



## ABIVAX secures up to EUR 20m Debt Financing from Kreos Capital

July 25, 2018

- **Cash runway planned to be extended to Q1 2020**

**PARIS, July 25, 2018, 8:00 a.m. CEST** – ABIVAX (Euronext Paris: FR0012333284 – ABVX), a biotechnology company harnessing the immune system to develop a functional cure for HIV, as well as treatments for inflammatory/autoimmune diseases and cancer, today reported that it has signed a EUR 20 million (USD 23.41 million) structured debt financing with Kreos Capital.

**Didier Blondel, Chief Financial Officer of Abivax**, said: *“This agreement with Kreos Capital is an important part of our financial strategy that allows us to limit dilution and to protect shareholder value while significantly extending our funding reach. It will also provide additional resources needed to complete phase 2b studies of ABX464 in both HIV and in Ulcerative Colitis, as well as the phase 1/2 study of ABX196 in hepatocellular carcinoma.”*

This EUR 20 million financing comprises two tranches of EUR 10 million each (EUR 8 million straight bonds and EUR 2 million convertible bonds), with the first tranche to be fully drawn immediately, extending cash runway until Q4 2019. The second tranche is to be drawn before the end of 2018, expected to extend cash runway until Q1 2020, not taking into account any potential revenues from corporate partnering or future capital raise.

As part of the debt financing, Kreos may receive ABIVAX warrants for shares valued at up to EUR 1.6 million (two tranches of EUR 800 thousand to be drawn down at the same time as the bonds).

The funds received by ABIVAX will be allocated mainly to the completion of two phase 2b studies of ABX464 in HIV and in Ulcerative Colitis, and the phase 1/2 study of ABX196 in combination with anti-PD1 immunotherapy for treatment of hepatocellular carcinoma.

### **Main characteristics of the Straight Bonds**

The financing is composed of 16 million straight bonds with a nominal value of 1 euro each, divided into two tranches of EUR 8 million each. Their respective drawdown dates are at the agreement date and at the latest on December 31<sup>st</sup>, 2018, subject to the completion by ABIVAX of a EUR 15 million or higher capital raise before 2018 year-end.

An 8% + 3 month Euribor (with a floor at 8% and a cap at 9%) annual interest rate applies on each tranche. These two tranches will be reimbursed through 54 monthly payments after a deferred repayment of the nominal value equal to 12 months for the first tranche and 6 months for the second tranche.

The loan is an unsubordinated and first rank debt financing and is secured by customary pledges over tangible and intangible assets of ABIVAX.

### **Main characteristics of the Convertible Bonds**

The financing is also composed of 4 million bonds convertible into ABIVAX shares (two tranches of EUR 2 million each, the second tranche being subject to the same condition precedent as the straight bonds), with a nominal value of 1 euro each, a conversion price of EUR 7.21 for the first tranche (equal to the 90 days volume weighted average stock price of ABIVAX at the date of the agreement) and defined at the date of the drawdown for the second tranche on the basis of the higher of the 3 days or 90 days volume weighted average stock price of ABIVAX prior to such date.

The convertible bonds bear the same interest as the straight bonds.

The convertible bonds shall be convertible into ordinary shares of ABIVAX at any time from their issuance.

A shareholder holding 1 % of the share capital of the Company before the issue of the convertible bonds will hold 0.94 % of the share capital after exercise of the convertible bonds (on the basis of the number of shares composing the share capital of the Company on June 30<sup>th</sup>, 2018, i.e. 10,014,182 shares and a conversion price assumption of EUR 7.21 for both tranches).

### **Main characteristics of the Warrants**

As part of the debt financing, ABIVAX has or will issue warrants to Kreos Capital, giving it the right to subscribe up to 8% of the value of each tranche (two tranches of EUR 800 thousand, the second tranche being subject to the same condition precedent as the straight bonds) into new shares of ABIVAX at a nominal value of EUR 0.01 and a subscription price identical to the conversion price of the convertible bonds for the first tranche of the Warrants and equal to the conversion price of the convertible bonds for the second tranche minus a potential discount granted in the context of the above mentioned capital raise.

The price of the ordinary share to be issued upon exercise of the warrant was determined according to the principles set forth by the 17<sup>th</sup> and 18<sup>th</sup> resolution of the combined annual and extraordinary Shareholders' Meeting of June 15<sup>th</sup>, 2018.

The Warrant can be exercised over a 10-year period after being issued.

A shareholder holding 1 % of the share capital of the Company before the issue of the Warrant would hold 0.98 % of the share capital after exercise of the warrants (on the basis of the number of shares composing the share capital of the Company on June 30<sup>th</sup>, 2018, or 10,014,182 shares and a conversion price of EUR 7.21 for both tranches).

### **Legal framework of the issue**

The approval of this loan financing lies with the ABIVAX Board of Directors which met on July 9<sup>th</sup>, 2018 in accordance with the provisions of Article L. 228-40 of the French Commercial code and does not thus require an authorization of the General shareholders' meeting.

The issue of the Warrant was decided by the Chief Executive Officer upon subdelegation of the Board of directors making use of the delegation of competence conferred by the 17<sup>th</sup> Resolution of the Combined annual and extraordinary Shareholders' Meeting of June 15<sup>th</sup>, 2018 relating to the

completion of an offer with cancellation of preferred subscription rights to qualified investors or a restricted group of investors, within the meaning of Article L. 411-2, paragraph II of the French monetary and financial Code representing less of 20% of the share capital (Private Placement).

The conversion of all convertible bonds and exercise of all Warrants would represent 776 699 new shares, i.e. 7.76 % of the current share capital of ABIVAX (on the basis of the number of shares composing the share capital of the Company on June 30th, 2018 i.e. 10,014,182 shares and a conversion/exercise price assumption of EUR 7.21 for all convertible bonds and Warrants).

In this context and in accordance with article 211-3 of the general regulations of the AMF, the issue of the bonds and of the Warrant in favor of Kreos Capital does not require the preparation of a prospectus that would be submitted to the visa of the AMF.

Finally, the appointment of a representative of Kreos to join the Board as an observer will be proposed by ABIVAX Board of Directors to the next ABIVAX A.G.M.

Admission of the new ordinary shares issued upon exercise of the Warrant

Admission to trading of the new ordinary shares will be made on the regulated market of Euronext Paris under the existing ISIN securities identification code for ABIVAX ordinary shares (FR0012333284). The new ordinary shares will be fully fungible with the existing ordinary shares of ABIVAX.

Neither the bonds nor the Warrants shall be listed on Euronext Paris.

#### **DISCLAIMER**

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