



Abivax secures EUR 15m non-dilutive financing from Kreos Capital

October 13, 2020

- EUR 15m straight bonds, with no associated dilution, favorable financial conditions in interest rates and no expected transaction fees
- Pre-negotiated EUR 5m additional straight bond tranche to be decided before 2020 year-end
- Cash for operations extended until Q2 2021

PARIS, October 13, 2020 – 08:00 a.m. (CET) – Abivax (Euronext Paris: FR0012333284 – ABVX), a clinical-stage biotechnology company harnessing the immune system to develop novel treatments for inflammatory diseases, viral diseases and cancer, today announces that it has obtained a EUR 15m non-dilutive debt financing from Kreos Capital, with an additional EUR 5m to be decided before 2020 year-end.

This EUR 15m financing comprises two tranches of EUR 10m and EUR 5m respectively, with the first tranche to be fully drawn immediately, and a second tranche to be drawn before November 1, 2020. The loan is expected to extend Abivax's cash runway until Q2 2021, before any potential revenues from corporate partnering or any future additional funding, preferably non-dilutive.

Prof. Hartmut Ehrlich, M.D., CEO of Abivax, said: *"We are very happy about the decision of Kreos Capital to provide us with this non-dilutive loan, as it allows Abivax to keep executing on its priority clinical programs in chronic inflammatory diseases according to plan. We continue to focus on the ABX464 Phase 2b ulcerative colitis trial, with top-line results expected in Q2 2021, while the ABX464 Phase 2a study in rheumatoid arthritis is also progressing well. Furthermore, the financing will be used to advance the projects that are crucial for the future development of the Company, such as the preparation of the clinical Phase 3 in UC and the initiation of a pivotal Phase 2b/3 study in Crohn's disease. In parallel, Abivax is taking all necessary steps to ramp-up manufacturing and to get ready for a potential commercialization of ABX464 in Covid-19, subject to a positive outcome of the ongoing Phase 2b/3 trial, anticipated for early 2021. Abivax is focusing on the achievement of the upcoming clinical milestones in its core program in inflammation, while further assessing partnering opportunities."*

Didier Blondel, CFO of Abivax, said: *"This non-dilutive EUR 15m loan from Kreos Capital, together with an additional EUR 5m loan option to be decided before the end of 2020, is an important step and in line with our plans to secure Abivax's funding. Abivax's cash runway is herewith extended from early 2021 until Q2 2021. We carry on exploring further financing opportunities that protect and further build shareholder value by respecting the following two principles: no dilution for existing shareholders as well as favorable financial conditions, as we just did with Kreos Capital."*

Main characteristics of the bonds

The financing under the two first committed tranches amounts to a maximum of EUR 15m, composed of 15m straight bonds with a nominal value of EUR 1 each. It is divided into two tranches of EUR 10m and EUR 5m respectively. Their respective draw down dates are at the date of the agreement (i.e. October 12, 2020) and at the latest on November 1, 2020.

An 8% +3 month Euribor (with a floor at 8% and a cap at 9%) annual interest rate applies on each tranche, provided however, that such interest rate will be raised to 9.75% after the first anniversary of the drawing of each tranche. Subject to certain early repayment cases, these two tranches will be reimbursed through 48 monthly payments after a deferred repayment of the nominal value (or interest-only period) equal to 12 months for each tranche. Moreover, an additional payment corresponding to a percentage varying between 0% and 4% (depending on the date of the repayment) of the principal of the loan is due on the date of actual repayment of the loan (whether the repayment is a prepayment or not).

The loan is an unsubordinated financing treated *pari passu* with the existing Kreos indebtedness and is secured by customary pledges over tangible and intangible assets of Abivax including its business as a going concern, intellectual property rights in its principal drug candidates, as well as a pledge of the Company's bank accounts and receivables.

Common prepayment clauses for this type of loan are provided. In addition, Kreos has the option of requesting an advance repayment of the sums due in connection with the loan in the event of a change in control of the Company.

As part of the financing and subject to the common agreement of Abivax and Kreos, this EUR 15m financing could be supplemented by an additional tranche of up to EUR 5m under the same terms and conditions as described above.

Legal framework of the bonds issue

The first two tranches of this financing have been approved by the Abivax Board of Directors on October 8, 2020 in accordance with the provisions of Article L.228-40 of the French Commercial code and does thus not require an authorization of the General shareholders' meeting.

The bonds will not be listed on Euronext Paris and the issuance of the bonds in favor of Kreos Capital does not require the preparation of a prospectus that would be submitted to the visa of the AMF.

About Abivax (www.abivax.com)

Abivax, a clinical stage biotechnology company, is mobilizing the body's natural immune machinery to treat patients with autoimmune diseases, viral infections, and cancer. Abivax is listed on Euronext compartment C (ISIN: FR0012333284 – Mnémo: ABVX). Based in Paris and Montpellier, Abivax has two drug candidates in clinical development, ABX464 to treat severe inflammatory diseases, and ABX196 to treat hepatocellular carcinoma.

More information on the company is available at www.abivax.com. Follow us on Twitter @ABIVAX_.

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