



## ABIVAX CAPITAL INCREASE AND CONVERTIBLE BONDS ISSUE TO QUALIFIED INVESTORS FOR AN AGGREGATE AMOUNT OF APPROXIMATELY EUR 80M

**PARIS, FRANCE, July 22, 2021 – 5:45 p.m. (CET)** – Abivax (Euronext Paris: FR0012333284 – ABVX) (“**Abivax**” or the “**Company**”), a clinical-stage biotechnology company harnessing the immune system to develop novel treatments for inflammatory diseases, viral diseases and cancer has been in discussions with investors regarding a private placement comprising of an issue of new ordinary shares and convertible bonds which is being facilitated by J.P. Morgan AG and Bryan, Garnier & Co., for a total gross amount of approximately EUR 80 million.

The transaction will comprise an issue of new Abivax ordinary shares via a capital increase reserved to a specified category of investors (investors investing the pharma sector as further described in the 18<sup>th</sup> resolution of the Annual General Shareholders’ Meeting held on June 4, 2021) (the “**Capital Increase**”) of approximately EUR 55 million and concurrent placement of senior, unsecured bonds convertible into new shares and/or exchangeable for existing shares (*obligations convertibles échangeables en actions nouvelles ou existantes* - OCEANE) (the “**Bonds**”) maturing on or about July 30, 2026 in aggregate principal amount of approximately EUR 25 million (together with the Capital Increase, the “**Transaction**”). The subscription of the Bonds is currently being discussed with a single high quality biotech specialist investor. This will result in a total cumulative gross amount of EUR 80 million in new funding for the Company. The Company reserves the right to issue up to EUR 100 million in cumulative funding through an increase of the size of the Capital Increase.

Both issuances are being carried out pursuant to 18th resolution of the Annual General Shareholders’ Meeting held on June 4, 2021, reserved to a specific category of investors. The Capital Increase may be subscribed by investors who are French or foreign individuals, legal entities, or investment funds investing, as a main activity, or having invested more than one million euros during the 24 months preceding the considered capital increase (a) in the pharmaceutical sector; and/or (b) in a growth stock listed on a regulated market or a multilateral negotiation system (such as, Euronext Growth) considered as “community small and medium-sized companies” in the meaning of annex I to the Regulation (CE) no. 651/2014 of the European Commission of 17 June 2014.

The Company will announce the results of the Transaction as soon as practicable thereafter in a subsequent press release. The New Shares will be subject to an application for admission to trading on Euronext Paris on the same trading line as the existing shares under the same ISIN code FR0012333284 and are expected to be admitted to trading on or about July 27, 2021.

### Reasons for the issuance and use of the proceeds

The Company intends to use the net proceeds of the Transaction for:

- Launch and continuation of the clinical programs of ABX 464, the Company’s lead product in advanced development for a large majority of the proceeds, for around 75% of the proceeds:
  - continuation of the phase 2a and phase 2b maintenance studies conducted with ABX464 in patients with moderate to severe ulcerative colitis (UC) and planned initiation of a global pivotal phase 3 program of ABX464 for the treatment of UC by year end;
  - planned initiation of a pivotal phase 2b clinical program of ABX464 for the treatment of Crohn’s disease (CD) by year end;
  - planned initiation of a phase 2b clinical program of ABX464 for the treatment of RA in Q1 2022;
  - continuation of the phase 2a maintenance study conducted with ABX464 in patients with moderate to severe rheumatoid arthritis (RA);
  - continuation of the R&D work on ABX464;
- Financing of R&D and working capital and other general purposes of the Company, for around 15% of the proceeds;
- Redemption of (and payment of amounts payable pursuant to) existing indebtedness, for around 8% of the proceeds;

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- Advancement of the phase 1/2 proof-of-concept clinical trial of ABX196 for the treatment of hepatocellular carcinoma, for around 2% of the proceeds.

The Company expects that the gross proceeds from the Transaction will provide the Company with financial resources (cash runway) to fund its operations into Q2 2022, based on ongoing programs.

Based on its current development plans, the Company estimates that the cash and cash equivalents available to it as at June 30, 2021, i.e. EUR 4.3M, together with the financial resources available to it in the short term (listed below) allow it to finance its cash needs into Q4 2021.

- Remainder of the Kepler Cheuvreux equity line (estimated at EUR 9.7M based on an EUR 30 share price)
- Receivable against Bpifrance in connection corresponding to the remainder of the financing of the ABX464 Covid-19 program (estimated at EUR 3.1M)
- Upcoming reimbursement of the R&D tax credit (*Crédit Impôt Recherche*) for 2020 (estimated at EUR 2.6M)

The Company's cash expenditures as from Q4 2021 and for the first half of 2022 will amount to at least EUR 30M per quarter in light of the launch timetable of the Company's strategic clinical trials for ABX464 (phase 3 in UC, phase 2b in Crohn, and phase 2b in RA), which is planned between Q4 2021 and Q1 2022.

The additional cash needs of the Company (prior to the Transaction) for the upcoming 12 month period amount to EUR 100M, i.e. EUR 20 million in addition to the proceeds of the Transaction (on the basis of net Transaction proceeds equal to EUR 80 million).

The completion by the Company of a strategic partnership with an industry player and/or of complementary dilutive or non-dilutive financings (the modalities of which will be determined based on prevailing market conditions) could allow the Company to cover its additional EUR 20 million cash need (on the basis of net Transaction proceeds equal to EUR 80 million). In the absence of such financing, the Company could also envisage to adapt the launch timetable of the clinical trials for ABX464.

## Key characteristics of the Transaction

### Capital Increase

The New Shares will be issued through a capital increase without shareholders' preferential subscription right reserved to a specified category of investors (investors investing the pharma sector as further described in the resolution) pursuant to the 18th resolution of the Annual General Shareholders' Meeting held on June 4, 2021.

The Capital Increase will correspond to a maximum of 2.189.708 New Shares (based on an EUR 55 million issuance) or 2.985.966 New Shares (based on an EUR 75 million issuance), with a par value of €0.01 per share, representing respectively approximately 14.9% and 20.3% of the outstanding share capital of the Company on an undiluted basis. The subscription price per share will be determined in accordance with the 18th resolution of the Annual General Shareholders' Meeting held on June 4, 2021, and will be at least equal to the weighted average by the volumes of the share prices over the fifteen (15) trading days preceding the date the issue price is set, it being specified that it may be reduced by a discount of at most 15%.

The Company's existing shareholders, Sofinnova Partners and Santé Holding, which hold a 11.53% stake and 3.42% stake, respectively, in the Company have informed the Company of their intention to subscribe in the Capital Increase for up to €11 million. In accordance with the Board of Directors' internal rules, the representatives of Sofinnova and Santé Holding did not participate in the deliberations of the Board of Directors relating to the Capital Increase.

Simultaneously with the determination of the final terms and conditions of the Capital Increase, the Company is expected to enter into a customary lock-up agreement, which contemplates a 90-day standstill period from



the date of the pricing in respect of future share issuances, and the Company's board members and key officers who own shares of the Company will also enter into customary lock-up agreements restricting disposals of the shares they currently own for the same period, in each case, subject to certain customary exceptions and waiver by the placement agent.

Bryan, Garnier & Co and J.P. Morgan AG are acting as Joint Global Coordinators and Joint Bookrunners for the Capital Increase.

### **Bonds Convertible into New Shares and/or Exchangeable for Existing Shares**

The nominal value of the Bonds will be at a premium of 25% above the reference share price, which will be set as the clearing price of the concurrent Capital Increase.

Bondholders will be granted a conversion/exchange right of the Bonds into new and/or existing shares of the Company (the "**Conversion/Exchange Right**") which they may exercise at any time from the Issue Date and until the 7<sup>th</sup> trading day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond subject to standard adjustments, including anti-dilution and dividend protections, as detailed in the terms and conditions of the Bonds. Upon exercise of their Conversion/Exchange Right, bondholders will receive at the option of the Company new and/or existing Company's shares carrying in all cases all rights attached to existing shares as from the date of delivery.

Upon a Change of Control of the Company, a Free Float Event or a Delisting of the shares of the Company (as these terms are defined in the terms and conditions of the Bonds), any bondholder will have the option to require the Company to redeem all, but not some only, of its Bonds at par plus accrued but unpaid interests. In the event that the Company shares would be targeted by a public offer (in cash or in securities, in cash and securities, etc.) which may result in a Change of Control or filed following a Change of Control, and that the said offer would be declared admissible by the *Autorité des marchés financiers* (or its successor), upon Bondholder's conversion, the Issuer shall (i) deliver new and/or existing company shares at the prevailing Conversion/Exchange Ratio, and (ii) pay a cash amount equal to the sum of the remaining coupons scheduled until the Maturity Date, and any accrued interest.

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on July 30, 2026 (the "**Maturity Date**").

Application will be made for the listing of the Bonds on Euronext Access<sup>TM</sup> (the open market of Euronext Paris) to occur within 30 calendar days from the Issue Date.

Bryan, Garnier & Co and J.P. Morgan AG are acting as Joint Global Coordinators and Joint Bookrunners for the Bonds.

### **Information available to the public and risk factors**

Detailed information regarding the Company, including its business, financial information, results, prospects and related risk factors are contained in the Company's 2021 Universal Registration Document filed with the French Autorité des marchés financiers ("AMF") on April 30, 2021 under number D.20-0483. This document, as well as other regulated information and all of the Company's press releases, are available on the website of the Company ([www.abivax.com](http://www.abivax.com)).

Your attention is drawn to the risk factors related to the Company and its activities presented in chapter 3 of its 2021 Universal Registration Document. The 2021 Universal Registration Document is available on the websites of the Company ([www.abivax.com](http://www.abivax.com)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).



This press release does not constitute a prospectus under the Prospectus Regulation (as defined below) or an offer of securities to the public.

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## About Abivax ([www.abivax.com](http://www.abivax.com))

Abivax, a clinical stage biotechnology company, is developing novel therapies that modulate the physiological inflammation and immunological pathways to treat patients with chronic inflammatory diseases, viral infections, and cancer. Abivax is listed on Euronext compartment B (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](http://www.abivax.com). Follow us on Twitter @ABIVAX\_.

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This press release has been prepared in French and English. In the event of any differences between the texts, the French language version shall supersede.

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