HALF-YEAR FINANCIAL REPORT 2023

ABIVAX

Contents

1 LEADERSHIP BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

Chairman:	Marc De Garidel

Directors:	Dr June Lee
	Troy Ignelzi
	Dr Carol L. Brosgart
	Corinna zur Bonsen-Thomas
	Sofinnova Partners represented by Dr Kinam Hong
	Santé Holding SRL represented by Dr Paolo Rampulla
	Truffle Capital represented by Dr Philippe Pouletty

Management

Chief Executive Officer and Director	Marc de Garidel
Chief Financial Officer and Board Secretary	Didier Blondel
Chief Medical Officer	Sheldon Sloan
Chiel Commercial Officer	Michael Ferguson
Chief Business Officer	Pierre Courteille

2 HALF-YEAR ACTIVITY REPORT

2.1 Abivax – an overview

Abivax is a clinical-stage biotechnology company focused on developing therapeutics that harness the body's natural regulatory mechanisms to modulate the immune response in patients with chronic inflammatory diseases. Abivax is currently evaluating its lead drug candidate, obefazimod, in Phase 3 clinical trials for the treatment of adults with moderately to severely active ulcerative colitis ("UC"). Abivax is also in the planning stages of initiating a Phase 2a clinical trial of obefazimod in patients with Crohn's disease ("CD"), as well as evaluating other potential inflammatory indications.

Abivax focuses on indications where existing treatments have left patients with significant unmet needs, and where the Company believes its investigational agents have the potential to be meaningfully differentiated from currently available therapies. The indications we target have substantial populations and represent large commercial opportunities, pending regulatory approvals and successful commercialization. Its initial focus is on inflammatory bowel diseases ("IBD"), chronic conditions involving inflammation of the gastrointestinal ("GI") tract, of which the two most common forms are UC and CD. As of 2022, an aggregate of approximately 2.9 million patients across the United States, EU4 (France, Germany, Italy and Spain), the United Kingdom and Japan suffered from IBD, with 1.5 million of these patients in the United States alone.

Abivax believes its lead drug candidate, obefazimod, is differentiated from competing approaches for the treatment of IBD via its novel mechanism of action. Obefazimod was demonstrated to specifically enhance the expression of a single micro-RNA, miR-124, which plays a critical role in the regulation of the inflammatory response. In the context of inflammation, miR-124 is a natural regulator of the inflammatory response, controlling progression of inflammation and restoring homeostasis of the immune system, without causing broader immunosuppression. In contrast to currently available advanced therapies, prescribed post-conventional therapies, some of which target only a single cytokine or pathway, miR-124 modulates the expression of several key cytokines and pathways. Modulating multiple inflammatory pathways simultaneously may lead to more durability of efficacy results over the long-term, which is critical in lifelong conditions such as IBD, potentially differentiating obefazimod from currently available IBD treatments.

2.2 Description of the highlights and activities of Abivax in the first half of 2023

Obefazimod Mechanism of Action

In January 2023, Abivax announced the publication of a scientific article in the peer-reviewed journal Clinical and Translational Gastroenterology (CTG) entitled: "*ABX464 (obefazimod) up-regulates miR-124 to reduce pro-inflammatory markers in inflammatory bowel diseases."*

The publication highlights obefazimod's novel mechanism of action (MoA) and its capacity to treat patients with moderate to severe UC. The article extends the observations reported in Abivax's previous publications on the Phase 2a and Phase 2b clinical trials conducted in UC, including patients who failed to respond or stopped responding to currently available therapies.

The article reports that obefazimod has been observed to impact the immune system *in vitro*, in murine models of IBD, as well as in patients with UC. The up-regulation of a single microRNA, miR-124, in vitro shows that obefazimod's MoA leads to decreases in proinflammatory cytokines including IL-17 and IL-6, and in the chemokine CCL2/MCP-1, thereby potentially putting "a physiological brake" on inflammation. It reverses the expression of several inflammatory cytokines without impairing host defense as it does not impact the immune response altogether. These scientific findings may explain its short- and long-term efficacy along with a favorable tolerability and safety profile which were observed during the clinical Phase 2a and Phase 2b induction and maintenance clinical trials conducted in UC patients.

Obefazimod in Ulcerative Colitis

In April 2023, Abivax reported reported two-year efficacy and safety data of obefazimod phase 2b maintenance trial in ulcerative colitis. The results from the final analysis of this Phase 2b open-label maintenance study, including 164 patients who completed the second year of once-daily oral treatment with 50mg obefazimod. These data emphasize obefazimod's potential to maintain and further improve patient outcomes over time, as well as its safety and tolerability profile suitable for chronic use.

In May 2023, Abivax announced the *Journal of Crohn's and Colitis (JCC)* publication of a piece titled *"Obefazimod: a first-in-class drug for the treatment of ulcerative colitis"*, written by global Inflammatory Bowel Disease (IBD) experts.

The authors of the publication include major European and North American Key Opinion Leaders (KOLs) in the field of IBD, e.g. Séverine Vermeire (Belgium), Virginia Solitano (Italy and Canada), Laurent Peyrin-Biroulet (France), Herbert Tilg (Austria), Silvio Danese (Italy), and Bruce Sands (United States).

The KOLs conclude, obefazimod is a first-in-class drug with a unique mechanism of action that holds great promise in the therapeutic management of ulcerative colitis (UC) patients. The experts further expect the results from the ongoing Phase 3 program with obefazimod for the treatment of UC (ABTECT program) will confirm the previous outcomes and their conclusions issued in this publication.

The article analyses the results generated in preclinical studies as well as clinical trials conducted with obefazimod in ulcerative colitis, rheumatoid arthritis, Covid-19 and HIV patients.

Management & Governance

In February 2023, the Company announced the appointment of Dr. Sheldon Sloan, M.D., M. Bioethics, as new Chief Medical Officer, effective on March 1, 2023. Dr. Sloan brings over 30 years of experience in academia and the biopharmaceutical industry, with an extensive track record in the field of Gastroenterology and Inflammatory Bowel Disease (IBD). He has spent the last 25 years of his career in large pharmaceutical and biotech companies, including 15 years in leading positions at J&J, followed by Arena Pharmaceuticals and then

Pfizer as Program Lead for Etrasimod UC. He successfully managed late-stage clinical trial programs, global submissions and product launches in the IBD field.

In April 2023, Abivax announced announces the appointment of Marc de Garidel as Chief Executive Officer (CEO) and Interim Board Chair, effective May 5, 2023. Corinna zur Bonsen-Thomas will step down as acting Chair, a position she has held since August 2022, and will remain a Board Member. Prof. Hartmut J. Ehrlich, M.D., will retire from the CEO position, which he has held since the Company's founding in 2013, and will stay on as a strategic advisor until the transition is complete. The Company expects to appoint a long-term Board Chair in 2023.

In April 2023, Abivax announced the appointment of Michael Ferguson as new Chief Commercial Officer, effective immediately, and he will be based at the new Abivax subsidiary on the US East Coast. Therefore, Pierre Courteille will be focusing on business development activities and is appointed Chief Business Officer. Abivax is strengthening its expertise in the commercial and business development field to foster the evolution of the Company towards future commercialization of obefazimod.

In June 2023, Abivax announced the appointment of Ida Hatoum as Chief People Officer. Ida will be responsible for Abivax's growth strategy in the United States and Europe, ensuring the appropriate staffing of the Company to successfully conduct the ongoing Phase 3 clinical program of obefazimod in ulcerative colitis as well as its subsequent commercialization and market access, provided the drug candidate obtains the required regulatory approvals. Ida will be based at Abivax's subsidiary on the US East Coast.

Finance

In February 2023, Abivax announced the successful pricing of an oversubscribed EUR 130M financing with high-quality US and European biotech specialist investors, led by TCGX, with participation from existing investors Invus, Deep Track Capital, Sofinnova Partners, Venrock Healthcare Capital Partners, as well as from new investors Great Point Partners, LLC, Deerfield Management Company, Commodore Capital, Samsara BioCapital, Boxer Capital and others, by way of a reserved capital increase of EUR 130M through the issuance of 20,000,000 newly-issued ordinary shares with a nominal value of EUR 0.01 per share, representing 89.6% of its current share capital, at a subscription price of EUR 6.50 per share.

In June 2023, Abivax announced that as of June 1st, 2023, its stock is represented in the MSCI Indexes. MSCI provides decision support tools and services for the global investment community, reflecting the evolution of the world's equity markets and segments. The MSCI Indexes are composed of large, mid and small cap stocks and are predominately used as a benchmark or as a performance reference by actively managed mutual funds or mapped by exchange-traded funds (ETF).

Post Balance Sheet events

In July 2023, Abivax announced the appointment of June Lee, M.D. and Troy Ignelzi as new independent members of the Abivax Board of Directors. June Lee and Troy Ignelzi replace Joy Amundson and Jean-Jacques Bertrand, who have resigned from their positions as members of the Board of Directors.

In August 2023, Abivax announced announced that it plans to conduct a registered public offering of its ordinary shares, in the form of American Depositary Shares, in the United States, subject to market and other conditions, and has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission. The timing, number of securities to be offered in the proposed offering and their price have not yet been determined.

In August 2023, Abivax announced that it has concurrently signed two structured debt financing transactions for a total amount of up to EUR 150M consisting of (i) up to EUR 75M from Kreos Capital and Claret European Growth Capital (the "Kreos / Claret Financing") together with the issuance of warrants (bons de souscription d'actions) exercisable to receive up to EUR 8M worth of ordinary shares of the Company, par value of EUR 0.01

per share (“Ordinary Shares”), and (ii) up to EUR 75M from a fund advised by Heights Capital Management, Inc. (the “Heights Financing” and together with the Kreos / Claret Financing, the “Transaction”).

In August 2023, Abivax announced the appointment of Patrick Malloy as new Senior Vice President Investor Relations. Mr. Malloy brings 20 years of investor relations and commercial leadership experience in the biopharmaceutical sector. He is expected to play a crucial role in furthering the strategic international positioning of Abivax and obefazimod with the investor community.

In **September 2023**, Abivax announced updated business and operational goals along with changes to Abivax’s overall strategy, focused on preparing Abivax for the potential commercialization of its investigational lead asset, obefazimod, in IBD.

In **September 2023**, Abivax announced the appointment of Dr. Paolo Rampulla as new member of the Abivax Board of Directors. Dr. Rampulla replaces Dr. Antonino Ligresti, M.D., as representative of Santé Holdings SRL, who retired from his position as member of the Board of Directors.

2.3 Presentation of Financial Information

Results of Operations

The following table sets forth our results of operations for the six-month period ended June 30, 2023 and 2022:

	Six months ended June 30,		
(In thousands of euros)	**2022**	**2023**	**% Change**
Other operating income	2,284	2,255	(1)%
Total operating income	**2,284**	**2,255**	**(1)%**
Sales and marketing	-	(155)	-
Research and development expenses	(15,107)	(32,622)	116%
General and administrative expenses	(2,223)	(6,758)	204%
Goodwill impairment loss	(10,986)	-	-
Total Operating expenses	**(28,317)**	**(39,535)**	**40%**
Operating income (loss)	(26,033)	(37,280)	43%
Financial expenses	(2,346)	(15,030)	541%
Financial income	7,195	357	(95)%
Financial income (loss)	4,849	(14,673)	(403)%
Net loss before tax	(21,183)	(51,953)	145%
Income tax	-	-	-
Net loss for the period	**(21,183)**	**(51,953)**	**145%**

Total Operating Income

For the six-month period ended June 30, 2023, total operating income was €2.3 million, as compared to €2.3 million for the six-month period ended June 30, 2022; there was no significant variation during the period, as detailed below.

Other Operating Income

The following table sets forth other operating income for the six-month period ended June 30, 2023 and 2022.

	Six months ended June 30,		
(Amounts in thousands of euros)	**2022**	**2023**	**% Change**
CIR (Research Tax Credit)	2,217	2,235	1%
Subsidies	11	13	18%
Other	56	7	(88)%
Total other operating income	**2,284**	**2,255**	**(1)%**

Research Tax Credits

For the six-month period ended June 30, 2023, €2.2 million research tax credits for research and development projects of €2.2 million, as compared to €2.2 million for the six-month period ended June 30, 2022. There was no significant variation during the period due to the maximum amount of eligible outsourced research and development expenses being capped (similar to June 30, 2022) and internal research and development costs being stable.

Total Operating Expenses

For the six-month period ended June 30, 2023, total operating expenses were €39.5 million, as compared to €28.3 million for the six-month period ended June 30, 2022, an increase of €11.2 million, or 40%. This increase was primarily due to an increase in research and development expenses by €17.5 million and general and administrative expenses by €4.5 million, partially offset by the absence of goodwill impairment loss as of June 30, 2023 (compared to €11.0 million as of June 30, 2022).

Sales and Marketing Expenses

For the six-month period ended June 30, 2023, total sales and marketing expenses were €0.2 million. Abivax did not incur any sales and marketing expenses in 2022. These expenses consist of the newly hired employees within the Sales and Marketing department, including our Chief Commercial Officer in 2023.

Research and Development Expenses

The following table sets forth research and development expenses by drug candidate and therapeutic indication for the six-month period ended June 30, 2023 and 2022.

	Six months ended June 30,		
(In thousands of euros)	**2022**	**2023**	**% Change**
OBEFAZIMOD	**13,398**	**30,915**	**131%**
Ulcerative Colitis	9,335	26,196	181%
Crohn's Disease	0	-	-
Rheumatoid Arthritis	514	382	(26)%
Covid-19	(723)	5	(101)%
Obefazimod Others Indication	34	68	—
Transversal activities	4,238	4,263	1%
ABX196	**358**	**46**	**(87)%**
ABX711	**-**	**561**	**-**
Others	**1,351**	**1,100**	**(19)%**
Research and Development expenses	**15,107**	**32,622**	**116%**

For the six-month period ended June 30, 2023, research and development expenses were €32.6 million, as compared to €15.1 million for the six-month period ended June 30, 2022, an increase of €17.5 million, or 116%. This increase was primarily due to a €17.5 million, or 131%, increase in obefazimod clinical expenses, driven by the progression of Phase 3 clinical trials. In addition, the Company incurred additional expenses of €0.6 million related to the development initiation of novel drug candidate ABX711 in the second half of 2022.

General and Administrative Expenses

For the six-month period ended June 30, 2023, general and administrative expenses were €6.8 million, as compared to €2.2 million for the six-month period ended June 30, 2022, an increase of €4.5 million, or 204%. This increase was primarily due to an increase in personnel costs, resulting from management changes that occurred during the period and the reversal of share-based compensation expenses incurred in 2021 that was recorded in the first half of 2022. The increase was also due to an increase in consulting and professional fees related to recruitment and legal activities.

Goodwill Impairment Loss

Abivax did not record any goodwill impairment loss for the six-month period ended June 30, 2023.

For the six-month period ended June 30, 2022, a goodwill impairment loss of €11.0 million was recorded. This impairment loss relates to an impairment test conducted in the six-month period ended June 30, 2022 on the ABX196 cash generating unit as a result of significant external changes in the hepatocellular carcinoma treatment landscape. These changes were expected to require a new, lengthy and risky internal development process (involving use of a combination of compounds). For additional information see Note 3.1 to unaudited

interim condensed consolidated financial statements as of June 30, 2023, and for the six-month period ended June 30, 2023 and 2022.

Operating Income (Loss)

For the six-month period ended June 30, 2023, operating loss was €37.3 million, as compared to a loss of €26.0 million for the six-month period ended June 30, 2022, an increased loss of €11.2 million, or 43%, primarily as the result of an increase of €17.5 million in research and development expenses and an increase of €4.5 million in general and administrative expenses, partially offset by the absence of goodwill impairment recorded over the six-month period ended June 30, 2023, as compared to the €11.0 million loss recorded over the six-month period ended June 30, 2022.

Financial Income (Loss)

For the six-month period ended June 30, 2023, Abivax recorded net financial loss of €14.7 million, as compared to a net financial income of €4.8 million for the six-month period ended June 30, 2022, a decrease of €19.3 million, or 403%.

For the six-month period ended June 30, 2023, financial expenses were €15.0 million and were primarily related to royalty certificates (€7.3 million). These expenses result from reassessment of the probability of future cash flows related to the certificates. This change reflects the higher probability to reach the objectives of development and commercialization plans, following the recent changes in management and governance, as well as the UC Phase 2b 2-years maintenance favorable efficacy and safety data. Financial expenses were also due to an increase in the fair value of the convertible option related to OCEANE bonds by €4.2 million and the Kreos Tranche A BSA and Kreos Tranche B BSA's fair values by €1.4 million (as a result of a significant change in market conditions and an increase in Abivax share price), partially offset by financial income (€0.4 million) which was mainly the result of the effect of unwinding the discount related to the long-term CRO advances (€0.3 million). For additional information see Note 21 to unaudited interim condensed consolidated financial statements as of June 30, 2023, and for the six-month period ended June 30, 2023 and 2022.

For the six-month period ended June 30, 2022, financial expenses were €2.3 million and were primarily related to interests related to the bonds issued under the First KC Agreement and the Second KC Agreement, for an aggregate amount of €0.9 million and interests related to the OCEANE bonds for €1.3 million. They were offset by financial income, amounting to €7.2 million. Financial income primarily resulted from decreases in the fair values of the Kreos Tranche A BSA, Kreos Tranche B BSA and the convertible option related to convertible bonds issued in July 2021, amounting to respectively €1.6 million, €1.0 million and €3.3 million, as a result of the significant change in market conditions and a decrease in share price and in part from the decrease in the fair value of the earn-out liability related to the acquisition of Prosynergia in an amount of €1.3 million.

Income Taxes

For each of the six-month period ended June 30, 2023 and 2022, our income tax charge was zero.

Net Loss

For the six-month period ended June 30, 2023, net loss for the period was €52.0 million, as compared to a net loss of €21.2 million for the six-month period ended June 30, 2022, an increase of €30.8 million, or 145% as a result of the significant increases in operating expenses (in an amount of €11.2 million), mostly driven by research and development expenses, and in financial expenses (in the amount of €12.7 million) previously described.

Liquidity and Capital Resources

Sources of Liquidity

Abivax has incurred substantial operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. For the six-month period ended June 30, 2023, the Company recorded a net loss of €52.0 million. As of June 30, 2023, Abivax has carried forward accumulated tax losses of €355.4 million.

Since inception, Abivax has financed the operations through the issuance of ordinary shares with gross aggregate proceeds of €333.9 million, of which €130 million of gross proceeds were from offerings of ordinary shares on Euronext Paris in February 2023, bank borrowings and structured loans for €125.0 million to date, reimbursements of Research Tax Credits (CIR) in an amount of €26.6 million, subsidies received from Bpifrance (including €13.5 million of subsidies and €6.6 million of conditional advances to date) and royalty certificates in an amount of €2.9 million. As a result of the level of available cash and cash equivalent of €114.4 million as of June 30, 2023, the drawdown of the first tranches of the August 2023 Kreos / Claret & Heights Financings amounting to €27.2 million in net proceeds (net of repayments of all outstanding amounts that remained due under the First KC Agreement, the Second KC Agreement and the OCEANE bonds), the available drawdowns of the second tranches of the Kreos / Claret & Heights financings, which are not conditional to the success of the planned registered public offering in the United States, and amounting to €65 million in gross proceeds, and the expected reimbursement of the 2022 Research Tax Credit in the second half of 2023, and under the assumption that R&D needs are being substantially increased in 2023, Abivax continues to make progress on its lead drug candidate, obefazimod, which has started enrollment of patients in our Phase 3 clinical trials for the treatment of adults with moderately to severely active UC in October 2022, the Company expects to be able to fund forecasted operating cash flow requirements through the third quarter of 2024. This takes into account the assumption that R&D expenditure will be substantially increased in 2023 driven by the progression of the Phase 3 clinical trials of obefazimod, which started enrollment of patients with moderately to severely active UC in October 2022.

The Group expects it will be able to extend its financing horizon beyond the third quarter of 2024 through additional dilutive and non-dilutive financing, which could include a combination of capital increase, venture loans and convertible bonds.

Based on the above and the actions the Group has taken, management has concluded on the absence of a substantial doubt regarding its ability to continue as a going concern beyond 12 months from issuance of these financial statements, and these financial statements have been prepared on a going concern basis.

Capital Increases

The operations have been financed primarily by capital increases from founders and investors, net proceeds from the initial public offering of ordinary shares on the regulated market of Euronext Paris in France in 2015, and additional follow-on capital increases. Abivax has not yet commercialized any of its drug candidates, which are in various phases of clinical development, and does not expect to generate revenue from sales of any products for several years, if at all. Until such time as Abivax can generate significant revenue from product sales, if ever, the Company expects to finance its operations through the sale of equity, debt financings or other capital sources, including potential collaborations with other companies or other strategic transactions.

On September 7, 2022, Abivax received gross proceeds of €46.2 million from the issuance of 5,530,000 ordinary shares at a subscription price of €8.36 per share, and the issuance of royalty certificates of €2.9 million, for a total financing of €49.2 million.

On March 1, 2023, Abivax received gross proceeds of €130.0 million from the issuance of 20,000,000 ordinary shares at a subscription price of €6.50 per share. The proceeds were primarily used to finance the progress of obefazimod clinical trials in chronic inflammatory diseases and for general corporate purposes (research and development expenses and loans maturities payments).

Equity Line

Abivax entered into an equity line agreement with Kepler Cheuvreux in September 2017. In accordance with the terms of this agreement, Kepler Cheuvreux, acting as financial intermediary and guarantor, committed to

subscribe for 970,000 ordinary shares, at its option in line with a schedule lasting no longer than 24 months, at an issuance price based on an average market price weighted according to the volumes traded over the two trading days preceding each issue, less a maximum discount of 7.0%.

The Company renewed this financing line and entered into an agreement on September 30, 2019, with Kepler Cheuvreux, who committed to subscribe for 730,000 ordinary shares (corresponding to the number of shares unsubscribed as of September 30, 2019, and granted under the previous agreement) under the same terms and conditions for a period of 24 months.

On September 24, 2021, the agreement was extended for an additional 12-month period with respect to the unsubscribed shares at that date. This agreement was terminated on September 30, 2022.

Research Tax Credits

From inception to June 30, 2023, Abivax has benefited from refunds of CIRs in a total amount of €26.6 million. In October 2022, we received CIRs of €4.2 million with respect to the year ended December 31, 2021.

Bpifrance—Conditional Advances and Subsidies

Abivax has received several conditional advances and subsidies from Bpifrance since inception. Funds received from Bpifrance in the form of conditional advances are recognized as financial liabilities, as the Company has a contractual obligation to reimburse Bpifrance for such conditional advances in cash based on a repayment schedule. Each award of an advance is made to help fund a specific development milestone. Subsidies are non-repayable grants, which are recognized in the financial statements when there exists reasonable assurance that the Company will comply with the conditions attached to the subsidies and the subsidies will be received.

The following table sets forth the monies granted by and received from Bpifrance as of June 30, 2023.

		As of June 30, 2023	
(In thousands of euros)	*Contract status*	**Amount awarded**	**Amount collected**
Conditional advances		**26,387**	**6,609**
Carena	*Ongoing*	3,830	2,187
RNP-VIR	*Ongoing*	6,298	4,032
Ebola	*Stopped*	390	390
COVID-19	*Stopped*	15,869(1)	-
Subsidies		**7,475**	**13,524**
Carena	*Ongoing*	1,397	1,187
RNP-VIR	*Ongoing*	2,112	1,123
Ebola	*Stopped*	-	-
COVID-19	*Stopped*	3,967	11,214
Total		**33,862**	**20,133**

(1) Following the termination of the study in March 2021, the conditional advance of €6.3 million paid in 2020 was reclassified as a subsidy, following the waiver received from Bpifrance to repay the conditional advance.

Bpifrance CARENA Contract

As part of the development of therapeutic and diagnostic solutions targeting alternative splicing and RNA interference in the fields of virology (HIV-AIDS, HTLV-1) and metabolism (obesity), SPLICOS, which Abivax acquired in October 2014, entered into a Master Support Agreement and a conditional advance contract on December 2013 for the "CARENA" Strategic Industrial Innovation Project ("CARENA project"), with Bpifrance. Under this contract, the Company is eligible to receive up to €3.8 million in conditional advances to develop a therapeutic HIV treatment program with obefazimod. As of June 30, 2023, Abivax had received €2.2 million of conditional advances, of which €1.2 million was received in December 2013, €1.0 million in September 2014 and €29,000 in June 2016. The repayment of these funds is spread from the date on which the repayments are called by Bpifrance.

Bpifrance RNP-VIR Contract

As part of the CARENA project, focused on the clinical development of a drug molecule and demonstrating the validity of an innovative therapeutic approach targeting viral RNPs, Abivax entered into a Master Support Agreement with Bpifrance, as well as a beneficiary agreement dated March 21, 2017, with conditional advances for the "RNP-VIR" structuring research and development project for competitiveness. Under the RNP-VIR contract, the Company is eligible to receive up to €6.3 million in conditional advances to develop methods for the discovery of new molecules for the treatment of viral infectious diseases through the development of the "Modulation of RNA biogenesis" platform. As of June 30, 2023, Abivax had received €4.0 million of conditional advances, of which €1.8 million was received in September 2017, €0.3 million in August 2018 and €1.9 million in November 2019. The repayment of these funds is spread from the date on which the repayments are called by Bpifrance.

Bpifrance Ebola

The Bpifrance and Occitane Region joint support agreement was entered into on June 2, 2017 and provides for conditional advances for a total amount of €0.4 million (€0.1 million from the Languedoc Roussillon Midi Pyrénées Region and €0.3 million from Bpifrance) for the Ebola program. All funds under this contract were received. In September 2019, Abivax terminated this program due to the imminent licensing of a competing vaccine for this indication, as well as changes in the macroeconomic climate for public funding. The reimbursement of the conditional advance is spread over the period from September 2019 to June 2024.

Bpifrance—COVID-19

On June 22, 2020, Abivax entered into agreements with Bpifrance setting out the conditions for aid to contribute to the financing of the development of obefazimod as a potential therapeutic option for the treatment of COVID-19 patients at risk of developing a severe form of the disease.

This financing covered the conduct of a "miR-AGE" international clinical trial as well as all additional clinical, preclinical, regulatory and industrial work to enable registration and accelerated access to obefazimod in the COVID-19 indication. The "miR-AGE" clinical trial was conducted under Abivax sole responsibility, in collaboration with the University Hospital of Nice, which was tasked with the financial and administrative coordination of the study, with the rest of the work being borne by the Company.

The maximum amount of aid available under the framework agreement was €36.0 million, of which €19.8 million was allocated directly to Abivax (reflecting €15.9 million in conditional advances and €4.0 million in grants). Bpifrance's participation was paid according to the achievement of certain phases and milestones during the development program for the COVID-19 Program, broken down as follows:

- grants for a maximum total amount of €20.1 million, including €4.0 million for Abivax (or a grant rate of 16% of planned expenditure) and €16.2 million for the University Hospital of Nice (or a grant rate of 100% of planned expenditure); and
- conditional advances for a maximum total amount of €15.9 million for Abivax (or a rate of 64% of total planned expenditure).

As of December 31, 2020, Abivax had received a grant of €1.6 million and net proceeds from the conditional advance of €6.3 million. In view of the results of the study and the recommendations of the Data and Safety Monitoring Board, the Company terminated the study on March 5, 2021. As Bpifrance had recorded the project as unsuccessful, Abivax recognized an income of €4.5 million (discounted amount) as a result of Bpifrance's agreement to waive the conditions of the advance as of June 30, 2021.

As of December 31, 2021, Abivax had also received an additional payment covering expenses incurred until the termination date amounting to €3.3 million.

Indebtedness

<u>Kreos / Claret Financing Agreements</u>

On July 24, 2018, Abivax entered into a €20 million venture loan agreement with KC (the "First KC Agreement"). The financing consisted of two tranches of structured debt financing: (i) a total principal amount of €10 million, comprised of (x) €8 million in non-convertible bonds issued in July 2018 and (y) €2 million in convertible bonds

issued in August 2018 (the "First Tranche A Notes") and (ii) a total principal amount of €10 million, comprised of (x) €8 million in non-convertible bonds and (y) €2 million in convertible bonds, each issued in May 2019 (the "First Tranche B Notes", together with the First Tranche A Notes, the "First KC Notes").

On October 12, 2020, Abivax entered into a bonds issue agreement with KC (the "Second KC Agreement"), pursuant to which the company issued bonds in a total principal amount of €15 million, comprised of (i) a €10 million tranche (the "Second Tranche A Notes") and a €5 million tranche (the "Second Tranche B Notes"), with an option to issue an additional €5 million tranche (the "Second Tranche C Notes" and collectively with the Second Tranche A Notes and the Second Tranche B Notes, the "Second KC Notes").

The Second Tranche A Notes were issued in October 2020, and the Second Tranche B Notes were issued in November 2020. The Second KC Notes rank pari passu with the First KC Notes.

On August 20, 2023, Abivax entered into the Framework Subscription Agreement with KC and Claret, as the Secured Lenders. Under this Framework Subscription Agreement, the Company may draw up to €75 million in structured debt financing in three tranches of €25 million in aggregate principal amount each, as further described below.

The first tranche, with an aggregate principal amount of €25 million, takes the form of senior secured convertible bonds with warrants attached (the "Kreos / Claret OCABSA"). Abivax has drawn the first tranche on August 21, 2023. On the same date, Abivax repaid all outstanding amounts that remained due under the First KC Agreement and the Second KC Agreement. The Kreos / Claret OCABSA are convertible into ordinary shares at any time from their issuance at the request of their holders at a fixed conversion price of €21.2209, subject to standard adjustments, including anti-dilution and dividend protections.

The second tranche, with an aggregate principal amount of €25 million, takes the form of senior secured non-convertible bonds and may be drawn before March 31, 2024, subject to satisfaction of customary closing conditions. The drawdown of the second tranche is subject to a maximum 10% Debt-To-Market Capitalization Ratio at the time of drawdown. The "Debt-To-Market Capitalization Ratio" is calculated, on any relevant date, by dividing (i) indebtedness (including amounts due under the Kreos / Claret Financing, but excluding amounts due under the Heights Financing), by (ii) market capitalization calculated by multiplying the number of outstanding ordinary shares by the closing price of our ordinary shares on such relevant date.

The third tranche, with an aggregate principal amount of €25 million, takes the form of senior secured non-convertible bonds and may be drawn before July 31, 2024, subject to satisfaction of customary closing conditions. The drawdown of the third tranche is subject to a maximum 10% Debt-To-Market Capitalization Ratio at the time of drawdown and is conditional on raising of a minimum of $125 million in gross proceeds through a listing on Nasdaq before June 30, 2024.

OCEANE Bonds

On July 30, 2021, Abivax issued €25 million 6% convertible senior unsecured and unsubordinated bonds due July 30, 2026 corresponding to 654,621 convertible bonds (the "OCEANE bonds"). The OCEANE bonds were exchangeable, at the option of the bondholders, for new or existing shares and bear interest at a rate of 6% per annum, payable semi-annually on January 30 and July 30 of each year, beginning January 30, 2022.

Heights Convertible Notes

On August 20, 2023, Abivax entered into the Heights Subscription Agreement with Heights. Under the Heights Subscription Agreement, Abivax may draw up to €75 million of the Heights Convertible Notes in two tranches of €35 million and €40 million, respectively, as further described below.

The first tranche in aggregate principal amount of €35 million was drawn on August 24, 2023. On the same date, the Company repaid all amounts due under the OCEANE bonds. The Heights Convertible Notes are convertible into ordinary shares at any time from their issuance at the request of the holder at a fixed conversion price set at €23.7674, subject to standard adjustments, including anti-dilution and dividend protections.

The second tranche in aggregate principal amount of up to €40 million may be drawn during the period from the date immediately following the three (3) month anniversary of the issuance of the first tranche to the first-year anniversary of the issuance of the first tranche. It may be drawn in up to two separate closings.

State-Guaranteed Loan (Prêt Garantis par l'Etat ("PGE"))

In June 2020, Abivax obtained a non-dilutive financing in the form of a state-guaranteed loan of €5.0 million. The loan was structured with an initial maturity of 12 months at 0.25% and a five-year extension option. In March 2021, the Company exercised the five-year extension option with a one-year deferral of principal repayment, with the following conditions:

- a revised interest rate of 0.58% per annum, excluding insurance and state-guaranteed premium; and
- a state-guaranteed premium of €0.1 million to be paid by installments over the contract period starting in June 2021.

Royalty Certificates

As part of the completion of the capital increase from issuance of ordinary shares on September 2, 2022, Abivax issued royalty certificates with a subscription price amounting to €2.9 million. The royalty certificates entitle their holders to royalties equal to 2% of the future net sales of obefazimod (worldwide and for all indications) as from the commercialization of such product. The amount of royalties that may be paid under the royalty certificates is capped at €172.0 million in the aggregate.

Changes in Cash Flows

The following table sets forth our cash inflows and outflows for six-month periods ended June 30, 2023 and 2022 and the years ended December 31, 2022 and 2021.

	Year ended December 31,			Six months ended June 30,		
(In thousands of euros)	**2021**	**2022**	**% change**	**2022**	**2023**	**% change**
Net cash flows (used in) operating activities	(45,048)	(53,936)	20%	(24,714)	(27,599)	12%
Net cash flows from (used in) investing activities	(6,232)	(12,026)	93%	(2,953)	(1,712)	(42)%
Net cash flows provided by (used in) financing activities	82,679	32,211	(61)%	(6,431)	116,742	(1 915)%
Net increase (decrease) in cash and cash equivalents	**31,399**	**(33,751)**	**(207)%**	**(34,098)**	**87,432**	**(356)%**
Cash and cash equivalents at the beginning of the period	**29,302**	**60,701**	**107%**	**60,701**	**26,950**	**(56)%**
Cash and cash equivalents at the end of the period	**60,701**	**26,950**	**(56)%**	**26,602**	**114,381**	**330%**

Operating Activities

For the year ended December 31, 2022, cash used in operating activities was €53.9 million, as compared to €45.0 million for the year ended December 31, 2021, an increase of €8.9 million, or 20%.

For the year ended December 31, 2022, cash used in operating activities mainly reflected net loss of €60.7 million and was primarily used for research and development efforts (€48.3 million) as a result of progression of the portfolio development (partially offset by the elimination of the amortization of intangibles and depreciation of property and equipment on the ABX196 cash generating unit), enhanced by an increase in derivatives and liabilities fair value of €10.8 million, a decrease in trade payables of €2.4 million and offset by an increase in interest expenses of €7.0 million.

For the year ended December 31, 2021, cash used in operating activities mainly reflected net loss of €42.5 million and was primarily used for research and development efforts (€47.8 million) as a result of progression of portfolio development and net non-cash expense of €1.9 million.

For the six-month period ended June 30, 2023, cash used in operating activities was €27.6 million, as compared to €24.7 million for the six-month period ended June 30, 2022, a decrease of €2.9 million, or 12%.

For the six-month period ended June 30, 2023, cash used in operating activities mainly reflects net operating loss of €37.3 million and was primarily used for research and development efforts (€32.6 million) as a result of the progression of the UC Phase-3 clinical trial and partially offset by the net increase in working capital (€9.2 million).

For the six months ended June 30, 2022, cash used in operating activities was primarily used for research and development efforts (€15.1 million) and to finance the net decrease in working capital (€8.4 million).

Investing Activities

The cash used in investing activities for the year ended December 31, 2022, was mainly composed of (i) CRO contracts advances for clinical trials which have to be recovered at the end of the trials, amounting to €12.2 million, and by (ii) the completion of the acquisition of Prosynergia in 2022 and the remaining payment of the acquisition price of €2.9 million, partially offset by (iii) the non-recurring €3.3 million advance repayment from University Hospital of Nice as part of the COVID-19 Program clinical trial.

For the year ended December 31, 2021, cash used in investing activities was €6.2 million, and was mainly composed by the €4.0 million advance payment to the University Hospital of Nice as part of the COVID-19 Program clinical trial, as well as the entry in 2021 of a €1.4 million loan agreement to fund the acquisition of Prosynergia and an advance payment made with respect to the acquisition of €0.3 million. The loan was made to allow early repayment by Prosynergia of its existing indebtedness. For accounting purposes, this loan is considered as a prepayment for the acquisition of Prosynergia's assets.

For the six-month period ended June 30, 2023, cash used in investing activities was €1.7 million, as compared to €3.0 million for the six-month period ended June 30, 2022, a decrease of €1.2 million, or 42%. For the six-month period ended June 30, 2023, cash used in investing activities was mainly due to the payment of additional long-term CRO advances amounting to €1.6 million.

For the six-month period ended June 30, 2022, cash used in investing activities was mainly due to the €2.9 million payment made for the acquisition of Prosynergia, including related costs and net of cash acquired.

Financing Activities

For the year ended December 31, 2022, cash from financing activities was €32.2 million, which consisted primarily of €46.2 million of net proceeds from a capital increase (including transaction costs of €3.3 million), net proceeds from the issuance of the royalty certificates in an amount of €2.9 million, partially offset by €13.4 million of repayments under the First KC Notes and the Second KC Notes and interest paid.

For the year ended December 31, 2021, cash from financing activities was €82.7 million, which consisted primarily of €60.0 million of net proceeds from a capital increase (including transaction costs of €4.2 million), €8.1 million of net proceeds from the exercise of share warrants under the equity line agreement, €1.5 million of net proceeds from the exercise of other share warrants, and net proceeds from the issuance of the OCEANE bonds in an amount of €24.9 million, partially offset by €7.4 million of repayments under the First KC Notes and the Second KC Notes and interest paid.

For the six-month period ended June 30, 2023, cash provided by financing activities was €116.7 million, which consisted of net proceeds from a capital increase of €123.3 million (including transaction costs of €6.7 million), partially offset by repayments under the First KC Notes and the Second KC Notes (in an amount of €3.7 million), PGE (in an amount of €1.3 million) and interest paid (in an amount of €1.2 million).

For the six-month period ended June 30, 2022, cash used in financing activities was €6.4 million, which consisted primarily of repayments under the First KC Notes and the Second KC Notes (in an amount of €5.4 million) and interest paid (in an amount of €0.9 million).

Contractual Obligations and Loans

The following table sets forth aggregate information about material contractual obligations as of June 30, 2023 and December 31, 2022.

The commitment amounts in the table below are associated with contracts that are enforceable and legally binding and that specify all significant terms, including, fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. Future events could cause actual payments to differ from these estimates. All amounts except the retirement benefits in the table below are presented gross and are undiscounted.

	As of December 31, 2022			As of June 30, 2022		
(In thousands of euros)	**Less than 1 year**	**More than 1 year**	**Total**	**Less than 1 year**	**More than 1 year**	**Total**
Financial debt obligations	13,184	39,261	52,445	11,543	35,914	47,457
Lease obligations	558	826	1,384	557	569	1,126
Retirements benefits	-	610	610	-	594	594
Off-balance sheet obligations	194,731	-	194,731	187,375	-	187,375
Total	**208,473**	**40,697**	**249,170**	**199,475**	**37,077**	**236,552**

In the ordinary course of our business, the Company regularly uses the services of subcontractors and enters into research and partnership arrangements with various CROs and with public-sector partners or subcontractors, who conduct clinical trials and studies in relation to the drug candidates. Off-balance sheet obligations in the table above are commitments related to these research and partnership agreements. They are classified at less than one year maturity in the absence of a fixed schedule in contracts, in case of multiple-year contracts, such as CRO contracts. CRO contracts include payments that are conditional to the completion of future development milestones.

Material cash requirements in the above table do not include potential future royalty payments related to the royalty certificates, amounting 2% of the future net sales of obefazimod (worldwide and for all indications). The amount of royalties that may be paid under the royalty certificates is capped at €172.0 million in the aggregate. Royalty payments are expected to take place before the expiry date of the certificates, i.e. 15 years after their issuance date (September 2, 2037).

As of December 31, 2022, contractual obligations and loans were €249.2 million, comprising financial debt obligations of €52.4 million (in turn, comprising €13.1 million with respect to First KC Notes and the Second KC Notes, €25.0 million with respect to the OCEANE bonds, €5.0 million with respect to the PGE, €6.4 million with respect to conditional advances from Bpifrance and €2.9 million with respect to royalty certificates), and off-balance sheet obligations of €194.7 million with respect to purchase obligations.

As of June 30, 2023, contractual obligations and loans were €236.6 million comprising financial debt obligations of €47.4 million (in turn, comprising €9.4 million with respect to First KC Notes and Second KC Notes, €25.0 million with respect to the OCEANE bonds, €3.8 million with respect to the PGE, €6.3 million of conditional advances from Bpifrance and €2.9 with respect to royalty certificates and off-balance sheet obligations of €187.4 million with respect to purchase obligations.

2.4 Principal Factors Affecting Our Results of Operations

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 2023 Universal Registration Document, published on 4 May 2023, as further updated by an amendment filed on the date hereof. These documents are available on the Company's website at *www.abivax.com*.

3 UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1 Unaudited condensed consolidated statements of financial position

(Amounts in thousands of euros)

	Notes	As of December 31, 2022	As of June 30, 2023
ASSETS			
Non-current assets			
Goodwill	**6**	18,419	18,419
Intangible assets	**7**	6,607	6,605
Property, plant and equipment	**8**	1,592	1,410
Other financial assets	**9**	11,708	13,343
Other receivables and assets	**10**	1,037	934
Total non-current assets		39,363	40,711
Current assets			
Other receivables and assets	**10**	9,231	15,989
Cash and cash equivalents	**11**	26,950	114,381
Total current assets		36,181	130,370
TOTAL ASSETS		**75,544**	**171,081**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital		223	425
Premiums related to share capital		150,476	275,383
Reserves		(82,770)	(143,366)
Net loss for the period		(60,740)	(51,953)
Total shareholders' equity	**13**	7,189	80,489
Non-current liabilities			
Retirement benefit obligations	**16**	610	594
Provisions		40	40
Borrowings	**15**	9,127	5,068
Convertible loan notes	**15**	19,332	19,964
Derivative instruments	**15**	566	4,328
Royalty certificates	**15**	3,287	10,618
Other financial liabilities	**15**	3,262	3,769
Total non-current liabilities		36,223	44,381
Current liabilities			
Borrowings	**15**	10,077	9,031
Convertible loan notes	**15**	625	625
Other financial liabilities	**15**	3,521	3,012
Trade payables and other current liabilities	**17.1**	15,475	29,443
Tax and employee-related payables	**17.2**	2,300	3,979
Deferred income		133	121
Total current liabilities		32,132	46,211
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**75,544**	**171,081**

3.2 Unaudited condensed consolidated statements of income (Loss)

(Amounts in thousands of euros)

	Notes	For the six months ended June 2022	2023
Other operating income	**18**	2,284	2,255
Total operating income		**2,284**	**2,255**
Sales and marketing	**19.1**	-	(155)
Research and development	**19.2**	(15,107)	(32,622)
General and administrative	**19.3**	(2,223)	(6,758)
Goodwill impairment loss	**6**	(10,986)	-
Total operating expenses		**(28,317)**	**(39,535)**
Operating loss		(26,033)	(37,280)
Financial expenses		(2,346)	(15,030)
Financial income		7,195	357
Financial loss	**21**	4,849	(14,673)
Net loss before tax		(21,183)	(51,953)
Income tax	**22**	-	-
Net loss for the period		**(21,183)**	**(51,953)**
Loss per share (€/share)			
Weighted average number of outstanding shares used for computing basic/diluted loss per share		16,759,215	35,903,802
Basic / diluted loss per share (€/share)	**23**	**(1.26)**	**(1.45)**

3.3 Unaudited condensed consolidated statements of comprehensive income (loss)

(Amounts in thousands of euros)

	Notes	For the six months ended June 2022	2023
Net loss for the period		**(21,183)**	**(51,953)**
Items that will not be reclassified to profit or loss		*138*	*79*
Actuarial gains and losses on retirement benefit obligations	**16**	138	79
Items that are or may be reclassified subsequently to profit or loss		-	*3*
Foreign currency translation differences		-	3
Other comprehensive income (loss)		**138**	**82**
Total comprehensive income (loss) for the period		**(21,045)**	**(51,871)**

3.4 Unaudited condensed consolidated statements of changes in shareholders' equity

(amounts in thousands of euros)

(In thousands of euros, except number of shares)	NUMBER OF SHARES ISSUED	CAPITAL SHARES	PREMIUMS RELATED TO SHARE CAPITAL	TRANSLATION RESERVE	RETAINED EARNINGS	NET LOSS FOR THE YEAR	TOTAL SHAREHOLDERS' EQUITY
As of January 1, 2022	**16,764,051**	**168**	**107,578**	**-**	**(39,361)**	**(42,452)**	**25,934**
Net loss for the period	-	-	-	-	-	(21,183)	(21,183)
Other comprehensive income (loss)	-	-	-	-	138	-	138
Total comprehensive loss for the period	-	-	-	-	138	(21,183)	(21,045)
Appropriation of 2021 net loss	-	-	-	-	(42,452)	42,452	-
Exercises of share warrants	19,134	0	2	-	-	-	3
Shares based compensation expense	-	-	-	-	(1,221)	-	(1,221)
Transactions on treasury shares	-	-	-	-	(16)	-	(16)
As of June 30, 2022	**16,783,185**	**168**	**107,581**	**-**	**(82,911)**	**(21,183)**	**3,655**
As of January 1, 2023	**22,313,185**	**223**	**150,476**	**-**	**(82,771)**	**(60,740)**	**7,188**
Net loss for the period	-	-	-	-	-	(51,953)	(51,953)
Other comprehensive income (loss)	-	-	-	3	79	-	82
Total comprehensive loss for the period	-	-	-	3	79	(51,953)	(51,871)
Appropriation of 2022 net loss	-	-	-	-	(60,740)	60,740	-
Capital increase from issuance of ordinary shares	20,000,000	200	129,800	-	-	-	130,000
Transaction costs related to capital increase	-	-	(6,743)	-	-	-	(6,743)
Exercises of the Kreos share warrants	99,583	1	1,849	-	-	-	1,850
Exercises of other share warrants	134,800	1	-	-	-	-	1
Shares based compensation expense	-	-	-	-	56	-	56
Transactions on treasury shares	-	-	-	-	7	-	7
As of June 30, 2023	**42,547,568**	**425**	**275,383**	**3**	**(143,369)**	**(51,953)**	**80,489**

3.5 Unaudited condensed consolidated statements of cash flows

(Amounts in thousands of euros)

		For the six months ended June 30	
(Amounts in thousands of euros)	**Notes**	**2022**	**2023**
Cash flows used in operating activities			
Net loss for the period		(21,183)	(51,953)
Ajustments for:			
Elimination of amortization of intangibles and depreciation of property, plant and equipment		151	329
Elimination of Impairment loss of goodwill	**6**	10,986	-
Elimination of retirement benefit obligations	**16**	79	52
Elimination of share-based compensation expenses	**14**	(1,426)	56
Interest expenses and other	**21**	2,326	9,416
Financial income		(15)	(339)
Increase/(decrease) in derivatives and liabilities fair value	**15**	(7,180)	5,609
Other		(79)	13
Cash flows used in operating activities before change in working capital requirements		**(16 340)**	**(36,818)**
Decrease / (increase) in other receivables and related accounts		(4,194)	(6,417)
Increase / (decrease) in trade payables		(4,058)	13,966
Increase / (decrease) in tax and social security liabilities		(112)	1,683
Increase / (decrease) in deferred income and other liabilities		(9)	(13)
Changes in working capital requirements		**(8,374)**	**9,219**
Cash flows used in operating activities		**(24,714)**	**(27,599)**
Cash flows used in investing activities			
Acquisitions of property, plant and equipment		(55)	(148)
Advance made to CROs	**9**	-	(1,620)
Payments for the acquisition of Prosynergia (1) , incl. related costs, net of cash acquired	**4.16 & 10**	(2,898)	-
Deposits	**9**	-	57
Cash flows used in investing activities		**(2,953)**	**(1,712)**
Cash flows provided by (used in) financing activities			
Capital increases	**13**	3	130,000
Transaction costs related to capital increase		-	(6,742)
Warrants subscription		-	1
Repayments of KREOS (2) 1&2 bond loans	**15**	(5,379)	(3,727)
Repayement of PGE		-	(1,250)
Net proceeds from sale of treasury shares		(13)	5
Repayments of conditional advances	**15**	(40)	(50)
Payments of the lease liabilities	**15**	(120)	(248)
Interest paid		(882)	(1,248)
Cash flows provided by (used in) financing activities		**(6,431)**	**116,742**
Increase (decrease) in cash and cash equivalents		**(34,098)**	**87,432**
Cash and cash equivalents at the beginning of the year		60,701	26,950
Cash and cash equivalents at the end of the year		26,602	114,381
Increase (decrease) in cash and cash equivalents		**(34,098)**	**87,432**

(1) Prosynergia SARL (or "Prosynergia")

(2) Kreos Capital V UK Ltd (or "Kreos")

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

3.6 Notes to the unaudited interim condensed consolidated financial statements

Note 1 - The Group

Note 1.1. Information on the Group and its business

ABIVAX SA (the "Company") is a *Société anonyme* incorporated under the laws of France on December 4, 2013. Its registered office is located at 7-11 Boulevard Haussmann—75009 Paris, France. The Company is developing therapeutics that harness the body's natural regulatory mechanisms to modulate the inflammatory response in patients with chronic inflammatory diseases.

These unaudited interim condensed consolidated financial statements ("interim financial statements") as of and for the six months ended June 30, 2023 comprise the Company and ABIVAX LLC (or "the Subsidiary"), the United States subsidiary of ABIVAX SA, created on March 20, 2023 under the laws of Delaware (together referred to as the "Group").

These unaudited comparative interim condensed consolidated financial statements as of and for the six months ended June 30, 2022 comprise the Company and Prosynergia SARL ("Prosynergia"), a Luxembourg biotech company, acquired on April 1, 2022. The financial statements of Prosynergia were included in the consolidated financial statements of the Company from the date control was obtained (i.e. April 1, 2022) until December 12, 2022, which is the date on which Prosynergia was merged into the Company under the French legal procedure called "Transmission Universelle de Patrimoine" (universal transfer of assets and liabilities). On this date, all of Prosynergia's assets and liabilities were transferred to the Company and Prosynergia was dissolved.

The Group has incurred losses since its inception and had shareholders' equity of €80,489 thousand as of June 30, 2023. The Group anticipates incurring additional losses until such time, if ever, that it can generate significant revenue from its drug candidates which are currently under development. Substantial additional financing will be needed by the Group to fund its operations and to commercially develop its drug candidates.

The Group's future operations are highly dependent on a combination of factors, including: (i) the success of its research and development activities; (ii) regulatory approval and market acceptance of its proposed future products; (iii) the timely and successful completion of additional financing and (iv) the development of competitive therapies by other biotechnology and pharmaceutical companies. As a result, the Group is, and expects to continue to be, in the short to mid-term, financed through the issuance of new equity or debt instruments.

The Group is focusing its efforts on the following points:

- Continuation of the clinical development program for obefazimod, with priority given to the treatment of chronic inflammatory diseases. The specific order of priority is as follows: chronic inflammatory bowel disease ("IBD"), starting with moderately to severely active ulcerative colitis ("UC"), followed by Crohn's disease, and other indications.
- Continuation of other therapeutic indications of obefazimod according to the relevance of scientific data and research into potential derivative molecules of obefazimod.
- Research into new molecules aimed at treating chronic inflammatory diseases (miR-124 platform).

Note 1.2. Date of authorization of issuance

The interim financial statements and related notes (the "financial statements") have been prepared under the responsibility of management of the Group and were approved and authorized for issuance by the Group's board of directors on September 19, 2023.

Note 2 - Basis of preparation

Except for share data and per share amounts, the unaudited interim condensed consolidated financial statements are presented in thousands of euros. Amounts are rounded up or down the nearest whole number for the calculation of certain financial data and other information contained in these accounts. Accordingly, the total amounts presented in certain tables may not be the exact sum of the preceding figures.

Statement of compliance

These unaudited interim condensed consolidated financial statements as of June 30, 2023 and for the six-month periods ended June 30, 2023 and 2022 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by IASB and as adopted by the European Union (EU) and should be read in conjunction with the latest Group's annual financial statements for the year ended December 31, 2021 and 2022 of the Group (the "latest annual financial statements").

They do not include all the information required for a complete set of financial statements prepared under IFRS. They do, however, include selected notes explaining significant events and transactions in order to understand the changes in the Group's financial position and performance since the last annual financial statements.

The accounting policies used to prepare these unaudited interim condensed financial statements are identical to those applied by the Group as of December 31, 2022, except for:

- texts whose application is compulsory as from January 1, 2023;
- the specific provisions of IAS 34 used in the preparation of the interim financial statements.

The new texts that are mandatory as of January 1, 2023 are the following:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- IFRS 17 – Insurance Contracts and related amendments.

These new texts have no material impact on the unaudited interim condensed consolidated financial statements as of June 30, 2023.

The standards and interpretations not yet mandatory as of June 30, 2023 are the following:

- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules, whose application is for annual reporting periods beginning on or after January 1, 2023 (not yet approved by the UE);
- Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, whose application is for annual reporting periods beginning on or after January 1, 2024 (not yet approved by the UE);
- Amendments to IAS 1 – Non-current Liabilities with Covenants, whose application is for annual reporting periods beginning on or after January 1, 2024 (not yet approved by the UE);
- Amendments to IFRS 16 – Leases: Lease Liability in a Sale and Leaseback, whose application is for annual reporting periods beginning on or after January 1, 2024 (not yet approved by the UE);
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements, whose application is for annual reporting periods beginning on or after January 1, 2024 (not yet approved by the UE);

These texts have not been early adopted. The expected impacts are not considered significant.

Preparation of the financial statements

The interim financial statements of the Group were prepared on a historical cost basis, with the exception of certain asset and liability categories and in accordance with the provisions set out under IFRS such as employee benefits measured using the projected unit credit method, borrowings measured at amortized cost and derivative financial instruments measured at fair value.

Going concern

The Group has incurred substantial operating losses since inception, and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. For the six-month period ended June 30, 2023, the Group had a net loss of €52.0 million.

Since inception, the Group has financed its operations through the issuance of ordinary shares with gross aggregate proceeds of €333.9 million, of which €130 million of gross proceeds were from offerings of its ordinary shares on Euronext Paris in February 2023, bank borrowings and structured loans for €125.0 million to date, reimbursements of Research Tax Credits (Crédit d'Impôt Recherche ("CIR")) in an aggregate amount of €26.6 million, subsidies received from Banque Publique d'Investissement ("Bpifrance") (including €13.5 million of subsidies and €6.6 million of conditional advances to date) and royalty certificates for €2.9 million to date. As a result of the level of available cash and cash equivalent of €114.4 million as of June 30, 2023, the net proceeds of the drawdowns of the first tranches of the August 2023 Kreos / Claret & Heights Financings amounting to €27.2 million (net of repayments of all outstanding amounts that remained due under the First KC Agreement, the Second KC Agreement and the OCEANE bonds), the available drawdowns of the second tranches of the Kreos / Claret & Heights financings, which are not conditional to the success of the planned registered public offering in the United States, and amounting to €65 million in gross proceeds, the expected reimbursement of the 2022 Research Tax Credit in the second half of 2023 , and under the assumption that R&D needs are being substantially increased in 2023, as the Group continues to make progress on its lead drug candidate obefazimod, which has started enrollment of patients in its Phase 3 clinical trials for the treatment of adults with moderately to severely active UC in October 2022, the Group expects, as of the date of issuance of these financial statements, to be able to fund its forecasted operating cash flow requirements through the third quarter of 2024. This takes into account the Group's assumption that R&D expenditure will be substantially increased in 2023 driven by the progression of the Phase 3 clinical trials of obefazimod, which started enrollment of patients with moderately to severely active UC in October 2022.

The Group expects it will be able to extend its financing horizon beyond the third quarter of 2024 through additional dilutive and non-dilutive financing, which could include a combination of capital increase, venture loans and convertible bonds. Based on the above and the actions the Group has taken, management has concluded on the absence of a substantial doubt regarding its ability to continue as a going concern beyond 12 months from issuance of these financial statements, and these financial statements have been prepared on a going concern basis.

Impact of the Ukraine/Russia Hostilities on the Group

In February 2022, Russia invaded Ukraine. The conflict has already had major implications for the global economy and the rate of inflation, particularly in relation to the supply of energy, raw materials and food products. It has also caused intense volatility on the financial markets, something that is still ongoing at the reporting date and has pushed down stock market prices around the world.

Given these developments, the Group has decided not to include, Russia and Belarus in its global Phase 3 program for obefazimod in UC. However, the global scale of this conflict cannot be predicted at this stage. The Group, therefore, cannot rule out an adverse impact of this conflict on its business, including in terms of access to raw materials, logistics, the performance of clinical studies and in relation to any future financing the Group may seek.

The Phase 2b maintenance trial of obefazimod in moderately to severely active UC is the Group's only clinical trial currently in progress in Ukraine. The Group has, however, terminated a few trial sites since the Russia/Ukraine war began. The 12-month assessment was carried out in all the Ukrainian patients before the war broke out and these patients are therefore included in the one-year maintenance results that were reported on April 6, 2022. Ukrainian patients who completed the two-year Phase 2b maintenance trial have been transitioned to the long-term safety and efficacy trial that is still on-going. None of these sites are located in the Crimea Region of Ukraine, the so-called Donetsk People's Republic, or the so-called Luhansk

People's Republic. The Group is also evaluating the possibility to include a few Ukrainian sites in the western part of Ukraine in the ABTECT Phase 3 clinical trials.

Together with its CROs, the Group is making considerable efforts to ensure the follow-up of patients who are unable to come to the study centers. Monitoring takes place through a remote monitoring system that was established and used successfully during the COVID-19 pandemic.

Note 3 – Significant events for the periods ended December 31, 2022 and June 30, 2023 and subsequent events

Note 3.1. For the period ended December 31, 2022

Acquisition of Prosynergia SARL – April 2022

On April 1, 2022, the Company acquired 100% of the share capital of Prosynergia SARL (or "Prosynergia"), a Luxembourg biotech company, in order to strengthen its portfolio. The terms of the share purchase acquisition (or the "Prosynergia SPA") entered on November 15, 2021 included an early payment of €325 thousand made on November 25, 2021, an additional payment of €2,925 thousand made on April 1, 2022, and possible earn-out payments for a maximum additional amount of €4,000 thousand based on the potential evolution of the Company's market capitalization, a listing of the Company's shares on Nasdaq or a M&A transaction incurred before March 31, 2023. In addition, the Company granted a loan of €1,400 thousand to Prosynergia on December 1, 2021, which term was at least on December 31, 2025 or at an earlier date in the event of a breach in the Prosynergia SPA. Such prepayment was repayable in cash only in the event the transaction is not completed.

Considering that Prosynergia only owned patent rights but did not enter into any employee contract, research agreement, collaboration agreement or out-licensed agreement, it does not meet the definition of a business under IFRS 3. Consequently, the acquisition cost of this group of assets was allocated between the identifiable assets and liabilities acquired, pro rata to their respective fair values as of April 1, 2022, without recognition of goodwill. Also, the €1,400 thousand loan granted to Prosynergia in December 2021 was included in the acquisition cost to be allocated, as it is considered a prepayment for the acquisition of the group of assets.

Merger with Prosynergia – December 2022

On December 12, 2022, the Company completed the merger with Prosynergia under the French legal procedure called "Transmission Universelle de Patrimoine" (universal transfer of assets and liabilities). All of Prosynergia's assets and liabilities were transferred to the Company and Prosynergia was dissolved.

Impairment of goodwill

In the first half of 2022, management took into account significant external changes in the hepatocellular carcinoma (HC) treatment landscape. These changes were expected to require a new, lengthy, heavy and risky internal development process (use of a combination of compounds). In this context, entering into a licensing partnership to fund the completion of the clinical development of ABX196 was the option being considered.

As a result of this change in circumstances, an impairment test of the ABX196 Cash Generating Unit ("CGU") was performed and resulted in an impairment loss of €10,986 thousand of the goodwill allocated to such CGU during the period ended June 30, 2022. As a consequence, the goodwill net carrying amount decreased from €13,586 thousand as of December 31, 2021 to €2,600 thousand as of June 30, 2022.

Then, during the second half of 2022, due to the lack of progress made in the negotiation of a development partnership, the Group made the decision to freeze the development program for ABX196 in the treatment

of hepatocellular cancer. This decision led to the full impairment of the ABX196 goodwill, i.e. an impairment loss of €13,586 thousand related to Wittycell's goodwill and €45 thousand related to licenses. As of December 31, 2022, the value in use and the fair value less costs to sell of the ABX196 cash-generating unit ("CGU") are nil.

Forfeiture of AGA plans

AGAs granted in September 2021 were subject to vesting conditions including the completion of a M&A transaction on or prior to July 31, 2022. As the non-market performance vesting conditions were not satisfied, the Group recognized a reversal of related compensation expense of €1,026 thousand and accrual for social taxes of €205 thousand in the financial statements for the period ended December 31, 2022 (See Note 14).

Repayment of the advance made to Nice CHU – August 2022

The €4,000 thousand advance made to Nice CHU was reimbursed in August 2022 for an amount of €3,302 thousand. The remaining amount of €698 thousand was settled by way of compensation with a payable due to the Nice CHU related to the recharge of third-party services expenses that had been invoiced to the Nice CHU as part of the miR-AGE project.

Change in governance – August 2022

On August 16, 2022, the Group announced a transition in the chairmanship of its Board of Directors. Philippe Pouletty, the Group's founder and Chairman of the Board of Directors since the Group was created in 2013, informed the Board of Directors of his decision to resign as Chairman with immediate effect. However, after many years of successfully leading the Board of Directors, Mr. Pouletty will continue to support the Group's development as a member of the Board of Directors.

Pending the appointment of a new, permanent independent Chair, Ms. Corinna zur Bonsen-Thomas, an independent member of the Board of Directors of the Group, carried out the role of interim Chair (see Note 3.3 Subsequent events).

The Group completed €49.2 million cross-over financing with top-tier US and European investors – September 2022

On September 2, 2022, the Group announced oversubscribed financing of around €49.2 million, led by TCGX with the participation of Venrock Healthcare Capital Partners, Deep Track Capital, Sofinnova Partners, Invus and Truffle Capital, top-tier investors specializing in the biotechnology sector.

The financing consists of two transactions:

- a reserved capital increase of a gross amount of approximately €46.2 million through the issuance of 5,530,000 new shares with a nominal value of €0.01 per share, representing 33% of its current share capital, at a subscription price of €8.36 per share; and
- an issue of royalty certificates with a subscription price amounting to €2.9 million. The royalty certificates give right to their holders to royalties equal to 2% of the future net sales of obefazimod (worldwide and for all indications) as from the commercialization of such product. The amount of royalties that may be paid under the royalty certificates is capped at €172 million.

The proceeds of the financing will primarily be used to fund the advancement of Phase 3 clinical trials for obefazimod in UC.

Related transaction costs amounted to €3.3 million and were deducted from the share premiums.

Royalty certificates are recorded as financial liabilities at amortized cost (see Note 15.7).

The Group announces first US patient enrollment in global Phase 3 program with obefazimod in UC – October 2022

On October 11, 2022, the Group announced that the first patient was enrolled in the US into its global Phase 3 clinical program with product candidate obefazimod for the treatment of moderately to severely active UC. IQVIA, a global premier contract research organization, is responsible for coordinating the Group's Phase 3 clinical trial for obefazimod in UC. As of December 31, 2022, the undiscounted amount of the advance payments made by the Group in relation to the IQVIA agreement is €12,187 thousand. They were recorded at inception at their fair value (discounted amount) and subsequently measured at amortized cost calculated using the effective interest rate method. As of December 31, 2022, their carrying amount is €10,471 thousand. The repayment dates of these advances are scheduled between April 2025 and July 2026 (see Note 9).

Note 3.2. For the period ended June 30, 2023

The Group announces successful oversubscribed €130.0 million cross-over financing at market price with top-tier US and European Biotech investors – February 2023

On February 22, 2023, the Group announced the successful pricing of an oversubscribed €130.0 million financing with high-quality US and European biotech specialist investors, led by TCGX, with participation from existing investors Invus, Deep Track Capital, Sofinnova Partners, Venrock Healthcare Capital Partners, as well as from new investors Great Point Partners, LLC, Deerfield Management Company, Commodore Capital, Samsara BioCapital, Boxer Capital and others, by way of a reserved capital increase of €130 million through the issuance of 20,000,000 newly-issued ordinary shares with a nominal value of €0.01 per share, representing 89.6% of its current share capital, at a subscription price of €6.50 per share.

Related transaction costs amounted to €6.7 million and were deducted from the share premiums.

Changes in governance and management – February-April 2023

On February 17, 2023, and April 18, 2023, the Group respectively announced the appointments of Dr. Sheldon Sloan, M.D., M. Bioethics as new Chief Medical Officer and Michael Ferguson as new Chief Commercial Officer.On April 5, 2023, the Group announced the appointment of Marc de Garidel as Chief Executive Officer ("CEO") and Interim Board Chair, effective May 5, 2023. Corinna zur Bonsen-Thomas will step down as acting Chair, a position she has held since August 2022, and will remain a Board Member. Prof. Hartmut J. Ehrlich, M.D., will retire from the CEO position, which he has held since the Group's founding in 2013, and will stay on as a strategic advisor until the transition is complete. The Group expects to appoint a long-term Board Chair in 2023.

Creation of Abivax LLC – March 2023

On March 25, 2023, Abivax LLC (or "the Subsidiary"), was incorporated as a Limited Liability Company under the laws of Delaware. As of the issuance of the financial statements, the Group has full ownership over the Subsidiary. The Subsidiary will host the Group's operations in the United States.

Cash less exercise of the Kreos A&B BSA – May 2023

On May 24, 2023, Kreos Capital V UK Ltd (or "Kreos") opted for the cash less exercise option of the share warrants they held (as defined in Note 15.1), implemented through the repurchase by the Group of 43,070 tranche A share warrants ("Kreos A BSA") and 43,070 tranche B share warrants ("Kreos B BSA") and the issuance of respectively 67,887 and 31,696 ordinary shares, as a result of the exercise by Kreos of the outstanding Kreos A & B BSA. The accounting treatment of the operation is set forth in Note 15.1.

Note 3.3. Subsequent events

Changes in governance and management – July-August 2023

On July 11, 2023, the Group announced the appointments of June Lee, M.D. and Troy Ignelzi as new independent members of the Group's Board of Directors, replacing Joy Amundson and Jean-Jacques Bertrand

On August 23, 2023, the Group announced the appointment of Patrick Malloy as new Senior Vice President Investor Relations.

The Group announces plans to conduct registered public offering in the United States – August 2023

On August 10, 2023, the Group announced that it planned to conduct a registered public offering of its ordinary shares, in the form of American Depositary Shares, in the United States, subject to market and other conditions, and has confidentially submitted a draft registration statement on Form F-1 to the U.S. Securities and Exchange Commission. The timing, number of securities to be offered in the proposed offering and their price have not yet been determined.

The Group secures up to €150 million from two structured debt financing transactions – August 2023

On August 20, 2023, the Group concurrently signed two structured debt financing transactions for a total amount of up to €150 million consisting of (i) up to €75 million from Kreos Capital and Claret European Growth Capital (the "Kreos / Claret Financing") together with the issuance of warrants ("the Kreos / Claret BSA") exercisable to receive up to €8 million worth of ordinary shares of the Company, par value of €0.01 per share, and (ii) up to €75 million from a fund advised by Heights Capital Management, Inc. (the "Heights Financing" and together with the Kreos / Claret Financing, the "Transaction").

Overall Structure of the Kreos / Claret Financing

The Kreos / Claret Financing consists of three tranches of €25 million each in aggregate principal amount. The first tranche in aggregate principal amount of €25 million takes the form of senior secured convertible bonds with warrants attached (the "Kreos / Claret OCABSA") and was drawn on August 21, 2023. The Kreos / Claret OCABSA are convertible into ordinary shares at any time from their issuance at the request of their holders at a fixed conversion price of €21.2209, subject to standard adjustments, including anti-dilution and dividend protections.

The second tranche in aggregate principal amount of €25 million takes the form of senior secured non-convertible bonds and may be drawn before March 31, 2024, subject to satisfaction of customary closing conditions. The drawdown of the second tranche is subject to a maximum 10% Debt-To-Market Capitalization Ratio at the time of drawdown. The "Debt-To-Market Capitalization Ratio" is calculated, on any relevant date, by dividing (i) the indebtedness of the Group (including amounts due under the Kreos / Claret Financing but excluding amounts due under the Heights Financing), by (ii) the market capitalization of the Group calculated by multiplying the number of outstanding ordinary shares by the closing price of the ordinary shares on such relevant date.

The third tranche in aggregate principal amount of €25 million takes the form of senior secured non-convertible bonds and may be drawn before July 31, 2024, subject to satisfaction of customary closing conditions. The drawdown of the third tranche is subject to a maximum 10% Debt-To-Market Capitalization Ratio at the time of drawdown (excluding the Heights Financing) and is conditional on the Group raising a minimum of $125 million in gross proceeds through a listing on Nasdaq before June 30, 2024.

As security for the Kreos / Claret Financing signed on August 20, 2023, Kreos and Claret benefit from the grant of first-ranking collateral on the Company's principal tangible and intangible assets, including pledges over the Company's business (*"fonds de commerce"*) as a going concern and intellectual property rights in the Company's lead drug candidate, as well as pledges over the Company's bank accounts and receivables. Such securities apply to all tranches of the Kreos / Claret Financing.

As part of the Kreos / Claret Financing, both Kreos and Claret may receive, in addition to the Kreos / Claret OCABSA, warrants exercisable at a fixed ratio of 1:1, in two tranches. The first tranche of 214,198 warrants is exercisable immediately at an exercise price of €18.6744 (corresponding to a 10% premium over the 15-day VWAP prior to the date on which their issuance was decided). The second tranche may be issued within 14 days of the date on which the conditions to draw the third tranche of non-convertible bonds of the Kreos / Claret Financing have been met. The exercise price of the additional warrants to be issued will be equal to 110% of the 15-day VWAP prior to the date on which their issuance is decided. The number of warrants to

be issued will be calculated by dividing €4,000,000 by the aforementioned exercise price. Of these additional warrants, 50% will be exercisable upon issuance and the remaining 50% shall only be exercisable if the third tranche of the Kreos / Claret Financing is drawn by Abivax. The Kreos / Claret warrants can be exercised over a period of 7 years from their issuance date or up until the date of the successful closing of a tender offer for the ordinary shares, whichever is earlier. At the time of exercise of the Kreos / Claret warrants, the holders of the warrants are eligible to sell part of their warrants to Abivax in accordance with a put option agreement to allow for a cashless exercise.

Overall Structure of the Heights Financing

The €75 million Heights Financing consists of two tranches (collectively, the "Heights Convertible Notes").
The first tranche of €35 million in aggregate principal amount is composed of 350 amortizing senior convertible notes with a nominal value of €100,000 each and a fixed conversion price of €23.7674 (corresponding to a 40% premium over the 15-day VWAP prior to the date on which their issuance is decided, and subject to standard adjustments, including anti-dilution and dividend protections). The second tranche of €40 million in aggregate principal amount is composed of 400 amortizing senior convertible notes with a nominal value of €100,000 each, and a conversion price (if any) that will be equal to 130% of the 15-day VWAP immediately preceding the date on which their issuance will be decided.
The first tranche in aggregate principal amount of €35 million was drawn on August 24, 2023.
The second tranche in aggregate principal amount of up to €40 million may be drawn during the period from the date immediately following the three-month anniversary of the issuance of the first tranche to the first-year anniversary of the issuance of the first tranche. It may be drawn in up to two separate closings to provide the Group with additional flexibility to request a partial drawdown. The amount available for drawdown under the second tranche will be determined based on the Group's Market Capitalization and the average daily valued traded of Ordinary Shares ("ADVT") over the three-month period preceding the drawdown.
The Heights Financing is a senior, unsecured financing.

Use of proceeds

The first tranches of the Kreos / Claret Financing and the Heights Financing, for €25 million and €35 million, respectively, were drawn on August 21, 2023, and August 24, 2023, respectively. In addition, the Group concurrently granted to Kreos and Claret, for no additional consideration, warrants exercisable to receive to €4 million worth of ordinary shares.
As part of the Transaction, the Group is also repaying in full a total outstanding amount of €32,763 thousand under (i) the pre-existing debt agreements with Kreos for a total amount of €7,661 thousand and (ii) the pre-existing OCEANE bonds for a total amount of €25,102 thousand by way of set-off with the Heights Financing, thereby fully repaying such pre-existing indebtedness.
The net proceeds of the drawdown of the first tranche of the Kreos / Claret Financing and of the Heights Financing which, net of the refinancing of the existing indebtedness, amount to €27,237 thousand in the aggregate, are expected to be allocated mainly to the development of obefazimod for the treatment of adults with moderately to severely active UC and other potential chronic inflammatory indications, as well for working capital and general corporate purposes of the Company.

Note 4 – Accounting principles

The Group's accounting policies are the same as those described in the last annual financial statements of the Group.

Use of judgments and estimates

In preparing these unaudited interim condensed consolidated financial statements, management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual values may differ from estimated values.

The significant judgments made by management in the application of the Group's accounting policies and the key sources of estimation uncertainty are the same as those described in the last annual financial statements of the Group.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Seasonality of operations

The Group's operations are not subject to a significant seasonality.

Note 5 – Segment information

The assessment of the Group's performance and the decisions about resources to be allocated are made by the chief operating decision maker, based on the management reporting system of the Group. The Group identified the Chief Executive Officer of the Group as "Chief operating decision maker". The Chief operating decision maker reviews on an aggregated basis the incurred expenses for allocating and evaluating performance of the Group.

The Group operates in a single operating segment: R&D of pharmaceutical products in order to market them in the future.

Substantially all operations, assets, liabilities, and losses of the Group are located in France. As of June 30, 2023, the US Subsidiary has only incurred non-significant employee-related costs and its assets and liabilities are non-significant.

Note 6. Goodwill and impairment test

Goodwill relates to the acquisition of Splicos SAS that occurred in 2014 (i.e., prior the transition date to IFRS).

Goodwill from the Splicos SAS acquisition corresponds to the "Modulation of RNA biogenesis / splicing" technological platform, from which derived the lead drug candidate of the Group: ABX464.
In accordance with IAS 36, goodwill is allocated to groups of cash generating units (CGUs) at a level corresponding to the lead drug candidates. Thus, goodwill from Splicos SAS is allocated to the ABX464 CGU.
The net carrying amount of Splicos SAS goodwill is €18,419 thousand as of December 31, 2022 and June 30, 2023.

The ABX464 product being currently in development, a clinical trial failure or a failure to obtain a marketing approval could result in an impairment. As of June 30, 2023, the Group has not identified any indication of impairment loss.

Note 7. Intangible assets

Intangible assets are mainly comprised of the intellectual property underlying:

i. The exclusive license agreement with the Scripps Research Institute, University of Chicago and Brigham Young University for which the Group paid a milestone of €45 thousand in September 2019 a result of an IND filling of ABX196. The asset was fully impaired in 2022 along with the goodwill allocated to the ABX196 CGU.

ii. The collaboration and license agreement with the CNRS, Montpellier 2 university and the Curie for which the Group paid a €40 thousand milestone in September 2019 as a result of the entry in phase 2 of ABX464/obefazimod clinical study. Also, in January 2022, the Group was invoiced a €35 thousand milestone as a result of the entry of phase 3 ABX464/obefazimod clinical study;

iii. Patents acquired through the acquisition of Prosynergia of €6,529 thousand. These patents cover alternative synthesis process for obefazimod and a family of close chemical analogues. They also cover alternative forms of obefazimod (salts thereof and crystalline forms of said salts), the pharmaceutical composition comprising them, that could be of interest to Abivax for future development. The patents are not yet amortized, similarly to licenses.

The following tables presents movements in intangible assets as of June 30, 2023 and 2022:

(amounts in thousands of euros)	LICENCES	SOFTWARES	PATENTS	TOTAL
GROSS VALUES				
Statement of financial position as of December 31, 2021	**85**	**24**	**-**	**110**
Acquisition	35	-	6,529	6,564
Statement of financial position as of June 30, 2022	**120**	**24**	**6,529**	**6,673**

(amounts in thousands of euros)	LICENCES	SOFTWARES	PATENTS	TOTAL
AMORTIZATION				
Statement of financial position as of December 31, 2021	**-**	**(17)**	**-**	**(17)**
Increase	-	(2)	-	(2)
Statement of financial position as of June 30, 2022	**-**	**(19)**	**-**	**(19)**

(amounts in thousands of euros)	LICENCES	SOFTWARES	PATENTS	TOTAL
NET BOOK VALUES				
As of December 31, 2022	85	8	-	93
As of June 30, 2022	120	5	6,529	6,654

(amounts in thousands of euros)	LICENCES	SOFTWARES	PATENTS	TOTAL
GROSS VALUES				
Statement of financial position as of December 31, 2022	**120**	**24**	**6,529**	**6,673**
Acquisition	-	-	-	-
Statement of financial position as of June 30, 2023	**120**	**24**	**6,529**	**6,673**

(amounts in thousands of euros)	LICENCES	SOFTWARES	PATENTS	TOTAL
AMORTIZATION				
Statement of financial position as of December 31, 2022	**(45)**	**(21)**	**-**	**(66)**
Increase	-	(2)	-	(2)
Statement of financial position as of June 30, 2023	**(45)**	**(23)**	**-**	**(69)**

(amounts in thousands of euros)	LICENCES	SOFTWARES	PATENTS	TOTAL
NET BOOK VALUES				
As of December 31, 2022	75	3	6,529	6,607
As of June 30, 2023	75	1	6,529	6,605

Note 8. Property, plant and equipment

The following tables presents movements in property, plant and equipment including the right of use of assets (or "ROU") as of June 30, 2023 and 2022:

(amounts in thousands of euros)	BUILDINGS	EQUIPMENT	FURNITURE AND COMPUTER EQUIPMENT	TOTAL	*OF WHICH ROU*
GROSS VALUES					
Statement of financial position as of December 31, 2021	**593**	**402**	**235**	**1,230**	**682**
Acquisition	-	44	11	55	-
Disposal	-	(3)	(10)	(13)	-
Statement of financial position as of June 30, 2022	**593**	**443**	**236**	**1,272**	***682***
Statement of financial position as of December 31, 2022	**1,618**	**438**	**344**	**2,400**	***1,561***
Acquisition	-	92	122	215	-
Disposal	-	(27)	(67)	(94)	*(27)*
Statement of financial position as of June 30, 2023	**1,618**	**503**	**400**	**2,521**	***1,534***

(amounts in thousands of euros)	BUILDINGS	EQUIPMENT	FURNITURE AND COMPUTER EQUIPMENT	TOTAL	*OF WHICH ROU*
DEPRECIATION					
Statement of financial position as of December 31, 2021	**(445)**	**(346)**	**(134)**	**(925)**	***(470)***
Increase	(111)	(17)	(17)	(145)	*(123)*
Decrease	-	-	-	-	-
Statement of financial position as of June 30, 2022	**(556)**	**(362)**	**(152)**	**(1,070)**	***(593)***

Statement of financial position as of December 31, 2022	**(259)**	**(378)**	**(171)**	**(808)**	***(290)***
Increase	(273)	(16)	(41)	(330)	*(251)*
Decrease	-	27	-	27	*27*
Statement of financial position as of June 30, 2023	**(532)**	**(367)**	**(212)**	**(1,111)**	***(514)***

(amounts in thousands of euros)	BUILDINGS	EQUIPMENT	FURNITURE AND COMPUTER EQUIPMENT	TOTAL	*OF WHICH ROU*
NET BOOK VALUES					
As of December 31, 2021	148	56	101	305	*212*
As of June 30, 2022	37	80	84	202	*89*
As of December 31, 2022	1,359	60	173	1,592	1,270
As of June 30, 2023	1,089	137	188	1,410	*1,019*

Right of use assets relate to buildings, vehicles, and furniture. The net book value of right of use assets related to buildings amounted to €1,224 thousand and €978 thousand as of December 31, 2022 and June 30, 2023, respectively.

Note 9. Other financial assets

Other financial assets break down as follows:

(amounts in thousands of euros)	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
OTHER FINANCIAL ASSETS		
Advances related to CRO contracts	10,471	12,156
Deposits paid under the liquidity agreement	304	310
Deposits paid on Kreos 1 and 2 bond loans	684	684
Deposit paid under the Headquarters lease agreement	136	136
Other	113	56
Other financial assets	**11,708**	**13,343**

Advances related to CRO contracts

Long-term advances amounting to €12,187 thousand (undiscounted amount) were made during the year ended December 31, 2022. These advances for clinical studies are to be recovered at the end of the studies after final reconciliation with pass-through costs, which are being invoiced and paid as studies are carried

out. These long-term advances were measured at fair value on initial recognition, using discount rates ranging from 0.19% to 7.16%, and are subsequently measured at amortized cost.

Over the six-month period ended June 30, 2023, additional advances related to CRO contracts amounting to €1,620 thousand were made (undiscounted amount). These long-term advances were measured at fair value on initial recognition, using discount rates ranging from 7.09% to 7.59%, and are subsequently measured at amortized cost.

At inception, a prepaid expenses asset was recognized for the difference between the advances' nominal value and fair value, and spread over the term of the advances, at the rate of recognition of the related R&D expenses (see Note 10).

Note 10. Other receivables and other assets

Other receivables and other assets break down as follows:

(amounts in thousands of euros)	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
OTHER RECEIVABLES AND OTHER ASSETS		
Prepaid expenses - non current	1,037	934
Total non-current other receivables and assets	**1,037**	**934**
Research tax credit ("CIR")	4,595	6,817
VAT receivables	3,467	5,881
Prepaid expenses	915	3,291
Credit notes	254	-
Total current other receivables and other assets	**9,231**	**15,989**
Total other receivables and other assets	**10,268**	**16,923**

Research tax credit ("CIR")

The CIR is recognized as Other Operating Income in the year to which the eligible research expense relates. The Group received the payment of the CIR for 2021 tax year in the amount of €4,204 thousand in the second half of 2022 and expects to receive the CIR for 2022 tax year of €4,448 thousand in the second half of 2023.

VAT Receivables

Value-added tax ("VAT") receivables relate primarily to the deductible VAT and VAT refunds claimed.

Prepaid expenses

As of December 31, 2022 and June 30, 2023, current and non-current prepaid expenses include expenses related to CRO contracts for amount of respectively €1,714 thousand and €1,671 thousand (see Note 9).

As of June 30, 2023, current prepaid expenses also include costs related to the planned registered public offering in the United States for an amount of €1,707 thousand (see Note 3.3).

Note 11. Cash and cash equivalents

Cash and cash equivalents break down as follows:

(amounts in thousands of euros)	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
CASH AND CASH EQUIVALENTS		
Short-term investments	6	6
Bank accounts (cash at hand)	26,944	114,376
Cash and cash equivalents	**26,950**	**114,381**

Note 12. Financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	As of June 30, 2022				
(amounts in thousands of euros)	AMOUNT RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	FAIR VALUE	ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	ASSETS AT AMORTIZED COST	LIABILITIES AT AMORTIZED COST
Other financial assets (2)	11,708	11,271	-	11,271	-
Other receivables and assets (2)	9,231	9,231	-	9,231	-
Cash and cash equivalents (1)	26,950	26,950	-	26,950	-
Total financial assets	**47,889**	**47,452**	**-**	**47,452**	**-**
Financial liabilities - non-current portion (4, note 15)	35,573	28,771	566	-	28,205
Financial liabilities - current portion (3, Note 15)	14,224	14,224	-	-	14,224
Trade payable and other current liabilities (3)	15,475	15,475	-	-	15,475
Total financial liabilities	**65,272**	**58,469**	**566**	**-**	**57,903**

	As of June 30, 2023				
(amounts in thousands of euros)	AMOUNT RECOGNIZED IN THE STATEMENT OF FINANCIAL POSITION	FAIR VALUE	ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	ASSETS AT AMORTIZED COST	LIABILITIES AT AMORTIZED COST
Other financial assets (2)	13,343	13,173	-	13,173	-
Other receivables and assets (2)	15,989	15,989	-	15,989	-
Cash and cash equivalents (1)	114,381	114,381	-	114,381	-
Total financial assets	**143,713**	**143,543**	**-**	**143,543**	**-**
Financial liabilities - non-current portion (4, note 15)	43,747	37,881	4,238	-	33,553
Financial liabilities - current portion (3, Note 15)	12,667	12,667	-	-	12,667
Trade payable and other current liabilities (3)	29,443	29,443	-	-	29,443
Total financial liabilities	**85,858**	**79,991**	**4,238**	**-**	**75,663**

Tax and employee-related payables are non-financial liabilities and are therefore excluded from the tables above. They are presented in Note 17.2.

(1) The fair value of cash and cash equivalents is determined based on Level 1 fair value measurements and corresponds to the market value of the assets.

(2) The carrying amount of financial assets measured at amortized cost was deemed to be a reasonable estimation of fair value, except for the long-term advances made to CROs, whose fair value is determined based on Level 3 fair value measurement and is estimated based on future cash-flows discounted at market rates, using credit spreads ranging from 16 bp to 476 bp as of December 31, 2022 and 19 bp to 346 bp as of June 30, 2023. As of December 31, 2022 and June 30, 2023, an increase in the

credit spread by +100 bp would result in a decrease in the advances fair value by respectively €240 thousand and €234 thousand.

(3) The carrying amount of short-term financial liabilities measured at amortized cost was deemed to be a reasonable estimation of fair value.

(4) The fair values of Kreos BSA A&B, OCEANE conversion option and royalty certificates are based on Level 3 fair value measurements and are estimated based on models and assumptions detailed in note 15. The fair value of other long-term financial liabilities is determined based on Level 3 fair value measurements and is estimated based on future cash-flows discounted at market rates, using the following assumptions:

- For the debt components of Kreos 1&2 bonds, a credit spread of 1,475 bp as of December 31, 2022 and 1,376 bp as of June 30, 2023.

  As of December 31, 2022 and June 30, 2023, an increase in the credit spread by +100 bp would result in a decrease in the Kreos 1&2 bonds fair value by €68 thousand and €34 thousand, respectively.

- For the debt component of OCEANE bonds, a credit spread similar to that detailed in note 15.

  As of December 31, 2022, and June 30, 2023, an increase in the credit spread by +100 bp would result in a decrease in the OCEANE debt component fair value by €476 thousand and €447 thousand, respectively.

- For the conditional advances and the PGE loan, a credit spread of 1,475 bp as of December 31, 2022 and 1,376 bp as of June 30, 2023.

  An increase in the credit spread by +100 bp would result in the following:

  - As of December 31, 2022 and June 30, 2023, a decrease in the PGE loan fair value by €55 thousand and €44 thousand, respectively.
  - As of December 31, 2022 and June 30, 2023, a decrease in the RNP-VIR conditional advance fair value by €31 thousand and €23 thousand, respectively.
  - As of December 31, 2022 and June 30, 2023, a decrease in the CARENA conditional advance fair value by €37 thousand and €35 thousand respectively.
  - As of December 31, 2022 and June 30, 2023, a decrease in the Ebola conditional advance fair value by €1 thousand and €1 thousand, respectively.

As of June 30, 2023, the difference between the fair value of the non-current portion of financial liabilities and their carrying amount is mainly explained by the increase in market rates between their issuance dates and June 30, 2023.

Note 13. Shareholders' equity

Note 13.1. Share capital issued

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

As of December 31, 2022, the Group's share capital amounted to €223 thousand divided into 22,313,185 ordinary shares issued with a par value of €0.01 each, fully paid up, after taking into account the various capital increases that took place since the inception (see Note 13.2).

As of June 30, 2023, the Group's share capital amounted to €425 thousand divided into 42,547,568 ordinary shares issued with a par value of €0.01 each, fully paid up.

Share capital does not include founders' share subscription warrants ("bons de souscription de parts de créateur d'entreprise" or "BCE"), share subscription warrants ("Bons de souscription d'actions," or "BSA")

and free shares ("Attributions gratuites d'actions," or "AGA") that have been granted to certain investors or natural persons, both employees and non-employees of the Group, but not yet exercised.

Treasury shares

The Group held 12,000 and 11,487 of its own shares as of December 31, 2022 and June 30, 2023, respectively.

The number of outstanding ordinary shares (excluding treasury shares held by the Group) was 22,301,185 and 42,536,081 as of December 31, 2022 and June 30, 2023, respectively.

Note 13.2. Change in share capital

The increase in the share capital for the period ended June 30, 2022 relates to the exercise of 19,134 share warrants, resulting in a capital increase of €0 thousand by issuing 19,134 ordinary shares with a par value of €0.01 per share and an average subscription price of €0.14 per share.

The increase in the share capital for the period ended June 30, 2023 relates to:

- The completion of a capital increase of €130,000 thousand on February 22, 2023 by issuing 20,000,000 new ordinary shares with a par value of €0.01 per share and a subscription price of €6.50 per share;
- The cash-less exercise of 67,887 Kreos A BSA and 31,696 Kreos B BSA, resulting in a capital increase of €1,850 thousand by issuing 99,583 ordinary shares with a par value of €0.01 per share and an average subscription price of €18.57 per share, which includes the impact of the derecognition of the BSA derivative financial liability.
- The exercise of 1,348 other share warrants, by issuing 134,800 ordinary shares with a par value of €0.01 per share and an average subscription price of €0.01 per share (see Note 14).

Distribution of dividends

The Group did not distribute any dividends for any of the periods presented.

Note 14. Share-based payments

The Group has granted BCEs, BSAs and AGAs.

BCEs

The following tables summarize the data relating to BCEs:

GRANT DATE	TYPE	NUMBER OF BCEs ISSUED	NUMBER OF BCEs OUTSTANDING AS OF JANUARY 1, 2022	NUMBER OF LAPSED BCEs	NUMBER OF EXERCISED BCEs	NUMBER OF BCEs OUTSTANDING	NUMBER OF BCEs EXERCISABLE	MAXIMUM NUMBER OF SHARES TO BE ISSUED IF ALL CONDITIONS ARE MET
				FOR THE PERIOD ENDED JUNE 30, 2022		AS OF JUNE 30, 2022		
2014-03-11	BCE-2014-2	2,750	1,000	-	-	1,000	1,000	100,000
2016-11-07	BCE-2014-4	984	184	-	-	184	184	18,400
2016-11-07	BCE-2016-1	84,000	24,495	-	-	24,495	24,495	24,495
2017-01-23	BCE-2017-1	67,374	67,000	-	-	67,000	33,313	67,000
2017-11-20	BCE-2017-2	150,000	150,000	-	-	150,000	75,000	150,000
2017-11-20	BCE-2017-4	67,374	67,373	-	-	67,373	33,686	67,373
2017-11-20	BCE-2017-5	67,374	64,374	-	-	64,374	30,686	64,374
2018-03-15	BCE-2018-1	22,000	15,070	-	-	15,070	15,070	15,070
2018-05-14	BCE 2018-3	33,687	16,844	-	-	16,844	-	16,844
2018-05-14	BCE-2018-4	16,843	16,843	-	-	16,843	8,422	16,843
2018-05-14	BCE-2018-5	22,000	6,584	(250)	(334)	6,000	6,000	6,000
	Total BCEs	**534,386**	**429,767**	**(250)**	**(334)**	**429,183**	**227,856**	**546,399**

GRANT DATE	TYPE	NUMBER OF BCEs ISSUED	NUMBER OF BCEs OUTSTANDING AS OF JANUARY 1, 2023	NUMBER OF LAPSED BCEs	NUMBER OF EXERCISED BCEs	NUMBER OF BCEs OUTSTANDING	NUMBER OF BCEs EXERCISABLE	MAXIMUM NUMBER OF SHARES TO BE ISSUED IF ALL CONDITIONS ARE MET
				FOR THE PERIOD ENDED JUNE 30, 2023		AS OF JUNE 30, 2023		
2014-03-11	BCE-2014-2	2,750	1,000	-	(1,000)	-	-	-
2016-11-07	BCE-2014-4	984	184	-	(184)	-	-	-
2016-11-07	BCE-2016-1	84,000	22,495	-	-	22,495	22,495	22,495
2017-01-23	BCE-2017-1	67,374	67,000	-	-	67,000	33,313	67,000
2017-11-20	BCE-2017-2	150,000	150,000	-	-	150,000	75,000	150,000
2017-11-20	BCE-2017-4	67,374	67,373	-	-	67,373	33,686	67,373
2017-11-20	BCE-2017-5	67,374	64,374	-	-	64,374	30,686	64,374
2018-03-15	BCE-2018-1	22,000	11,980	-	-	11,980	11,980	11,980
2018-05-14	BCE 2018-3	33,687	16,844	-	-	16,844	-	16,844
2018-05-14	BCE-2018-4	16,843	16,843	-	-	16,843	8,422	16,843
2018-05-14	BCE-2018-5	22,000	6,000	-	-	6,000	6,000	6,000
	Total BCEs	**534,386**	**424,093**	**-**	**(1,184)**	**422,909**	**221,582**	**422,909**

BSAs

The following tables summarize the data relating to BSAs as well as the assumptions used for the measurement thereof in accordance with IFRS 2—Share-based Payment:

GRANT DATE	TYPE	NUMBER OF BSAs ISSUED	NUMBER OF BSAs OUTSTANDING AS OF JANUARY 1, 2022	NUMBER OF LAPSED BSAs	NUMBER OF EXERCISED BSAs	NUMBER OF BSAs OUTSTANDING	NUMBER OF BSAs EXERCISABLE	MAXIMUM NUMBER OF SHARES TO BE ISSUED IF ALL CONDITIONS ARE MET
				FOR THE PERIOD ENDED JUNE 30, 2022		AS OF JUNE 30, 2022		
2014-03-11	BSA-2014-3	1,172	680	-	(188)	492	492	49,200
2015-12-04	BSA-2015-11	96,924	96,924	-	-	96,924	96,924	96,924
2015-12-04	BSA-2015-12	82,000	16,400	-	-	16,400	16,400	16,400
2017-09-18	BSA-2017-1	16,400	16,400	-	-	16,400	16,400	16,400
2018-01-22	BSA-2018-1	49,200	16,400	-	-	16,400	16,400	16,400
2014-03-11	BSA-2014-4	1,315	842	-	-	842	842	84,160
2014-03-11	BSA-2014-5	787	459	-	-	459	459	45,900
	Total BSAs	**247,798**	**148,105**	**-**	**(188)**	**147,917**	**147,917**	**325,384**

GRANT DATE	TYPE	NUMBER OF BSAs ISSUED	NUMBER OF BSAs OUTSTANDING AS OF JANUARY 1, 2023	NUMBER OF LAPSED BSAs	NUMBER OF EXERCISED BSAs	NUMBER OF BSAs OUTSTANDING	NUMBER OF BSAs EXERCISABLE	MAXIMUM NUMBER OF SHARES TO BE ISSUED IF ALL CONDITIONS ARE MET
				FOR THE PERIOD ENDED JUNE 30, 2023		AS OF JUNE 30, 2023		
2014-03-11	BSA-2014-3	1,172	492	-	(164)	328	328	32,800
2015-12-04	BSA-2015-11	96,924	96,924	-	-	96,924	96,924	96,924
2015-12-04	BSA-2015-12	82,000	16,400	-	-	16,400	16,400	16,400
2017-09-18	BSA-2017-1	16,400	16,400	-	-	16,400	16,400	16,400
2018-01-22	BSA-2018-1	49,200	16,400	-	-	16,400	16,400	16,400
2014-03-11	BSA-2014-4	1,315	842	-	-	842	842	84,160
2014-03-11	BSA-2014-5	787	459	-	-	459	459	45,900
	Total BSAs	**247,798**	**147,917**	**-**	**(164)**	**147,753**	**147,753**	**308,984**

AGAs

The following tables summarize the data relating to AGAs as well as the assumptions used for the measurement thereof in accordance with IFRS 2—Share-based Payment:

GRANT DATE	TYPE	NUMBER OF AGAs ISSUED	NUMBER OF AGAs OUTSTANDING AS OF JANUARY 1, 2022	NUMBER OF LAPSED AGAs	NUMBER OF EXERCISED AGAs	NUMBER OF AGAs OUTSTANDING
				FOR THE PERIOD ENDED JUNE 30, 2022		AS OF JUNE 30, 2022
2021-09-21	AGA 2021	155,000	155,000	(155,000)	-	-
	Total AGAs	**155,000**	**155,000**	**(155,000)**	**-**	**-**

AGAs granted in September 2021 are subject to a vesting service condition of one year following the grant date. The number of shares to be vested under this plan depended on the following conditions: completion of a M&A transaction on or prior to July 31, 2022 and a price per ordinary share of the Company retained in the framework of the M&A Transaction at least equal to €100 per share (or lower than €100 per share). During the period ended June 30, 2022, the AGAs were all forfeited since no M&A transaction was completed

on or prior to July 31, 2022. This resulted in a reversal of the related compensation expense of €1,026 thousand and the reversal of the accrual for social taxes of €205 thousand that was recorded as of December 31, 2021.

Breakdown of the compensation expenses accounted for the period ended June 30, 2022 and 2023

TYPE *(In thousands of euros)*	EXPENSES RELATED TO THE PERIOD ENDED JUNE 30, 2022	EXPENSES RELATED TO THE PERIOD ENDED JUNE 30, 2023
BCE	(195)	56
BSA	(0)	-
AGA	(1,026)	-
Social taxes related to AGAs	(205)	-
Total	**(1,426)**	**56**

For the period ended June 30, 2022, the total share-based compensation expense net of the reversal of AGA expense resulted in an income of €1,426 thousand, including the related social taxes (€828 thousand in research and development and €598 thousand in general and administrative).

For the period ended June 30, 2023, the total share-based compensation amounted to €56 thousand (€29 thousand in research and development and €27 thousand in general and administrative).

Note 15. Financial liabilities

Financial liabilities break down as follows:

(amounts in thousands of euros) FINANCIAL LIABILITIES	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
Kreos 1 & 2 bond loans	4,730	2,135
Lease liabilities	839	566
PGE	3,558	2,367
Borrowings	**9,127**	**5,068**
Oceane	19,332	19,964
Convertible loan notes	**19,332**	**19,964**
Kreos A & B BSA	424	-
Oceane conversion option	142	4,328
Derivative instruments	**566**	**4,328**
Conditional advances Bpifrance	3,262	3,769
Royalty certificates	3,287	10,618
Other financial liabilities	**6,549**	**14,387**
Total non-current financial liabilities	**35,573**	**43,747**
Kreos 1 & 2 bond loans	8,252	7,230
Lease liabilities	545	548
PGE	1,280	1,252
Borrowings	**10,077**	**9,031**
Conditional advances Bpifrance	3,521	3,012
Other financial liabilities	**3,521**	**3,012**
Oceane	625	625
Convertible loan notes	**625**	**625**
Total current financial liabilities	**14,224**	**12,667**
Total financial liabilities	**49,797**	**56,414**

Note 15.1. Structured debt financing with Kreos subscribed in July 2018 – "Kreos 1" and in October 2020 – "Kreos 2"

The variation in the Kreos 1 & 2 bond loans during the period ended June 30, 2023 is primarily related to reimbursements of capital and interests. As of December 31, 2022, the A tranche of the Kreos 1 bond loan has come to maturity and was repaid in full.

The Group granted to the holders of the Kreos A BSA and the Kreos B BSA the option to sell to the Group, upon each exercise of all or parts of the Kreos A BSA, at the put price defined in the agreement, a proportion of the number of the warrants, for the sole purpose of implementing a cash less exercise of the Kreos A BSA and Kreos B BSA.

On May 24, 2023, the holders opted for the cash less exercise option of the share warrants they held, implemented through the repurchase by the Group of 43,070 Kreos A BSA and 43,070 Kreos B BSA and the issuance by the Group of respectively 67,887 and 31,696 ordinary shares, as the result of the cashless exercise by Kreos of the outstanding 67,887 Kreos A & 31,696 B BSA.

The operation resulted in (i) the derecognition of the derivative financial liabilities corresponding to the Kreos A & B BSA, amounting to €1,850 thousand as of May 24, 2023, (ii) an increase in shareholders' equity for the same amount.

On August 21, 2023, the outstanding Kreos 1 & 2 bond loans were repaid in full, for an amount of €7,661 thousand, using the proceeds from the new Kreos / Claret Financing (see Note 3.3.).

Note 15.2. OCEANE

The OCEANE shall be convertible into new ordinary shares and/or exchanged for existing ordinary shares of the Group at any time from their issuance and at the discretion of their holders. The initial conversion ratio is one ordinary share of the Group per OCEANE, representing a conversion price set to € 38.19 per ordinary share initially.

In accordance with the OCEANE terms and conditions, the conversion price was updated on January 30, 2023 and July 30, 2023 (i.e. respectively 18 months and 24 months after OCEANE issuance) to respectively €32.462 per ordinary share and €26.725 per ordinary share, and the conversion ratio was adjusted to respectively 1.176 and 1.429. The update from January 30, 2023 was taken into account in the calculation of the fair value of the conversion option as of June 30, 2023 (see Note 15.9).

On August 24, 2023, the outstanding OCEANE were repaid in full, for an amount of €25,102 thousand, using the proceeds from the new Heights Financings (see Note 3.3.).

Note 15.3. State guaranteed loan – "PGE"

The variation in the PGE loan over the period ended June 30, 2023 is primarily related to the reimbursement of capital and interests.

Note 15.4. Conditional advances

Conditional advances as of June 30, 2023 and December 31, 2022 are as follows:

(amounts in thousands of euros) CONDITIONAL ADVANCES	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
RNP VIR – Bpifrance	4,171	4,202
CARENA – Bpifrance	2,454	2,469
EBOLA – Bpifrance	158	109
Total conditional advances	**6,783**	**6,780**

Note 15.5. Lease liabilities

The variations in lease liabilities are set forth below:

(amounts in thousands of euros)	**LEASE LIABILITY**
As of December 31, 2021	**214**
(+) Increase	-
(-) Decrease	(124)
As of June 30, 2022	**89**
As of December 31, 2022	**1,384**
(+) Increase	-
(-) Decrease	(270)
As of June 30, 2023	**1,114**

Lease liabilities mainly relate the Group's headquarters and to a lesser extent to vehicles, parking lots and printers (Note 8).

The lease for the Group's corporate headquarters in Paris, France at 5 Rue de la Baume, 75008 Paris ended in August 2022. A new lease for premises at 7-11 Boulevard Haussmann, 75009 Paris started in July 2022. It has a three-year duration, with a tacit renewal option for approximately two years and the possibility to break the contract one year before the end. Per Management, renewal and termination options are not reasonably certain due to the forecasted development of the Group, which may lead the Group to relocate at the end of the initial term.

As of December 31, 2022 and June 30, 2023, the lease liability of the headquarters represented 97% and 96% of the total lease liability, respectively.

Lease expenses related to contracts for which a lease liability and right of use asset is recognized under IFRS 16 were €125 thousand and €263 thousand for the six months period ended June 30, 2022 and 2023, respectively. They were recognized for (i) €124 thousand and €251 thousand as Depreciation expenses and (ii) €1 thousand and €6 thousand as Interest expenses, for the six months period ended June 30, 2022 and 2023, respectively.

Lease expenses related to short-term lease contracts and low value assets are not included in the valuation of the lease liability for an amount of €10 thousand and €162 thousand for the periods ended June 30, 2022 and 2023, respectively.

Note 15.6. Prosynergia earn-out liability

The terms of the share purchase acquisition of Prosynergia include a possible earn out triggered in the event the Company's market capitalization is in excess of €300 million (evaluated at certain specified record dates), a listing of the Company's shares on Nasdaq or a merger and acquisition transaction prior to March 31, 2023. The amount of the earn-out is equal to 1% of the difference between the Company's market capitalization and €300 million, subject to a maximum amount of €4.0 million.

This potential earn-out payment was measured at fair value on April 1, 2022 (acquisition date), for an amount of €1,446 thousand, and included in the acquisition cost.

As of June 30, 2022, the fair value of the earn-out liability amounted to €178 thousand. The remeasurement resulted in a financial income of €1,267 thousand over the period ended June 30, 2022.

As of December 31, 2022, the fair value of the earn-out liability was insignificant. During the first half of 2023, since its payment was not triggered by March 31, 2023, the liability was extinguished and thus reversed.

The Prosynergia earn-out liability is measured at fair value using a Black-Scholes valuation model. The main data and assumptions are the following:

Prosynergia earn-out	As of April 1, 2022	As of and for the period ended June 30, 2022	As of and for the period ended December 31, 2022
Risk free rate	-0,27%	0,39%	2,28%
Market capitalization (in thousands of euros)	403,118	175,352	135,952
Ordinary share price (in euros)	24.15	10.46	6.18
Time to maturity	1 year	0.75 year	0.25 year
Volatility	61,00%	77,16%	44,01%
Dividend	0%	0%	0%
Fair value of the earn-out liability (in thousands of €)	**(1,446)**	**(178)**	**-**

As of April 1, 2022, using the same assumption with an increase of +1% volatility, €+1 share price and +1% risk free rate would result in an increase of the earn-out liability fair value by €12 thousand, €132 thousand and €17 thousand, respectively.

As of June 30, 2022, using the same assumption with an increase of +1% volatility, €+1 share price and +1% risk free rate would result in an increase of the earn-out liability fair value by €5 thousand, €58 thousand and €3 thousand, respectively.

As of December 31, 2022, the fair value of the earn-out liability is approximately €0. Using the same assumption with an increase of +1% volatility, €+1 share price and +1% risk free rate would result in an increase of the earn-out liability fair value by an amount less than €1 thousand.

Note 15.7. Royalty certificates

Over the second quarter of 2023, the Group reassessed its estimate of the probability of future royalty cash flows related to the royalty certificates. This change reflected the higher probability to reach the objectives of the development and commercialization plans following the recent changes in management and governance, as well results from its Phase 2b open-label maintenance trial in UC, as released in April 2023.

Subsequently, in June 2023, the Group revised the development and commercialization plans of obefazimod and reassessed its estimate of future royalty cash flows accordingly.

These changes in estimates resulted in a remeasurement of the certificates' amortized costs, using the original EIR of 34% calculated at the date of issuance, which led to an increase by €6,512 thousand of the royalty certificate liability. The expense was recorded within the interest expenses in the Statement of Profit and Loss. Consequently, the total interest expense (including the unwinding of discount) related to royalty certificates amounts to €7,331 thousand for the period ended June 30, 2023.

Fair value as of June 30, 2023

At this date, the fair value of the royalty certificates, calculated using the same model as their initial measurement, amounts to €11,589 thousand.

The fair value of the royalty certificates is based on the NPV of royalties, which depend on assumptions made by the Group with regards to the probability of success of its studies ("POS"), the commercialization budget of obefazimod ("peak penetration") and the Group's WACC. In addition, royalty projections have been adjusted to reflect any difference between the Group's value derived from management projections and the Group's market capitalization.

The sensitivity analysis to key assumptions is presented below:

		Fair value of royalty certificates (in thousands of euros)
POS	-5 points	-1,054
	+5 points	1,058

		Fair value of royalty certificates (in thousands of euros)
Peak penetration	-5% (worst case scenario)	-1,264
	+5% (best case scenario)	894

		Fair value of royalty certificates (in thousands of euros)
WACC	-1 point	778
	+1 point	-720

		Fair value of royalty certificates (in thousands of euros)
Share price	-1 euro	-836
	+1 euro	836

Note 15.8. Change in financial liabilities

The changes in financial liabilities are set forth below:

(Amounts in thousands of euros) FINANCIAL LIABILITIES (excluding derivative instruments)	Kreos 1&2 bond loans	Oceane	PGE	Conditional advances BPI	Lease liabilities	Prosynergia earn-out liability	Royalty certificates	Total
As of December 31, 2021	**21,110**	**18,816**	**4,742**	**6,770**	**214**	**-**	**-**	**51,653**
Repayments	(4,601)	-	(27)	(40)	(124)	-	-	(4,793)
Interest paid	(881)	(750)	-	-	(1)	-	-	(1,632)
Non-cash changes: interest expense and other	897	1,298	47	59	1	-	-	2,301
Non-cash changes: recognition of earn-out liability	-	-	-	-	-	1,446	-	1,446
Non-cash changes: fair value remeasurement	-	-	-	-	-	(1,267)	-	(1,267)
As of June 30, 2022	**16,525**	**19,364**	**4,761**	**6,789**	**89**	**178**	**-**	**47,707**
As of December 31, 2022	**12,982**	**19,957**	**4,838**	**6,783**	**1,384**	**-**	**3,287**	**49,231**
Repayments	(3,727)	-	(1,250)	(50)	(270)	-	-	(5,297)
Interest paid	(449)	(750)	(43)	-	(6)	-	-	(1,248)
Non-cash changes: interest expense and other	559	1,382	74	47	6	-	819	2,888
Non-cash changes: amortize cost remeasurement	-	-	-	-	-	-	6,512	6,512
Au 30 juin 2023	**9,366**	**20,589**	**3,619**	**6,780**	**1,114**	**-**	**10,618**	**52,086**

Note 15.9. Change in derivative instruments

The change in derivative instruments is as follows:

(In thousands of euros) FINANCIAL INSTRUMENTS	Kreos A BSA	Kreos B BSA	OCEANE conversion option	Total
As of December 31, 2021	**2,478**	**1,525**	**5,929**	**9,932**
(+) Increase in fair value	-	-	-	-
(-) Decrease in fair value	(1,217)	(936)	(3,314)	(5,467)
As of June 30, 2022	**1,261**	**589**	**2,615**	**4,465**
As of December 31, 2022	**275**	**149**	**142**	**566**
(+) Increase in fair value	986	440	4,186	5,612
(-) Decrease in fair value	-	-	-	-
(-) Repurchases	(489)	(339)	-	(829)
(-) Exercises	(771)	(250)	-	(1,021)
As of June 30, 2023	**-**	**-**	**4,328**	**4,328**

Measurement of Kreos A BSA & Kreos B BSA

The Kreos A BSA and Kreos B BSA are measured at fair value using a Black-Scholes valuation model. The main data and assumptions are the following:

Kreos A BSA - June 1, 2018	**As of and for the year ended December 31, 2022**	**As of May 24, 2023 (exercise date)**
Number of outstanding Kreos A BSA	110,957	110,957
Exercise price per share	€7.21	€7.21
Ordinary share price	€28.55	€18.57
Residual maturity	6.6 years	-
Volatility	47%	N/A
Dividend	0%	N/A
Risk-free rate	0.13%	N/A
Fair value of issued Kreos A BSA (in thousands of €)	**275**	**1,261**

Kreos B BSA - June 1, 2019	**As of and for the year ended December 31, 2022**	**As of May 24, 2023 (exercise date)**
Number of outstanding Kreos B BSA	74,766	74,766
Exercise price per share	€10.7	€10.7
Ordinary share price	€28.55	€18.57
Residual maturity	7.4 years	-
Volatility	47%	N/A
Dividend	0%	N/A
Risk-free rate	0.13%	N/A
Fair value of issued Kreos A BSA (in thousands of €)	**149**	**589**

As of December 31, 2022, using the same assumptions with an increase of +1% volatility, €+1share price and +1% risk-free rate would result in an increase of Kreos A&B BSA fair value of €6 thousand, €78 thousand, and €12 thousand, respectively.

On May 24, 2023, the holders opted for the cash less exercise option of the share warrants they held. At this date, the fair value of exercised warrants of €1,850 thousand was reclassified from derivative financial liabilities to equity. As of this date, due to the put option being exercised by the holders, the fair value of the BSAs is deemed equal to their intrinsic value, which is equal to the difference between the share price on May 24, 2023 and their exercise price.

Measurement of OCEANE

OCEANE	As of and for the year ended December 31, 2022	As of and for the period ended June 30, 2023
Risk free rate	3.05%	3.36%
Credit spread	1475.10 bp	1376.20 bp
Ordinary share price	€6.18	€15.60
Expected term	July 21, 2026	July 21, 2026
Volatility	44%	74%
Dividend	0%	0%
Fair value of issued OCEANE (in thousands of €)	**142**	**4,328**

As of December 31, 2022, using the same assumptions, an increase of +1% volatility, €+1 share price and +1% risk free rate would result in an increase of the OCEANE conversion option fair value of €17 thousand, €97 thousand, and €15 thousand respectively.

As of June 30, 2023, using the same assumptions, an increase of +1% volatility, €+1 share price and +1% risk free rate would result in an increase of the OCEANE conversion option fair value of €75 thousand, €493 thousand, and €103 thousand respectively.

On August 24, 2023, following the repayment in full of the outstanding OCEANE, for an amount of €25,102 thousand, using the proceeds from the new Kreos / Claret and Heights Financings (see Note 3.3.), the derivative financial liability related to the conversion option was derecognized.

Note 15.10. Breakdown of financial liabilities by maturity

The maturities of financial liabilities are presented below as of December 31, 2022 and June 30, 2023:

As of December 31, 2022

(In thousands of euros) CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	GROSS AMOUNT	LESS THAN 1 YEAR	FROM 1 TO 5 YEARS	LONGER THAN 5 YEARS
Kreos 1 & 2 bond loans	12,982	8,252	4,730	-
Oceane	19,957	625	19,332	-
PGE	4,838	1,280	3,558	-
Conditional advances BPI	6,783	3,521	3,262	-
Lease liabilities	1,384	545	839	-
Royalty certificates	3,287	-	3,287	-
Derivative instruments	566	-	142	424
Total financial liabilities	**49,797**	**14,224**	**35,150**	**424**

As of June 30, 2023

(In thousands of euros) CURRENT AND NON-CURRENT FINANCIAL LIABILITIES	GROSS AMOUNT	LESS THAN 1 YEAR	FROM 1 TO 5 YEARS	LONGER THAN 5 YEARS
Kreos 1 & 2 bond loans	9,366	7,230	2,135	-
Oceane	20,589	625	19,964	-
PGE	3,619	1,252	2,367	-
Conditional advances BPI	6,780	3,012	3,769	-
Lease liabilities	1,114	548	566	-
Royalty certificates	10,618	-	3,230	7,388
Derivative instruments	4,328	-	4,328	-
Total financial liabilities	**56,414**	**12,667**	**36,359**	**7,388**

Note 16. Retirement benefit obligations

Retirement benefit obligations include the liability for the defined benefit plan, measured based on the provisions stipulated under the applicable collective agreements, i.e. the French pharmaceutical industry's collective agreement. This commitment only applies to employees subject to French law.

The main actuarial assumptions used to measure the retirement benefit obligations are as follows:

ACTUARIAL ASSUMPTIONS	AS OF JUNE 30,	
	2022	2023
Retirement age	65 years for key management / 63 years for other employees	
Collective agreement	Pharmaceutical industry	
Discount Rate (IBoxx Corporates AA)	3.22%	3.70%
Mortality rate table	INSEE 2016-2018	
Salary increase rate	3% for key management / 2.55% for other employees	
Turnover rate	Decreasing from 5.80% at 20 years-old to 0.05% from 55 years-old	
Employee contribution rate	45%	

Changes in the projected benefit obligation for the periods presented were as follows:

(In thousands of euros)	RETIREMENT BENEFIT OBLIGATIONS
As of December 31, 2021	**693**
Service cost	143
Interest cost	8
Benefits paid	-
Actuarial gains and losses	(235)
As of December 31, 2022	**610**
Service cost	52
Interest cost	12
Benefits paid	-
Actuarial gains and losses	(79)
As of June 30, 2023	**594**

Note 17. Payables and other current liabilities

Note 17.1. Trade payables and other current liabilities

Trade payables and other current liabilities break down as follows:

(In thousands of euros) TRADE PAYABLES AND OTHER CURRENT LIABILITIES	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
Trade payables	8,216	15,307
Accrued invoices	7,250	14,124
Other	9	12
Trade payables and other current liabilities	**15,475**	**29,443**

The increase in trade payables and accrued invoices is consistent with the increase in operating expenses over the period.

Note 17.2. Tax and employee-related payables

Tax and employee-related payables are presented below:

(In thousands of euros) TAX AND EMPLOYEE-RELATED PAYABLES	AS OF DECEMBER 31, 2022	AS OF JUNE 30, 2023
Employee-related payables	1,348	2,363
Social security and other	840	1,558
Other tax and related payments	112	58
Tax and employee-relates payables	**2,300**	**3,979**

The increase in employee-related, social security and other payables is mainly related to the changes in management and recruitment of additional experienced employees, including C-levels, over the first half of 2023 (see Note 3.1 *Change in governance – August 2022* and Note 3.2. *Change in governance and management – February-July 2023*).

Note 18. Operating income

Operating income is composed as below:

(In thousands of euros)	PERIOD ENDED JUNE 30,	
OPERATING INCOME	2022	2023
Research tax credit ("CIR")	2,217	2,235
Subsidies	11	13
Other	56	7
Total operating income	**2,284**	**2,255**

Research tax credit ("CIR")

The Group carries out research and development projects. As such, it has benefited from a research tax credit for the periods ended June 30, 2022 and 2023 for an amount of €2,217 thousand and €2,235 thousand, respectively.

Note 19. Operating expenses

Note 19.1. Sales and marketing

(In thousands of euros)	PERIOD ENDED JUNE 30,	
SALES AND MARKETING EXPENSES	**2022**	**2023**
Personnel costs	-	155
Sales and marketing expenses	**-**	**155**

Sales are Marketing costs consist of the newly hired employees within the Sales and Marketing Department, including the Chief Commercial Officer (see Note 3.2).

Note 19.2. Research and development

(In thousands of euros)	PERIOD ENDED JUNE 30,	
RESEARCH AND DEVELOPMENT EXPENSES	**2022**	**2023**
Sub-contracting, studies and research	11,048	26,833
Personnel costs	1,072	2,300
Consulting and professional fees	2,288	2,211
Intellectual property fees	390	802
Other research and development expenses	309	476
Research and development expenses	**15,107**	**32,622**

For the six-month period ended June 30, 2023, the increase in research and development expenses by €17,515 thousand compared to June 30, 2022, is mainly due to an increase in UC expenses, as the Group completed the Phase 2b clinical trial in early 2022 and initiated the Phase 3 clinical trial in the first half of 2022, with the first patient in the United States enrolled in October 2022 (see Note 3.1 *The Group announces first US patient enrollment in global Phase 3 program with obefazimod in UC – October 2022*).

Note 19.3. General and administrative

(In thousands of euros)	PERIOD ENDED JUNE 30,	
GENERAL AND ADMINISTRATIVE EXPENSES	**2022**	**2023**
Personnel costs	291	3,305
Consulting and professional fees	1,212	2,361
Other general and administrative expenses	715	1,092
General and administrative expenses	**2,217**	**6,758**

For the six-month period ended June 30, 2023, the increase in Personnel costs was primarily the result of the changes in management that occurred during the period and the reversal of share-based compensation expenses incurred in 2021 that was recorded in the first half of 2022. The increase in Consulting and professional fees is related to recruitment and legal fees.

Note 20. Employees

The Group's average workforce during the periods ended June 30, 2022 and 2023 was as follows:

HEADCOUNTS	FOR THE SIX MONTHS ENDED JUNE 30, 2022	2023
Key management	23	25
Other employees	1	1
Total	**24**	**26**

Note 21. Financial gain (loss)

The financial loss breaks down as follows:

(In thousands of euros)	FOR THE SIX MONTHS ENDED JUNE 30,	
FINANCIAL GAIN (LOSS)	**2022**	**2023**
Interest on Kreos 1 & 2 straight bond loans	(922)	(559)
Interest on convertible loan notes	(1,298)	(1,382)
Interest on conditional advances	(105)	(47)
Interest on royalty certificates	-	(7,331)
Interest on lease liabilities	(1)	(6)
Decrease/(increase) in derivatives fair value	-	(5,612)
Other	(19)	(93)
Financial expenses	**(2,346)**	**(15,030)**
Decrease/(increase) in derivatives fair value	5,913	-
Decrease/(increase) in other liabilities at fair value through profit and loss	1,267	-
Other financial income	15	17
Effect of unwinding the discount related to advances made to CROs	-	339
Financial income	**7,195**	**357**
Financial gain (loss)	**4,849**	**(14,673)**

For the period ended June 30, 2023, the financial loss mainly relates to:

- The increase in the fair value of the derivative financial liabilities, i.e. the convertible option related to OCEANE bonds issued in July 2021 and the Kreos 1 & 2 BSA, by respectively €4,186 thousand and €1,426 thousand as a result of a significant change in market conditions and an increase in the share price of the Group (see Note 15.2).
- The financial expenses related to the royalty certificates of €7,331 thousand (see Note 15.7)

For the period ended June 30, 2022, the financial gain mainly relates to:

- The decrease in the fair value of the derivatives: as a result of the significant change in market conditions, the fair values of Kreos A BSA, Kreos B BSA and the convertible option related to OCEANE bonds issued in July 2021 decreased by €1,601 thousand, €947 thousand and €3,314 thousand, respectively.
- The €1,267 thousand decrease in the fair value of the earn-out liability related to the acquisition of Prosynergia.

Note 22. Income tax

The Group incurred tax losses in the current period and prior years. As the recoverability of these tax losses is not considered probable in subsequent periods due to the uncertainties inherent in the Group's business, the Group has not recognized deferred tax assets beyond deferred tax liabilities arising within the same taxable entity under the same taxable regime and with consistent timing of reversal, after considering, if applicable, limitations in the use of deductible tax losses carried forward from prior periods applicable under tax law in France.

Note 23. Income (loss) per share

Basic losses per share is calculated by dividing income (loss) attributable to equity holders of the Group by the weighted-average number of outstanding ordinary shares for the year.

Diluted losses per share are calculated by adjusting the weighted average number of ordinary outstanding shares to assume conversion of all dilutive potential ordinary shares.

(In thousands of euros, except share data)	FOR THE SIX MONTHS ENDED JUNE 30,	
BASIC AND DILUTED LOSS PER SHARE	**2022**	**2023**
Weighted average number of outstanding shares	16,759,215	35,903,802
Net loss for the year	(21,183)	(51,953)
Basic and diluted loss per share (€/share)	**(1.26)**	**(1.45)**

Since net results for the six-month period ended June 30, 2023 and 2022 are losses, potentially dilutive instruments (BCEs, BSAs, AGAs, Equity lines, BSA Kreos 1, OCEANE) have been excluded from the computation of diluted weighted-average shares outstanding, because such instruments had an antidilutive impact. Consequently, the diluted losses per share are the same as the basic losses per share.

Note 24. Related parties

Over the period ended June 30, 2023, the Group has not engaged in any transaction with its related parties, other than the compensation paid to the members of the Company's Board of Directors and to the Chief Executive Officer.

Note 25. Off-balance sheet commitments given

Note 25.1. Commitments under collaboration, research, service provision and licensing agreements granted by the Group

Collaboration, research and development, and licensing agreements, and licensing options related to the "Modulation of RNA biogenesis" platform.

- **Exclusive licensing agreement with the CNRS, the University of Montpellier and the Institut Curie**

  On December 4, 2008, the French National Centre for Scientific Research (CNRS), the University of Montpellier and the Institut Curie granted the Company four exclusive licenses. These licenses cover the use of their technology and products by the Company in the field of human and veterinary health relating to the use of synthetic products modifying mRNA splicing, for research, diagnosis, prevention and treatment of any possible indication. The licensing agreement includes low single-digit royalties based on future net sales to be paid by the Company.

- **Framework agreement for research collaboration to create a cooperative laboratory (ended December 31, 2021)**

  On December 11, 2008, the Company, the CNRS (French National Centre for Scientific Research) and the University of Montpellier entered into a research collaboration agreement for a duration of two years in order to conduct a common research program in the fields of screening and development of anti-HIV and antiviral compounds, anti-cancer and anti-metastasis compounds and compounds targeting certain genetic diseases. The term and content of research programs have been changed by successive amendments in force until December 31, 2021. Each party retains ownership of its previously acquired intellectual property rights. The parties are co-owners of the research results. Since this agreement ended on December 31, 2021, a hosting agreement was signed with CNRS in 2022, and renewed up until December 31, 2023, so that the Company can continue its research program at the CNRS center for the year 2023.

- **Collaboration agreement with the CNRS, the University of Montpellier, the Company and Evotec**

  In support of the development of the cooperative laboratory, the CNRS, the University of Montpellier, the Company and Evotec International GmbH have entered into a collaboration agreement on the development of the "Modulation of RNA biogenesis" platform, effective October 19, 2018. The molecules generated in the framework of this collaboration are the property of the Company, the University of Montpellier and the CNRS under the same terms and conditions as the research collaboration agreement on the creation of the cooperative laboratory. The agreement ended on December 31, 2021.

- **Research collaboration contract with the CNRS, the University of Montpellier and the Institut Curie**

  Concomitantly with the research collaboration framework contract relating to the creation of a cooperative laboratory the parties have signed a financial agreement defining the financial terms for the exploitation of patents. This contract was signed on April 15, 2009 for a duration of one year and was subsequently renewed up until March 31, 2022. In December 2022, Abivax and the Institut Curie concluded a new contract for a duration of one year, renewable by amendment, granting Abivax access to some of the Institute's equipment and consumables.

- **Research and development contract with license option with the CNRS, the University of Montpellier and Theradiag**

  The CNRS, the University of Montpellier, the Company and Theradiag have set up a collaborative project called CARENA, which has been in operation since February 8, 2013. Its purpose is to conduct joint research and development programs in the fields of obesity, HIV and HTLV-1, in connection with the funding obtained through the Bpifrance CARENA project. On February 18, 2015, Bpifrance accepted the reorganization of the "CARENA" project proposed by the Company, following the abandonment of the obesity project. At this time, Theradiag is no longer involved in the collaborative project.

  Under the terms of the collaborative project, the Company will have the exclusive and global exploitation rights to the proprietary results of the CNRS and to those of the University of Montpellier as well as a share of the common results of which the CNRS and the University of Montpellier are co-owners. Furthermore, Theradiag granted the Company an exclusive and global license option for exploitation of its own results as well as a share of the common results of which it will be a co-owner.

This option may be exercised by the Company throughout the duration of the contract and within a period of two years after its expiration or cancellation.

Exclusive licensing contract with "The Scripps Research Institute, University of Chicago and Brigham Young University" with the "Immune Stimulation" platform (ABX196 product)

On November 11, 2006, The Scripps Research Institute (La Jolla, California, USA), in agreement with the University of Chicago (Chicago, Illinois, USA) and Brigham Young University (Provo, Utah, USA), granted the Company an exclusive license in the field of human and veterinary health on its technology and products relating to the use of iNKT agonists for research, diagnosis, prevention and treatment of all possible indications. In consideration for the licensing rights granted to it under the agreement, the Company must:

- pay The Scripps Research Institute milestones at different stages of clinical and regulatory development of the first product (the milestones amount to $50 thousand at IND filing, paid in September 2019 and capitalized, $300 thousand at Phase 3 and $500 thousand at IND approval) and low single-digit royalties for vaccines, diagnostic tests and therapeutic products, according to the amount of net sales, and
- give The Scripps Research Institute, University of Chicago and Brigham Young University an equitable interest in the Company (as of the date of these financial statements, these three academic institutions hold 0.41% of the Company's undiluted capital).

The contract shall be terminated at the expiry of the last licensed patent in force in the last country and/or ten years after the last marketing of the product, service or process derived from the know-how or the licensed equipment.

Note 25.2. Commitments under Bpifrance conditional advances

Bpifrance CARENA contract

As part of the development of therapeutic and diagnostic solutions targeting alternative splicing and RNA interference in the fields of virology (HIV-AIDS, HTLV-1) and metabolism (obesity), SPLICOS (absorbed by the Company on October 31, 2014) has entered into a Master Support Agreement with Bpifrance as well as a conditional advance contract in the name of the "CARENA" Strategic Industrial Innovation Project dated December 16, 2013. The Company, acting as project leader for the CARENA project, is associated as part of a consortium contract with Theradiag, a company specializing in in vitro diagnostics and the development of theranostic tests for monitoring biotherapies, as well as at the CNRS and the University of Montpellier.

The CARENA project aims to develop the anti-HIV-AIDS therapeutic program with the compound ABX464 up to the Phase 2b study, as well as a companion test set up by Theradiag simultaneously with the clinical development. Beyond the anti-HIV-AIDS program, the CARENA project should extend its pharmacological investigations to another retrovirus that could be combated by the same approach: HTLV-1.

The Company is committed to reimbursing the received conditional advances up to €3,840 thousand. 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; The sum due to BPI under this provision will be deducted from the repayment of the conditional advances. In addition, if the advance is repaid under the conditions outlined above, the Company will pay to Bpifrance, over a period of five consecutive years after the date on which the repayment schedule ends and provided that the Company has reached cumulative pre-tax revenue greater than or equal to €50 million, an amount equal to 1.20% of the annual revenue generated from the sale of the products developed as part of the project. This supplementary payment amount is capped at €6,800 thousand. The total period, including fixed payments and incentive payments, is limited to 15 years.

Bpifrance RNP-VIR contract

In pursuit of the CARENA project, focused on the clinical development of a drug molecule and demonstrating the validity of an innovative therapeutic approach targeting viral RNPs, the Company has entered into a

Master Support Agreement with Bpifrance as well as a beneficiary agreement with conditional advance for the "RNP-VIR" structuring research and development project for competitiveness dated December 16, 2016.

The RNP-VIR project will further the discovery of new molecules aimed at the treatment of multiple infectious diseases by the development of the antiviral technology platform. The Company, acting as project leader of the RNP-VIR project, is associated in a consortium contract with the CNRS and the University of Montpellier.

The Company is committed to reimburse the received conditional advances up to €6,576 thousand. 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. The sum due to Bpifrance under this provision will be deducted from the last payment (and if needed from the previous payments).
If the advance is repaid under the conditions outlined above, the Company will pay to Bpifrance, over a period of five consecutive years following the date on which the repayment schedule ends and provided that the Company has reached cumulative pre-tax revenue greater than or equal to €25 million, an amount equal to 3% of the annual revenue generated from the sale of products developed as part of the project. The supplementary payments amount is capped at €5,500 thousand. The total period, including fixed payments and incentive payments, is limited to 15 years.

Bpifrance Ebola

The Bpifrance and Occitanie Region joint support agreement granted on June 2, 2017 consists of conditional advances to the Company for a total amount of up to €390 thousand, based on the success of the program (respectively €130 thousand from the Languedoc Roussillon Midi Pyrénées Region and €260 thousand from Bpifrance). In September 2019, the Company decided to terminate this program, 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.

The reimbursement of the conditional advance is spread until June 2024.

Note 25.3. Pledge assets to Kreos

As part of the KREOS 1 & 2 bonds, Kreos benefits from first-rate collateral on the Group's principal tangible and intangible assets, including its commercial fund, intellectual property rights in its principal drug candidates, as well as a pledge of the Group's bank accounts and claims.

On August 21, 2023, the outstanding Kreos 1 & 2 bond loans were repaid in full, using the proceeds from the new Kreos / Claret Financing (see Note 3.3 and 25.4).

Note 25.4. Other commitments related to research and partnership arrangements

In the ordinary course of business, the Group regularly uses the services of subcontractors and enters into research and partnership arrangements with various contract research organizations, or CROs, and with public- sector partners or subcontractors, who conduct clinical trials and studies in relation to the drug candidates.

As of June 30, 2023, the Group's commitments amounted to €187,375 thousand. The cost of services performed by CROs is recognized as an operating expense as incurred.

Note 25.5. Leases

The lease for the Group's corporate headquarters in Paris, France at 5 Rue de la Baume, 75008 Paris ended in August 2022. A new lease for premises at 7-11 Boulevard Haussmann, 75009 Paris started in July 2022. It has a three-year duration, with a tacit renewal option for approximately two years and the possibility to break the contract one year before the end. Per Management, renewal and termination options are not reasonably certain.

Note 26. Off-balance sheet commitments received and contingent assets

The maximum amounts receivable by the Group after June 30, 2023 under the “RNP-VIR” and “CARENA” and innovation agreements entered into with Bpifrance, subject to the provision of evidence to support the forecast expenses and the achievement of scientific milestones, are €3,255 thousand and €1,853 thousand, respectively.

Note 27. Management and assessment of financial risks

The Group is exposed to interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group has not identified any significant changes in the identified risks compared to December 31, 2022

3.7 Statutory auditors' review report on the interim financial information")

Statutory auditors' review report on the interim financial information

For the period from January 1, 2023 to June 30, 2023

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 condensed consolidated financial statements of Abivax, for the six months ended period from January 1, 2023 to June 30, 2023;
- the verification of the information presented in the interim management report.

These interim condensed consolidated 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 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to note 2 to the financial statements, which sets out the application of the going concern principle and the assumptions underlying the application of this principle.

II - Specific verification

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

Neuilly-sur-Seine and Lyon, September 28, 2023

The Statutory auditors

PricewaterhouseCoopers Audit — Agili(3f)

Cédric Mazille — Sylvain Boccon-Gibod

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.

Marc de Garidel
Chief Executive Officer

Name of Financial Reporting Officer:

Marc de Garidel

Chief Executive Officer

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