PRESS RELEASE

NET LOSS OF 15M€ IN 2020, A 30.8% DECREASE AS COMPARED WITH 2019 (-21.7M€)

OPERATING LOSS OF -14.7M€, A 15.6% EXPENSES DECREASE AS COMPARED WITH 2019 (17.5M€)

CASH POSITION OF 20.7M€ AS OF 31 DECEMBER 2020, PLUS THE 6M€ STATE-GUARANTEED LOAN RECEIVED IN APRIL 2021

Paris, 30 April 2021, 6.30pm CET

AB Science SA (Euronext - FR0010557264 - AB) reports today its annual financials as of 31 December 2020 and provides an update on its activities. The Board who met on April 28th, 2021, reviewed and approved the consolidated financial statement for the year closing on 31 December 2020 Audit procedures on consolidated financial statements were performed. The audited financial report is available on the Company's website.

I. Key events of year 2020

Clinical results

- Alzheimer's disease

The Phase 2B/3 study (AB09004) evaluating masitinib in patients with mild to moderate Alzheimer's disease met its predefined primary endpoint and demonstrated that masitinib 4.5 mg/kg/day (n=182) generated a statistically significant effect compared to the control (n=176) on the primary endpoint, namely the change in ADAS-Cog, a score that measures the effect on cognition and memory (p=0.0003).

The study also showed that masitinib 4.5 mg/kg/day produced a statistically significant effect on the ADCS-ADL score, a score that assesses independence and daily living activities (p= 0.0381). In addition, the study demonstrated a 71% improvement in CIBIC score, which was statistically significant compared to the placebo (p=0.040), as well as a numerical advantage (not statistically significant) in favour of masitinib on MMSE, CDR and NPI scores.

This study compared the efficacy and safety of masitinib to placebo after 24 weeks of treatment when given in addition to a cholinesterase inhibitor (donepezil, rivastigmine or galantamine) and/or memantine. Two doses of masitinib were tested, masitinib 4.5 mg/kg/day and a titrated dose of masitinib 4.5 to 6.0 mg/kg/day, each dose having its own control.

No significant treatment effects were observed on ADAS-Cog or ADCS-ADL scores in the higher dose sub-studies of masitinib (dose escalation to 6.0 mg/kg/day).

- Progressive forms of multiple sclerosis

The Phase 2B/3 study (AB07002) evaluating oral masitinib in primary progressive multiple sclerosis (PPMS) and non-active secondary progressive multiple sclerosis (nSPMS) met its primary endpoint, demonstrating a statistically significant reduction in disability progression as measured by the EDSS score with masitinib at 4.5 mg/kg/day (p=0.0256). This treatment effect was homogeneous in PPMS and nSPMS patients.

The predefined primary endpoint was the overall change in the Expanded Disability Status Scale (EDSS) score from the baseline and averaged over 8 time points measured every 12 weeks over 2 years, with sensitivity analysis based on the ordinal change in the EDSS score (i.e. +1 if improved; 0 if stable; -1 if worsening).

Sensitivity analysis based on ordinal change in the EDSS score showed a significant 39% increase in the probability of having either reduced symptoms or less disease progression with masitinib (p=0.0446). In addition, masitinib significantly reduced the risk of first progression of the eDSS score by 42% and the risk of confirmed progression (3 months) of the eDSS score by 37%. Masitinib also significantly reduced the risk of reaching an EDSS score of 7.0, which corresponds to a disability severe enough to require a wheelchair (p=0.0093).

There are two main forms of multiple sclerosis: relapsing-remitting and progressive. Although significant progress has been made in relapsing-remitting multiple sclerosis, with more than 15 products registered, there is still a very significant unmet medical need in the treatment of primary progressive multiple sclerosis (PPMS) and non-active secondary progressive multiple sclerosis (nSPMS), as there is no product registered in nSPMS and only one product registered in PPMS. PPMS and nSPMS account for 50% of patients with multiple sclerosis.

The results of the study were presented at the 8th joint meeting of the Americas Committee for Treatment and Research in Multiple Sclerosis (ACTRIMS) and the European Committee for Treatment and Research in Multiple Sclerosis (ECTRIMS), which took place from 11 to 13 September 2020. The joint ECTRIMS-ACTRIMS meeting is the world's largest international conference dedicated to basic and clinical research in multiple sclerosis.

- Severe asthma

  - ✓ Severe asthma not controlled by oral corticosteroids

The phase 3 study (AB07015) evaluating oral masitinib in the treatment of severe asthma not controlled by oral steroids met its primary objective. The pre-specified primary analysis was conducted in the population of patients with severe asthma taking a daily dose of OCS $\geq$ 7.5 mg in which treatment with masitinib significantly reduced the number of severe exacerbations (p=0.0103).

AB Science presented the results of its phase 3 study AB07015 in severe asthma not controlled by oral corticosteroids (OCS) at the European Academy of Allergy & Clinical Immunology (EAACI) 2020 conference in June 2020. The EAACI is one of the most prestigious academic congresses in pulmonary medicine and the largest specialist congress in the world in the field of allergy and clinical immunology.

The results of the study were also presented at the European Respiratory Society's Annual International Congress in September 2020. The Annual International Congress of the European Respiratory Society (ERS) is the largest meeting in the respiratory field.

- ✓ Severe asthma not controlled by inhaled corticosteroids

The phase 3 study (AB14001) evaluating oral masitinib in severe asthma not controlled by high-dose inhaled corticosteroids and with an eosinophil level >150 cells/µL met its primary objective.

The primary pre-specified analysis was the rate of severe asthma exacerbations and masitinib demonstrated a statistically significant 29% reduction in severe exacerbations (p=0.022) compared to placebo. The incidence of severe asthma exacerbations was 0.43 in the masitinib arm compared to 0.62 in the placebo arm. The duration of exposure was well balanced between the two treatment arms (16 months in the masitinib arm and 17 months in the placebo arm). Sensitivity analysis based on the rate of moderate and severe asthma exacerbations was consistent with the primary analysis and detected a statistically significant 31% reduction in exacerbations (p=0.005) between masitinib and the placebo. The incidence of moderate and severe asthma exacerbations was 0.55 in the masitinib arm compared to 0.80 in the placebo arm.

- Pancreatic cancer

The phase 3 study (AB12005) met its primary objective of demonstrating an increase in survival in pancreatic cancer with pain.

Study AB12005 evaluated masitinib at a dose of 6.0 mg/kg/day in combination with gemcitabine in the first-line treatment of patients with pain-ridden, non-operable locally advanced or metastatic pancreatic cancer. The primary objective of the study was considered to be met if there was a statistically significant increase in survival (statistical significance level of 2.5%) in either the overall pain population or the pain and non-operable locally advanced tumour population.

In the pain population with non-operable locally advanced tumour, masitinib showed a significant improvement in overall survival compared to the control. The difference in median survival between the two groups was 1.8 months (p=0.007) in favour of masitinib (13.0 months for masitinib versus 11.2 months for control), with a Hazard Ratio (HR) of death of 0.46, representing a 54% reduction in the risk of death for masitinib-treated patients compared to the control. The result on the primary endpoint is consistent with the secondary analysis on progression-free survival (PFS), which measures the time to tumour progression or death since the start of treatment.

Masitinib also reduced pain compared to control in patients with non-operable locally advanced tumours, with a difference between the two groups that was statistically significant or close to being statistically significant. In pancreatic cancer, there is evidence that pain is a predictor of poor prognosis. The AB12005 study demonstrated that mast cells are associated with pain and that mast cell blocking, which masitinib targets, is able to reverse the poor prognosis of patients with pain from locally advanced non-operable tumours.

In the overall population of patients with both locally advanced and metastatic pancreatic cancer, no survival benefit was detected, suggesting that treatment with masitinib should be initiated at an early stage of the disease, and before metastasis occurs.

<u>Clinical programme for the treatment of Covid-19</u>

- Independent publication from the University of Chicago demonstrating anti-viral activity of masitinib against SARS-Cov-2

Independent research by scientists at the University of Chicago has demonstrated the anti-viral activity of masitinib against SARS-Cov-2. From a library of 1,900 clinically used drugs either approved for human use or in late-stage clinical development, masitinib stood out for its ability to completely inhibit the activity of the main SARS-CoV- 2 protease (3CLpro), thereby blocking viral replication.

Remarkably, the research team elucidated the mechanism of action of masitinib against SARS-CoV-2, showing that masitinib inhibits the SARS-CoV-2 protease 3CLpro, which is crucial in the infection and reproduction of the virus, by binding directly to the protease's catalytic site.

- Launch of a phase 2 study in the treatment of Covid-19

AB Science has received approval from the *Agence française du médicament* (ANSM - French Medicines Agency) to initiate a phase 2 study evaluating masitinib in combination with isoquercetin in the treatment of COVID-19.

This study (AB20001) is a randomised (1:1), double-blind, phase 2 clinical trial to assess the safety and efficacy of masitinib plus isoquercetin in hospitalised patients with moderate to severe COVID-19.

The study will recruit 200 patients (over 18 years of age and with no upper age limit) from hospitals in France and other countries. The main objective is to improve the clinical condition of patients after 15 days of treatment.

Many patients with moderate and severe forms of COVID-19 develop a "cytokine storm" that leads to severe lung inflammation and numerous thrombotic events associated with acute respiratory distress syndrome (ARDS) and potentially death. The combination of masitinib with isoquercetin may prevent the development of both complications:

- Masitinib is a potent inhibitor of mast cells and macrophages that contribute to the cytokine storm
- Isoquercetin inhibits disulfide isomerase (PDI), an enzyme directly involved in clot formation, and decreases D-dimer, a predictor of the severity of COVID-19-related thrombosis.
- The combination of masitinib and isoquercetin has a synergistic effect against senescent cells, a potential target of the virus that may explain why COVID-19 mortality is higher in the elderly.

<u>Other events</u>

- March 2020 fundraising

AB Science raised €12.3 million in March 2020 through a successful private placement, the exercise of share subscription warrants and the implementation of a financing option to mobilise the 2019 research tax credit early:

- EUR 6.40 million gross was raised through a private placement of 860,220 new ordinary shares at a price of EUR 7.44, representing a premium of 5.5% on the closing price.
- EUR 1.23 million was raised through the exercise of 449,014 share subscription warrants (subscribed in the August 2019 private placement)
- EUR 4.70 million was raised through the implementation of the financing option to mobilise the 2019 research tax credit early

The proceeds of these transactions will be used by AB Science for general corporate purposes and to fund its clinical development programme.

- October 2020 fundraising

AB Science entered into an agreement in October 2020 with qualified investors for a financing of 4.5 million euros through the issuing of 90,000 bonds issued at a nominal value of 50.0 euros per bond and convertible into new ordinary shares (the "OCAs" (*obligations convertibles en actions* - convertible bonds) to which are attached share subscription warrants (the "BSAs" (*bons de souscription d'actions* - share subscription warrants) and, together with the OCAs, the "OCABSA" - convertible bond with warrant attached).

This issue strengthened AB Science's cash position for the development of its clinical research programme.

- November 2020 optional funding

AB Science announced in November 2020 the establishment of a Term Capital Increase Programme (PACTTM - *Programme d'Augmentation de Capital à Terme*) with a fund controlled by Alpha Blue Ocean.

Alpha Blue Ocean has undertaken to subscribe, from the date hereof and for a period of 24 months, at the request of AB Science, to capital increases in tranches of between 500,000 and 1.0 million shares, up to an overall limit of 4.0 million shares (i.e. 7.8% of the current capital). These capital increases will be carried out on the basis of the twenty-fifth resolution of the combined general meeting of shareholders of 31 August 2020 (as renewed from time to time).

For each tranche, the issue price of the new AB Science shares, fully subscribed by Alpha Blue Ocean, will be equal to the volume-weighted average price of the AB Science share on Euronext Paris during the three trading sessions preceding the drawdown request without discount (the "Reference Price").

For each tranche, and after settlement and delivery of the AB Science shares which are the subject of the corresponding capital increase, 75% of the issue proceeds will be placed in an escrow account opened in the books of a third-party financial institution, pending the sale of the corresponding shares on the market by the subscriber. The balance of the issue proceeds will be definitively acquired by AB Science.

- Signature of a financing agreement with the EIB in November 2020

In November 2020, AB Science and the European Investment Bank (EIB) announced a loan agreement for a total amount of 15.0 million euros. This loan will enable AB Science to finance the clinical development programme evaluating masitinib in Covid-19.

This initial partnership with the EIB may be expanded in the future as discussions have been initiated for additional funding for other indications in which masitinib is or may be evaluated, up to a maximum of 30.0 million euros.

The Covid-19 Loan consists of two tranches of six million euros each, and a third tranche of three million euros. AB Science has not yet made a request to draw down the first tranche. It must do so contractually by the end of May 2021. The remaining two tranches will be drawn down at a later date, subject to the achievement of certain milestones, including clinical progress in AB Science's Covid-19 study and future equity financing for AB Science.

The Covid-19 Loan has an interest rate of 9% for the first tranche, 7% for the second tranche (which can be reduced to 5% if AB Science reaches a turnover threshold) and 5% for the third tranche.

The Covid-19 Loan is complemented by an agreement to issue share subscription warrants (the "BSAs") to the EIB. The number of BSAs to be issued by AB Science at the time of the drawdown of each tranche of the Covid-19 Loan will depend on the reference price of AB Science (itself a function of the stock market price or the price of the last capital increase carried out by AB Science) preceding the drawdown of each tranche and the amount of the tranche in question. For illustrative purposes only, based on a reference price of 14.42 euros (i.e. the price of the December 2020 fundraising), AB Science is expected to issue 122,379 BSAs concurrently with the drawdown of the first tranche. Each BSA will entitle the holder to subscribe to one ordinary share of AB Science at a price equal to the volume-weighted average of the share price of AB Science prior to their issue less 5%, for a period of 15 years.

- December 2020 fundraising

In December 2020, AB Science announced a capital increase of approximately 10.5 million euros through the issue of 728,156 new ordinary shares at a price of 14.42 euros per share, including share premium.

The issue price of one New Share of 14.42 euros corresponds to the volume-weighted average of the prices of the last three trading sessions, in accordance with the twenty-fifth resolution of the General Meeting.

The proceeds of the Capital Increase will provide the Company with additional resources to fund its clinical research program and extend its funding horizon beyond the next twelve months.

The New Shares were placed, with cancellation of the shareholders' preferential subscription rights, through a private placement with qualified investors in accordance with the twenty-fifth resolution of the combined general meeting of shareholders of the Company of 31 August 2020.

- Other securities transactions

During the year 2020, 208,600 stock options and 1,125,000 share subscription warrants were granted.
Details of these securities can be found in chapters 11.2 and 11.3 of the 2020 Annual Report.

- Other information

  ✓ Covid Pandemic 19

In 2020, the COVID-19 pandemic had a limited impact on AB Science's clinical development programme, as this crisis occurred at a time when most of AB Science's clinical studies were completed and confirmatory studies had not yet started.
The integrity of the study data has not been affected by the pandemic. There were no treatment interruptions or deaths due to COVID-19.
At employee level, the activity of some research employees could not be maintained during the first lockdown in March, April and May 2020 due to the unavailability of spectroscopic analysis equipment and the closure of the universities. The effects are presented in the consolidated notes in accordance with the nature of the corresponding income and expenses.

  ✓ Eligibility for PEA-PME

AB Science confirms its eligibility for PEA-PME (a share savings plan aimed at providing finance to SMEs) in accordance with decree no. 2014-283 of 4 March 2014 taken for the application of article 70 of law no. 2013-1278 of 29 December 2013 of finance for 2014 fixing the eligibility of companies for PEA-PME, i.e. less than 5,000 employees on the one hand, an annual turnover of less than 1,500 million euros or a total balance sheet of less than 2,000 million euros, on the other hand.

II. Recent events since the closing of the financial year

Clinical results in Prostate Cancer

Masitinib Phase 2B/3 study (AB12003) in metastatic castrate-resistant prostate cancer (mCRPC) eligible to chemotherapy met its predefined primary endpoint.

Patents related to study AB12003 results are being filed and detailed results of study AB12003 will be presented during a webcast with Key Opinion Leaders that will be held as soon as patents have been filed.

Study AB12003 was an international, multicenter, randomized, double blind, placebo-controlled, 2-parallel group, Phase 3 study in metastatic castrate resistant prostate cancer (mCRPC) eligible to chemotherapy. The study aimed to compare the efficacy and safety of masitinib (6.0 mg/kg/day) in combination with docetaxel versus placebo in combination with docetaxel. Docetaxel was combined with prednisone. The study primary endpoint was progression free survival (PFS).

The target patient population consisted of adult males who had progressed to develop metastatic castrate resistant prostate cancer (mCRPC) after castration treatment (i.e. reduction of available androgen/testosterone/DHT by chemical or surgical means) and were therefore eligible for chemotherapy.

Clinical programme for the treatment of Covid-19

- New independent publication confirms anti-viral activity of masitinib against SARS-Cov-2

AB Science announced the publication of results from a preclinical study with masitinib in COVID-19. The research conducted by scientists from the Institute of Human Virology (Guangzhou, China) has been published in the peer-reviewed journal mBIO (a journal of the American Society for Microbiology).

This article presents the results of a new independent study, led by Professor Yuewen Luo and colleagues from the Institute of Human Virology (Guangzhou, China), describing the development of an in vitro SARS-CoV-2 viral replication system (replicon) for high-throughput screening of antiviral drugs. Such systems allow the replication of the SARS-CoV-2 virus to be simulated in a practical and safe way to analyse the role of the different genes it encodes, the effects of mutations in these genes and the antiviral activity of small molecules.

From a library of 1,680 clinically approved drugs, masitinib was one of five drug candidates selected for further study due to its potent inhibitory effect on the replicon system and its ability to block viral replication of wild-type SARS-CoV-2. In each of the replicon and wild-type SARS-CoV-2 models, masitinib demonstrated strong activity with a submicromolar IC50 equal to 0.6 µM (this is a quantitative measure of the amount of a particular inhibitory substance required to inhibit viral replication by 50% in vitro). This is equivalent to the inhibition of SARS-CoV-2 replication by masitinib in a human airway epithelial cell model. It is important to note that such an active concentration (0.6 µM) is achieved in human patients at the therapeutic dose (6 mg/kg/day).

The authors concluded that their results supported the hypothesis that SARS-CoV-2 RNA synthesis may be directly dependent on certain phosphorylation-regulated signalling pathways, masitinib being a tyrosine kinase inhibitor.

These new results establish that masitinib, in addition to being a direct antiviral drug that blocks 3CLPro, as previously shown by research at the University of Chicago, could also likely indirectly block virus replication through inhibition of cellular kinases.

- Exclusive research agreement signed with the University of Chicago

AB Science and the University of Chicago have announced an exclusive licence agreement to conduct research into the prevention and treatment of humans infected with nidoviruses, coronaviruses and picornaviruses.

The collaboration follows the discovery by the University of Chicago that masitinib inhibits the key protease (3CLpro) required for the replication cycle of the SARS-CoV-2 virus.

Under the agreement, AB Science will provide masitinib and more than 130 other AB Science proprietary drugs that have demonstrated activity against the key SARS-CoV-2 protease, 3CL-Pro, through a virtual screening methodology, and will benefit from the University of Chicago's proprietary research platform to evaluate its compounds.

The University of Chicago will carry out the following research activities:

- Progress in the preclinical programme for masitinib against SARS-CoV-2
- Initiation of research with masitinib against viruses other than SARS-CoV-2 that are also dependent on the 3CL-Pro protease for replication
- Testing and identification of masitinib analogues active against the SARS-CoV-2 protease 3CL-Pro

In the event of commercialisation in viral diseases, AB Science will benefit from an exclusive royalty-bearing licence for any discovery made by the University of Chicago on its products (1% of net sales of the first registered product and 0.3% of net sales of subsequent registered products, payable to the University of Chicago).

State-guaranteed loan (PGE)

AB Science has obtained the agreement of Société Générale, Bpifrance and Banque Populaire for a total of 6 million euros in financing in the form of a state-guaranteed loan (PGE - *prêt garanti par l'État*), in the context of the COVID-19 pandemic.

Each bank provided a loan of 2 million euros. This loan is 90% guaranteed by the French State, with an initial maturity of 12 months and an extension option of up to five years, exercisable by AB Science.

Shareholder agreements expiring in 2021

Some agreements expire in 2021. All of these covenants are detailed in Chapter 8.5 of the 2020 Annual Report.

No other post balance sheet events have occurred since the balance sheet date that could have an impact on the financial position of the Group.

III. 2020 and 2019 consolidated financial statements

Statement of comprehensive income as at 31 December 2020 (IFRS):

(In thousands of euros)	31 December 2020	31 December 2019
Net Turnover	1,583	1,571
Operating profit	(14,749)	(17,474)
Net profit (loss)	(15,045)	(21,747)
Overall profit (loss) for the period	(15,378)	(21,726)
Earnings per share - in euros	(0.34)	(0.55)
Diluted earnings per share - in euros	(0.34)	(0.55)

Operating results

Operating revenue

(In thousands of euros)	31 December 2020	31 December 2019
Net Turnover	1,583	1,571
Other income	0	0
Total operating income	1,583	1,571

Operating income, exclusively consisting of revenue from the operation of a veterinary medicine drug, was stable compared to 31 December 2019 and amounted to €1,583,000.

Operating expenses

(In thousands of euros)	31 December 2020	31 December 2019
Cost of sales	69	181
Marketing expenses	781	1,018
Administrative costs	2,641	2,263
Research and development costs	12,841	15,583
Other operating expenses	0	0
Total operating costs	16,332	19,045

Operating expenses amounted to €16,332k at 31 December 2020 compared to €19,045k at 31 December 2019, a decrease of 14.2%.

Cost of sales amounted to €69k at 31 December 2020 compared to €181k at 31 December 2019, a decrease of €112k.

Marketing expenses amounted to €781k at 31 December 2020 compared to €1,018k at 31 December 2019, a decrease of 23.3%.

Administrative expenses increased by 16.7% from €2,263k at 31 December 2019 to €2,641k at 31 December 2020.

Research and development costs decreased by 17.6% compared to 31 December 2019 (€12,841k at 31 December 2019 versus €15,583k at 31 December 2019). This variation is explained by the end of a number of studies where masitinib is being developed, which has led to a decrease in clinical costs (clinical partners, hospitals, laboratories, etc.).

Operating profit/loss

The operating result as at 31 December 2020 corresponds to a loss of €14,749k, compared to a loss of €17,474k as at 31 December 2019, i.e. a decrease in the operating deficit of €2,725k (15.6%) for the reasons set out above.

Financial profit/loss

The financial profit/loss at 31 December 2020 was a loss of €289k compared to a loss of €4,269k a year earlier.
The loss of €289k, like the one at 31 December 2019, is mainly related to the recognition of the change in fair value of financial liabilities (€440k). This change results in a non-recurring, non-cash loss.

Net profit (loss)

The net loss at 31 December 2020 was €15,045k compared to €21,747k at 31 December 2019, a decrease of 30.8%, for the reasons mentioned above.

IV. Consolidated balance sheet information

Assets

In view of the expected marketability of the products, the development costs have been accounted for as expenses. The amount capitalised corresponds mainly to the cost of registering the Company's patents. The Company's patent registration fees capitalised in net values increased by 4.2% at 31 December 2020, from €1,411k at 31 December 2019 to €1,471k at 31 December 2020.

In accordance with IFRS 16, leases with a term of more than 12 months are now recognised as assets by recognising a right of use. This amounted to €1,662k at 31 December 2020 compared to €1,979k at 31 December 2019.

Inventories amounted to €79k at 31 December 2020 compared to €230k at 31 December 2019.

Trade receivables increased from €197k at the end of 2019 to €355k at 31 December 2020.

Financial assets are cash instruments with a maturity of more than three months. As at 31 December 2020, no cash instruments had a maturity of more than three months.

The Company's other current assets decreased by €2,730k (€7,962k at 31 December 2019 vs 5,232k at 31 December 2020).

Cash and cash equivalents amounted to €20,660k at 31 December 2020 compared to €5,695k at 31 December 2019.

Total cash and current financial assets amounted to €20,660k at 31 December 2020 compared to €5,695k at 31 December 2019.

Liabilities

The financing used by the company is mainly made up of share issues and bond issues, and various public aids (research tax credit, repayable advances and subsidies).

The following table shows the changes in the Company's equity between 31 December 2019 and 31 December 2020.

(In thousands of euros) - IFRS	Company's equity
Equity on 31/12/2019	(26,829)
Capital increases and share premiums net of expenses	22,563
Overall profit (loss) for the period	(15,378)
Conversion options	0
Share-based payments	95
Equity on 31/12/2020	(19,549)

At 31 December 2020, the Company's equity was negative and amounted to €19,549k.

Current liabilities amounted to €22,587k at 31 December 2020 compared to €19,527k at the end of 2019, an increase of 15.7%.
This increase (€3,060k) is mainly due to the following effects:

- increase in current financial liabilities: €4,363k This increase results from the conclusion of a loan issued as part of the pre-financing of the 2019 research tax credit of $5.1 million in June 2020, repaid in full in January 2021
- an increase in current provisions (€279k), related to litigation
- increase in other current liabilities: €108k
- the increase in lease obligations (IFRS 16): €28k
- the decrease in trade payables: €1,717k

Non-current liabilities amounted to €26,650k at 31 December 2020 and relate to:

- non-current financial liabilities in the amount of €23,979k:
    - 10,197 K of conditional advances linked to research programmes and repayable in the event of the success of these programmes,
    - 12,780k related to the valuation of preference shares and BSAs defined as debt instruments under IFRS. These instruments are therefore recognised as financial liabilities and valued at their fair value at each closing date, i.e. €12,780k at 31 December 2020. This valuation has no cash impact.
    - €938k linked to a loan from BPI France
- the sum of the discounted rents remaining to be paid under the current leases, amounting to €1,390k, pursuant to IFRS 16
- the provision of €1,281k for retirement benefits

Non-current liabilities increased by €1,607k from €25,043k at 31 December 2019 to €26,650k at 31 December 2020. This increase can be analysed by the following main variations:
- the increase in the provision for pension commitments (€464k)
- the increase in financial instruments (€1,433k). The change in this item is mainly due to the change in the fair value of the financial instruments.
- the decrease in lease obligations (IFRS 16): €289k

As of 31 December 2020, the company has concluded:
- a bank loan in 2018 for an amount of €18k at a fixed rate of 2.06% and a term of 36 months.
- a loan issued as part of the pre-financing of the 2019 research tax credit of $5.1 million in June 2020, repaid in full in January 2021
- a loan from BPI France in September 2020 for an amount of 1 million euros at a fixed rate of 2.25% and a term of 60 months.

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

In 2021, AB Science continues to allocate the majority of its resources to the further development of masitinib, the company's most advanced compound.

The company has initiated the following clinical studies:
- Initiation of a phase 3 study in the treatment of ALS;
- Initiation of a confirmatory phase 3 study in the treatment of indolent systemic mastocytosis;
- Initiation of a phase 2 study in Covid-19

The Company has also continued to invest in drug discovery activities in order to add to its portfolio of molecules and anticipates, subject to the availability of financial resources, starting regulatory pre-clinical studies of new molecules from its own research programme.

Finally, AB Science anticipates initiating a phase 1/2 trial in refractory acute myeloid leukaemia with a new compound developed by AB Science (AB8939).

Next 2021 financial appointments

Financial communication on 1st semester 2021: September 30, 2021

Find our complete 2020 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.
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 31 DÉCEMBRE 2020

Assets ***(in thousands of euros)***	31/12/2020	31/12/2019
Intangible assets	1,471	1,417
Tangible assets	163	193
Rights of use relating to rental contracts	1,662	1,979
Non-current financial assets	67	67
Other non-current assets	0	0
Deferred taxes	0	0
Non-current assets	3,363	3,656
Inventories	79	230
Trade accounts receivables	355	197
Current financial assets	0	0
Other current assets	5,232	7,962
Cash and cash equivalents	20,660	5,695
Current assets	26,325	14,085
TOTAL ASSETS	**29,688**	**17,740**

Liabilities ***(in thousands of euros)***	31/12/2020	31/12/2019
Capital	459	435
Premiums	224,676	202,891
Translation reserves	(54)	(72)
Other reserves and income	(244,631)	(230,083)
Equity attributable to the owners of the company	(19,549)	(26,829)
Non-controlling interests		
Equity	(19,549)	(26,829)
Non-current provisions	1,281	817
Non-current financial liabilities	23,979	22,546
Other non-current liabilities	0	0
Non-current rental obligations	1,390	1,679
Deferred taxes	0	0
Non-current liabilities	26,650	25,043
Current provisions	516	237
Trade payables	13,286	15,003
Current financial liabilities	4,370	7
Current tax payable	0	0
Current rental obligations	361	333
Other current liabilities	4,054	3,946
Current liabilities	22,587	19,527
TOTAL LIABILITIES	**29,688**	**17,740**

STATEMENT OF COMPREHENSIVE INCOME AS OF 31 DECEMBER 2020

	31/12/2020	31/12/2019
Net turnover	**1,583**	**1,571**
Other operating income	0	0
Total income	**1,583**	**1,571**
Cost of sales	(69)	(181)
Marketing costs	(781)	(1,018)
Administrative costs	(2,641)	(2,263)
Research and development costs	(12,841)	(15,583)
Other operating costs	-	-
Operating profit	**(14,749)**	**(17,474)**
Financial income	698	29
Financial costs	(986)	(4,298)
Financial return	**(289)**	**(4,269)**
Tax charge	(8)	(4)
Net income	**(15,045)**	**(21,747)**
Other items of the comprehensive profit or loss		
Items that will not be subsequently reclassified to profit or loss:		
- Actuarial gains and losses	(351)	30
Items that may subsequently be reclassified to profit or loss:		
- Exchange rate differences - overseas activities	19	(10)
Other comprehensive profit or loss for the period, net of tax	**(332)**	**21**
Overall profit or loss for the period	**(15,378)**	**(21,726)**
Net result for the period attributable to :		
- Non-controlling interests	-	-
- Company owners	(15,045)	(21,747)
Overall result for the period attributable to :		
- Non-controlling interests	-	-
- Company owners	(15,378)	(21,726)
Net result per share - in euros	(0.34)	(0.55)
Diluted earnings per share - in euros	(0.34)	(0.55)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2020	31/12/2019
Net income	(15,045)	(21,747)
- Removal of depreciation and provisions	1,147	1,074
- Removal of disposal income	0	0
- Calculated expenses and income related to share-based payments	95	119
- Other income and expenses with no cash impact	17	3,804
- Removal of tax expense/income	0	0
- Removal of the deferred tax variation	0	0
Impact of variation in working capital requirements related to the activity	180	1,533
- Interest income and expenses	95	61
- Cash flow generated from operations before tax and interest	**(13,511)**	**(15,156)**
- Taxes paid/received	0	0
Net cash flow from operations	**(13,511)**	**(15,156)**
Acquisitions of fixed assets	(370)	(390)
Disposal of tangible and intangible assets	0	0
Acquisitions of financial assets	0	0
Proceeds from the disposal of financial assets	0	0
Variation in loans and advances granted	43	28
Financial interest received / (paid)	50	(71)
Other flows related to investment transactions	0	0
Net cash flows from investment transactions	**(277)**	**(432)**
Dividends paid		
Increase (Reduction) in capital	22,678	9,740
Issuance of loans and receipt of conditional advances	6,062	2,197
Repayment of loans and conditional advances	(6)	(2,203)
Other flows related to financing transactions	0	0
Net cash flows related to finance transactions	**28,734**	**9,734**
Impact of exchange rate changes	19	(10)
Impact of assets held for sale	0	0
Impact of changes in accounting policies	0	0
Cash flow variation	**14,964**	**(5,864)**
Opening cash and cash equivalents	5,695	11,560
Closing cash and cash equivalents	20,660	5,695
Change in cash and cash equivalents by balances	**14,964**	**(5,864)**