Paris, April 30, 2018 – 6.30pm

2017 revenues of 1,739 K€, an increase of 15.3% compared with 2016

Cash position of 38.8M€ as of 31 December 2017, plus 6.6M€ of 2017 tax credit to be reimbursed by the Public Finance Department

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 2017 and provides an update on its activities. The Board who met on April 30th, 2018, reviewed and approved the consolidated financial statement for the year closing on 31 December 2017 Audit procedures on consolidated financial statements were performed. The audited financial report is available on the Company's website.

I. Key events of year 2017

<u>European Medicines Agency and regulatory agencies decisions</u>

- Amyotrophic Lateral Sclerosis (ALS)

AB Science carried out a phase 2/3 study (AB10015) of masitinib in amyotrophic lateral sclerosis (ALS), which has met its pre-specified primary endpoint. Full efficacy and safety data have been presented at the European Network for the Cure of ALS (ENCALS) annual meeting in Ljubljana, Slovenia (18 – 20 May, 2017), and at six international conferences in 2017.

The primary endpoint was based on the change from baseline to week 48 in the revised Amyotrophic Lateral Sclerosis Functional Rating Scale (ALSFRS-R).
For masitinib at the dose of 4.5 mg/kg/day:

- Primary analysis on the change in ALSFRS-R score at week 48 (mLOCF methodology) was statistically significant with a P-value of 0.014.
- Sensitivity tests on the primary analysis consisted in two models to impute a value at week 48 for any patients who discontinued treatment before week 48. Those sensitivity analyses were also significant with a P-value of 0.015.

AB Science filed an application for a conditional marketing authorization of masitinib in ALS at EMA in September 2016. In April 2018, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicine Agency (EMA) adopted a negative opinion for this application.

- Severe systemic mastocytosis

CHMP adopted a negative opinion for the marketing authorization of masitinib in indolent systemic mastocytosis in September 2017.

The CHMP considered that there were too many uncertainties that precluded the benefit-risk assessment. These uncertainties related to i) the Good Clinical Practice (GCP) findings that were corrected too late by the Applicant, ii) the conduct of the study that excluded, from the claim and the

analysis, patients with either cutaneous mastocytosis or non-severe indolent systemic mastocytosis, and iii) uncertainties regarding the long-term safety profile of masitinib for a chronic condition.

- ANSM decision to suspend clinical studies in France

The Agence Nationale de la Sécurité des Médicaments (ANSM) requested on May 11, 2017 the suspension of the ongoing masitinib studies in France. That decision was based on previously identified deviations from Good Clinical Practice (GCP) as well as on findings from an inspection that was carried out as part of the procedure for the marketing authorization of masitinib in mastocytosis, which showed deviations in the conduct of the mastocytosis pivotal study (AB06006) and deviations related to the pharmacovigilance system.

In order to lift this suspension, AB Science implemented the following corrective and preventive actions:

1) Reorganization and strengthening of the clinical department, with the appointment of 6 new Heads of Department, having each a significant experience in clinical development.
2) Restructuring of the pharmacovigilance system, with the outsourcing of the Serious Adverse Events (SAE) management to a qualified and experienced vendor.
3) Conduct of external and independent audits of the quality systems (Clinical Operations, Biometry, Data Management) and clinical sites for all ongoing studies.
4) Implementation of an upgraded Quality Management System (QMS), identified as the root cause of previous inspection findings. This new QMS has been implemented and is managed by a Quality Assurance Director recruited in October 2017.
5) Implementation of corrective and preventive actions in all clinical departments in order to address the findings identified in previous inspections.

AB Science is actively collaborating with ANSM in order to restart the recruitment of patients in clinical studies in France, on the basis of the corrective and preventive actions implemented by AB Science.

<u>Clinical study results</u>

- Primary and secondary progressive forms of multiple sclerosis

The masitinib phase 3 trial for the treatment of patients with primary progressive or relapse-free secondary progressive multiple sclerosis passed the non-futility test at 2 years.

The ongoing phase 3 trial is a double-blind, randomized, placebo-controlled study (AB07002) designed to assess the safety and efficacy of masitinib in patients with primary progressive or relapse-free secondary progressive multiple sclerosis. The treatment period is 96 weeks. The trial is testing 2 doses of masitinib, masitinib 4.5 mg/kg/day and masitinib 4.5 mg/kg/day escalating to 6 mg/kg/day, versus placebo (randomization 2:1).
The primary efficacy endpoint is the change over 96 weeks in EDSS (Expanded Disability Status Scale), which is a scale used for quantifying disability in multiple sclerosis and monitoring changes in the level of disability over time.

Based on these results, the Independent Data Safety Monitoring Committee (IDMC) recommended the continuation of the study.

The study enrolled 656 evaluable patients as planned. The study is therefore now closed to patient enrolment.

Final results are expected in Q2 2019.

- Severe asthma uncontrolled by oral corticosteroids

The phase 3 study in severe persistent asthma uncontrolled by oral corticosteroids completed its recruitment.

This first phase 3 trial (AB07015) is a double-blind, randomized, placebo controlled study evaluating the safety and efficacy of masitinib in severe asthma uncontrolled by oral corticosteroids. The primary endpoint of this study is the rate of severe asthma exacerbations over the treatment period. The duration of treatment predefined by the protocol is 36 weeks. The planned recruitment is for 350 assessable patients.

Final results will be available by June/July 2018.

Other events

- Capital increase through Equity Line

On January 13, 2017, AB Science used the Equity Line set up with Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB") and authorised by the Shareholders' Meeting held on 22 June 2015. AB Science proceeded with the issue of 520,091 new shares, for the price of €14.62 per share. The capital increase amount, net of commission, was €7.4 million.

- Capital increase through private placements

AB Science successfully completed two ordinary shares private placements that resulted in gross proceeds for the Company of €34 million and to €33 million net of commission.

A first private placement was completed on March 27, 2017, that resulted in gross proceeds for the Company of EUR 15 million. This private placement was subscribed by qualified investors and a total of 982,962 new ordinary shares were issued, through a capital increase without shareholders' preemption rights. Following an accelerated book-building process, the price of the placement was set at EUR 15.26 per new ordinary share. This price represents a 10% discount to the volume weighted average price of the last five trading days preceding the pricing date, i.e. EUR 16.95.

A second private placement was completed on March 31, 2017, that resulted in gross proceeds for the Company of EUR 19 million. This private placement was subscribed by American and European collective investment funds investing in the pharmaceutical or biotechnological sector (including AB Science's existing shareholders) and a total of 1,241,831 new ordinary shares were issued, through a capital increase without shareholders' preemption rights. Following an accelerated book-building process, the price of the placement was set at EUR 15.30 per new ordinary share. This price represents a 10% discount to the closing stock price on March 30, 2017, i.e. EUR 17.01 and a 9.68% discount to the volume weighted average price of the last five trading days preceding the pricing date, i.e. EUR 16.94.

- Other transactions of securities

During 2017:
- 1,000,000 warrants were issued in December 2017 and subscribed in January 2018 by Quercegen as part of a collaboration to evaluate the clinical development of the combination of masitinib with Quercegen's compounds
- 39,314 share subscription warrants were allocated and subscribed in 2017
- 180 preference shares of nominal value of 0.01 euros were issued

- 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 the closing of the financial year

The recent events since the closing of the financial year are:

- Amyotrophic Lateral Sclerosis

The Committee for Medicinal Products for Human Use (CHMP) of the European Medicine Agency (EMA) has adopted a negative opinion for the marketing authorization of masitinib in the treatment of adult patients with Amyotrophic Lateral Sclerosis.
The grounds for this negative opinion are:

- The CHMP considered, based on a Good Clinical Practice inspection carried out on two of the main clinical investigation centers of the study, that the reliability of the data was not robust enough to support a registration.
- The CHMP did not recognize the clinical relevance of the distinction made by AB Science between patients with "normal" progression (accounting for 85% of patients in the study) and for whom an improvement on the primary endpoint - ALSFRS score - has been demonstrated, and those with "rapid" progression (accounting for 15% of patients in the study).
- The CHMP considered that the primary analysis of the ALSFRS score for patients who stopped the study prematurely, based on the LOCF method (last observation carried forward), could introduce a bias in the analysis of the results.

In order to address these grounds for refusal, AB Science will provide further analyses on each of these points as part of the re-examination procedure. The re-examination will lead the CHMP to deliver a second opinion in July 2018.

In the case of a conditional marketing authorization application, a confirmatory study is needed to confirm the results of this first pivotal study, even in case of positive opinion by the CHMP. AB Science will initiate in 2018 this confirmatory study in the treatment of ALS. The results of this confirmatory study are expected by the beginning of 2021.

- IDMC recommendation in primary and secondary progressive forms of multiple sclerosis

The Independent Data Safety Monitoring Committee (IDMC) recommended continuation of the phase 3 study evaluating masitinib in the treatment of primary progressive or relapse-free secondary progressive multiple sclerosis, with no Sample Size Reestimation (SSR) necessary.

In accordance with study protocol, an interim analysis was planned to be performed once 50% of the study population had reached the 96 weeks treatment duration period. IDMC used the conditional power (predictive probability of success) calculation based on the primary endpoint to give its recommendation regarding study continuation and SSR.

Based on conditional power (CP) calculation using the current sample size, the IDMC recommended the continuation of the study with no reestimation of sample size meaning that according to the protocol, the predictive probability of success of the study is above 80% with the current sample size.

Additionally, the IDMC did not report any safety concern with masitinib in the study population. Final results of the study are expected in Q2 2019.

No other event after the closing likely to have an impact on the financial position of the Company has occurred since closing.

III. 2017 and 2016 consolidated financial statements

Global Profit and Loss Account – 31.12.2017 (IFRS):

(in thousands of euros)	31.12.2017	31.12.2016
Net Revenues	1 739	1 508
Operating loss	(28 404)	(30 207)
Net loss	(27 122)	(27 696)
Global loss of Period	(27 056)	(27 724)
Net income per share – in euros	(0,75)	(0,78)
Diluted income per share - in euros	(0,75)	(0,78)

Operating Results

Operating income

(in thousands of euros)	31.12.2017	31.12.2016
Net Revenues	1 739	1 508
Other operating revenues	0	0
Total operating income	1 739	1 508

As of December 31st 2017, Operating income, consisting exclusively of sales related to the drug in veterinary medicine, amounted to 1,739 K€ against 1,508 K€ last year. This represents an increase of 15.3 %.

Operating expenses

(in thousands of euros)	31.12.2017	31.12.2016
Cost of goods sold	121	453
Marketing costs	1 019	928
Administrative costs	2 269	2 477
R&D costs	26 734	27 856
Other operating expenses	0	0
Total operating expenses	30 143	31 714

As of 31 December 2017, operating expenses amounted to 30,143 K€, against 31,714 K€ last year, a decrease of 4.95%.

As of 31 December 2017, cost of goods sold amounted to 121 K€, against 453 K€ last year, a decrease of 332 K€ (73.3%). This decrease comes from a booking as of 31st December 2016 of a provision for depreciation of stocks due to short expiration date of some batches.

As of 31 December 2017, marketing costs amounted to 1,019 K€, against 928 K€ last year, an increase of 9.8%.

As of 31 December 2017, administrative expenses decreased by 8.4%, from 2,477 K€ last year to 2,269 K€. Last year, administrative expenses included the penalty imposed by AMF: 200 K€.

Research and development expenses decreased by 4%, from 27,856 K€ as of 31 December 2016, to 26,734 K€ as of 31 December 2017.

Operating profit/loss

The operating loss as of 31 December 2017 amounted to 28,404 K€, against 30,207 K€ as of 31 December 2016, which represents a decrease of the operating loss by 1,803 K€ (6%) for the reasons indicated above.

Financial income/loss

The financial result as of 31 December 2017 is an income of 1,288 K€, against an income of 2,499 K€ last year.
This 1,288 K€ profit results from:

- ✓ Financial income: 1,336 K€. Financial income is mainly related to:
  - Cash remuneration: 18 K€
  - The booking of the financial liabilities: 1 313 K€

- ✓ Financial loss: 47 K€. Financial loss is mainly related to:
  - Currency effects : 13 K€
  - Others Financial loss: 34 K€

Net profit/loss

The net loss amounted, as of 31 December 2017, to 27,122 K€ against 27,696 K€ at 31 December 2016, a decrease of 2%, 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 3.3% as of 31 December 2017, from 1,624 K€ as of 31 December 2016 to 1,677 K€ as of 31 December 2017.

Inventories amounted to 159 K€ as of 31 December 2017 as compared to 134 K€ as of 31 December 2016.

Trade receivable increased from 428 K€ at the end of 2016 to 449 K€ as of 31 December 2017.

These financial assets correspond mainly to cash instruments, the term of which is beyond 3 months.
As of 31 December 2017, no financial asset has a term which is beyond 3 months.

Other current assets of the Company decreased by 6,530 K€ (9,246 K€ as of 31 December 2017, against 15,776 K€ as of 31 December 2016). This decrease is due to the 2015 research tax credit reimbursement in March 2017 (5,486 K€).

Cash amounts to 38,789 K€ as of 31 December 2017, compared to 19,780 K€ as of 31 December 2016.

The total cash and financial current assets amounts to 38,789 K€ as of 31 December 2017 compared to 19,780 K€ as of 31 December 2016. This cash amount does not include the 6,557 K€ corresponding to 2017 research tax credit reimbursement in 2018.

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 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 2016 and 31 December 2017.

(in thousands of euros) – IFRS norms	Company Equity
Equity as of 31 December 2016	(4 705)
Capital increases and additional paid-in capital net of issuance costs	42 371
Total profit/loss over the period	(27 056)
Conversion options	0
Payments in shares	125
Equity as of 31 December 2017	10 735

As of 31 December 2017, the Company's net equity amounts to 10,735 K€.

Over the last 2 years, the main variations, except for the annual profits/losses, derived from the capital increases in 2017 and 2016 respectively for 42,371 K€ and 40,899 K€.

Current liabilities amount to 18,713 K€ as of 31 December 2017, compared to 20,340 K€ at the end of 2016, which represents a decrease of 8%.
This decrease (1,627 K€) is explained in particular by:

- decrease in current accruals (220 K€) related to tax accrual recording;
- decrease in trade payable (1,146 K€);
- decrease in other current liabilities (259 K€).

Non-current liabilities (21,152 K€) mainly include conditional advances for an amount of 9,331 K€ and financial instruments for 11,050 K€. They amount to 21,152 K€ as of 31 December 2017 against 22,375 K€ as of 31 December 2016, a decrease of 1,223 K€ due to financial instruments fair value variation.

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

In 2017, AB Science implemented a transformation plan in order to ensure that clinical studies are carried out in compliance with good clinical practices. In 2018, the company continued and reinforced the implementation of these actions and intends to maintain this process of continuous improvement.

In 2018, AB Science continues to allocate most of its resources to the development of masitinib, the most advanced molecule of the Company.

Several important results are expected in 2018 with masitinib.

- EMA opinion in July 2018 in ALS, following the re-examination procedure.
- Results of the interim analysis of the phase 3 study in prostate cancer in 1st line of treatment.
- Results of the trend analysis of the phase 3 study in colorectal cancer in 3rd and 4th lines of treatment
- Results of the trend analysis of the phase 3 study in ovarian cancer in 2nd line of treatment
- Results of the interim analysis of the phase 3 study in pancreatic cancer
- Results of the final analysis of the phase 3 study in severe asthma uncontrolled by oral corticosteroids

These results on studies that include a large sample of patients will increase the visibility on the portfolio and will lead to the identification of the indications with the greatest potential for the company.

In Amyotrophic Lateral Sclerosis, since EMA opinion is evaluated in the context of a conditional marketing authorization, a confirmatory study is needed to confirm the results of this first pivotal study, even in case of positive opinion by the CHMP. AB Science will initiate in 2018 this confirmatory study in the treatment of ALS. The results of this confirmatory study are expected by the beginning of 2021.

AB Science also intends to launch a confirmatory phase 3 study in indolent systemic mastocytosis.

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

AB Science intends to launch by the end of 2018 a phase 1/2 study in refractory acute myeloid leukemia with a new molecule developed by AB Science (AB8939).

Next 2018 financial appointments

Financial communication on 1st semester 2018: August 31, 2018
General Shareholders' Meeting: June 29, 2018

Find our complete 2017 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 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 and is developed in twelve phase 3 indications in human medicine in metastatic prostate cancer, metastatic pancreatic cancer, relapsing metastatic colorectal cancer, relapsing metastatic ovarian cancer, GIST, metastatic melanoma expressing JM mutation of c-Kit, relapsing T-cell lymphoma, mastocytosis, severe asthma, amyotrophic lateral sclerosis, Alzheimer's disease and progressive forms of multiple 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.

Forward-looking Statements - AB Science
This press release contains forward-looking statements. These statements are not historical facts. These statements include projections and estimates as well as the assumptions on which they are based, statements based on projects, objectives, intentions and expectations regarding financial results, events, operations, future services, product development and their potential or future performance.
These forward-looking statements can often be identified by the words "expect", "anticipate", "believe", "intend", "estimate" or "plan" as well as other similar terms. While AB Science believes these forward-looking statements are reasonable, investors are cautioned that these forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict and generally beyond the control of AB Science and which may imply that results and actual events significantly differ from those expressed, induced or anticipated in the forward-looking information and statements. These risks and uncertainties include the uncertainties related to product

development of the Company which may not be successful or to the marketing authorizations granted by competent authorities or, more generally, any factors that may affect marketing capacity of the products developed by AB Science, as well as those developed or identified in the public documents filed by AB Science with the Autorité des Marchés Financiers (AMF), including those listed in the Chapter 4 "Risk Factors" of AB Science reference document filed with the AMF on November 22, 2016, under the number R. 16-078. AB Science disclaims any obligation or undertaking to update the forward-looking information and statements, subject to the applicable regulations, in particular articles 223-1 et seq. of the AMF General Regulations.

For additional information, please contact:

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Financial Communication & Media Relations
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FINANCIAL STATEMENTS AS OF 31 DECEMBER 2017

Assets ***(in thousands of euros)***	31/12/2017	31/12/2016
Intangible assets	1 739	1 630
Tangible assets	171	214
Non-current financial assets	47	48
Other non-current assets	0	0
Deferred tax assets	0	0
Non-current assets	1 957	1 892
Inventories	159	134
Trade receivable	449	428
Current financial assets	0	0
Other current assets	9 246	15 776
Cash and cash equivalent	38 789	19 780
Current assets	48 642	36 118
TOTAL ASSETS	**50 600**	**38 010**

Liabilities ***(in thousands of euros)***	31/12/2017	31/12/2016
Share capital	410	386
Additional paid-in capital	193 284	151 537
Translation reserve	(55)	(84)
Other reserves and results	(182 903)	(156 544)
Total equity attributable to equity holders of the Company	10 735	(4 705)
Non-controlling interests		
Total equity	10 735	(4 705)
Non-current provisions	771	686
Non-current financial liabilities	20 381	21 689
Other non-current liabilities	0	0
Deferred tax liabilities	0	0
Non-current liabilities	21 152	22 375
Current provisions	0	220
Trade payable	15 483	16 629
Current financial liabilities	5	8
Tax liabilities / Tax payable	0	0
Other current liabilities	3 224	3 483
Current liabilities	18 713	20 340
TOTAL EQUITY AND LIABILITIES	**50 600**	**38 010**

STATEMENT OF COMPREHENSIVE INCOME 31 DECEMBER 2017

(in thousands of euros)	31/12/2017	31/12/2016
Revenue	**1 739**	**1 508**
Other operating revenues	0	0
Total revenues	**1 739**	**1 508**
Cost of sales	(121)	(453)
Marketing expenses	(1 019)	(928)
Administrative expenses	(2 269)	(2 477)
Research and development expenses	(26 734)	(27 856)
Other operating expenses	-	-
Operating income (loss)	**(28 404)**	**(30 207)**
Financial income	1 336	3 084
Financial expenses	(47)	(584)
Financial income (loss)	**1 288**	**2 499**
Income tax expense	(6)	11
Net income (loss)	**(27 122)**	**(27 696)**
Other comprehensive income		
Items that will not be reclassified subsequently to net income :		
- Actuarial gains	37	(20)
Items that should be reclassified subsequently to net income:		
- Translation differences – Foreign operations	29	(8)
Other comprehensive income for the period net of tax	**66**	**(28)**
Total comprehensive income for the period	**(27 056)**	**(27 724)**
Net income for the period attributable to :		
- Attributable to non-controlling interests	-	-
- Attributable to equity holders of the parent Company	(27 122)	(27 696)
Comprehensive income for the period attributable to :		
- Attributable to non-controlling interests	-	-
- Attributable to equity holders of the parent Company	(27 056)	(27 724)
Basic earnings per share - in euros	(0,75)	(0,78)
Diluted earnings per share - in euros	(0,75)	(0,78)

TABLEAU CONSOLIDE DES FLUX DE TRESORERIE

(in thousands of euros)	31/12/2017	31/12/2016
Net income (loss)	(27 122)	(27 696)
- Adjustment for amortization and charges to provisions	338	981
- Adjustment for income (loss) from asset sales	0	0
- Non-cash income and expenses linked to share-based payments	125	202
- Other non-cash income and expenses	(1 313)	0
- Adjustment for income tax expense	0	(35)
- Adjustment for change in deferred tax	0	0
- Impact of change in working capital requirement generated by operating activities	5 080	(4 701)
- Income from interest on financial assets	(4)	(2 271)
- Cash flow from operations before tax and interest	**(22 896)**	**(33 520)**
- Income Tax (paid) / received	0	
Net cash flow from operating activities	**(22 896)**	**(33 520)**
Acquisitions of fixed assets	(503)	(524)
Sales of tangible and intangible assets	0	0
Acquisitions of financial assets	0	0
Proceeds from the sale and financial assets	0	6 000
Changes in loans and advances	0	0
Interest received / (paid)	8	(114)
Other cash flow related to investing activities	0	0
Net cash flow from investing activites	**(495)**	**5 362**
Dividends paid		
Capital increase (decrease)	42 371	32 393
Issue of loans and receipt of conditional advances	0	0
Repayments of loans and conditional advances	0	(144)
Other cash flows from financing activities	0	0
Net cash flow from financing activites	**42 371**	**32 250**
Effect of exchange rate fluctuations	29	(8)
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	**19 008**	**4 084**
Cash and cash equivalents – opening balance	19 780	15 696
Cash and cash equivalents – closing balance	38 789	19 780
Net increase / decrease in cash and cash equivalents – by change in closing balances	**19 008**	**4 084**