



Abivax announces successful oversubscribed EUR 49.2M cross-over financing with top-tier US and European Biotech investors

September 2, 2022

This financing was subscribed by new and existing US and European biotech investors, led by TCGX, with the participation from Venrock Healthcare Capital Partners, Deep Track Capital, Sofinnova Partners, Invus and Truffle Capital

Proceeds to be primarily used for further advancing the obefazimod global phase 3 clinical study program in ulcerative colitis, expanding the cash runway to the end of Q1 2023

The funding consists of a EUR 46.2M reserved equity capital increase and a EUR 2.9M issuance of royalty certificates

PARIS, FRANCE, September 2nd, 2022 – 7.30 a.m. (CEST) – Abivax (Euronext Paris: FR0012333284 – ABVX) (the “**Company**”), a phase 3 clinical-stage biotechnology company harnessing the immune system to develop novel treatments for inflammatory diseases, viral diseases and cancer, today announces the successful completion of an oversubscribed EUR 49.2M financing with high-quality US and European biotech specialist investors, led by TCGX, with participation from Venrock Healthcare Capital Partners, Deep Track Capital, Sofinnova Partners, Invus, and Truffle Capital through the completion of two transactions: (i) a reserved capital increase of approximately EUR 46.2M through the issuance of 5,530,000 newly-issued shares with a nominal value of EUR 0.01 per share (the “**New Shares**”), representing 33% of its current share capital, at a subscription price of EUR 8.36 per share (the “**Capital Increase**”) and (ii) the issuance of royalty certificates (the “**Royalty Certificates**”) for an amount of EUR 2.9M (together with the Capital Increase, the “**Transaction**”).

Prof. Hartmut J. Ehrlich, M.D., CEO of Abivax said: “We are excited to announce the successful completion of Abivax’s oversubscribed capital increase, along with the issuance of royalty certificates that jointly amount to EUR 49.2M. With these new financial resources, we will pursue the Company’s strategic priority to conduct and timely complete our late-stage global clinical phase 3 program of obefazimod for the treatment of ulcerative colitis. Following the compelling results of the previous obefazimod maintenance studies in UC, we are confident to confirm its excellent safety and efficacy profile in the upcoming phase 3 induction and maintenance studies. There is still a very high need for novel therapeutic management options that offer a constant and long-lasting improvement of the quality of life of patients suffering from chronic inflammatory diseases. Abivax is highly committed to fully exploit the anti-inflammatory potential of our lead compound obefazimod across different indications, starting with moderate to severe ulcerative colitis.”

Didier Blondel, CFO of Abivax, added: “We are pleased that Abivax could attract new top-tier US biotech investors, TCGX, Venrock and Deep Track Capital, as well as our existing US and European biotech investors, for the capital increase and royalty certificates. The commitment of these investors, especially considering the currently very challenging financing environment, is an important confirmation of the potential of obefazimod in ulcerative colitis and the entire chronic inflammatory disease field. Based on our current assumptions, our cash runway has been extended until end of Q1 2023. We will make targeted use of these financial resources, mainly for the conduct and completion of our phase 3 clinical program in order to provide obefazimod as a long-lasting and effective treatment to patients in need and to maximize shareholder value. We are committed to completing this funding in due course through additional non-dilutive and dilutive financial resources in order to secure the full financing of our UC phase 3 program.”

Reasons for the issuance and use of the net proceeds of the Transaction, equal to EUR 46M

The planned use of the net proceeds of the Transaction is, based on the Company’s current plans, as follows (on an indicative basis):

- Launch and continuation of the clinical programs of obefazimod (ABX464), the Company’s lead product in advanced development:
 - For ulcerative colitis (UC): continuation of the phase 2a and phase 2b maintenance studies and continuation of the global pivotal phase 3 program, which was initiated in the first half of 2022. The phase 3 program will combine two induction studies and one single maintenance study, involving a total of 1,200 patients and over 600 clinical study sites, mainly in North America, Europe and Asia. The first patient is expected to be enrolled into the phase 3 program during September 2022;
 - For rheumatoid arthritis (RA): continuation and completion of the phase 2a maintenance study; and
 - Continuation of the R&D work on obefazimod.

Close to 80% of the net proceeds of the Transaction will be allocated to the development of obefazimod as per the above (and primarily for the phase 3 program).

- Financing of R&D and working capital and other general purposes of the Company, for around 8% of the proceeds; and
- Redemption of (and payment of amounts payable pursuant to) existing indebtedness, for around 12% of the proceeds (approx. EUR 5.5M split between EUR 4.8M paid under the Kreos loans and EUR 0.7M paid under the OCEANE convertible bonds).

The Company expects that the proceeds from the Transaction will provide the Company with financial resources to fund its operations through Q1 2023, based on a prioritization of its UC program.

The additional cash needs of the Company (prior to the Transaction) for the upcoming 12-month period amount to approximately EUR 100M, i.e., EUR 54M, in addition to the net proceeds of the Transaction of EUR 46M.

To cover these additional cash needs, the Company is evaluating various different financing tools, both dilutive and non-dilutive. In particular the Company has initiated discussions with lenders with the aim of securing in the short term a mix of dilutive and non-dilutive financings for an additional

amount of up to EUR 50M.

The Company may consider further equity financing.

In the absence of the required financing, the Company will review cost-cutting measures which could entail postponing or suspending some of its programs.

The total costs of the phase 3 UC program until the end of 2024, which is the expected date of the results of the two phase 3 induction studies, is estimated by the Company to amount to EUR 200M. Therefore, an additional non-dilutive and/or dilutive financing of EUR 154M is required to complement the EUR 46M proceeds of the Transaction.

Key characteristics of the Transaction

Capital increase

The New Shares are being issued through a capital increase, without existing shareholders' preferential subscription rights, reserved to a specified category of investors (investors investing in the pharma sector) pursuant to the 19th resolution of the Annual General Shareholders' Meeting held on June 9, 2022.

In accordance with the Board of Directors' internal rules, the representatives of Truffle Capital, Sofinnova Partners and of Santé Holding, as well as Mr. Philippe Pouletty, did not participate in the deliberations of the Board of Directors authorizing the Capital Increase.

The number of ordinary shares to be subscribed, the subscription price and the list of investors that may subscribe were decided by the Company's Chief Executive Officer (*Directeur Général*), in accordance with a sub-delegation granted by the Company's Board of Directors on August 31, 2022.

The subscription price of the New Shares was set at EUR 8.36, i.e. with a 9.6% premium to the last closing price (as of September 1, 2022).

Funds managed by Truffle Capital, which held a 30.5% stake in the Company, subscribed to the Capital Increase for an amount of EUR 1.6M corresponding to 197,000 New Shares. After the Capital Increase, funds managed by Truffle Capital will hold 23.8% of the share capital of the Company.

Sofinnova Partners, which held a 11.6% stake in the Company, subscribed to the Capital Increase for an amount of EUR 4.9M corresponding to 584,000 New Shares. After the Capital Increase, Sofinnova Partners will hold 11.3% of the share capital of the Company.

Santé Holding, which held a 3.6% stake in the Company, subscribed in the Capital Increase for an amount of EUR 0.8M corresponding to 101,000 New Shares. After the Capital Increase, Santé Holding will hold 3.2% of the share capital of the Company.

Settlement and delivery of the New Shares is expected to occur on or around September 7, 2022. Upon delivery, the New Shares will be fungible with the Company's existing shares.

The New Shares will be admitted to trading on Euronext Paris with ticker symbol ABVX on September 7, 2022, and bear ISIN FR0012333284.

Royalty Certificates

The Royalty Certificates are being issued pursuant to a decision of the board of directors of the Company held on August 31, 2022, in accordance with the provisions of Article L. 228-36-A of the French Commercial Code to the same investors as the ones who participated in the Capital Increase.

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 EUR 172M. The Royalty Certificates do not have any additional financial rights besides the right to royalties referred to above. In particular, the Royalty Certificates do not grant any financial rights on any other products that may be developed by the Company beyond obefazimod.

The subscription price for the Royalty Certificates has been set by the Company at EUR 2.9M and has been calculated based on impact of the underlying royalties on the net present value (NPV) of obefazimod evaluated at 1.6% by the Company. The NPV calculations depend strongly on assumptions made by the Company with regards to the chances of success of its studies, the commercialization calendar of obefazimod, the market size addressed by obefazimod, the market share of the product and the actualization rate (set at 14% by the Company). The NPV allocated to the Royalty Certificates has been subject to adjustments to reflect the discount which exists between the NPV of the Company's program and their valuation by the market as reflected by the Company's share price after taking into account the completion of the Transaction.

The Royalty Certificates have a term of 15 years and do not provide for an accelerated repayment in case of change of control. The Company may at any time reimburse in full the Royalty Certificates by paying an amount equal to the cap of EUR 172M minus any royalties paid prior to such reimbursement. The Royalty Certificates are subject to a one-year lock-up after which they will become freely transferable (in whole, but not in part). The Royalty Certificates will not be listed and will not be assigned an ISIN.

Lock-up agreements

In the context of the Capital Increase, the Company has agreed to a lock-up undertaking on the issuance or sale of shares or of securities giving access to the share capital, for a period of 90 calendar days, subject to certain customary exceptions or waiver.

The Company's board members and key officers who own shares of the Company have agreed to a lock-up undertaking on the sale of shares or of securities giving access to the share capital, for a period of 90 calendar days, subject to certain customary exceptions or waiver.

Investors participating in the Capital Raise have agreed to a one (1) year lock-up on the New Shares subject to certain customary exceptions or waiver.

Impact of the Capital Increase on the share capital

Following settlement and delivery, the New Shares will represent 24.8% of the share capital of the Company and the Company's total share capital will be EUR 223,131.85 divided into 22,313,185 shares.

For illustration purposes, a shareholder holding 1% of the Company's share capital prior to the Capital Increase, will hold 0.75% of the Company's

share capital upon completion of the Capital Increase (or 0.69% on a fully-diluted basis).

Ownership interest

(%)	On a non-diluted basis	On a fully-diluted basis ⁽¹⁾
Before the issuance of the New Shares	1.0000%	0.8857%
After the issuance of the New Shares	0.7522%	0.6856%

(1) After issuance of 2,165,127 new shares resulting from the exercise of all the existing dilutive securities (warrants, founder warrants (BSPCE), free share allocations, and convertible bonds).

Evolution of the shareholding structure following the Transaction

The shareholding structure of the Company prior to the issuance of the New Shares is set forth below:

Shareholders	Number of shares on a non-diluted basis	% of capital on a non-diluted basis	% of voting rights on a non-diluted basis	% of capital on a fully-diluted basis	% of voting rights on a fully-diluted basis
Holding Incubatrice	210,970	1.26%	1.47%	1.11%	1.34%
Truffle Capital	5,112,579	30.46%	41.38%	26.98%	37.83%
Sofinnova Partners	1,945,739	11.59%	14.92%	10.27%	13.64%
Santé Holding	602,080	3.59%	2.61%	3.69%	2.77%
Management	138,371	0.82%	1.20%	4.56%	3.96%
Board (except Truffle Capital, Sofinnova Partners and Santé Holding)	275,000	1.64%	1.19%	1.88%	1.41%
Employees	6,914	0.04%	0.03%	0.35%	0.26%
Consultants	400	0.002%	0.002%	0.24%	0.18%
Others*	630,689	3.76%	3.23%	9.43%	7.53%
Treasury shares	10,000	0.06%	0.00%	0.05%	0.00%
Float	7,850,443	46.78%	33.98%	41.43%	31.07%
Total	16,783,185	100.00%	100.00%	100.00%	100.00%

* Other: long-standing minority shareholders or stock subscription warrant (BSA)/founder warrant (BCE) holders, Kepler Cheuvreux (based on the ownership disclosure thresholds declared on July 3, 2019) and former employees of the Company, former Board members and certain committee members.

The issuance of the New Shares will have the following impact on the allocation of the share capital and the voting rights of the Company:

Shareholders	Number of shares on a non-diluted basis	% of capital on a non-diluted basis	% of voting rights on a non-diluted basis	% of capital on a fully-diluted basis	% of voting rights on a fully-diluted basis
Holding Incubatrice	210,970	0.95%	1.19%	0.86%	1.10%
Truffle Capital	5,309,579	23.80%	34.07%	21.69%	31.68%
Sofinnova Partners	2,529,739	11.34%	14.07%	10.33%	13.08%

Santé Holding	703,080	3.15%	2.46%	3.27%	2.60%
Management	138,371	0.62%	0.97%	3.53%	3.25%
Board (except Truffle Capital, Sofinnova Partners and Santé Holding)	275,000	1.23%	0.96%	1.46%	1.16%
Employees	6,914	0.03%	0.02%	0.27%	0.21%
Consultants	400	0.002%	0.001%	0.19%	0.15%
Other*	630,689	2.83%	2.61%	7.30%	6.18%
Treasury shares	10,000	0.04%	0.00%	0.04%	0.00%
Investors in the Transaction (other than Truffle Capital, Sofinnova Partners and Santé Holding)	4,648,000	20.83%	16.23%	18.99%	15.09%
Float	7,850,443	35.18%	27.42%	32.07%	25.49%
Total	22,313,185	100.00%	100.00%	100.00%	100.00%

* Other: long-standing minority shareholders or stock subscription warrant (BSA)/founder warrant (BCE) holders, Kepler Cheuvreux (based on the ownership disclosure thresholds declared on July 3, 2019) and former employees of the Company, former Board members and certain committee members.

Advisors

Bryan Garnier & Co. acted as Sole Global Coordinator and Bryan Garnier & Co. and LifeSci Capital LLC acted as Joint Bookrunner for the Capital Increase.
Dechert (Paris) LLP acted as legal advisor to the Company in connection with the Transaction.

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 2022 Universal Registration Document filed with the French Autorité des marchés financiers (the "AMF") on April 28, 2022 under number D.22-0372. 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).

Your attention is drawn to the risk factors related to the Company and its activities presented in chapter 3 of its 2022 Universal Registration Document. The 2022 Universal Registration Document is available on the websites of the Company (www.abivax.com) and the AMF (www.amf-france.org).

The Company will file, following completion of the Transaction, a prospectus to the AMF for the purposes of the listing of the New Shares, which will include a securities note (*note d'opération*) and an amendment to the 2022 Universal Registration Document. The amendment to the 2022 Universal Registration Document will include an update of the liquidity risk and the dilution risk. Additionally, the securities note will include specific risks related to the instruments issued in the context of the Transaction.

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

About Abivax (www.abivax.com)

Abivax, a phase 3 clinical stage biotechnology company, is developing novel therapies that modulate the body's natural immune machinery to treat patients with chronic inflammatory diseases, viral infections, and cancer. Abivax, founded by Truffle Capital, is listed on Euronext compartment B (ISIN: FR0012333284 – Mnémo: ABVX). Based in Paris and Montpellier, Abivax has two drug candidates in clinical development, obefazimod (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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Forward Looking Statements

This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, all statements other than statements of historical fact included in this press release about future events are subject to, without limitation, (i) change without notice, (ii) factors beyond the Company's control, (iii) clinical trial results, (iv) regulatory requirements (including, among other things, the ability of the Company to obtain regulatory approval for its products), (v) increased manufacturing costs, (vi) market access, (vii) competition and (viii) potential claims on its products or intellectual property. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "objective," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. A description of these risks, contingencies and uncertainties can be found in the documents filed by the Company with the AMF, including the 2022 Universal Registration Document, as well as in the documents that may be published in the future by the Company. Furthermore, these forward-looking statements, forecasts and estimates are made only as of the date of this press release. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to, and will not, update any forward-looking statements, forecasts or estimates to reflect any subsequent changes that the Company becomes aware of, except as required by law.

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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With respect to the Member States of the European Economic Area (including France) (the "Member States"), no action has been or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any Member State. As a result, the securities of the Company may not and will not be offered in any Member State except in accordance with the exemptions set forth in Article 1(4) of the Prospectus Regulation, or under any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 1 of the Prospectus Regulation and/or to applicable regulations of that relevant Member State.

For the purposes of the provision above, the expression "offer to the public" in relation to any shares of the Company in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State.

This document does not constitute an offer to the public in France and the securities referred to in this press release can only be offered or sold in France pursuant to Article L. 411-2, 1° of the French Monetary and Financial Code (Code monétaire et financier) to qualified investors (investisseurs qualifiés) acting for their own account, as defined in Article 2 point (e) of the Prospectus Regulation. In addition, in accordance with the authorization granted by the general meeting of the Company's shareholders dated June 4, 2021, only the persons pertaining to the categories specified in the 18th resolution of such general meeting may subscribe to the offering of New Shares.

This document may not be distributed, directly or indirectly, in or into the United States. This document does not constitute an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended (the "Securities Act"). The securities of the Company have not been and will not be registered under the Securities Act, and the Company does not intend to make a public offering of its securities in the United States.

The distribution of this document (which term shall include any form of communication) is restricted pursuant to Section 21 (Restrictions on "financial promotion") of Financial Services and Markets Act 2000 ("FSMA"). This document is only being distributed to and directed at qualified investors as defined in Article 2(e) of the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments and who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Financial Promotion Order"), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iv) are persons to whom this communication may otherwise lawfully be communicated (all such persons referred to in (i), (ii), (iii) and (iv) above together being referred to as "Relevant Persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons, and will be engaged in only with such persons in the United Kingdom.

The securities referred to in this press release may not and will not be offered, sold or purchased in Australia, Canada or Japan. The information

contained in this press release does not constitute an offer of securities for sale in Australia, Canada or Japan.

Prohibition of sales to European Economic Area retail investors

No action has been undertaken or will be undertaken to make available any securities to any retail investor in the European Economic Area. For the purposes of this provision:

- a. the expression "retail investor" means a person who is one (or more) of the following:
 - i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
 - ii. a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - iii. not a "qualified investor" as defined in the Prospectus Regulation; and
- b. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer so as to enable an investor to decide to purchase or subscribe the Company's securities.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the New Shares or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the New Shares or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail Investors

No action has been undertaken or will be undertaken to make available any securities to any retail investor in the United Kingdom. For the purposes of this provision:

- a. the expression "retail investor" means a person who is one (or more) of the following:
 - i. a retail client, as defined in Article 2(8) of Regulation (EU) № 2017/565, as it forms part of UK domestic law by virtue of the EUWA; or
 - ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) № 600/2014, as it forms part of domestic law by virtue of the EUWA; or
 - iii. not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- b. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer to enable an investor to decide to purchase or subscribe the Company's securities.

Consequently no key information document required by Regulation (EU) № 1286/2014, as it forms part of UK domestic law by virtue of the EUWA (the "UK PRIIPs Regulation"), for offering or selling the New Shares or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Shares or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – The manufacturers' target market assessment in respect of the New Shares has led to the conclusion that: (i) the target market for the New Shares is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the New Shares to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the New Shares (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the New Shares (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.