



## PRESS RELEASE

### FOCUS OF THE DEVELOPMENT STRATEGY ON AMYOTROPHIC LATERAL SCLEROSIS WITH THE MASITINIB PLATFORM AND ON THE SECOND MICROTUBULE PLATFORM AND SEARCH FOR PARTNERSHIPS FOR NON-RARE DISEASE INDICATIONS OF MASITINIB

### LAUNCH OF A CAPITAL INCREASE VIA A PRIVATE PLACEMENT FOR A MAXIMAL AMOUNT OF EUR 15.0 MILLION

Paris, France, April 21, 2023, 10pm CET

AB Science S.A. (the “**Company**” or “**AB Science**”), NYSE Euronext – FR0010557264 – AB), announces today the implementation of a new strategy and the launch, in support of this new strategy, of a capital increase through the issuance of new ordinary shares with attached warrants, with a waiver of preferential subscription rights, *via* a private placement for a maximum amount of approximately 15.0 million euros (the “**Capital Increase**”).

#### **I. FOCUS OF THE DEVELOPMENT STRATEGY ON AMYOTROPHIC LATERAL SCLEROSIS WITH THE MASITINIB PLATFORM, ON THE SECOND MICROTUBULE PLATFORM AND SEARCH FOR PARTNERSHIPS FOR NON-RARE DISEASE INDICATIONS OF MASITINIB**

AB Science has decided to focus its development strategy as follows:

- *Allocation of current resources primarily to the development of masitinib for the treatment of amyotrophic lateral sclerosis and the development of the microtubule destabilizer agents (MDA) platform, with the clinical development of AB8939 in refractory acute myeloid leukemia and the initiation of regulatory preclinical development of a new oral molecule in the same microtubule class for sarcoma and solid tumors.*

We want to focus the majority of our clinical resources on the development of rare diseases with masitinib, on the development of the microtubule platform with AB8939 and future molecules of the same family due to the very encouraging first results.

- *Acceleration of the process of seeking a license for masitinib in non-rare disease indications, with priority given to progressive forms of multiple sclerosis and Alzheimer's disease.*

This acceleration is possible now that the confirmatory Phase 3 studies have been approved by the FDA in the United States and the major European agencies. To this end, the Company has retained the services of a leading investment bank.

This license search is a priority in the Company's strategy, given the number of clinical studies already conducted and the maturity of the *pipeline*, and given the additional investments required to complete the clinical program, up to market authorizations. We want to highlight that the duration of this license search is not predictable and that the realization of a license is dependent on a number of factors and is not guaranteed. However, the milestones reached at this stage are essential factors that contribute to the feasibility of this strategy.

As a result of the focus strategy, AB Science has decided to adapt its organization, which should lead to a significant reduction in costs. This strategic focus reinforces and sustains the existing agreement between certain shareholders of AB Science and Alain Moussy.

## **II. LAUNCH OF A CAPITAL INCREASE OF A MAXIMUM AMOUNT OF APPROXIMATELY 15.0 MILLION EUROS**

The Capital Increase, for a maximum amount of 15.0 million euros (premium included), would entail an issuance of 2,608,695 shares with attached warrants. Taking into account the exercise of the warrants, the maximum amount of the Capital Increase (premium included) could be increased by an amount of 26.3 million euros (*i.e.* a total of 3.9 million new ordinary shares).

The proceeds of the Capital Increase will provide AB Science with the additional resources necessary to finance its activities over the next twelve months. In particular, the raised funds will be directly used:

- circa 8.0 million euros for the clinical development of masitinib in amyotrophic lateral sclerosis and other orphan indications;
- circa 3.0 million euros for the development of the AB Science microtubule destabilizer agents platform;
- for the reminder, to finance, together with operational products of the Company, R&D and operational costs.

The Capital Increase will also support the strategy detailed above.

### **Terms of the Capital Increase**

The Capital Increase will consist of a private placement pursuant to Articles L. 225-136 of the French Commercial Code and L. 411-2 1° of the French Monetary and Financial Code. The Capital Increase will be carried out with a waiver of preferential subscription rights, pursuant to the delegation of authority granted to the Board of Directors under the 20<sup>th</sup> resolution of the Combined General Shareholders' Meeting of June 29, 2023.

The Capital Increase will take the form of an issue of new ordinary shares (the “**New Shares**”) to each of which will be attached a share subscription warrant (the “**Warrants**”).

The issue price of the New Shares has been set at 5.75 euros (0.01 euro par value and 5.74 euros issue premium) and the exercise price of the Warrants at 8.63 euros. The issue price reflects (i) a 10% discount to the weighted average of the Company's share price on the regulated market of Euronext Paris during the last three trading sessions preceding the setting of the issue price (the “**3-Day VWAP**”), *i.e.* 6.3878 euros, and (ii) a 20% discount to the 3-Day VWAP, including the theoretical value of one Warrant.

One Warrant is attached to each New Share. Two Warrants give the right to subscribe for one new ordinary share of the Company, at a price of 8.63 euros per share, *i.e.* 150% of the issue price of the New Shares.

The Warrants may be exercised from January 1<sup>st</sup>, 2025 to December 31, 2030.

The theoretical value of each Warrant, assuming a volatility of 40% and based on the 3-Day VWAP, amounts to 0.6235 euros according to the Black & Scholes formula, representing 9.99% of the 3-Day VWAP.

The Warrants will be immediately detached from the New Shares upon their issuance and will not be listed.

### **Indicative timetable**

The order book will be built before the opening of the market on April 24, 2023, subject to any early closing.

The number of New Shares will be announced in a subsequent press release by AB Science no later than April 24, 2023 and as soon as possible following the closing of the order book.

The settlement-delivery of the new ordinary shares to be issued in the context of the Capital Increase and their listing on Euronext Paris are expected to occur on April 28, 2023 at the latest. The new shares will bear current dividend rights and will be listed on the regulated market on Euronext Paris under ISIN code: FR0010557264 – AB.

### **Commitment of certain historical shareholders**

Certain historical shareholders of AB Science have indicated their intention to for New Shares up to 10.5 million euros (in cash and by offsetting existing receivables), representing up to approximately 70% of the maximum amount of the Capital Increase.

The press release announcing the results of the Capital Increase will include a capitalization table post Capital Increase.

This renewed support from the Company's historical shareholders underlines their confidence in the Company's strategy and technologies.

### **Restructuring of convertible bonds issued in February 2022 and Class C preferred shares**

AB Science and the holders of the convertible bonds issued in February 2022 have negotiated a framework agreement under which the terms and conditions of the bonds would be amended as follows: on July 15, 2023, all the convertible bonds would be automatically converted into ordinary shares of AB Science on the basis of a price per share of 5.75 euros (*i.e.* the subscription price of the New Shares).

A framework agreement has also been negotiated with the holders of Class C preferred shares (the "**C Preferred**"). The C Preferred would be repurchased by AB Science for one symbolic euro (and subsequently cancelled). 520,786 share warrants (each warrant entitling the holder to subscribe for one ordinary share of AB Science at par value for a period of 12 months) will be issued in substitution of the C Preferred. In addition, still in substitution of the C Preferred, a new class of preferred shares would be created, benefiting from priority dividend rights (equal to 1.25% of the net sales of masitinib or of any licensing royalties, up to a limit of 9.0 million euros) and convertible into 750,000 ordinary shares of AB Science if the share price of AB Science exceeds a threshold of 30 euros for more than 90 consecutive days.

These agreements will be submitted to AB Science shareholders for approval at the next annual general shareholders meeting, Alain Moussy having declared that he was in favour of the planned restructuring.

Finally, it will be proposed to the shareholders to extend the term of certain lines of warrants already issued, to adapt to the evolution of AB Science's strategy and of its clinical pipeline.

### **Information available to the public**

The Capital Increase will not be subject to a prospectus approved by the French Financial Market Authority (the "**AMF**"). AB Science draws the attention of the public to the risk factors relating to the Company and its business described in its annual management reports and press releases, which are available free of charge on the Company's website ([www.ab-science.com](http://www.ab-science.com)).

In addition, the main risks specific to securities are as follows:

- The existing shareholders who do not participate in the Capital Increase will see their shareholding in the share capital of AB Science diluted, and this shareholding may also be diluted in the event of exercise of the Warrants, as well as in the event of new securities transactions.
- AB Science may be unable to raise all the expected proceeds of the Capital Increase.
- The volatility and liquidity of AB Science shares could fluctuate significantly. The sale of Company shares may occur on the secondary market, after the Capital Increase, and have a negative impact on the Company share price.

#### **About masitinib**

Masitinib is a novel oral tyrosine kinase inhibitor that targets mast cells and macrophages, key immune cells, through inhibition of a limited number of kinases. Due to its unique mode of action, masitinib can be developed in a wide range of diseases, including oncology, inflammatory diseases, and certain central nervous system diseases. In oncology, through its immunotherapy activity, masitinib may have an effect on survival, alone or in combination with chemotherapy. Through its activity on mast cells and microglial cells and therefore its inhibitory effect on the activation of the inflammatory process, masitinib may have an effect on the symptoms associated with certain inflammatory and central nervous system diseases.

#### **About AB8939**

AB8939 is a new synthetic microtubule-destabilizing drug. Preclinical data show that AB8939 has broad anticancer activity, with a notable advantage over standard chemotherapies that target microtubules of being able to overcome P-glycoprotein (Pgp) and myeloperoxidase (MPO) mediated drug resistance. Development of drug resistance often restricts the clinical efficacy of microtubule-targeting chemotherapy drugs (for example, taxanes and vinca alkaloids); thus, AB8939 has strong potential to be developed in numerous oncology indications.

#### **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, inflammatory diseases and viral 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](http://www.ab-science.com).

#### **Disclaimer**

In accordance with article L. 411-1 of the French Monetary and Financial Code and the applicable regulatory provisions, no prospectus will be published or approved by the Autorité des marchés financiers.

With respect to the Member States of the European Economic Area, no action has been taken or will be taken to allow a public offering of the securities covered by this press release that would require the publication of a prospectus (pursuant to Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017) in any of the Member States.

This press release and the information contained herein do not constitute an offer to subscribe or purchase, or the solicitation of an order to purchase or subscribe, for the New Shares in the United States of America or in any other jurisdiction. Securities may not be offered or sold in the United States of America absent registration under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act. AB Science does not intend to make a public offering of the New Shares in the United States of America or in any other jurisdiction.

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