Paris, August 31 2016, 5.45pm

Net loss of 14.7M€ in the first half of 2016, an increase of 13.7% compared with the first half of 2015 (13 M€), including non-recurring R&D costs

Cash position of 19.0M€ as of 30 June 2016, plus 5.6M€ of 2015 tax credit to be reimbursed by the Public Finance Department and 12.7M€ of capital increase in July-August 2016

In amyotrophic lateral sclerosis, positive interim analysis with masitinib, EMA approval for the filing for conditional marketing authorization, orphan drug designation by EMA and FDA authorization for compassionate use

In severe systemic mastocytosis, filing for registration of masitinib to EMA

AB Science SA (NYSE Euronext - FR0010557264 - AB), a pharmaceutical company specializing in the research, development and commercialization of protein kinase inhibitors (PKIs), today reports its revenues for the first half of 2016 and provides an update on its activities.

I. Key events for the first half of 2016

Clinical study results

- Amyotrophic lateral sclerosis (ALS)

The predefined interim analysis for its phase 3 randomized controlled trial evaluating masitinib in the treatment of amyotrophic lateral sclerosis has met its primary objective.

This phase 2/3 trial (AB10015) is a double-blind, placebo-controlled phase 2/3 study to compare the efficacy and safety of masitinib in combination with riluzole versus placebo in combination with riluzole in the treatment of patients suffering from amyotrophic lateral sclerosis (ALS).
In accordance with study protocol, an interim analysis was planned to be performed once 191 patients (50% of the study population) had reached the 48-week treatment time point. The interim analysis primary endpoint was based on the change from baseline to week 48 in the revised Amyotrophic Lateral Sclerosis Functional Rating Scale (ALSFRS-R). The ALSFRS-R score is a validated rating instrument for monitoring the progression of disability in patients with ALS, which correlates significantly with quality-of-life and survival. This endpoint is recommended by EMA and FDA guidelines for registration in ALS. Secondary analyses included change from baseline to week 48 in Forced Vital Capacity (FVC), which is an indicator of the respiratory function, and Combined Assessment of Function (CAFS), which is another validated endpoint ranking patients based on survival time and change in ALSFRS-R score.
The primary analysis was a success, with p-value < 0.01 in the intention-to-treat (ITT) population. All sensitivity analyses on the primary endpoint were also positive. The study was also successful on its secondary endpoints, FVC and CAFS. The frequency of adverse events (AEs), serious AEs, and AEs leading to discontinuation were similar between the two treatment arms.
The interim analysis was designed to be a success if the pre-specified difference between treatment groups could be detected with a p-value below 0.0311.

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Following the results of the interim analysis, Rapporteurs appointed by the European Medicines Agency (EMA) have recommended the filing of masitinib in combination with riluzole in the treatment of adult patients with amyotrophic lateral sclerosis for conditional marketing authorization. AB Science expects to file this application for conditional marketing authorization in September 2016.

Following these results, the FDA approved the first compassionate use of masitinib in amyotrophic lateral sclerosis.

- Severe Systemic Mastocytosis

AB Science filed for registration to European Medicines Agency (EMA) for masitinib in the treatment of adult patient with severe systemic mastocytosis unresponsive to optimal symptomatic treatment. Date of review process started on the 26 April 2016. EMA decision should be known during the first half of 2017. Masitinib is the first treatment to be evaluated in this indication.

Filing to EMA for the Marketing Authorization of masitinib in severe systemic mastocytosis was done on the basis of results from a phase III study showing that masitinib was superior to optimal symptomatic treatment on the primary efficacy analysis as well as secondary efficacy analyses. This phase 3 randomized study compared masitinib plus optimal symptomatic treatment versus placebo plus optimal symptomatic treatment in adult patients with severe systemic mastocytosis, with or without D816V mutation of c-Kit. Study results showed that masitinib administered at 6 mg/kg/day was superior to the comparator, as measured by the cumulative 75% response rate until week 24 on the handicaps of pruritus or flushes or depression or fatigue (4H75% response). The 4H75% response was 18.7% for the masitinib treatment-arm versus 7.4% for the placebo treatment-arm (p=0.0076, Odd ratio=3.63) in the mITT population (primary analysis). According to protocol, the primary efficacy analysis was performed in the modified intent-to-treat population (mITT), yet the study was also successful on the sensitivity analysis performed in the intent-to-treat population (18.7% versus 7.6%, respectively, 0.0102, Odd ratio= 3.28). Success in the primary analysis was also supported by positive outcomes in all secondary analyses.

These results have been presented to 2016 annual congress of the European Hematology Association (EHA).

- As of 30 June 2016, the clinical development program of masitinib is as follows:

Area	Indication	Study	Status
Oncology / Hematology	GIST in first-line treatment	Phase 3	On-going
	GIST in second-line treatment	Phase 3	On-going
	Metastatic melanoma with JM mutation of c-KIT	Phase 3	On-going
	Relapsed metastatic colorectal cancer	Phase 3	On-going
	Relapsed multiple myeloma	Phase 3	On-going
	Metastatic Castrate Resistant Prostate Cancer in first line	Phase 3	On-going
	Pancreatic cancer	Phase 3	On-going
	Relapsed peripheral T-cell lymphoma	Phase 3	On-going
Inflammatory and neurodegenerative diseases	Non controlled severe asthma	Phase 3	On-going
	Alzheimer's disease	Phase 3	On-going
	Progressive forms of multiple sclerosis	Phase 3	On-going
	Amyotrophic lateral sclerosis	Phase 3	Recruitment completed

Other events

- Equity financing facility

AB Science has two equity financing facilities set up with Société Générale and Crédit Agricole.

- ✓ With Société Générale :

This equity line facility (PACEO) set up with Société Générale on 30 July 2014 enables the Company to carry out successive capital increases representing a maximum of 3,200,000 shares. For each tranche, the price to be paid equals the volume weighted average share price of the three trading days preceding the effective date of purchase with a discount capped at 5% depending on the size of the drawdown. This discount allows Société Générale, who is not positioned as a long term shareholder in the Company, to purchase the shares independently of market volatility.

During the first half of 2016, AB Science used the equity financing facility (PACEO) and proceeded with the issue of 326,097 new shares for the price of €13.21 per share, resulting in a capital increase of 4,092,352 euros (including 3,261 for share capital).
The number of new shares to be potentially issued though a new use of the PACEO with Société Générale is 1,415,403 as of 30 June 2016.

- ✓ With Crédit Agricole :

AB Science concluded an equity line with Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB"), as authorized by the Shareholders' Meeting held on 22 June 2015.
Under the terms of the agreement, Crédit Agricole CIB has committed to purchase new shares during a 36-month commitment period, within the global limit of 3,340,000 shares, representing 9.54% of the shares currently outstanding.
For each drawdown, the subscription price is computed as the volume weighted average share price during the three trading days preceding the effective date of subscription, with a discount capped at 5% and depending on the size of the drawdown. The new shares issued will be subsequently sold on- or off-market by Crédit Agricole CIB.
AB Science has no minimum drawdown obligation, and will use the facility at its sole discretion if market conditions are favorable and in the best interests of both the Company and its shareholders.
This equity line facility has not been used until now.

- Convertible bonds :

The bond loan agreement, convertible or reimbursable in ordinary shares, for a total nominal value of 10,000,500 € (100 bonds with nominal value of 100,005 euros each), for which or reimbursable in ordinary shares 15 bonds were converted into shares on the 5 September 2015 has been converted into shares on the 18 of April 2016.
566,695 new ordinary shares have been issued for a total amount of 8,500,425 euros.

As of 30 of June 2016, the number of bonds to be potentially converted or reimbursable in ordinary shares is 12,363K€.

- Private placement :

On the 21 of April 2016, AB Science successfully completed a private placement of 12M€ with RA Capital Management. 764,820 securities have been issued at the price of 15.69€ per share, after a 10% discount to the volume weighted average price of the last five trading days preceding the pricing date, i.e. 17.43€.
Each Security is composed of one ordinary share and one warrant. The warrants are exercisable for an aggregate of 191,205 additional shares, at a price of 15.69€ per share after the 10% discount. The theoretical value of the warrant is equivalent to an additional discount of 5.2%.
The warrants shall be exercisable within a year from their issuance. They will not be listed on Euronext Paris.
If all the warrants are exercised, the Company would receive an additional 3M€ of proceeds.

- Other transactions of securities

During the first half of 2016, 110,640 stock options were granted, and as a result of the exercise of stock options, 25,908 shares of nominal value of 0.01 euros were issued in the first half of 2016, resulting in an increase in equity of 160,494.55 euros (including a capital increase of 259.08 euros).

As of 30 of June 2016, the share capital of AB Science is composed of 36,689,476 shares, including 19,283,599 with a double voting right.

- AMF investigation :

Following an AMF (Autorité des Marchés Financiers) investigation, the company was fined a total of 200,000 euros by decision of the AMF's Sanctions Committee on 28 June 2016.

As a reminder, this investigation focused first on a possible violation of the provisions of article 632-1 of the AMF General Regulation following press releases issued beginning of November 2013 and related to the transition from Phase 2 to Phase 3 of clinical studies in (i) amyotrophic lateral sclerosis and (ii) mastocytosis. Following the investigation, the AMF's Sanctions Committee concluded that there was no breach of the provisions of article 632-1 of the AMF General Regulation from AB Science.
The investigation also focused on the possible breach of obligation to disclose privileged information at the time of the capital increase through the issue of 256,000 new shares as part of the equity line facility program two

weeks before the decision of the Committee of Human Medicinal Products (CHMP) of the European Medicines Agency related to the conditional marketing authorization of masitinib in the treatment of GIST. On this point, the AMF considered that because a negative vote of the CHMP was likely following the negative opinion of the CHMP Rapporteurs, which was known after the oral hearing a month prior to this vote, that such knowledge constituted privileged information. Nevertheless, the AMF has noted that the Rapporteurs had changed their mind during the month before the CHMP vote and that they finally considered that the study was a success and that a positive vote was therefore still possible.

- Other information :

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.

II. Recent events since half-year closing

Preclinical results

Positive preclinical results of masitinib in amyotrophic lateral sclerosis have been published in the peer-reviewed scientific review Journal of Neuroinflammation.

This article entitled, 'Post-paralysis tyrosine kinase inhibition with masitinib abrogates neuroinflammation and slows disease progression in inherited amyotrophic lateral sclerosis' and its accompanying Online Supplementary Material are freely accessible online: DOI:10.1186/s12974-016-0620-9; https://jneuroinflammation.biomedcentral.com/articles.

Orphan drug designation

The European Medicines Agency (EMA) Committee for Orphan Medicinal Products (COMP) granted orphan drug status to Masitinib product for the treatment of Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's disease.

As a reminder, masitinib also received Orphan Drug Designation from the U.S. Food and Drug Administration (FDA) for ALS.

Other events

AB Science used twice the equity line facility (PACEO) set up with Société Générale between 30 of June 2016 and the date of this report:

- On July 21 2016, AB Science proceeded with the issue of 563,000 new shares for the price of €14.21 per share
- On August 15 2016, AB Science proceeded with the issue of 383,664 new shares for the price of €13.56 per share

Thus, in July and August 2016, 946,664 new ordinary shares of nominal value of 0.01 have been issued through this equity line facility, resulting in a capital increase of 12,661,133 (including 9,467 euros for share capital).

The number of new shares to be potentially issued though a new use of the PACEO with Société Générale is 468,739 at the time of this report.

III. Consolidated financial statements for the first half of 2016

The company turnover, entirely generated by the commercialization of a drug in veterinary medicine, amounts to 772 K€ for the first half of 2016, as compared with 1,260 K€ one year earlier, which represents a decrease of 38.7%. This decrease is due to the end of conditional approval for masitinib in dog mast cell tumors (MCT) in the USA in December 2015, pending the validation of the ongoing confirmatory study.

The Company's marketing expenses amounted to 496 K€ on 30 June 2016 as compared with 921 K€ on 30 June 2015, corresponding to an increase of 46.1%, mainly due to the stop of masitinib promotion in the USA in veterinary medicine.

Administrative expenses increased by 34.7% from 1,112 K€ on 30 June 2015 to 1,498 K€ on 30 June 2016. This increase (386 K€) is mainly due to the following non-recurring items:

- ✓ provisioned amount for the penalty imposed by AMF : 200 K€
- ✓ provisioned amount for a dispute with an intermediary : 58 K€

Research and development expenses increased by 27.8%, from 11,535 K€ as of 30 June 2015 to 14,748 K€ as of 30 June 2016. This increase (3,213 K€) is mainly due to non-recurring costs related firstly to the completion of the mastocytosis study invoiced during the first half of 2016 and to the patients recruitment surge in the phase 2/3 study in ALS at the end of 2015 which has triggered an activity increase beginning of 2016, secondly to the fixed costs related to new countries and sites initiations for the last 3 studies launched in oncology and finally to manufacturing costs of clinical batches to be used to cover the remaining period of clinical studies.

The Company anticipates a decrease in operating expenses for the second half of 2016.

Operating profit/loss

The operating loss as at 30 June 2016 amounted to 16,099 K€ as compared with 12,442 K€ as at 30 June 2015, which is an increase of the operating loss by 3,657 K€ (29.4%), due for more than 50% to non-recurring costs.

Financial profit/loss

The financial profit as of 30 June 2016 was 1,317 K€, as compared with a loss of 578 K€ a year earlier.
The 1,317 K€ profit is composed of:

- ✓ Financial income: 1,661 K€. Financial income is mainly related to:
  - Cash remuneration: 26 K€
  - Exchange gains: 37K€
  - Cancellation of the capitalized and accrued interests related to the bond loans converted into shares in April 2016, recorded in Other Financial Income : 1,598 K€

- ✓ Financial loss: 345 K€. Financial loss is mainly related to:
  - Annual interests on bonds: 43 K€
  - Capitalized interests on bonds: 163 K€
  - Currency effects: 28 K€
  - Discounting effects: 98 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.

Net profit/loss

The total net loss as at 30 June 2016 amounted to 14,752 K€, as compared to 12,978 K€ as at 30 June 2015, increasing by 13.7 %, for the reasons provided above.

IV. Consolidated balance sheet information

Assets

Given the stage of product development, 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 decreased by 9% as of 30 June 2016, from 1,624 K€ as of 31 December 2015 to 1,477 K€ as of 30 June 2016.

Inventory amounted to 242 K€ as of 30 June 2016 as compared with 304 K€ as of 31 December 2015.

Trade receivable decreased from 316 K€ at the end of 2015 to 226 K€ as of 30 June 2016.

As of 30 June 2016, there is no current financial asset. As of 31 December 2015, current financial assets amounted to 6,007 K€. These financial assets corresponded to cash instruments, the term of which is beyond 3 months. As of 30 June 2016, there is no cash with a term beyond 3 months.

Other current assets of the Company amounted to 12,198 K€ as of 30 June 2016, compared with 8,282 K€ as of 31 December 2014, which represents an increase of 47.3% over the period (3,916 K€).

This is explained by:

- Increase in the amount of research tax credit receivable (9,462 K€ as of 30 June 2016 against 5,630 K€ as of 31 December 2015, an increase of 3,832 K€ for the first semester of 2016), since the research tax credit of 2015 was not reimbursed as of 30 June 2016. The case is under investigation.
- Increase in the amount of VAT receivable (1,198 K€ as of 30 June 2016 against 1,051 K€ as of 31 December 2015, an increase of 147 K€).

Total cash and current financial assets amounted to 18,989 K€ as of 30 June 2016, excluding reimbursement of 5,486 K€ research tax credits for 2015, against 21,703 K€ as of 31 December 2015.

Liabilities

Funding used by the Company comes mainly from issue of bond loan agreements, issue of new shares with the equity line facilities (PACEO) set up with Société Générale and Crédit Agricole 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 2015 and 30 June 2016.

(in thousands of euros) – IFRS norms	Company Equity
Equity as of 31 December 2015	(17 259)
Capital increases and additional paid-in capital net of issuance costs	24 244
Total profit/loss over the period	(14 756)
Conversion options	(748)
Payments in shares	111
Equity as of 30 June 2016	(8 408)

As of 30 June 2016, shareholders' equity amounted to -8,408 K€.

Current liabilities amount to 18,677 K€ as of 30 June 2016 against 17,612 K€ in late 2015, which represents an increase of 6%.
This increase (1,065 K€) can be explained by the following effects:

- The decrease in current provisions (327 K€), related to litigation matters
- The increase in current liabilities (1,271 K€)
- The decrease of the current financial liabilities (214 K€)
- The decrease of the other current liabilities (319 K€), due to the decrease of accrued taxes and employee benefits expense

Non-current liabilities mainly include obligations (13,189 K€) and conditional cash advances (9,331 K€). They amount to 23,117 K€ as of 30 June 2016 against 32,225 K€ as of 31 December 2015, a decrease of 9,048 K€ mainly due to the convertible bonds conversion.

Risk factors and uncertainties

The main risks and uncertainties to which the Company is exposed for the first six months and the remaining six months of fiscal 2016 are the risks and uncertainties described in Chapter 5 of the Annual Financial Report to 31 December 2015.

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 humans 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 twelve 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, T-cell lymphoma, severe asthma uncontrolled by oral corticosteroid, 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.

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FINANCIAL STATEMENTS AS OF 30 JUNE 2016

Assets ***(in thousands of euros)***	30/06/2016	31/12/2015
Intangible assets	1 507	1 691
Tangible assets	235	240
Non-current financial assets	48	43
Other non-current assets	0	0
Deferred tax assets	0	0
Non-current assets	1 790	1 974
Inventory	242	304
Trade receivable	226	316
Current financial assets	0	6 007
Other current assets	12 198	8 282
Cash and cash equivalent	18 989	15 696
Current assets	31 655	30 604
TOTAL ASSETS	**33 446**	**32 578**

Liabilities ***(in thousands of euros)***	30/06/2016	31/12/2015
Share capital	367	350
Additional paid-in capital	134 901	110 674
Translation reserve	(71)	(77)
Other reserves and results	(143 605)	(128 206)
Total equity attributable to equity holders of the Company	(8 408)	(17 259)
Non-controlling interests		
Total equity	(8 408)	(17 259)
Non-current provisions	617	550
Non-current financial liabilities	22 521	31 229
Other non-current liabilities	0	0
Deferred tax liabilities	39	447
Non-current liabilities	23 177	32 225
Current provisions	327	0
Trade payable	15 100	13 829
Current financial liabilities	22	236
Tax liabilities / Tax payable	0	0
Other current liabilities	3 228	3 547
Current liabilities	18 677	17 612
TOTAL EQUITY AND LIABILITIES	**33 446**	**32 578**

STATEMENT OF COMPREHENSIVE INCOME 30 JUNE 2016

(in thousands of euros)	30/06/2016	30/06/2015
Revenue	**772**	**1 260**
Other operating revenues	0	0
Total revenues	**772**	**1 260**
Cost of sales	(128)	(134)
Marketing expenses	(496)	(921)
Administrative expenses	(1 498)	(1 112)
Research and development expenses	(14 748)	(11 535)
Other operating expenses	-	-
Operating income	**(16 099)**	**(12 442)**
Financial income	1 661	202
Financial expenses	(345)	(780)
Financial income	**1 317**	**(578)**
Income tax expense	31	42
Net income	**(14 752)**	**(12 978)**
Other comprehensive income		
Items that will not be reclassified subsequently to net income:		
- Actuarial differences	(9)	(49)
Items that should be reclassified subsequently to net income:		
- Translation differences – Foreign operations	5	(39)
Other comprehensive income for the period net of tax	**(4)**	**(88)**
Total comprehensive income for the period	**(14 756)**	**(13 066)**
Net income for the period attributable to:		
- Attributable to non-controlling interests	-	-
- Attributable to equity holders of the parent Company	(14 752)	(12 978)
Comprehensive income for the period attributable to:		
- Attributable to non-controlling interests	-	-
- Attributable to equity holders of the parent Company	(14 756)	(13 066)
Basic earnings per share - in euros	(0,42)	(0,39)
Diluted earnings per share - in euros	(0,42)	(0,39)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	30/06/2016	30/06/2015
Net income	(14 752)	(12 978)
- Adjustment for amortization and charges to provisions	789	65
- Adjustment for income from asset sales	0	0
- Non-cash income and expenses linked to share-based payments	111	35
- Other non-cash income and expenses	0	0
- Adjustment for income tax expense	(33)	(52)
- Adjustment for change in deferred tax	0	0
- Impact of change in working capital requirement generated by operating activities	(2 812)	(730)
- Income from interest on financial assets	(1 308)	601
- Cash flow from operations before tax and interest	**(18 004)**	**(13 059)**
- Income Tax (paid) / received	0	
Net cash flow from operating activities	**(18 004)**	**(13 059)**
Acquisitions of fixed assets	(210)	(291)
Sales of tangible and intangible assets	0	0
Acquisitions of financial assets	0	(8 000)
Proceeds from the sale and financial assets	6 000	5 981
Changes in loans and advances	0	0
Interest received / (paid)	(98)	24
Other cash flow related to investing activities	0	0
Net cash flow from investing activities	**5 693**	**(2 287)**
Dividends paid		
Capital increase (decrease)	15 743	16 210
Issue of loans and receipt of conditional advances	0	3 376
Repayments of loans and conditional advances	(144)	(285)
Other cash flows from financing activities	0	0
Net cash flow from financing activities	**15 600**	**19 301**
Effect of exchange rate fluctuations	5	(39)
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	**3 293**	**3 915**
Cash and cash equivalents – opening balance	15 696	13 197
Cash and cash equivalents – closing balance	18 989	17 112
Net increase / decrease in cash and cash equivalents – by change in closing balances	**3 293**	**3 915**