Paris, October 1st 2018, 8.30am

Net loss of 11.1M€ in the first half of 2018

Cash position of 21.1M€ as of 30 June 2018, plus 6.6M€ of 2017 tax credit reimbursed by the Public Finance Department in August 2018

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 2018 and provides an update on its activities.

I. Key events for the first half of 2018

Clinical studies

- Amyotrophic Lateral Sclerosis (ALS)

In April 2018, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicine Agency (EMA) adopted a negative opinion for the marketing authorization of masitinib in the treatment of adult patients with amyotrophic lateral sclerosis (ALS).

The grounds for this negative opinion were:

- 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 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-R 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-R 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.

The marketing authorization application was filed in September 2016 based on the interim results from study AB10015. The final safety data were generated in February 2018 and could not be inspected during the evaluation. New data cannot be presented as part of a reexamination procedure.

AB Science is therefore evaluating the possibility to resubmit the application based on the final results from study AB10015. As part of the resubmission, AB Science intends to submit:

- Final safety data
- New sensitivity analyses on the primary analysis of the ALSFRS-R score for patients who stopped the study prematurely, applying recommended methods as per EMA guidelines in order to corroborate the results based on the LOCF method (last observation carried forward)
- New preclinical data reinforcing the mechanism of action of masitinib, which is an important consideration in the context of an application based on a single pivotal trial

Moreover, a second 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 this confirmatory study in the treatment of ALS once the *scientific advice* procedure regarding the design of the trial is completed and once the ANSM clinical hold is lifted.

- Other clinical studies

The phase 3 study evaluating masitinib in the treatment of primary progressive or relapse-free secondary progressive multiple sclerosis is still ongoing. The Independent Data Safety Monitoring Committee (IDMC) did not report any safety concern with masitinib in the study population. The recruitment is completed and final results of the study are expected in 2019.

The phase 3 study (AB12003) evaluating masitinib in the treatment of metastatic castrate resistant prostate cancer (mCRPC) is still ongoing following the blinded interim analysis of study data. According to the study protocol, an interim analysis performed by the IDMC was pre-planned once 50% of the events had been reached. Based on results from this interim analysis, the IDMC has recommended the continuation of study AB12003 in a pre-specified sub-population of patients that were identified based on a specific biological biomarker, and which is estimated to account for about two-thirds of the eligible population. A total of 468 patients are to be enrolled in this sub-population, while enrolment of patients with an absence of this biomarker will be stopped. Based on the rules set for the interim analysis, this recommendation from the IDMC means that the probability of success of study AB12003 is above 80% in the selected sub-population, assuming that the patients remaining to be enrolled behave similarly to those analyzed at the interim analysis. AB Science expect study AB12003 to be completed in 2019.

Other events

- Other transactions of securities

During the first half of 2018, as a result of the exercise of share subscription warrants, 39,314 shares of nominal value of 0.01 euros were issued in the first half of 2018, resulting in an increase in equity of 393.14 euros.

As of 30 of June 2018, the share capital of AB Science is composed of 41,064,310 shares, including 18,891,108 with a double voting right.

- 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

The phase 3 study evaluating masitinib in the third and fourth-line treatment of metastatic colorectal cancer is still ongoing. The study design is an adaptive design. A trend analysis for OS was planned after a certain number of events are observed. Based on this trend analysis, the IDMC recommended the continuation of the study, with a total of 415 patients to be enrolled. A total of 190 patients have been enrolled in study AB12010. An interim analysis is planned after around 50% of the total number of required events. AB Science expects study AB12010 to be completed in 2019.

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

III. Consolidated financial statements for the first half of 2018

The Company's turnover, entirely generated by the commercialization of a drug in veterinary medicine, amounts to 872 K€ for the first half of 2018, as compared with 842 K€ one year earlier, which represents an increase of 3.6%.

The Company's operating charges amounted to 15,064 K€ on 30 June 2018 as compared with 14,550 K€ on 30 June 2017, corresponding to an increase of 3.5%.

The Company's marketing expenses are stable (530K€ on 30 June 2018 compared with 525K€ on 30 June 2017).

Administrative expenses decreased by 4.5% from 1,259 K€ on 30 June 2017 to 1,202 K€ on 30 June 2018.

Research and development expenses increased by 4.2%, from 12,756 K€ as of 30 June 2017 to 13,287 K€ as of 30 June 2018.

Operating profit/loss

The operating loss as at 30 June 2018 amounted to 14,192 K€ as compared with 13,709 K€ as at 30 June 2017, which is an increase of the operating loss by 483 K€ (3.5%).

Financial profit/loss

The financial profit as of 30 June 2018 was 3,076 K€, as compared with a profit of 206 K€ a year earlier.
The 3,076 K€ profit is composed of:

- ✓ Financial income: 3,121 K€. Financial income is mainly related to:
  - Cash remuneration: 4 K€
  - Exchange gains: 36 K€
  - Accounting at the fair value of the financial liabilities, explained in the 11.3 note of the appendix to the consolidated financial statements of the present document: 3,077 K€. This variation generates a non-recurring and non-cash effect income.

- ✓ Financial loss: 45 K€. Financial loss is mainly related to:
  - Currency effects: 33 K€
  - Other financial charges: 11 K€

Net profit/loss

The total net loss as at 30 June 2018 amounted to 11,121 K€, as compared to 13,511 K€ as of 30 June 2017, a decrease of 17.7% for the reasons provided above.

IV. Consolidated balance sheet information

Assets

Given the stage of product development, development costs were expensed, marketing prospects being difficult to evaluate. 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 are stable compared to 30 June 2017 and amounts to 1,659 K€ as at 30 June 2018.

Inventory amounted to 246 K€ as of 30 June 2018 as compared with 159 K€ as of 31 December 2017.

Trade receivable decreased from 449 K€ at the end of 2017 to 377 K€ as of 30 June 2018.

As of 30 June 2018, there is no current financial asset. These financial assets correspond to cash instruments, the term of which is beyond 3 months. As of 30 June 2018, there is no cash with a term beyond 3 months.

Other current assets of the Company increased from 9,246 K€ as of 31 December 2017 to 12,040 K€ as of 30 June 2018, a 29.7% increase over the period (2,794 K€). This increase is explained by the accounting of the research tax credit for the first half of 2018 (3,006 K€).

Total cash and current financial assets amounted to 21,109 K€ as of 30 June 2018, against 38,789 K€ as of 31 December 2017. This amount excludes the reimbursement of the 6,557 K€ amount for the 2017 research tax credit paid by Finance Public Department in August 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 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 2017 and 30 June 2018.

(in thousands of euros) – IFRS norms	Company Equity
Equity as of 31 December 2017	10 735
Capital increases and additional paid-in capital net of issuance costs	50
Total profit/loss over the period	(11 046)
Conversion options	0
Payments in shares	76
Equity as of 30 June 2018	(184)

As of 30 June 2018, shareholders' equity amounted to -184 K€.

Current liabilities amount to 17,795 K€ as of 30 June 2018 against 18,713 K€ in late 2017, which represents a decrease of 4.9%.
This decrease (918 K€) can be explained by the following effects:

- The decrease in current liabilities (902 K€)
- The decrease of the other current liabilities (78 K€)
- The increase in current provisions (63 K€)

Non-current liabilities mainly amount to 18,048 as of 30 June 2018 against 21,152 K€ as of 31 December 2017, a decrease of 3,104 K€. They mainly include conditional cash advances (9,331 K€) and cash instruments (7,967 K€). The decrease is mainly due to the cash instruments fair value variation.

V. Risk factors and uncertainties

Additionally to the risks and uncertainties described in Chapter 5 of the Annual Financial Report to 31 December 2017, the Company is exposed to the following risks and uncertainties:

- Lifting of the clinical hold in France

The Company is in regular contact with ANSM in order to restart patient recruitment in clinical studies in France, based on the corrective and preventive actions implemented by the Company.

- Marketing authorization application in Amyotrophic Lateral Sclerosis

Following the CHMP negative opinion for the marketing authorization of masitinib in the treatment of adult patients with amyotrophic lateral sclerosis and since the marketing authorization application was filed in September 2016 based on the interim results from study AB10015, AB Science is evaluating the possibility to resubmit the application based on the final results from study AB10015.

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

In 2018, AB Science continued and reinforced the transformation plan in order to ensure that clinical studies are carried out in compliance with good clinical practices.

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

The expected clinical milestones are:

- Trend analysis for the phase 2/3 study in refractory ovarian cancer
- Interim analysis for phase 3 study in pancreatic cancer
- Interim analysis for phase 2/3 study in Alzheimer’s disease
- Final analysis for phase 3 study in severe asthma uncontrolled by oral corticosteroids

And also:

- Launch of confirmatory studies in ALS and mastocytosis, subject to the lifting of the clinical hold in France

The Company also continued to invest in drug discovery activities in order to fuel its portfolio of molecules. AB Science intends to launch a phase 1/2 study in refractory acute myeloid leukemia with a new molecule developed by AB Science (AB8939).

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.
AB Science has developed a proprietary portfolio of molecules and the Company's lead compound, masitinib, has already been registered for veterinary medicine and is developed in human medicine in oncology, neurological diseases, and inflammatory diseases. 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.

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FINANCIAL STATEMENTS AS OF 30 JUNE 2018

Assets ***(in thousands of euros)***	30/06/2018	31/12/2017
Intangible assets	1 681	1 739
Tangible assets	147	171
Non-current financial assets	58	47
Other non-current assets	0	0
Deferred tax assets	0	0
Non-current assets	1 886	1 957
Inventory	246	159
Trade receivable	377	449
Current financial assets	0	0
Other current assets	12 040	9 246
Cash and cash equivalent	21 109	38 789
Current assets	33 773	48 642
TOTAL ASSETS	**35 659**	**50 600**

Liabilities ***(in thousands of euros)***	30/06/2018	31/12/2017
Share capital	411	410
Additional paid-in capital	193 334	193 284
Translation reserve	(61)	(55)
Other reserves and results	(193 867)	(182 903)
Total equity attributable to equity holders of the Company	(184)	10 735
Non-controlling interests		
Total equity	(184)	10 735
Non-current provisions	745	771
Non-current financial liabilities	17 303	20 381
Other non-current liabilities	0	0
Deferred tax liabilities	0	0
Non-current liabilities	18 048	21 152
Current provisions	63	0
Trade payable	14 581	15 483
Current financial liabilities	5	5
Tax liabilities / Tax payable	0	0
Other current liabilities	3 146	3 224
Current liabilities	17 795	18 713
TOTAL EQUITY AND LIABILITIES	**35 659**	**50 600**

STATEMENT OF COMPREHENSIVE INCOME 30 JUNE 2018

(in thousands of euros)	30/06/2018	30/06/2017
Revenue	**872**	**842**
Other operating revenues	0	0
Total revenues	**872**	**842**
Cost of sales	(45)	(10)
Marketing expenses	(530)	(525)
Administrative expenses	(1 202)	(1 259)
Research and development expenses	(13 287)	(12 756)
Other operating expenses	-	-
Operating income	**(14 192)**	**(13 709)**
Financial income	3 121	254
Financial expenses	(45)	(49)
Financial income	**3 076**	**206**
Income tax expense	(5)	(8)
Net income	**(11 121)**	**(13 511)**
Other comprehensive income		
Items that will not be reclassified subsequently to net income:		
- Actuarial differences	80	72
Items that should be reclassified subsequently to net income:		
- Translation differences – Foreign operations	(5)	19
Other comprehensive income for the period net of tax	**75**	**91**
Total comprehensive income for the period	**(11 046)**	**(13 420)**
Net income for the period attributable to:		
- Attributable to non-controlling interests	-	-
- Attributable to equity holders of the parent Company	(11 121)	(13 511)
Comprehensive income for the period attributable to:		
- Attributable to non-controlling interests	-	-
- Attributable to equity holders of the parent Company	(11 046)	(13 420)
Basic earnings per share - in euros	(0,29)	(0,37)
Diluted earnings per share - in euros	(0,29)	(0,37)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	30/06/2018	30/06/2017
Net income	(11 121)	(13 511)
- Adjustment for amortization and charges to provisions	349	245
- Adjustment for income from asset sales	0	0
- Non-cash income and expenses linked to share-based payments	76	96
- Other non-cash income and expenses	(3 078)	(222)
- Adjustment for income tax expense	0	0
- Adjustment for change in deferred tax	0	0
- Impact of change in working capital requirement generated by operating activities	(3 790)	798
- Income from interest on financial assets	(19)	(13)
- Cash flow from operations before tax and interest	**(17 582)**	**(12 607)**
- Income Tax (paid) / received	0	
Net cash flow from operating activities	**(17 582)**	**(12 607)**
Acquisitions of fixed assets	(151)	(238)
Sales of tangible and intangible assets	0	0
Acquisitions of financial assets	0	0
Proceeds from the sale and financial assets	0	0
Changes in loans and advances	0	0
Interest received / (paid)	8	11
Other cash flow related to investing activities	0	0
Net cash flow from investing activities	**(142)**	**(227)**
Dividends paid		
Capital increase (decrease)	50	42 372
Issue of loans and receipt of conditional advances	0	0
Repayments of loans and conditional advances	0	0
Other cash flows from financing activities	0	0
Net cash flow from financing activities	**50**	**42 372**
Effect of exchange rate fluctuations	(5)	19
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	**(17 679)**	**29 557**
Cash and cash equivalents – opening balance	38 789	19 780
Cash and cash equivalents – closing balance	21 109	49 337
Net increase / decrease in cash and cash equivalents – by change in closing balances	**(17 679)**	**29 557**