



The ApoA-I companY

Press release

ABIONYX Pharma accelerates its development by launching a new biomanufacturing campaign based on the recently announced robust innovative process supported by an equity-linked financing facility

- **New biomanufacturing campaign under GMP conditions using the recently announce innovative and robust industrial process**
- **Subscription of equity-linked financing facility for up to €12 million with IRIS**

Disclaimer in accordance with the position-recommendation 2020-06 of the Autorité des Marchés Financiers:

ABIONYX Pharma set up a financing in the form of Bonds Redeemable in New Shares with the company IRIS. It is not expected that IRIS will remain a shareholder of ABIONYX Pharma after receiving the new shares allocated in redemption of the bonds.

The shares resulting from the redemption of the bonds are expected to be sold on the market at very short notice, which may create strong downward pressure on the share price.

Shareholders may suffer a loss of their invested capital due to a significant decrease in the value of the company's shares, as well as a strong dilution due to the large number of securities issued to IRIS.

Investors are invited to be very careful before taking the decision to invest in the securities of the company admitted to trading which carries out such dilutive financing operations, particularly when they are carried out successively.

Investors are notably invited to take note of the risks related to these operations, mentioned in the press release below.

Toulouse, FRANCE, Lakeland MI, USA, May 23rd, 2023, 8:30 p.m. CEST - ABIONYX Pharma, (FR0012616852 - ABNX - PEA PME eligible), a new generation biotech company dedicated to the discovery and development of innovative therapies based on the world's only human recombinant ApoA-I, announces the acceleration of its development by launching a new bioproduction campaign according to the new innovative robust process through the setting up of an equity-linked financing facility.

Cyrille Tupin, Chief Executive Officer of ABIONYX Pharma, stated: *“ABIONYX achieves a major milestone in its development towards the market launch of its most advanced biotherapeutic product. After an uninterrupted series of positive clinical and preclinical results in very severe indications, followed by the successful manufacturing of a new batch under GMP conditions based on a new innovative and robust industrial process, we are launching a new biomanufacturing campaign to accelerate our development and deploy our strategy on all target indications: the rare LCAT deficiency or Norum disease, sepsis and ophthalmology. To support this strategy, we have chosen to set up an equity-linked financing facility to secure a maximum investment of €12 million within two years. This*

facility gives us exceptional financial flexibility given the biotech environment, the requirements from biotech funds in terms of discount and the exceptionally high interest rates for loans. We remain independent without any collateral on our patent portfolio, knowing that this financing facility can be suspended at any time and without penalty. This biomanufacturing campaign will enable us to respond to the requests for compassionate access that we are receiving from hospitals around the world to treat patients with Norum disease and to anticipate the needs in other development areas, particularly in sepsis, the third leading cause of death worldwide, for which we are initiating discussions for a strategic partnership.”

I - Rationale of the operation and financing outlook

This €12,000,000 financing will enable ABIONYX Pharma to launch a brand new biomanufacturing campaign of the bioproduct CER-001 and to finance other current expenses. The use of these batches will be dedicated initially to "compassionate" use in LCAT deficiency, supporting the clinical and manufacturing aspects for submission of a marketing application, but will also make it possible to consider future clinical studies in the fields of sepsis and ophthalmology.

The manufacturing of these new batches follows the successful manufacturing of the first batch of human recombinant ApoA-I, CER-001, according to a new innovative and robust industrial bioprocess, announced on May 10th, 2023, following its relocation to France. ABIONYX Pharma thus demonstrated that the new production line constitutes an innovative and efficient approach to access the Apotherapy market, based on the only human recombinant ApoA-I protein. All the steps of the biomanufacturing process have been reviewed, improved and requalified allowing to significantly increase future production yields and to anticipate validation for phase 3 and commercialization. This will allow the initiation of larger global therapeutic trials for Apotherapy programs.

Under the terms of the agreement, IRIS has committed to finance the Company up to a maximum amount of €12,000,000 for a period of 24 months by subscribing to a maximum of 4,800 bonds redeemable in shares to be issued with a par value of €2,500 each, in twenty (20) tranches of €600,000, (i.e. €570,000 Net) each represented by 240 bonds.

A first tranche of €600,000 was immediately subscribed by IRIS via the exercise of 240 warrants of Bonds Redeemable in New Shares. The following tranches will be subscribed at the Company's initiative, subject to the previous tranche having been fully repaid.

It is specified that the Company may adjust upwards or downwards the number of bonds subscribed for under a tranche within the limit of the minimum number of 120 bonds and the maximum number of 480 bonds.

In the event that the Company does not call all of the bond tranches, it will have to seek alternative sources of financing to complete its manufacturing campaign, in particular by setting up partnerships.

The investor will not retain the shares resulting from the redemption of the bonds. They will be sold on the market or in blocks. Thus, the investor concluded on May 10, 2023 with DOMUNDI, a shareholder of the Company controlled by the Chairman of the Board of Directors, a share lending agreement with the aim of avoiding the time lag between the delivery of the shares resulting from the redemption of bonds by the Company and their sale by the investor.

It is reminded that, to date, ABIONYX has a cash position of €2.9 million before the receipt of the research tax credit of approximately €1.5 million, which will enable it to meet its needs for 12 months.

It is reminded that over the last 24 months ABIONYX has carried out the following operations on its capital:

- a capital increase in cash by private placement for an amount of €4.2 million at a price of €3.60 per share (December 2021)

- a capital increase in remuneration of the contribution in kind of all Iris Pharma Holding shares for an amount of €5,000,000, with the issuance by the Company of 1,388,888 ordinary Abionyx shares at a price of €3.60 per share (December 2021)

- final allocations of bonus shares covered by the delivery of new shares which took place on December 10, 2021 for 713,277 shares, on November 18, 2022 for 437,500 shares and on February 27, 2023 for 87,608 shares.

No other capital transactions have been carried out over the past 24 months.

II - Dilution

The dilution likely to be generated by this operation is as follows:

II.1 - Impact of the issue on the shareholding of a shareholder currently holding 1% of the Company's share capital

	Shareholder's interest (in %)			
	Non-diluted basis		Diluted basis (*)	
Before issue	1.00%		0.96%	
	1 st tranche	total tranches	1 st tranche	total tranches
After redemption of the bonds and issue of the new shares resulting from this redemption:				
Based on an assumption of a redemption price for the bonds as at the date of this press release, according to the rules set out in §VI, i.e. €1.8262	0.99%	0.81%	0.95%	0.78%
On the basis of the maximum potential dilution authorised by the Annual General Meeting on June 28, 2022 under the 20 th resolution, i.e. a capital increase of a maximum nominal amount of €450,000	-	0.76%	-	0.73%

(*) assuming the full exercise of the warrants and the final allocation of the free shares giving the right to subscribe to 139,750 and 1,151,945 new shares respectively.

II-2 - Impact of the issue on the distribution of the share capital

(Assuming a sale to the public of all new shares issued in redemption of the bonds)

Shareholders	Before issue		After redemption of the bonds and the issue of new shares resulting from this reimbursement			
			<i>Based on an assumption of a redemption price for the bonds as at the date of this press release, according to the rules set out in §VI, i.e. €1.8262</i>		<i>On the basis of the maximum potential dilution authorised by the Annual General Meeting on June 28, 2022 under the 20th resolution, i.e. a capital increase of a maximum nominal amount of €450,000</i>	
	Number of shares	% of capital	Number of shares	% of capital	Number of shares	% of capital
DOMUNDI SC (represented by Emmanuel Huynh)	3,320,198	11.67 %	3,320,198	9.48 %	3,320,198	8.87 %
Sadok Belmokhtar	1,859,098	6.54 %	1,859,098	5.31 %	1,859,098	4.97 %
BPI Participations (FR)	1,630,451	5.73 %	1,630,451	4.66 %	1,630,451	4.35 %
Cyrille Tupin	1,592,214	5.60 %	1,592,214	4.55 %	1,592,214	4.25 %
Jean-Louis Dasseux	1,286,781	4.52 %	1,286,781	3.68 %	1,286,781	3.44 %
Luc Demarre	1,104,619	3.88 %	1,104,619	3.16 %	1,104,619	2.95 %
Public	17,646,021	62.05%	24,217,043	69.17 %	26,646,021	71.17 %
TOTAL	28,439,382	100.00 %	35,010,404	100.00 %	37,439,382	100.00 %

III - The risks

The Company draws attention to the risks to which current shareholders and investors are exposed in the context of the implementation of the present operation to issue securities giving access to the capital in a staggered manner, and in particular:

- **Risk of dilution of the Company's shareholders:** the Company's shareholders, who cannot participate in the transaction, will be diluted when new shares will be issued to redeem the bonds issued upon exercise of the warrants;
- **Risk in the event of non-fulfilment of all the tranches:** the Company may have to seek additional financing. The total amount of the bonds issue is not guaranteed and will depend in particular on market conditions;
- **Volatility risk and liquidity of the Company's shares:** the sale of shares on the market could have a significant impact on the volatility and liquidity of the share;
- **Risk of a decrease in the nominal value of the shares:** the massive issue of shares following the exercise of the bonds is likely to have a downward impact on the Company's share price. In this context and in order to be able to continue exercising the bonds, the Company may reduce the nominal value of the shares. The conditions for the realisation of the financing initially limited to the nominal value of the shares on the date of the press release may be called into question;
- **Risk relating to the evolution of the stock market price:** as the intermediary is not intended to remain a shareholder, sales of new shares issued in redemption of the bonds could have an unfavourable impact on the Company's share price.

In addition, shareholders are invited to consult the risks specific to the Company described in paragraph 3 of its 2022 Universal Registration Document, available on its website as well as that of the AMF (www.amf-france.org).

IV - Legal basis of the issue

The issue was decided by the Chief Executive Officer on May 23rd, 2023, acting on the authority of the Board of Directors meeting on May 10, 2023, on the basis of the authority granted by the Company's Annual General Meeting held on June 28, 2022, under the terms of its 20th extraordinary resolution, which authorized the issue of shares with cancellation of the preferential subscription rights of existing shareholders in favor of categories of persons within the limit of a maximum nominal amount of a capital increase of €450,000.

V - Conflict of interest

There are no elements that could generate a conflict of interest related to the proposed transaction.

However, it is specified that the obtaining of this financing will be taken into account in the evaluation of the financial criteria of the variable compensation of the Chief Executive Officer that may be granted to him for the year 2023.

VI - Terms of the operation

Main characteristics of the Bonds Redeemable in New Shares

Number of warrants	4,800 warrants
Subscription price	Free
Maturity	24 months
Exercise price	The exercise of a warrant will result in the issuance of one bond with a nominal value of €2,500 to be subscribed at par.
Terms of exercise	<p>Warrants exercisable, at the initiative of the issuer, by tranche of 240 giving right to 240 bonds for a value of €600,000 (with an adjustment option at the initiative of the issuer within the limit of a minimum number of 120 and a maximum number of 480).</p> <p>Undertaking by the subscriber to exercise a first tranche of 240 warrants as soon as they are issued, the issuer having the sole right, at its own initiative, to request the exercise of additional tranches.</p> <p>Commitment by the subscriber to exercise a new tranche, subject in particular to the prior redemption of the bonds from the previous tranche.</p> <p>Option for the issuer not to call all the bond tranches without penalty.</p>
Ratio	Each warrant gives the right to subscribe to one bond
Expenses related to the exercise of the warrants	5% of the nominal amount of the drawdown of each tranche, i.e. €30,000 before tax per tranche of €600,000
Other information	<p>Warrants issued in registered form, unlisted and assignable or transferable only with the consent of the issuer.</p> <p>No warranty is given to the subscriber of the bonds, in any form whatsoever, in particular by way of pledge of its assets.</p>

Main characteristics of the Bonds Redeemable in New Shares to which the Warrants give right

Maximum number of bonds	4,800 bonds
Nominal value	€2,500
Issue price	At par (€2,500)
Reimbursement price	<p>90% of the lowest daily VWAP for a period of twenty (20) Trading Days immediately preceding the date of the request for redemption of the bonds, which may not be less than 95% of the weighted average of the prices of the last 10 trading days preceding the date of the request for redemption of the bonds.</p> <p>In the event that the reference period of 20 Trading Days referred to above includes a trading day on which the investor has traded, such trading day will not be taken into account for the calculation of the Redemption Price of the bonds.</p> <p>The redemption price of the bonds may not be lower than the higher of (i) the minimum price set by the Annual General Meeting on June 28, 2022 in its 20th resolution, i.e. 90% of the weighted average of the prices of the last 10 trading days preceding the date of the request for redemption of the bonds and (ii) the nominal value of the shares.</p>
Dilution	<p>The number of shares issued in redemption of the bonds will depend on the redemption price of the bonds.</p> <p>The maximum number of shares to be created may not represent a capital increase of a nominal amount exceeding €450,000 (corresponding to the ceiling of the delegation used).</p>
Term of the bonds	60 months from the date of issue
Number of tranches - Conditions for drawing the tranches	<p>A maximum of 20 bond tranches over a period of 24 months.</p> <p>1st drawdown was immediately subscribed.</p> <p>The following drawdowns assume the full repayment of the previous tranches.</p> <p>For more details, see: terms for exercising the warrants.</p>
Interest rates	Non-interest bearing bonds, callable and redeemable at the issuer's initiative
Cases of default	Usual events of default, such as non-performance of any repayment, delisting from Euronext Paris, issuer's failure to pay a debt exceeding €500,000, cessation of business, etc.
Structuring Commission	The Company will pay to KAPABE , simplified joint stock company ("SAS"), with a share capital of €40,000, with registered office at 55 Boulevard de Glatigny, 78000 Versailles, a structuring fee of €30,000 per drawdown of €600,000, payable at the time of each drawdown
Structuring Commission	Limited to the fee payable only in the event of a drawing on the exercise of the warrants (see above)
Penalty clauses	No penalty for non-drawing and if the share price decreases below the par value of the shares

Other information	Bonds issued in registered form, unlisted and assignable or transferable only with the consent of the issuer
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If, taking into account the shares issued in redemption of the bonds, the Company were to issue over a period of less than 12 consecutive months more than 20% of the ordinary shares of the Company already listed on Euronext Paris, it would prepare a prospectus subject to the prior approval of the Autorité des marchés financiers (AMF).

Next financial press release: **Cash position and activity update for Q2 2023, August 17, 2023**

About ABIONYX Pharma

ABIONYX Pharma is a new generation biotech company that aims to contribute to health through innovative therapies in indications where there is no effective or existing treatment, even the rarest ones. Thanks to its partners in research, medicine, biopharmaceuticals and shareholding, the company innovates on a daily basis to propose drugs for the treatment of renal and ophthalmological diseases, or new HDL vectors used for targeted drug delivery.

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