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AB SCIENCE SECURES EQUITY FINANCING FOR A MAXIMUM OF 4 MILLION SHARES WITH ALPHA BLUE OCEAN'S PACT™

AB Science SA (Euronext – FR0010557264 – AB) has entered into an equity financing facility, the *Programme d'Augmentation de Capital à Terme* (PACT™), with a fund managed by Alpha Blue Ocean.

Alpha Blue Ocean is committed to subscribe to newly issued shares of AB Science (in tranches comprised of a number of shares between 500,000 and 1 million) over a period of 24 months from the date of this announcement, up to a maximum of 4.0 million shares in total (or 7.8% of the company's share capital). Such subscriptions for new shares shall be carried out by means of capital increases using the twenty-fifth resolution of the Shareholder's Meeting of August 31, 2020 (as renewed or otherwise amended, if applicable).

By way of example, based on the latest closing price of AB Science's shares on Euronext Paris, it is estimated that AB Science could raise approximately 38.5 million euros through this equity financing facility.

« This new and innovative equity financing solution helps to meet the specific needs of listed MidCaps whilst aligning our interests with those of the current shareholders. We are happy to participate in the development of a company which is at the forefront of R&D in its field of expertise », stated Pierre Vannineuse (Chairman & CEO) and Frédéric Sutterlin (Venture Partner) of Alpha Blue Ocean.

Terms and conditions of the PACT™

For each tranche, the issuance price of new shares of AB Science, subscribed in full by Alpha Blue Ocean, shall be equal to 100% of the volume-weighted average price of the shares of AB Science traded on Euronext Paris over the three trading days preceding a tranche drawdown request, without any discount (the "**Reference Price**").

For each tranche, and after the settlement-delivery of the new shares of AB Science following the relevant capital increase, 75% of the proceeds of the tranche shall be secured in an escrow account with a third-party escrow agent. The remaining balance shall be kept by AB Science.

Following predefined trading rules for each tranche¹, Alpha Blue Ocean shall manage the orderly sale, on or off the market, of the AB Science shares subscribed to. 95% of the proceeds shall be distributed

¹ *If shares subscribed by Alpha Blue Ocean have not been sold at the end of the PACT™ (despite the best effort commitment of Alpha Blue Ocean in this respect), then the predefined trading rules will be neutralized to facilitate the sale of such shares.*

to AB Science on a monthly basis (minus a structuration fee), directly from Alpha Blue Ocean or by way of a release from the escrow account.

Accordingly, should the price of AB Science shares increase above the Reference Price, AB Science shall receive an amount higher than the proceeds from the shares issued at the time of the corresponding tranche drawdown. Similarly, if the price of AB Science shares drops below the Reference Price, AB Science shall receive an amount lower than the proceeds from the shares issued at the time of the corresponding tranche drawdown. Therefore, under the PACT™, the interests of AB Science are in line with the evolution of its share price.

AB Science has no obligations to draw down on the PACT™ and shall utilise this innovative financing solution only if necessary and if the market conditions are favourable to the interests of AB Science and its shareholders.

For each drawdown, the number of shares issued with respect to this agreement and admitted to trading will be reported in an Euronext notice and in a specific communication on AB Science's website. This deal does not require a prospectus to be issued and submitted to the *Autorité des marchés financiers*.

AB Science draws the attention of its investors to the following risks associated with the PACT™:

- Alpha Blue Ocean's engagement deals with a number of shares to be subscribed to and not a fixed subscription amount.
- The proceeds to be received by AB Science shall depend on its share price at the time of each tranche drawdown as well as its share price over the period in which Alpha Blue Ocean manages the orderly sale of AB Science shares the fund has subscribed to. Should the share price of AB Science trade lower over time, AB Science shall receive an amount lower than the initial amount received from Alpha Blue Ocean at the time of the tranche drawdown.

Consequences of the PACT™ on the financial visibility

AB Science indicates that its cash position was 10.5 million euros on June 30, 2020. AB Science's cash balance increased by 4.5 million euros by the issuance of a convertible bonds announced on October 29, 2020².

Based on the latest closing share price of AB Science on Euronext Paris, being 9.62 euros, the PACT™ could allow AB Science to raise up to 38.5 million euros and thus increase its financing runway beyond the next twelve months.

This equity financing will allow AB Science to strengthen its financial position, in order to fund the development of its clinical research program, while diversifying its sources of financing.

Theoretical consequences of the PACT™ (based on the latest closing share price of AB Science on Euronext Paris, being 9.62 euros)

By way of example, the effect of the PACT™ (in the hypothetical scenario that the entirety of the program is utilised) on the capital interest of a shareholder holding 1% of the share capital of AB Science prior to the implementation of the PACT™ (based on the number of shares outstanding as of the publication date of this press release) would be as follows:

² Depending on market conditions, AB Science will consider a drawdown on the PACT™ before the maturity date of the convertible bonds announced on October 29, 2020. If this drawdown exceeds 5.0 million euros, the convertible bonds will be automatically converted into shares (in such case, an early repayment penalty of 234,000 euros will be due, in cash or in shares).

	Share of capital in %	
	Non-diluted basis	Fully diluted basis
Prior to the implementation of the PACT™	1.0%	0.74%
After use of the PACT™ in its entirety	0.93%	0.70%

By way of further example, the effect of the PACT™ (in the hypothetical scenario that the entirety of the program is utilised) on the shareholder's equity per share (based on the number of shares outstanding as of the publication date of this press release) would be as follows:

	Shareholder's equity per share (in euros)	
	Non-diluted basis	Diluted basis
Prior to the implementation of the PACT™	-0.27	1.68
After use of the PACT™ in its entirety	0.44	2.12

Disclaimer

In France, the offer of AB Science securities described above will take place solely as a private placement, in accordance with Article L. 411-2 of the of the French Monetary and Financial Code and applicable regulations. The offering does not constitute a public offering in France, as defined in Article L. 411-1 of the French Monetary and Financial Code.

With regard to the Member States of the European Economic Area which have transposed Directive 2003/71/CE of the European Parliament and of the Council of November 4, 2003 (as amended in particular by Directive 2010/73/EU, insofar as this directive has been transposed in each of the Member States of the European Economic Area), no action has been taken and will not be taken to allow a public offer of the securities subject of this press release making necessary to publish a prospectus in either of the Member States.

This press release and the information it contains does not, and will not, constitute a public offering to subscribe for or sell, nor the solicitation of an offer to subscribe for or buy, securities of AB Science in the United States or any other jurisdiction where restrictions may apply. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended and applicable State securities laws. AB Science does not intend to register securities or conduct a public offering in the United States.

This distribution of this press release may be subject to legal or regulatory restrictions in certain jurisdictions. Any person who comes into possession of this press release must inform him or herself of and comply with any such restrictions.

About masitinib

Masitinib is a new orally administered tyrosine kinase inhibitor that targets mast cells and macrophages, important cells for immunity, through inhibiting a limited number of kinases. Based on its unique mechanism of action, masitinib can be developed in a large number of conditions in oncology, in inflammatory diseases, and in certain diseases of the central nervous system. In oncology due to its immunotherapy effect, masitinib can have an effect on survival, alone or in combination with chemotherapy. Through its activity on mast cells and microglia and consequently the inhibition of the activation of the inflammatory process, masitinib can have an effect on the symptoms associated with

some inflammatory and central nervous system diseases and the degeneration of these diseases.

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, including those listed in the annual financial report and 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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