the ABX196 drug candidate; with a first patient admitted in February 2020.
- Development of the ABIVAX antiviral platform in the treatment of respiratory syncytial virus, influenza and dengue fever.

Net Financial Income:

Income Statement Items in thousands of euros	H1 2021	H1 2020	Change
Financial income	1	0	1
Financial expenses	1,348	963	385
Net financial income	-1,347	-963	-384

In the first half of 2021, financial expenses mainly comprised interest relating to the Kreos loan (-€1,338 thousand). Financial income in the first half of 2021 related to a reversal of a provision for foreign exchange risk (€1 thousand).

Net Profit (Loss):

Income Statement Items in thousands of euros	H1 2021	H1 2020	Change
Income from continuing operations before tax	-18,241	-15,588	-2,653
Extraordinary income	99	166	-67
Income tax (CIR)	-1,611	0	-1,611
Loss	**-16,531**	**-15,422**	**-1,109**

Extraordinary income

Exceptional income for the first half of 2021 was €99 thousand, consisting mainly of capital gains on the sale of treasury shares. Exceptional income for the first half of 2020 was €166 thousand, consisting mainly of capital gains on the sale of treasury shares (€167 thousand).

Income tax (CIR)

The estimated CIR (research tax credit) for the first half of 2021 was €1,611 thousand. The amount of the tax credit is calculated on eligible expenditure in the half-year, less any grants and repayable advances obtained.

Taking into account the repayable advances and grants received as part of COVID-19 financing (€7,934 thousand), no CIR was recorded in the first half of 2020.

Net Profit (Loss)

The operating loss was -€16,531 thousand (compared with -€15,422 thousand at 30 June 2020), reflecting continued activity on the ABX464 on the various studies.

SHOWN ON THE BALANCE SHEET AT 30/06/2021

Intangible 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 recording of technical losses, which replaced contributed equity under Assets in the amount of €32,745 thousand.

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 losses and not financial losses, 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 and development costs were not capitalised by the three dissolved companies, but instead were expensed as incurred.

At each reporting date, the carrying amounts of the technical losses are examined to assess whether there is any indication that these assets are impaired. No specific event was identified during the first half of 2021. No further assessments have been made since then.

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 the context of the bond loans subscribed by Kreos.

The liquidity agreement was signed on 26 June 2015 for a period of 12 months and renews automatically. A sum of €1 million was paid to the provider when the agreement was signed and the first transactions to build up a reserve of shares were carried out between 26 and 29 June 2015. The company requested a cash refund of €500 thousand in April 2020.

At 30 June 2021, the company held 8,900 treasury shares via this liquidity agreement, i.e. less than 10% of its capital, for an acquisition cost of €206 thousand. The balance of the cash account with the service provider is €321 thousand.

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

in thousands of euros	Quantity	Average price in euros*	Book value of shares held	Other financial assets
Balance at 31 December 2019	20,930	11	227	501
Purchases	18,977	17.86	339	-339
Sales	22,807	18.87	430	430
Realised capital gains or losses			166	
Cash withdrawal				-500
Balance at 30 June 2020	17,100	18	302	92
Purchases	3,511	20.25	71	-71
Sales	7,811	23.83	186	186
Realised capital gains or losses			34	
Balance at 31 December 2020	12,800	17	221	207
Purchases	4,101	26.41	108	-108
Sales	8,001	27.77	222	222
Realised capital gains or losses			99	
Balance at 30 June 2021	**8,900**	**23**	**206**	**321**

*average values for 2021, for example, €23 = €206 thousand/8,900 shares

The share price at 30 June 2021 was €29.55. The market value of the treasury shares at 30 June 2021 was therefore €263 thousand.

Receivables:

Fixed asset receivables correspond to the amount available under the liquidity agreement entered into by ABIVAX and deposits and guarantees paid by the Company.

Other current asset receivables are primarily composed of:

in thousands of euros	Amount
Advances and deposits paid on orders	4,000
Receivables	4
Kreos issue and termination costs	1,441
Other (Grants receivable)	3,279
Sundry debtors	279
Receivables, other	9,002
2014 CIR balance receivable (including deferred payment interest)	64
2019 CIR balance receivable (including deferred payment interest)	106
CIR at 31/12/2020	2,575
Estimated CIR at 30/06/2021	1,611
Deductible VAT and VAT credits	3,370
Taxes	7,726
Prepaid expenses	305
Total	**17,034**

Cash and cash equivalents:
Cash and cash equivalents break down as follows:

in thousands of euros	30/06/2021	Immediate availability
Term deposits	0	0
SICAV/UCITS	6	6
Cash and cash equivalents	4,339	4,339
Total	4,344	4,344

Share capital
The following exercises of BCE and BSA took place in the first half of 2021:

	Number of warrants	Number of shares
BCE-2016-1	6,600	6,600
BCE-2017-3	47,372	47,372
BCE-2017-4	1	1
BCE-2018-1	3,000	3,000
BCE-2018-3	14,843	14,843
BCE-2018-5	1,250	1,250
BCS-2016-1	2,500	2,500
BCS-2018-3	2,000	2,000
BSA-2018-1	16,400	16,400
BSA Kepler	257,000	257,000
Total	**350,966**	**350,966**

These various exercises resulted in the issuance of 350,966 Company shares, increasing the share capital by €3,509.66, from €143,202.71 to €146,712.37.

The Board of Directors has recognised all these capital increases.

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

Conditional advances
The variation between 31 December 2020 and 30 June 2021 can be summarised as follows:

in thousands of euros	Balance at 31 December 2020	Interest accrued over the period	Advances recorded as grants	Advances repaid over the period	Balance at 30 June 2021	*Including conditional advances*	*Including accrued interest*
BPI CARENA	**2,392**	15			**2,408**	*2,187*	*220*
BPI EBOLA	**320**			30	**290**	*290*	
BPI RNP-VIR	**4,123**	21			**4,143**	*4,032*	*111*
BPI COVID-19	**6,401**	51	6,451		**0**		
Total	**13,235**	87	6,451	30	**6,841**	*6,509*	*332*

Borrowings and financial debt – Other

At 30/06/2021, the company's financial debt comprised two non-convertible bond loans subscribed by Kreos Capital (€24.4 million) and their termination costs (€2.4 million), and a state-guaranteed loan taken out with Société Générale (€5 million).

2.4 Principal risk factors

On the occasion of its introduction on Euronext – Compartment 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 2021 Universal Registration Document, published on 30 April 2021.
This document is available on the Company's website at www.Abivax.com.

The Company reiterates, as indicated in the Universal 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 2021

3.1 Income statement

Income Statement Items in thousands of euros	H1 2021	H1 2020	Change
Operating income	**9,640**	**1,633**	**8,008**
Production sold	0	0	0
Operating grants	9,627	1,587	8,040
Other income	13	46	-32
Operating expenses	**26,534**	**16,258**	**10,277**
Purchases of raw materials and supplies	0	1	-1
Other purchases and external expenses	22,738	13,158	9,579
Taxes and duties	65	55	10
Salaries and social security contributions	3,566	2,966	601
Amortisation, depreciation and provisions	65	33	32
Other expenses	100	45	56
Operating income	-16,894	-14,625	-2,269
Financial income	1	0	1
Financial expenses	1,348	963	385
Net Financial Income	-1,347	-963	-384
Income from continuing operations	-18,241	-15,588	-2,653
Extraordinary income	99	166	-67
Income tax (CIR)	-1,611	0	-1,611
Income for the period	**-16,531**	**-15,422**	**-1,109**

3.2 Balance sheet

ASSETS in thousands of euros	**30/06/2021**	**31/12/2020**	**Change**
Fixed assets			
Intangible assets			
Concessions, patents, licences, software	32,101	32,102	-2
Property, plant and equipment			
Technical facilities, industrial tools and equipment	44	63	-18
Other property, plant and equipment	35	37	-2
Financial assets			
Other financial assets	1,536	1,428	108
Total Fixed assets	33,716	33,630	86
Current assets			
Advances and deposits paid on orders	4,000	0	4,000
Receivables	12,729	8,040	4,688
Cash instruments			
Marketable securities	6	6	0
Cash and cash equivalents	4,339	29,296	-24,958
Prepaid expenses	305	324	-19
Total Current assets	21,378	37,667	-16,288
Currency translation gains	0	1	-1
Total Assets	**55,094**	**71,298**	**-16,204**
LIABILITIES			
Shareholders' equity			
Capital	147	143	4
Issue, merger, transfer premiums	49,468	42,073	7,395
Retained earnings	-37,551	0	-37,551
Income for the financial year (profit or loss)	-16,531	-37,551	21,021
Total shareholders' equity	-4,467	4,665	-9,132
Other equity			
Conditional advances	6,841	13,235	-6,395
Total other capital	6,841	13,235	-6,395
Provisions			
Provisions for risks and contingencies	33	1	32
Payables			
Convertible bonds	0	0	0
Non-convertible bonds	26,799	28,982	-2,184
Borrowings and financial debt – Other	5,000	5,000	0
Trade payables and related accounts	18,868	17,408	1,460
Accrued taxes and personnel expenses	2,003	1,987	16
Other payables	18	12	6
Total payables	52,687	53,389	-702
Currency translation losses	0	7	-7
Total liabilities	**55,094**	**71,298**	**-16,204**

3.3 Cash flow statement

in thousands of euros	30/06/2021	31/12/2020	Change
Cash flows linked to operations			
Operating income	-16,894	-38,008	21,114
+ Provisions for amortisation and depreciation (excluding provisions for current assets)	65	66	-1
- Change in operating receivables	-4,000	-3	-3,997
+ Change in operating payables	1,460	6,865	-5,405
= Net operating cash flow	-19,369	-31,080	11,711
- Financial expenses	-1,034	-1,547	513
+ Financial income	0	0	0
- Corporate income tax	0	0	0
- Extraordinary expenses linked to activity	0	0	0
- Change in other receivables linked to activity	-3,382	2,659	-6,041
+ Change in other payables linked to activity	22	145	-123
= Net cash flow generated by activity (A)	-23,764	-29,823	6,059
Cash flow linked to investment			
- Acquisitions of fixed assets	-129	-898	769
+ Disposals of fixed assets	222	616	-394
+ Reduction of financial assets	0	0	0
+/- Change in payables and receivables relating to investments	-124	-294	170
= Net cash flow from investment activities (B)	-31	-575	544
Cash flow linked to financing			
+ Capital increase in cash and payments made by partners	7,398	26,395	-18,997
+ Loans and borrowings issued and repayable advances received	0	26,948	-26,948
- Repayment of loans and borrowings and repayable advances	-8,561	-3,414	-5,147
+/- Change in trade payables and receivables related to financing activities	0	0	0
= Net cash flow from financing activities (C)	-1,163	49,929	-51,092
Change in cash position (A+B+C)	**-24,957**	**19,531**	**-44,488**
+ Cash at the beginning of the period	29,302	9,771	19,531
= cash at the end of the period	**4,344**	**29,302**	**-24,957**

* The amounts listed under 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

in thousands of euros	Number of shares issued	Capital	Premiums	BCE/BSA	Retained earnings	Total
At 31 December 2019	12,201,959	122	104,403	283	-93,033	11,775
Capital increase - 28 October 2020	1,620,370	16	27,984			28,000
Exercise of founder warrants/stock subscription warrants	33,633	0	92			92
Conversion of Kreos bond loan	464,309	5	3,995			4,000
Stock subscription warrants issued				0		0
Issue costs			-1,651			-1,651
Allocation to retained earnings on issue premium			-93,033		93,033	0
2020 loss					-37,551	-37,551
At 31 December 2020	14,320,271	143	41,790	283	-37,551	4,665
Exercise of founder warrants/stock subscription warrants	93,966	1	886			887
Kepler Cheuvreux equity line	257,000	3	6,609			6,612
Issue costs			-100			-100
Stock subscription warrants issued				0		0
Loss at 06/2021					-16,531	-16,531
At 30 June 2021	14,671,237	147	49,185	283	-54,082	-4,467

3.5 Notes to the financial statements

Notes to the balance sheet before appropriation of total earnings of €55,094 thousand at 30 June 2021 and to the income statement, presented in list form, generating a loss of -€16,531 thousand.

The interim financial statements cover a six-month period from 1 January 2021 to 30 June 2021.

The notes and statements below are integral to the financial statements on 30 June 2021 as agreed by the Board of Directors on 21 September 2021.

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

References to the first half of 2020 and to full year 2020 enable a more meaningful comparison of changes in the data concerned to assist in understanding the company's interim income statement at 30 June 2021.

NOTE 1: THE COMPANY

ABIVAX aims to modulate the body's immune system to treat patients with chronic inflammatory diseases, viral infections and cancer. A clinical-stage biotech company, ABIVAX uses its three platforms to discover and optimise drug candidates, two of which are currently being tested in various clinical trials for the treatment of inflammatory bowel disease, rheumatoid arthritis, HIV and liver cancer. The anti-inflammatory and antiviral drug candidates and immunotherapies developed by ABIVAX come from three proprietary technology 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 2,200 small molecules that act on RNA maturation phases to specifically block virus reproduction mechanisms using new modes of action. ABX464 is the flagship molecule generated by this platform. This molecule was initially developed to target the HIV virus and has shown an action for the RNA splicing process, thus also generating an anti-inflammatory effect that has led the company to further assess its potential for inflammatory diseases. The platform has also generated different molecules targeting viruses such as respiratory syncytial virus and dengue fever, with the first active molecules identified.

2. **An "Immune Stimulation" platform** based on intellectual property licensed from the Scripps Research Institute (United States). This platform focuses on "iNKT" agonist compounds which stimulate immune responses at both the humoral and cellular levels. These compounds have clinical applications in oncology and infectious diseases. The safety of ABX196, the target product derived from this platform, has already been demonstrated in a Phase 1 trial on healthy volunteers. Preclinical development also demonstrated that ABX196 was able to convert tumours that were not responsive to treatment into responsive tumours with checkpoint inhibitors.

3. **A "Polyclonal Antibody" platform** based on the generation of neutralising antibodies, including the flagship drug candidate, ABX544, designed to treat and prevent infections caused by the Ebola virus. Due to the approval of the ERVEBO® vaccine (Ebola Zaire Vaccine, Live) and the difficulty of accessing public funding, ABIVAX has decided to stop the development of this molecule, but the platform remains available to the company and can be reactivated whenever necessary.

ABIVAX conducts its R&D activities mainly in Montpellier and has its registered office in Paris. It has 29 employees at both locations. The ABIVAX management team has extensive experience in the development and marketing of biopharmaceutical products for inflammatory and infectious diseases and antivirals. The Company has a world-renowned Scientific Committee and a Board of Directors comprising members with solid experience gained at major pharmaceutical laboratories and international vaccine manufacturers.

ABIVAX currently prioritises studies in its clinical development program with ABX464 and, depending on the decision taken with respect to this upcoming prioritisation, focuses its efforts on the following:

- **Continuation of the ABX464 clinical development programme**, with priority given to the treatment of ulcerative colitis.
- **Continuation of the clinical development programme of ABX464** in other chronic inflammatory diseases, including Crohn's disease and rheumatoid arthritis, based on the outcome of the prioritisation of the ABX464 clinical development programme, expected for the fourth quarter of 2021.
- **Continuation of other therapeutic indications of ABX464** according to the relevance of scientific data and **research into potential derivative molecules of ABX464,** based on the outcome of the prioritisation of the clinical

development programme of ABX464, expected for the fourth quarter of 2021.

- **Continuation of the Phase 1/2 clinical trial on the treatment of liver cancer with the ABX196 drug candidate.** Currently, data consolidation from the dose escalation phase study is under way. Provided that the results are positive, the decision on the next stage of clinical development will also be taken on the basis of the availability of the necessary financial means or the possibility of concluding a licence agreement.
- **Finally, research into new molecules** aimed at treating major viral infections ("Modulation of RNA Biogenesis" platform), based on the outcome of the prioritisation of the ABX464 clinical development programme, expected for the fourth quarter of 2021.

The Company was incorporated as a Société Anonyme (French limited company) on 6 December 2013 and, in 2014, it acquired Splicos, Wittycell and Zophis by means of a universal transfer of assets and liabilities (*transmission universelle de patrimoine*, or TUP). The Company is listed on Euronext Paris since 26 June 2015. ABIVAX is currently listed on Compartment B of Euronext Paris.

It does not have any subsidiaries and is thus not required to present consolidated financial statements under IFRS rules. 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 2021 were adopted on 21 September 2021 by the Board of Directors.

These financial statements comprise a balance sheet totalling €55,094 thousand, an income statement showing a loss of €16,531 thousand, a cash flow statement, a statement of changes in shareholders' equity and these Notes to the financial statements.

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

General rules

The interim financial statements as at 30 June 2021 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.

General accounting conventions have been applied 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. In view of the level of available cash at 30 June 2021, the equity line with Kepler Cheuvreux, the receivable held in respect of Bpifrance for the financing of the balance of the ABX464 COVID-19 programme, the 2020 research tax credit refund of €2.6 million in August 2021, the capital increase of €60 million in July and the issuance of €25 million in convertible bonds in July 2021, the Company is currently funded until the second quarter of 2022. It plans to expand its financial resources until the end of the third quarter of 2022, taking into account the outcome of the prioritisation of clinical programmes with ABX464, expected for the fourth quarter of 2021, while maintaining a priority focus on the Phase 3 programme in UC.

- 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 acquisition cost for assets acquired against payment, at production cost for assets produced by the Company, and at market value for assets acquired for free or via an exchange.

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

Depreciation, amortisation and write-downs

Depreciation and amortisation are calculated on a straight-line basis over the likely useful life of the asset.

- 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
- Furniture: 10

For simplicity, the amortisation or depreciation term applied for assets that cannot be broken down further is the asset's useful life.

Technical losses

The technical losses recorded when subsidiaries are acquired by means of a universal transfer of assets and liabilities are included in goodwill.

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

This goodwill is not amortised, as the period during which the company may receive economic benefits is indefinite. 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 currently be estimated. Accordingly, given the current progress of the ongoing research and development projects, the duration of use for this goodwill is not restricted.

Write-down and impairment testing

At the end of each financial year, the technical losses resulting from the mergers of Splicos and Wittycell are compared with the inventory values of the molecules produced by the technological platforms associated with each company: "Modulation of RNA Biogenesis" or the "splicing" platform for Splicos and the "iNKT agonists" technological platform for Wittycell. The Zophis technical loss was fully impaired when the universal transfer of assets and liabilities was carried out, as the partnership (licence option agreement regarding patents with the French National Institute for Agricultural Research — INRA) transferred by Zophis was abandoned.

If the inventory value of the molecules is less than the corresponding technical loss, a write-down is recorded to reduce the technical loss shown in the accounts to the inventory value of the projects.

In order to estimate the inventory value of a project, the company takes 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.

In the event of major adverse change in the development of the technology platform that would undermine its operation, the technical loss would be written down. This write-down cannot be reversed in the event of a subsequent improvement in the market value of the projects.

Financial assets

As well as security deposits, this item includes ABIVAX treasury shares held under a liquidity agreement.

Transactions related to the liquidity agreement are recognised in accordance with recommendation no. 98-D of the Emergency Committee (Comité d'urgence, CU) of the French National Accounting Board (Conseil national de la comptabilité, CNC) and with bulletin no. 137 of March 2005 of the French National Institute of Auditors (Compagnie nationale des commissaires aux comptes, CNCC):
- treasury shares are booked at their purchase cost under "Other financial assets – Treasury shares". A provision for impairment is booked with reference to the closing stock market price on the last day of the financial year if this is lower than the purchase price. In the event of disposal, the cost price of the shares disposed of is calculated using the "first in first out" method.
- cash paid to the intermediary and not yet used is recognised under "Other financial assets – Other long-term receivables".

Receivables

Receivables are recorded at nominal value. A provision for impairment is recognised when the net asset value is lower than the carrying amount.

Transactions in foreign currencies

Transactions in foreign currencies are recorded at their equivalent value at the date of the transaction. Payables, receivables and cash in foreign currencies are reported on the balance sheet at period-end exchange rates. 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 and the British pound.

Provisions for risks and contingencies

Provisions for risks and contingencies are created according to known or estimated risks at the interim reporting date. If the risks and losses are not measurable at that date, information is provided in the notes.

Repayable advances granted by public organisations

Advances received from public organisations to finance the Company's research activities that are subject to conditional repayments are posted to liabilities under "Other equity – Conditional advances".

Other advances received that are not subject to conditional repayment are posted under "Miscellaneous borrowings and financial debt".

Interest accrued on these advances is posted under liabilities per the same rules.

Loan issue payables and costs

The payables are recognised at their nominal repayment value. Loan issue costs are recognised in assets under "Deferred charges" and amortised on a straight-line basis over the life of the loans concerned.

Bond loans

Bond loans whose redemption is accompanied by premiums are recognised in liabilities under "Bond loans" at their total value including redemption premiums.

A balancing entry to these premiums is recognised under "Bond redemption premiums" in assets and the premiums are amortised over the term of the loan.

Operating grants

Any grants received are recorded upon confirmation of the corresponding receivable, in accordance with 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.

If the amounts received are higher than those obtained, the excess amounts are recorded in liabilities under income collected in advance.

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 former subsidiaries have applied the same principle. However, due to their acquisition by the Company via a universal 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 since the year-end date of 31 December 2014.

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 recognised as expenses. These expenses are offset before tax, because the Company has been 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 these Notes.

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: 0.75%
- Salary growth rate: 2%
- Retirement age: 62
- Staff turnover rate: low
- Mortality rate table: (INSEE table TV 88/90)

Tax credits

The tax credits recognised as assets under "Other receivables" include the research tax credit (Crédit d'Impôt Recherche or CIR). Also included under Other receivables are VAT credits for which reimbursement has been requested.

This tax credit was calculated on the basis of transactions that were actually carried out during the first half of 2021 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 June 2021 at the rate of 100% of the expected amount.

This tax credit offsets the corporate income tax payable for the financial year in which it was recorded. In the absence of taxable earnings, the Company, considered an SME under EU regulations, may request an immediate refund when it files its tax return for the relevant financial year.

NOTE 3 – INTANGIBLE, TANGIBLE AND FINANCIAL ASSETS

Table of assets

in thousands of euros	At the beginning of the financial year	Increase	Decrease	At the statement date
Goodwill	32,745			32,745
Other intangible asset items	110			110
Intangible assets	**32,855**	**0**	**0**	**32,855**
• Technical facilities, industrial tools and equipment	420	1	51	370
• Office and IT equipment, furniture	178	8	43	143
Property, plant and equipment	**598**	**9**	**94**	**513**
Other long-term investments (treasury shares)	221	108	123	206
Loans and other financial assets	1,207	231	108	1,330
Financial assets	**1,428**	**339**	**232**	**1,536**
Fixed assets	34,881	349	326	34,904

Intangible assets

in thousands of euros	30/06/2021	31/12/2020	Change
Purchased assets			
Revalued assets			
Contributions in kind	32,745	32,745	0
Total	32,745	32,745	0

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	30/06/2021
Purchased assets	
Revalued assets	
Contributions in kind	32,745
Loss on TUP - Wittycell	*13,586*
Loss on TUP - Zophis	*740*
Loss on TUP - Splicos	*18,419*
Total	**32,745**

At each reporting date, the carrying amounts of the technical losses are examined to assess whether there is any indication that these assets are impaired. No specific event was identified during the first half of 2021. No further assessments have been made since then.

Property, plant and equipment

Property, plant and equipment consist primarily of laboratory and research equipment and IT equipment.

Financial assets

Financial assets primarily correspond to:

- items relating to the liquidity agreement entered into by the company at the end of June 2015,
- the security deposit paid for the premises occupied by the company;
- the security deposit paid in the context of the bond loans subscribed by Kreos.

The liquidity agreement was signed on 26 June 2015 for a period of 12 months and renews automatically. A sum of €1 million was paid to the provider when the agreement was signed and the first transactions to build up a reserve of shares were carried out between 26 and 29 June 2015. The company requested a cash refund of €500 thousand in April 2020. At 30 June 2021, the company held 8,900 treasury shares via this liquidity agreement, i.e. less than 10% of its capital, for an acquisition cost of €206 thousand. The balance of the cash account with the service provider is €321 thousand.

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

in thousands of euros	Quantity	Average price in euros*	Book value of shares held	Other financial assets
Balance at 31 December 2019	20,930	11	227	501
Purchases	18,977	17.86	339	-339
Sales	22,807	18.87	430	430
Realised capital gains or losses			166	
Cash withdrawal				-500
Balance at 30 June 2020	17,100	18	302	92
Purchases	3,511	20.25	71	-71
Sales	7,811	23.83	186	186
Realised capital gains or losses			34	
Balance at 31 December 2020	12,800	17	221	207
Purchases	4,101	26.41	108	-108
Sales	8,001	27.77	222	222
Realised capital gains or losses			99	
Balance at 30 June 2021	**8,900**	**23**	**206**	**321**

*average values for 2021, for example, €23 = €206 thousand/8,900 shares

The share price at 30 June 2021 was €29.55. The market value of the treasury shares at 30 June 2021 was therefore €263 thousand.

Asset amortisation and depreciation

in thousands of euros	At the beginning of the financial year	Increase	Decrease	At the statement date
Other intangible asset items	12	2		14
Intangible assets	**12**	**2**	**0**	**14**
• Technical facilities, industrial tools and equipment	358	20	51	326
• Office and IT equipment, furniture	141	10	43	108

Property, plant and equipment	**499**	**29**	**94**	**434**
Financial assets				
Fixed assets	511	32	94	449

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 assets	740			740
Property, plant and equipment				
Financial assets				
Total	740			740

NOTE 4 – RECEIVABLES

The total amount of receivables and sundry debtors at the end of the year was €18,364 thousand, or €16,922 thousand excluding issuance and termination costs related to the Kreos loans. The detailed classification of receivables by maturity 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	1,330		1,330
Current assets receivables:			
Advances and deposits paid on orders	4,000	4,000	
Trade receivables	4	4	
Social security and other social welfare bodies			
Income tax	4,356	4,356	
VAT	3,370	3,370	
Grants receivable	3,279	3,279	
Repayable advance receivable			
Sundry debtors	1,719	918	802
Prepaid expenses	305	305	
Total	18,364	16,232	2,132

Fixed asset receivables correspond to the amount available under the liquidity agreement entered into by ABIVAX and deposits and guarantees paid by the company.

Other current asset receivables are primarily composed of:

in thousands of euros	Amount
2014 CIR balance receivable (including deferred payment interest)	64
2019 CIR balance receivable (including deferred payment interest)	106
CIR at 31/12/2020	2,575
Estimated CIR at 30/06/2021	1,611
VAT	3,370
Advances and deposits paid on orders	4,000
Trade receivables-CIFRE revenue	4
Redemption premium - Kreos	1,275
Loan issue costs - Kreos	166
Other (grants receivable)	3,279
Sundry debtors	279
Prepaid expenses	305
Total	17,034

Income tax

The total "income tax" amount of €4,356 thousand breaks down as follows:

- Estimated 2021 CIR at 30 June 2021 €1,611 thousand
- 2020 CIR at 31 December 2020 €2,575 thousand
- 2019 CIR balance receivable (including deferred payment interest) €106 thousand
- 2014 CIR balance receivable (including deferred payment interest) €64 thousand

Sundry debtors

The total "Sundry debtors" amount of €1,719 thousand breaks down as follows:

- Loan issue costs €166 thousand
- Bond redemption premium €1,275 thousand
- Payments to be received on exercise of BSA €279 thousand

The maturities of sundry debtors break down as follows:

in thousands of euros	Gross amount	Maturities of less than one year	Maturities of more than one year
Loan issue costs - Kreos	166	89	77
Redemption premium - Kreos	1,275	550	725
Sundry debtors	279	279	
Total	1,719	918	802

Deferred charges: Loan issue costs

The issue costs of bond loans issued in July 2018, June 2019 and October and November 2020 have been booked as deferred charges and are reported in the income statement at the same frequency as the recording of interest.

The total cost is €396 thousand (including €50 thousand for loans issued in 2020, after deduction of €10 thousand repaid by the subscriber in 2021). The amounts expensed to the income statement were €34 thousand in 2018, €75 thousand in 2019 and €82 thousand in 2020. The balance to be deferred at 30 June 2021 is therefore €166 thousand after the recording of charges of €39 thousand corresponding to costs in the period from January to June 2021.

Bond redemption premiums

The redemption premiums related to the bond loans issued in 2018, 2019 and 2020 to the benefit of Kreos have been recognised in assets in the total amount of €2,400 thousand and are taken to the financial income statement at the same frequency as the loan interest.

The amount expensed to the income statement in the first half of 2021 was €275 thousand. The amount expensed to the income statement in 2018 was €100 thousand, followed by €317 thousand in 2019 and €433 thousand in 2020. The remaining amount to be expensed appears in the balance sheet in the amount of €1,275 thousand as at 30 June 2021.

Prepaid expenses

in thousands of euros	Operating expenses	Financial expenses	Extraordinary expenses
Prepaid expenses	252		
Prepaid expenses - Capital increase expenses	53		
Total	305		

Prepaid expenses are broken down as follows:

in thousands of euros	Amount
Leasing of equipment and offices	75
Other operating expenses	107
General and clinical trial insurance	69
Future capital increase expenses	53

Accrued income

in thousands of euros	Amount
Invoices to be issued	4
Sundry debtors - Grants receivable	3,279
Total	3,283

NOTE 5 – CASH AND CASH EQUIVALENTS

in thousands of euros	30/06/2021	Immediate availability	Availability at future date
Term deposits			
SICAV/UCITS	6	6	
Cash and cash equivalents	4,339	4,339	
Total	4,344	4,344	0

NOTE 6 – SHAREHOLDERS' EQUITY

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

	Number of shares issued	Capital	Premiums	BCE/BSA	Retained earnings	Total
At 31 December 2019	12,201,959	122	104,403	283	-93,033	11,775
Capital increase - 28 October 2020	1,620,370	16	27,984			28,000
Exercise of founder warrants/stock subscription warrants	33,633	0	92			92
Conversion of Kreos bond loan	464,309	5	3,995			4,000
Stock subscription warrants issued				0		0
Issue costs			-1,651			-1,651
Allocation to retained earnings on issue premium			-93,033		93,033	0
2020 loss					-37,551	-37,551
At 31 December 2020	14,320,271	143	41,790	283	-37,551	4,665
Exercise of founder warrants/stock subscription warrants	93,966	1	886			887
Kepler Cheuvreux equity line	257,000	3	6,609			6,612
Issue costs			-100			-100
Stock subscription warrants issued				0		0
Loss at 06/2021					-16,531	-16,531
At 30 June 2021	14,671,237	147	49,185	283	-54,082	-4,467

Share capital structure

The exercise of 1,000 BCE-2018-1 on 04 January 2021, resulting in the issuance of 1,000 shares of the Company, increased the share capital by €10.00, from €143,202.71 to €143,212.71.

The exercise of 800 BCE-2016-1 on 05 January 2021, resulting in the issuance of 800 shares of the Company, increased the share capital by €8.00, from €143,212.71 to €143,220.71.

The exercise of 2,000 BCE-2018-1 on 05 January 2021, resulting in the issuance of 2,000 shares of the Company, increased the share capital by €20.00, from €143,220.71 to €143,240.71.

The exercise of 1,250 BCE-2018-5 on 05 January 2021, resulting in the issuance of 1,250 shares of the Company, increased the share capital by €12.50, from €143,240.71 to €143,253.21.

The exercise of 2,000 BCE-2016-1 on 07 January 2021, resulting in the issuance of 2,000 shares of the Company, increased the share capital by €20.00, from €143,253.21 to €143,273.21.

The exercise of 16,400 BSA-2018-1 warrants on 08 January 2021, resulting in the issuance of 16,400 shares of the Company, increased the share capital by €164.00, from €143,273.21 to €143,437.21.

The exercise of 1 BCE-2017-3 warrant on 11 January 2021, resulting in the issuance of 1 company share, increased the share capital by €0.01, from €143,437.21 to €143,437.22.

The exercise of 1,000 BCE-2018-3 on 12 January 2021, resulting in the issuance of 1,000 shares of the Company, increased the share capital by €10.00, from €143,437.22 to €143,447.22.

The exercise of 1,500 BCE-2016-1 on 22 January 2021, resulting in the issuance of 1,500 shares of the Company, increased the share capital by €15.00, from €143,447.22 to €143,462.22.

The exercise of 1,000 BCE-2018-3 on 28 January 2021, resulting in the issuance of 1,000 shares of the Company, increased the share capital by €10.00, from €143,462.22 to €143,472.22.

The exercise of 47,021 BCE-2017-3 warrants on 28 January 2021, resulting in the issuance of 47,021 shares of the Company, increased the share capital by €470.21, from €143,472.22 to €143,942.43.

The exercise of 3,000 BCE-2018-3 on 01 February 2021, resulting in the issuance of 3,000 shares of the Company, increased the share capital by €30.00, from €143,942.43 to €143,972.43.

The exercise of 3,000 BCE-2018-3 on 02 February 2021, resulting in the issuance of 3,000 shares of the Company, increased the share capital by €30.00, from €143,972.43 to €144,002.43.

The exercise of 4,000 BCE-2018-3 on 09 February 2021, resulting in the issuance of 4,000 shares of the Company, increased the share capital by €40.00, from €144,002.43 to €144,042.43.

The exercise of 2,000 BCE-2018-3 on 22 February 2021, resulting in the issuance of 2,000 shares of the Company, increased the share capital by €20.00, from €144,042.43 to €144,062.43.

The exercise of 2,300 BCE-2016-1 on 02 March 2021, resulting in the issuance of 2,300 shares of the Company, increased the share capital by €23.00, from €144,062.43 to €144,085.43.

The exercise of 2,843 BCE-2018-3 on 02 March 2021, resulting in the issuance of 2,843 shares of the Company, increased the share capital by €28.43, from €144,085.43 to €144,113.86.

The exercise of 350 BCE-2017-3 on 03 March 2021, resulting in the issuance of 350 shares of the Company, increased the share capital by €3.50, from €144,113.86 to €144,117.36.

The exercise of 190,000 warrants by KEPLER-CHEUVREUX in May 2021, resulting in the issuance of 190,000 shares of the Company, increased the share capital by €1,900, from €144,117.36 to €146,017.36.

The exercise of 1 BCE-2017-4 warrant on 02 June 2021, resulting in the issuance of 1 company share, increased the share capital by €0.01, from €146,017.36 to €146,017.37.

The exercise of 22,000 warrants by KEPLER-CHEUVREUX on 03 June 2021, resulting in the issuance of 22,000 shares of the Company, increased the share capital by €220, from €146,017.37 to €146,237.37.

The exercise of 2,500 BCE-2016-1 on 15 June 2021, resulting in the issuance of 2,500 shares of the Company, increased the share capital by €25.00, from €146,237.37 to €146,262.37.

The exercise of 45,000 warrants by KEPLER-CHEUVREUX between 24 June 2021 and 30 June 2021, resulting in the issuance of 45,000 shares of the Company, increased the share capital by €450, from €146,262.37 to €146,712.37.

The Board of Directors has recognised all these capital increases.

The capitalisation table below provides details of the shareholding at 30/06/2021:

30/06/2021	Number of shares	Undiluted % (capital)
Holding Incubatrice Medical Devices	210,970	1.44%
Truffle Capital	5,232,579	35.67%
Sofinnova Crossover	1,698,723	11.58%
Management	150,781	1.03%
Board of Directors	778,881	5.31%
Employees	8,077	0.06%
Consultants*	400	0.00%
Other**	595,610	4.06%
Treasury shares	8,900	0.06%
Floating	5,986,316	40.80%
Total	**14,671,237**	**100%**

*Consultants: persons with a consultancy agreement with ABIVAX (scientific and strategic consultants).
** Other: long-standing minority shareholders or stock subscription warrant (BSA)/founder warrant (BCE) holders, Kepler Cheuvreux (based on the ownership disclosure thresholds declared on 3 July 2019) and former employees of the Company, former Board members and certain committee members.

Issuance of dilutive financial instruments (BSPCE 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 2021)

	Issued	Subscribed	Exercised	Expired	Balance	Number of shares to be issued
BCE-2014-1	2,750	2,750	2,750	0	0	0
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	328	0	0
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	84,000	84,000	20,609	17,499	45,892	45,892
BCE-2017-1	67,374	67,374	374	0	67,000	67,000
BCE-2017-2	150,000	150,000	0	0	150,000	150,000
BCE-2017-3	101,061	101,061	47,372	52,635	1,054	1,054
BCE-2017-4	67,374	67,374	1	0	67,373	67,373
BCE-2017-5	67,374	67,374	0	0	67,374	67,374
BCE-2018-1	22,000	22,000	4,930	0	17,070	17,070
BCE-2018-2	67,374	67,374	0	0	67,374	67,374
BCE-2018-3	33,687	33,687	16,843	0	16,844	16,844
BCE-2018-4	16,843	16,843	0	0	16,843	16,843
BCE-2018-5	22,000	22,000	2,000	10,000	10,000	10,000
Total BCE	911,454	911,454	98,417	285,029	528,008	645,224
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	228	264	680	68,000
BSA-2014-4	1,315	1,315	473	0	842	84,160
BSA-2014-5	787	787	0	328	459	45,900
BSA-2014-6	52	52	52	0	0	0
BSA-2014-7	81	81	81	0	0	0
BSA-2015-9	122,274	0	0	122,274	0	0
BSA-2015-11	96,924	96,924	0	0	96,924	96,924
BSA-2015-12	82,000	32,800	0	65,600	16,400	16,400
BSA-2017-1	16,400	16,400	0	0	16,400	16,400
BSA-2018-1	49,200	32,800	16,400	16,400	16,400	16,400
BSA-2018-2	32,800	0	0	32,800	0	0
Total BSA	404,076	183,238	18,076	237,895	148,105	344,184
Total BCE + BSA	**1,315,530**	**1,094,692**	**116,493**	**522,924**	**676,113**	**989,408**

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 989,408 shares, resulting in a potential 6.32% dilution of issued capital as at 30 June 2021.

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 previously set 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 allowances				
Other provisions for risks and contingencies		33		33
Provisions for foreign exchange risks	1		1	0
Total provisions for risks and contingencies	1	33	1	33
Breakdown of provisions and reversals:				
Operating		33		
Financial			1	
Extraordinary				

Other provisions for risks and contingencies correspond to the social and tax risk assessment as at 30 June 2021. As the specific situation of some employees could give rise to a different interpretation from that of the company and its advisors, the provisioned amount corresponds to the risk estimated by the company.

NOTE 8 – CONDITIONAL ADVANCES AND GRANTS

Repayable advances granted by public organisations
Position for the first half of 2021:

in thousands of euros	**Balance at 31 December 2020**	Interest accrued over the period	Advances recorded as grants	Advances repaid over the period	**Balance at 30 June 2021**	*Including conditional advances*	*Including accrued interest*
BPI CARENA	**2,392**	15			**2,408**	*2,187*	*220*
BPI EBOLA	**320**			30	**290**	*290*	
BPI RNP-VIR	**4,123**	21			**4,143**	*4,032*	*111*
BPI COVID	**6,401**	51	6,451		**0**		
Total	**13,235**	87	6,451	30	**6,841**	*6,509*	*332*

Amounts still owed by the company:

30/06/2021 **in thousands of euros**	**Contract status**	**Amount awarded**	**Amount collected**	**Transformation into grant (failure recorded)**	**Revision of amount awarded**	**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	0	-
CARENA (Repayable advances portion)	Ongoing	3,830	2,187			1,643	0	**4,397**
RNP-VIR (Grants portion)	Ongoing	2,112	1,123			989	0	-
RNP-VIR (Repayable advances portion)	Ongoing	6,298	4,032			2,266	0	**6,576**
EBOLA	Ongoing	390	390			0	100	**290**
COVID (Grants portion)	Under discussion	3,967	1,587	6,348	11,214	3,279	0	-
COVID (Repayable advances portion)	Under discussion	15,869	6,348	-6,348	0	0	0	-

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 thousand at a repayment rate of 50% of total planned expenditure.
At 30 June 2021, the Company had received €2,187 thousand, of which €1,150 thousand was received in December 2013, €1,008 thousand in September 2014 and €29 thousand in June 2016.

Financial returns will be made through specified payments based on the forecast of revenue generated by direct or indirect exploitation of the products or services derived 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 milestones 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 thousand

No later than 30 June 2024	€500 thousand
No later than 30 June 2025	€750 thousand
No later than 30 June 2026	€1,100 thousand
No later than 30 June 2027	€1,747 thousand
TOTAL	**€4,397 thousand**

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, for 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 thousand or more, an amount equal to 1.20% of the annual revenue generated from the sale of the products developed within the project.
The amount of additional payments is capped at €6,800 thousand.
The total period, including fixed payments and incentive payments, is limited to 15 years.

BPI EBOLA

Bpifrance and Occitanie region agreement to finance a project to develop a treatment for the EBOLA virus. The agreement provides for a repayable advance of €130 thousand for the Occitanie region at a repayment rate of 16.55% of total planned expenditure. The agreement provides for a repayable advance of €260 thousand for BPI at a repayment rate of 33.11% of total planned expenditure.

At 30 June 2021, the amount received by the company was €390 thousand, of which €300 thousand was received in August 2017 (€100 thousand for the Occitanie region and €200 thousand for BPI), and €90 thousand was received in November 2019 (€30 thousand for the Occitanie region and €60 thousand for BPI).

In the first half of 2021, €30 thousand was already repaid (€20 thousand for BPI and €10 thousand for the Occitanie region). €17 thousand was repaid in 2019 and €53 thousand in 2020. At 30 June 2021, the remaining balance to be repaid is €290 thousand.

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

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	**290,000**

This amount corresponds to the maximum amount of repayable advances initially stipulated in the

agreement and actually received by the company. In September 2019, ABIVAX decided to terminate this programme, due to the existence of a vaccine in the process of being licensed for this indication as well as changes in the macroeconomic climate for public funding.

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 thousand at a repayment rate of 50% of total planned expenditure. At 30 June 2021, the Company had received €4,032 thousand, of which €1,756 thousand was received in September 2017, €346 thousand in August 2018 and €1,930 thousand in November 2019.

Financial returns will be made through specified payments based on the forecast of revenue generated by direct or indirect exploitation of the products or services derived from the project.
The amount of repayment deadlines takes into account a discount at the annual rate of 0.95% calculated according to the terms of the agreement.

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

31/03/2022	€411 thousand
30/06/2022	€411 thousand
30/09/2022	€411 thousand
31/12/2022	€411 thousand
31/03/2023	€411 thousand
30/06/2023	€411 thousand
30/09/2023	€411 thousand
31/12/2023	€411 thousand
31/03/2024	€411 thousand
30/06/2024	€411 thousand
30/09/2024	€411 thousand
31/12/2024	€411 thousand
31/03/2025	€411 thousand
30/06/2025	€411 thousand
30/09/2025	€411 thousand
31/12/2025	€411 thousand
Total	**€6,576 thousand**

This amount corresponds to the maximum amount of repayable advances initially stipulated in the agreement. 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, for 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 thousand 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 thousand.

The total period, including fixed payments and incentive payments, is limited to 15 years.

BPI – COVID-19

Bpifrance agreement to finance the "COVID-19" Structuring R&D Projects for Competitiveness project. This financing was granted under the French Future Investments Programme.
This study was carried out under the full ownership of ABIVAX with the collaboration of the University Hospital of Nice, which directly manages part of the financing of the COVID-19 clinical trial. The total amount of aid was €36,010 thousand, comprising €19,836 thousand allocated to ABIVAX (€15,869 thousand in repayable advances and €3,967 thousand in grants), and €16,174 thousand to the University Hospital of Nice (100% grants at a rate of 100% of estimated expenditure).

The agreement provided for a repayable advance of €15,869 thousand at a repayment rate of 64% of total planned expenditure.
The company received an amount of €6,348 thousand in June 2020.

In view of the results of the study and the recommendations of the Data and Safety Monitoring Board, ABIVAX terminated the study on 5 March 2021. As Bpifrance had recorded the project as a failure, the repayable advance of €6,348 thousand was transformed into a grant. At 30 June 2021, the balance of the repayable advance was therefore zero.

Grants awarded by public organisations

CARENA Project
The agreement with Bpifrance provided for a maximum payment of €1,397 thousand, i.e., a grant rate of 45% of the industrial research expenses for specific steps. At 30 June 2021, the company had received a total amount of €1,187 thousand.

RNP-VIR Project
The agreement with Bpifrance provides for a maximum payment of €2,111 thousand, i.e., a grant rate of 50% of the industrial research expenses for specific steps. At 30 June 2021, the company had received an amount of €1,122 thousand (of which €347 thousand was received in September 2017, €485 thousand in August 2018 and €290 thousand in November 2019).

COVID-19 project
The agreement with Bpifrance provided for a maximum payment of €3,967 thousand, i.e., a grant rate of 16% of the industrial research expenses for specific steps. The company received an amount of €1,587 thousand in June 2020.

As previously mentioned, ABIVAX terminated this study and Bpifrance recorded the failure of the project. At 30 June 2021, ABIVAX estimated the total financing by Bpifrance of the part of the project concerning ABIVAX at €11,214 thousand, according to the conditions stipulated by Bpifrance. As the amounts of €1,587 thousand and €6,348 thousand (repayable advance reclassified as a grant) had already been received in 2020, the balance of the grant receivable is €3,279 thousand. As discussions with Bpifrance are still being finalised, this amount is however likely to change marginally.

NOTE 9 – PAYABLES

Total liabilities at the closing date amounted to €52,687 thousand 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 (*)				
Other bond loans (*) (**)	26,799	7,955	18,844	
Borrowings and debts with credit institutions (*)	5,000		5,000	
Trade payables and related accounts	18,868	18,868		
Personnel and related accounts	928	928		
Social security and other social welfare bodies	859	859		
Other taxes and duties and similar payments	216	216		
Other payables (***)	18	18		
Total	**52,687**	**28,843**	**23,844**	**0**
(*) Of which loans taken out during the financial year				
(*) Of which loans repaid during the financial year	2,184			
(**) Of which €2,400 thousand relating to the cost of terminating the loans subscribed by Kreos Capital (€900 thousand per tranche for the first loan and €600 thousand per tranche for the second loan, €400 thousand for Tranche A and €200 thousand for Tranche B)	2,400			
(***) Of which intra-group	0			

(*) Recognition of the termination fees for the bond loan subscribed in 2018, 2019 and 2020 were recognised as “Bond redemption premium” and increase the amount of financial debt by €2,400 thousand.

Accrued expenses

in thousands of euros	Amount
Suppliers – Invoices Not received	11,301
Provision for paid leave	365
Accrued personnel expenses	563
Provision for social security contributions	165
Other accrued social security contributions	248
State - Other accrued expenses	109
Apprenticeship levy	6
Continuing education to be paid	5
Total	12,762

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 €23,955 thousand for the first half of 2021, compared with €34,526 thousand for the full-year 2020 and €13,468 thousand for the first half of 2020.

Some of these research and development costs related to work subcontracted to service providers. These subcontracting expenses amounted to €17,904 thousand for the first half of 2021, compared with €26,390 thousand for the full-year 2020 and €10,063 thousand for the first half of 2020.

NOTE 11 – CORPORATE INCOME TAX

French Research Tax Credit

Because the company carries out research and development activities, it is eligible for the French research tax credit (CIR).

The research tax credit for 2019 amounted to €4,251 thousand. It was pre-financed by an authorised body for €3,783 thousand in February 2020. Due to the guarantees of the pre-financer and the absence of refunds by the tax authorities, there are still sums to be recovered totalling €106 thousand.

The research tax credit for 2020 amounted to €2,575 thousand. It was fully refunded by the tax authorities in August 2021.

The company's research and development activity during the first half of 2021, less a grant receivable of €3,279 thousand, gave rise to a research tax credit of €1,611 thousand.

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 €200,929 thousand at 30 June 2021.

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 €1,000 thousand. The unused loss balance remains deferrable to subsequent financial years and may be written off under the same conditions with no cut-off date.

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 Payables	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	798
Lease commitment	
Other commitments given	30,561
of which firm orders placed	*30,561*
Total	31,359
Includes amounts relating to:	
Executives	137

Commitments made under patent licensing agreements

The development programmes for several of the Company's products are 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 drug candidates.
These agreements include significant fixed and variable financial commitments. Fixed payment commitments are conditional on the achievement of various contractually defined milestones. The associated expense will be booked once all 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 involving 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).
- An "Immune Stimulation" platform based on intellectual property licensed from the Scripps Research Institute (United States).

Firm agreements made

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 €30,561 thousand at 30 June 2021.

Pension liabilities

The amount of commitments made for pensions, supplementary pensions and similar benefits: €798 thousand. Recommendation 03-R-01 of 1 April 2003 of the CNC has been applied for defined benefit schemes.

Commitments received

The maximum amounts receivable by ABIVAX after 30 June 2021 under the "Carena" and "RNP-VIR" and "COVID-19" 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	
RNP-VIR repayable advance	2,266
CARENA repayable advance	*1,643*
COVID-19 repayable advance	*0*
RNP-VIR Grant	*989*
CARENA Grant	*210*
COVID-19 grant	*Ongoing*
Total*	5,107
Includes amounts relating to: Executives	None

* Excluding the COVID-19 grant, of which the total financing amount is subject to change, depending on discussions with Bpifrance.

NOTE 14 – EMPLOYEES

At 30 June 2021, the Company had an average of 27.67 employees (compared with 26.83 employees at 31 December 2020).

	30/06/2021	31/12/2020
Managerial personnel	23.67	22.00
Non-managerial personnel	3.00	3.83
Corporate officers	1.00	1.00
Total	**27.67**	**26.83**

Average employees per site

	30/06/2021	31/12/2020
Paris	14.67	13.83
Montpellier	13.00	13.00
Total	**27.67**	**26.83**

NOTE 15 – STATUTORY AUDITOR'S FEES

in thousands of euros	30/06/2021	31/12/2020
Audit		
Statutory Auditor, certification of individual financial statements		
• Issuer	39	81
• Fully consolidated subsidiaries		
Other services required by law		
• Issuer	13**	2**
• Fully consolidated subsidiaries		
Subtotal	**52***	**83***
Other services rendered by the networks to the fully consolidated subsidiaries		
• Legal, tax, social		
• Other (to be specified if over 10% of audit fees)		
Subtotal	**0**	**0**
GENERAL TOTAL	**52***	**83***

*Of this €52 thousand, only €38 thousand corresponds to work carried out for the end of the first half of 2021, and €1 thousand corresponds to the adjustment of fees provisioned at 31 December 2020. Of this €83 thousand, only €78 thousand corresponds to work actually completed during the financial year ended 31 December 2020. The additional €5 thousand corresponds to an adjustment for fees provisioned at 31 December 2019.
** Certification of costs incurred for Bpifrance.

NOTE 16 – EXTRAORDINARY INCOME AND EXPENSES

in thousands of euros	Expenses	Income
Premiums on sale of treasury shares		99
Extraordinary taxes		
Other extraordinary expenses:	0	
Prov. Depreciat. Amort. Extraordinary/Impairment treasury shares	0	
Total	0	99

Extraordinary income in the first half of 2021 was €99 thousand. It is comprised of:

- Extraordinary income of €99 thousand corresponding to the capital gains generated on the disposals of treasury shares.

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 18) 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.

Pr. Hartmut Ehrlich
Chief Executive Officer

Name of Financial Reporting Officer:

Pr. Hartmut Ehrlich

Chief Executive Officer

Address: 5, rue de la Baume - 75008 Paris

Tel.: +33 (0) 1 53 83 08 41

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ABIVAX

Statutory Auditors' Review Report on the Interim Financial Information

(For the period from January 1, 2021 to June 30, 2021)

This is a free translation into English of the statutory auditors' review report interim financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Company's interim management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

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

- the review of the accompanying *interim* financial statements of Abivax, for the six months ended period from January 1, 2021 to June 30, 2021;
- the verification of the information presented in the *interim* management report.

Due to the global crisis related to the Covid-19 pandemic, the interim financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

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

I - Conclusion on the financial statements

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the assets and liabilities and of the financial position of the Company as at June 30, 2021, and of the results of its operations for the period then ended, in accordance with French accounting principles.

II - Specific verification

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

Neuilly-sur-Seine, September 28, 2021

The Statutory auditor

PricewaterhouseCoopers Audit

Cédric Mazille

[Document signed in the French version]


abivax