Paris, April 30, 2015 – 6pm

2014 revenues of 2,099 K€

Clinical trial with masitinib in 13 phase 3 studies

Three non futile phase 3 studies, in mastocytosis, severe asthma and Alzheimer's disease

AB Science SA (NYSE Euronext - FR0010557264 - AB), a pharmaceutical company specialized in research, development and marketing of protein kinase inhibitors (PKIs), reports today its annual financials as of 31 December 2014 and provides an update on its activities. The Board who met on April 24th, 2015, reviewed and approved the consolidated financial statement for the year closing on 31 December 2014. Audit procedures on consolidated financial statements were performed. The audited financial report is available on the Company's website.

I. Key events of year 2014

In human medicine

Recommandation of the Data and Safety Monitoring Board

- The Data and Safety Monitoring Board (DSMB), created as part of the Company's pivotal clinical studies evaluating masitinib, realized futility tests in 2014 for two phase 3 studies, in mastocytosis and in severe asthma uncontrolled by oral corticosteroid.
  The DSMB recommended the continuation of these two studies, based on these futility tests results and safety data.

- The DSMB also recommended the continuation of the phase 3 study in progressive forms of multiple sclerosis, based on the review of safety data.

New phase 3 clinical developments

- AB Science initiated a new phase 3 study with masitinib in colorectal cancer in second line treatment, following encouraging survival results from phase 2.

  This is a double blind, controlled, 2-parallel group, phase 3 study to evaluate the efficacy and safety of masitinib in combination with FOLFIRI (irinotecan, 5-fluorouracil and folinic acid) for second-line treatment of patients with metastatic colorectal cancer. A total of 550 patients will be enrolled and the study will measure overall survival as a primary efficacy criterion.

  The decision to move to phase 3 study was based on encouraging results from an exploratory phase 2 study, combining masitinib with FOLFIRI in second line treatment and measuring overall survival (OS) as primary endpoint. In this study, the overall survival was 18.0 months, to be compared to published results for second-line FOLFIRI treatment in which median OS was reported as 12.5 months in patients with wild-type KRAS and 11.1 months in patients with mutant KRAS [Peeters et al. (2010) J Clin Oncol 28: 4706–4713].

- AB Science initiated a new phase 3 study with masitinib in prostate cancer in first line treatment, following encouraging survival results from phase 2.

  This is an international, multicenter, randomized, double blind, controlled, 2-parallel groups, phase 3 study to compare the efficacy and safety of masitinib in combination with docetaxel to placebo in combination with docetaxel in first line metastatic Castrate Resistant Prostate Cancer (mCRPC). The study will recruit 550 patients and will measure overall survival as a primary efficacy criterion.

  The decision to move to phase 3 follows encouraging results from an exploratory phase 2 study combining masitinib with docetaxel in second line treatment of metastatic Castrate Resistant Prostate Cancer and measuring overall survival (OS) as primary endpoint. In this study, median overall survival in the masitinib plus docetaxel treatment-arm reached 18.4 months, to be compared to a meta-analysis of OS of 13.8 months in second line treatment of mCRPC before the recent arrival of Enzalutamide. With the arrival of Enzalutamide (median OS 18.4 months) the median OS reaches 14.4 months. Because docetaxel is the standard of care in first line treatment of mCRPC, and because the combination of masitinib and docetaxel has an acceptable safety profile, the phase 3 study was designed in first line treatment.

Clinical study results publications

- AB Science published the results from a randomized phase 2 study with masitinib in treatment of Gleevec®-resistant gastrointestinal stromal tumor. Entitled, 'Masitinib in advanced gastrointestinal stromal tumor (GIST) after failure of imatinib: a randomized controlled open-label trial' this article and its accompanying supplementary information are freely accessible online from the peer-reviewed journal Annals of Oncology: http://annonc.oxfordjournals.org/lookup/doi/10.1093/annonc/mdu237.

  - Findings showed masitinib to produce a statistically significant overall survival (OS) advantage of 12.4 months in patients with Gleevec®-resistant GIST when compared with Sutent® (sunitinib) from Pfizer, which is currently the standard of care for second-line treatment of advanced GIST.
  - Overall, encouraging survival and safety data from a well-controlled and appropriately designed randomized trial indicate a positive benefit–risk balance.
  - Primary efficacy analysis ensured the masitinib treatment arm could satisfy a prespecified progression-free survival (PFS) threshold. Secondary efficacy analysis showed that masitinib followed by the standard of care generated a statistically significant survival benefit over standard of care.
  - An international phase 3 trial of masitinib in patients with Gleevec®-resistant/intolerant GIST has been initiated based on these promising results.

New preclinical development

- AB Science reported the advancement of a novel, small molecule SYK kinase inhibitor named AB8779 into full preclinical development.

  Spleen tyrosine kinase (SYK) is a tyrosine kinase that is an important mediator of signaling in a variety of inflammatory cells, including mast cells, macrophage, dendritic cells (DC), natural killer (NK) cells, neutrophils, and B-cells.

  Inhibition of SYK appears to be a good therapeutic strategy for B-cell malignancies, including non-Hodgkin lymphoma (NHL) and chronic lymphocytic leukemia (CLL), as well as for certain inflammatory diseases such as asthma and rheumatoid arthritis.

The compound is entirely owned by AB Science and is brought forward into formal development as part of a strategy to bring potent and selective compounds from the proprietary drug discovery technology through clinical development and into commercialization.

AB Science has developed a proprietary technology that improves predictability of activity and selectivity of tyrosine kinase inhibitors, allowing for the design and retain of compounds with very high selectivity for designated kinases and stringent tests to avoid potential class-effect toxicities.

The aim of AB Science with AB8779 has been to design a potent and selective SYK inhibitor with good safety profile with no cardiac and neuronal toxicity.

Other events

- A first advance amounting to 2,464 K € was received in January 2014 corresponding to the first installment of repayable advances granted by Bpifrance on the strategic industrial innovation project "Romane" for the development of a new targeted therapy in Alzheimer's disease. As a reminder, the maximum funding awarded to the project by Bpifrance through repayable advances and grants amounts to 8.6 million euros, including 5.8 million euros for AB Science.

- AB Science announced the renewal of its Standby Equity Facility (PACEO®) with Société Générale as authorized by the Shareholders' Meeting of June 27, 2014.
  Société Générale has committed to purchase newly created shares at any time during the 36-month commitment period, on AB Science's request, within the global limit of 3,200,000 shares (being 9.7% of the shares currently outstanding).

- Following the exercise of stock options, 11,900 shares with a nominal value of € 0.01 were issued during 2014, resulting in a capital increase of 119 euros.

- During 2014 :

  - 127,210 stocks options were granted
  - 84,000 unattached share subscription warrants were allocated and signed
  - 1,647,024 redeemable share subscription warrants were allocated and unsubscribed as of 31 December 2014. The main features of these warrants are as follows:

    - The subscription of the warrants is subject to an agreement signing at general meetings of the company with the current majority shareholder (AMY SAS and Alain Moussy) and the signing of a commitment to retain the shares resulting from the warrants until 30 August 2034.
    - The subscription price is equal to the average of the last thirty trading days on Euronext Paris preceding the date of 31 October 2014, which is 8.92 euros, including an issuance premium of 8.91 euros.
    - The warrants cannot be exercised until the average share price of the Company over the last sixty trading days preceding the exercise date is less than 30 euros.
    - The warrants must be exercised if the average share price of the Company over the last sixty days before the said date is above 50 euros.

II. Recent events since the closing of the financial year

- The Data and Safety Monitoring Board (DSMB), created as part of the Company's pivotal clinical studies evaluating masitinib, realized a futility test in January 2015 for a phase 3 study, in Alzheimer's disease.

  The DSMB recommended the continuation of this study, based on this futility test result and safety data.

- AB Science SA announced that the U.S. Food and Drug Administration (FDA) has granted the company Orphan Drug designation for masitinib in the treatment of amyotrophic lateral sclerosis.

  The FDA's Office of Orphan Drug Products Development reviews applications for Orphan Drug status to support development of medicines for underserved patient populations, or rare disorders that affect fewer than 200,000 people in the United States.

  The successful application submitted by AB Science and the FDA granting of Orphan Drug status entitles the company to a seven-year period of marketing exclusivity in the United States for masitinib, if it is approved by the FDA for the treatment of amyotrophic lateral sclerosis. Orphan Drug status also enables the company to apply for research grant funding for Phase I and II Clinical Trials, tax credits for certain research expenses, and a waiver from the FDA's application user fee, as well as additional support from FDA and a potentially faster regulatory process.

  A phase 3 is currently on-going with masitinib in the treatment of amyotrophic lateral sclerosis.

- The Company has decided, according to PACEO® set up with Societe Generale on 30 July 2014, to proceed with the issue of 463,500 new shares, representing 1.39% of the total shares after the transaction, for the price of €17.26 per share. The issue price of the new shares showed a 3.45% discount compared to the weighted average price over the last three trading sessions. This issue of new shares will result in a capital increase of 8 million euros.

- The Company received from Bpifrance in January 2015 the balance of the conditional advance (665 K€) and of the grant (276 K€) related to the APAS-IPK project (Amélioration de la Prédictivité de l'Activité et de la Sélectivité des Inhibiteurs de Protéine Kinase), in oncology. The total amount of the conditional advance amounts to 4,432 K€, payable in 4 phases. In case of success of the project, the Company will pay to Bpifrance, from the third year after the commercialization, a 1% interest fee on the turnover generated by the sale of the products, for amounts up to 3.1 million euros per year and on the turnover made on two accounting years.

- AB Science confirms its eligibility for the PEA-SMEs in accordance with decree n°2014-283 of 4 March 2014 for the implementation of Article 70 of 2014 Finance Law n°2013-1278 of 29 December 2013, setting the PEA-PME eligibility for companies: less than 5 000 employees on one hand, a turnover lower than 1,500 million euros or total assets of less than 2,000 million, on the other hand.

III. 2014 and 2013 consolidated financial statements

Operating income

(in thousands of euros)	Dec 31st, 2014	Dec 31st, 2013
Revenues from Sales	2 099	1 933
Other operating revenues	0	0
Total operating income	2 099	1 933

As of December 31st 2013, revenues amounted to 2 099 K€, against 1 933 K€ last year, consisting exclusively of sales related to the drug in veterinary medicine. This represents a growth of 8.6%.

Operating expenses

(in thousands of euros)	Dec 31st, 2014	Dec 31st, 2013
Cost of goods sold	394	331
Marketing costs	1 512	1 425
Administrative costs	2 030	1 830
R&D costs	13 366	12 118
Other operating expenses	0	0
Total operating expenses	17 302	15 705

As of 31 December 2014, operating expenses amounted to 17 302 K€, against 15 705 K€ last year, an increase of 10.2%.
As of 31 December 2014, marketing expenses amounted to 1 512 K€, against 1 425 K€ last year, an increase of 6.1%.
As of 31 December 2014, administrative expenses increased by 10.9%, from 1 830 K€ last year to 2 030 K€.

The cost of research and development increased by 10.3%, from 12 118 K€ on 31 December 2013 to 13 366 K€ on 31 December 2014. This increase (1 248 K€) is mainly explained by:

- The increase in other research and development expenses (+1 756 K€) due to the development of clinical studies and start-up of phase 3 studies.
- The decrease in research tax credit, which decreased from 4 716 K€ on 31 December 2013 to 4 124 K€ on 31 December 2014 (-592 K€).
  Indeed, on 31 December 2014, the calculation basis of the tax credit was reduced by 2 464 K€ after taking into account grants and pre-payments received during the period in the calculation base, resulting in a decrease of 739 K€ on the research tax credit. Advances will be added to the calculation basis during the year of their reimbursement.
  In addition, research and development expenses eligible for the research tax credit increased by 492 K€, resulting in an increase of 147 K€ of the research tax credit as of 31 December 2014.
- The recognition, as a decrease in research and development expenses, of a debt waiver of 1 100K€ by BPI France, following the termination of the canine atopic dermatitis phase III clinical program.

Operating profit/loss

The operating loss as of 31 December 2014 amounted to 15 203 K€, against 13 772 K€ as of 31 December 2013, which represents an increase of the operating loss by 1 431 K€ (10.4%) for the reasons indicated above.

Financial profit/loss

The financial result as of 31 December 2014 is a loss of 979 K€, against 887 K€ last year.
The 979 K€ loss is mainly due to:

- ✓ Financial income : 405 K€ primarily related to cash remuneration (253 K€) and exchange gains (140 K€)

- ✓ Financial loss: 1 384 K€. Financial loss is mainly related to:
  - Annual interests on bonds : 148 K€
  - Capitalized interests on bonds : 830 K€
  - Interests on bank loans : 23 K€
  - Currency effects : 38 K€
  - Discounting effects : 322 K€

Capitalized interests are payable only in case of loan repayment in cash and will be payable at the maturity date of each reimbursement, in April 2019 and May 2020.

For the year 2014, interests earned from the investment of the obligations exceeded the interests payable annually.

Net profit/loss

The net loss amounted, as of 31 December 2014, to 16 112 K€ against 14 611 K€ at 31 December 2013, an increase of 10.3%, for the reasons mentioned above.

IV. Consolidated balance sheet information

Assets

Given the expected sales perspectives, development costs were expensed. Fixed assets correspond essentially to the cost of registration of the Company's patents. Registration costs of the Company's patents booked as net fixed assets increased by 13.2% as of 31 December 2014, from 1 278 K€ as of 31 December 2013 to 1 447 K€ as of 31 December 2014.

Inventories amounted to 618 K€ as of 31 December 2014 as compared to 349 K€ as of 31 December 2013. They are related to the inventory of work-in-progress products (396 K€) and to the inventory of finished products (222 K€).

Trade receivable increased from 249 K€ at the end of 2013 to 310 K€ as of 31 December 2014. This increase was induced by the increase in sales.

Current financial assets increased by 32.3% between 31 December 2013 and 31 December 2014, from 4 504 K€ to 5 960 K€. These financial assets correspond mainly to cash instruments, the term of which is beyond 3 months.

Other current assets of the Company amount are stable (9 460 K€ as of 31 December 2014, compared to 9 532 K€ as of 31 December 2013), which corresponds to a 0.76% decrease over the year (72K€).

Cash amounts to 13 197 K€, compared to 26 941 K€ as of 31 December 2013.

The total cash and financial current assets amounts to 19 157 K€ as of 31 December 2014 compared to 31 445 K€ as of 31 December 2013.

Liabilities

Funding used by the Company comes mainly from issue of bond loan agreements and various public aids (research tax credits, reimbursable advances and subsidies).

The table hereafter shows the change in the Company's equity between 31 December 2013 and 31 December 2014.

(in thousands of euros) – IFRS norms	Company Equity
Equity as of 31 December 2013	341
Capital increases and additional paid-in capital net of issuance costs	59
Total profit/loss over the period	(16 156)
Conversion options	0
Payments in shares	76
Equity as of 31 December 2014	(15 681)

As of 31 December 2014, the Company's net equity amounts at - 15 681 K€.

Over the last 2 years, the main variations, except for the annual profits/losses, derived from the capital increases in 2014 and 2013 respectively for 59 K€ and 9 842 K€.

Current liabilities amount to 13 995 K€ as of 31 December 2014, compared to 12 574 K€ at the end of 2013, which represents an increase of 11.3%.
This increase (1 421 K€) is explained in particular by:

- decrease in current accruals (715 K€) related to the reversal of the tax accrual previously recorded;
- increase in trade payable (1 737 K€);
- decrease in current financial liabilities (354 K€) primarily related to the debt waiver by BPI France, following the commercial failure of the grant related to the canine atopic dermatitis phase III clinical program of a tyrosine kinase inhibitor;
- increase in other current liabilities (753 K€), mainly related to the increase of social debt.

Non-current liabilities mainly comprise bonds (22 450 K€) with a maturity of more than two years, two bank loans of 140 K€ and conditional advances of 9 331 K€. They amount to 32 962 K€ on 31 December 2014 against 30 719 K€ on 31 December 2013, an increase of 2 243 K€ due in particular to the recognition of 2 435 K€ advances to be received from BPI France, related to ROMANE project.

V. Foreseeable evolution of the Group's situation and future prospects

In 2015, AB Science continues to allocate most of its resources to the development of masitinib, the most advanced molecule of the Company. Thirteen phase 3 studies in human medicine are ongoing, seven in oncology, including GIST first line and second line, metastatic melanoma expressing JM mutation of c-Kit, multiple myeloma, colon cancer metastatic relapsed, prostate cancer metastatic, pancreatic cancer (confirmatory study), and six outside oncology, including mastocytosis, severe persistent asthma, rheumatoid arthritis, progressive multiple sclerosis, Alzheimer's disease, amyotrophic lateral sclerosis. In addition to this phase 3 program, a phase 2 program is ongoing, primarily in oncology. In case of positive results, phase 3 studies should be initiated as a result of these phase 2 studies.

The Company expects to complete the phase 3 study in mastocytosis by the end of the third quarter 2015. In case of positive results of this study, the company expects to file for masitinib marketing authorization with the FDA and EMA in the treatment of indolent systemic mastocytosis associated with severe symptoms. In case of negative result of this study, AB Science will wait for the results of other phase 3 clinical studies that might occur in 2016.

The Company also continued to invest in the activities of drug discovery to supply its portfolio of molecules and anticipates, subject to the availability of financial resources, to begin the regulatory preclinical studies of new molecules from its own research program.

Next 2015 financial appointments

Financial communication on 1st semester 2015: August 31, 2015
General Shareholders' Meeting: June 22, 2015

Find our complete 2014 financial report on www.ab-science.com

About AB Science
Founded in 2001, AB Science is a pharmaceutical company specializing in the research, development and commercialization of protein kinase inhibitors (PKIs), a class of targeted proteins whose action are key in signaling pathways within cells. Our programs target only diseases with high unmet medical needs, often lethal with short term survival or rare or refractory to previous line of treatment in cancers, inflammatory diseases, and central nervous system diseases, both in human and animal health.
AB Science has developed a proprietary portfolio of molecules and the Company's lead compound, masitinib, has already been registered for veterinary medicine in Europe and in the USA. The company is currently pursuing thirteen phase 3 studies in human medicine in first-line and second-line GIST, metastatic melanoma expressing JM mutation of c-Kit, multiple myeloma, metastatic colorectal cancer, metastatic prostate cancer, pancreatic cancer, mastocytosis, severe persistent asthma, rheumatoid arthritis, Alzheimer's disease, progressive forms of multiple sclerosis, and Amyotrophic Lateral Sclerosis. The company is headquartered in Paris, France, and listed on Euronext Paris (ticker: AB).

Further information is available on AB Science's website: www.ab-science.com

This document contains prospective information. No guarantee can be given as for the realization of these forecasts, which are subject to those risks described in documents deposited by the Company to the Authority of the financial markets, including trends of the economic conjuncture, the financial markets and the markets on which AB Science is present.

* * *

AB Science - Financial Communication & Media Relations
contact@ab-science.com

FINANCIAL STATEMENTS AS OF 31 DECEMBER 2014

Assets ***(in thousands of euros)***	Note	31/12/2014	31/12/2013
Intangible assets	6	1 464	1 290
Tangible assets	7	241	189
Non-current financial assets	11	27	581
Other non-current assets	10	0	0
Deferred tax assets		0	0
Non-current assets		1 732	2 060
Inventories	8	618	349
Trade receivable	9	310	249
Current financial assets	11	5 960	4 504
Other current assets	10	9 460	9 532
Cash and cash equivalent	12	13 197	26 941
Current assets		29 544	41 573
TOTAL ASSETS		**31 276**	**43 633**

Liabilities ***(in thousands of euros)***	Note	31/12/2014	31/12/2013
Share capital	13	329	329
Additional paid-in capital		85 387	85 328
Translation reserve		(28)	34
Other reserves and results		(101 368)	(85 351)
Total equity attributable to equity holders of the Company		(15 681)	341
Non-controlling interests			
Total equity		(15 681)	341
Non-current provisions	14	420	363
Non-current financial liabilities	15	31 921	29 650
Other non-current liabilities	16	0	0
Deferred tax liabilities		622	705
Non-current liabilities		32 962	30 719
Current provisions	14	418	1 133
Trade payable		10 192	8 455
Current financial liabilities	15	673	1 027
Tax liabilities / Tax payable		0	0
Other current liabilities	16	2 712	1 959
Current liabilities		13 995	12 574
TOTAL EQUITY AND LIABILITIES		**31 276**	**43 633**

STATEMENT OF COMPREHENSIVE INCOME 31 DECEMBER 2014

(in thousands of euros)	Note	31/12/2014	31/12/2013
Revenue	17	**2 099**	**1 933**
Other operating revenues		0	0
Total revenues		**2 099**	**1 933**
Cost of sales		(394)	(331)
Marketing expenses		(1 512)	(1 425)
Administrative expenses		(2 030)	(1 830)
Research and development expenses		(13 366)	(12 118)
Other operating expenses		-	-
Operating income (loss)		**(15 203)**	**(13 772)**
Financial income		405	282
Financial expenses		(1 384)	(1 169)
Financial income (loss)		**(979)**	**(887)**
Income tax expense		70	48
Net income (loss)		**(16 112)**	**(14 611)**
Other comprehensive income			
Items that will not be reclassified subsequently to net income :			
- Actuarial gains		18	
Items that should be reclassified subsequently to net income:			
- Translation differences – Foreign operations		(62)	29
Other comprehensive income for the period net of tax		**(44)**	**29**
Total comprehensive income for the period		**(16 156)**	**(14 583)**
Net income for the period attributable to :			
- Attributable to non-controlling interests		-	-
- Attributable to equity holders of the parent Company		(16 112)	(14 611)
Comprehensive income for the period attributable to :			
- Attributable to non-controlling interests		-	-
- Attributable to equity holders of the parent Company		(16 156)	(14 583)
Basic earnings per share - in euros	23	(0,49)	(0,45)
Diluted earnings per share - in euros	23	(0,49)	(0,45)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	31/12/2014	31/12/2013
Net income (loss)	(16 112)	(14 611)
- Adjustment for amortization and charges to provisions	(192)	721
- Adjustment for income (loss) from asset sales	0	0
- Non-cash income and expenses linked to share-based payments	76	78
- Other non-cash income and expenses	(1 030)	67
- Adjustment for income tax expense	(84)	(55)
- Adjustment for change in deferred tax	0	0
- Impact of change in working capital requirement generated by operating activities	2 201	220
- Income from interest on financial assets	982	745
- Cash flow from operations before tax and interest	**(14 158)**	**(12 835)**
- Income Tax (paid) / received	0	
Net cash flow from operating activities	**(14 158)**	**(12 835)**
Acquisitions of fixed assets	(663)	(433)
Sales of tangible and intangible assets	0	0
Acquisitions of financial assets	(6 076)	(4 500)
Proceeds from the sale and financial assets	5 230	11 671
Changes in loans and advances	0	0
Interest received / (paid)	41	195
Other cash flow related to investing activities	0	0
Net cash flow from investing activites	**(1 469)**	**6 934**
Dividends paid		
Capital increase (decrease)	59	
Issue of loans and receipt of conditional advances	2 464	9 842
Repayments of loans and conditional advances	(578)	12 508
Other cash flows from financing activities	0	(1 282)
Net cash flow from financing activites	**1 945**	**21 068**
Effect of exchange rate fluctuations	(62)	29
Effect of assets held for sale	0	0
Impact of changes in accounting principles	0	0
Net increase (decrease) in cash and cash equivalents – by cash flows	**(13 744)**	**15 195**
Cash and cash equivalents – opening balance	26 941	11 746
Cash and cash equivalents – closing balance	13 197	26 941
Net increase / decrease in cash and cash equivalents – by change in closing balances	**(13 744)**	**15 195**