



Paris, June 10<sup>th</sup> 2013 – 7:00 pm

Permanent Information

**AB Science issues 2 convertible bonds  
for a total amount of 12.5 M€  
bearing an average annual interest rate of 0.18%  
at the reference price for conversion of 24.38€ or 29.30€ per share**

**AB Science SA** (NYSE Euronext - FR0010557264 - AB), a pharmaceutical company specialised in research, development and commercialisation of protein kinase inhibitors (PKI), issued to existing shareholders 2 bond loan agreements, convertible or repayable in ordinary shares, for the nominal amount of 12,508,268 euros in a private arrangement. The amount of these bonds has been fully subscribed and issued.

The bonds bear 0.00% or 0.25% interest to be paid annually, representing for the four bond loans an average annual interest rate of 0.18%. They also bear 2.50% accrued interest to be paid only in case of repayment of the loan in cash.

The bonds are convertible into shares at any time at the initiative of the bondholder at the price of 23.53 euros or 29.30 euros per share, i.e. an average price of 24.38 euros per share for both bond loans. The bonds may be repaid by anticipation in cash at the option of AB Science under certain conditions. They will be repayable in full on the seventh anniversary of the issue date at their nominal value. If so, the conversion of the bonds will represent the issuance of a maximum of 516,104 ordinary shares, representing a maximum dilution of 1.6%.

Commenting on this announcement, Alain Moussy, Chief Executive Office of AB Science stated that: *“This bonds issue will finance AB Science’s growth. The subscription of these convertible bonds at a higher price than the current stock price is testimony of the continued trust from the market on the Company’s perspectives and increases cash reserves to more than 30 million euros, which corresponds to 3 years of financing on a like-for-like basis.”*

## Main features of the bond loans

They are two distinct bond loan agreements which, where applicable, are convertible or repayable in ordinary shares of the Company, with a nominal amount of twelve million, five hundred eight thousand, two hundred sixty-eight (12,508,268) euros, and representing the issuance of a maximum of five hundred sixteen thousand, one hundred four (516,104) ordinary shares if all bonds are converted, i.e. a maximum dilution of 1.6%:

<b>Bond Loan</b>	<b>Nominal Value Subscribed</b>	<b>Number of Bonds</b>	<b>Nominal Value of Bond</b>	<b>Annual Nominal Interest</b>	<b>Accrued Interest</b>	<b>Conversion Basis (Share price)</b>	<b>Maximum Number of Shares Issued</b>
n°1	10 658 148,80	50	213 162,98	0,21%	2,50%	23,53	452 960
n°2	1 850 119,20	15	123 341,28	0,00%	2,50%	29,30	63 144
<b>TOTAL</b>	<b>12 508 268,00</b>	<b>65</b>					<b>516 104</b>

### Issue Price

The bonds are issued at par value, that is for a unit subscription price equal to their nominal value, representing a twelve million, five hundred eight thousand, two hundred sixty-eight (12,508,268) euros bond loan in total.

They are payable in full in cash at their subscription date, at the same time of the submission of the subscription form.

### Annual interests

The bonds bear interest at the rate of 0.21% per annum for Bond n°1 or 0.00% per annum for Bond n°2, based on the nominal amount, payable annually on the anniversary of the issue date of the bonds.

### Accrued interests

The bonds are eligible for an annual interest rate of 2.50%, based on the nominal amount, which will not be payable annually on the anniversary of the date of issue but which will be accrued. Accrued interests will be due only in case of repayment of the bonds in cash.

### Repayment on maturity

In the absence of a conversion or repayment in shares, the bonds will be repaid in full on the seventh anniversary of the issue date, at their par value. This repayment will be made jointly with the payment of the annual accrued interests.

### Early redemption

If, before June 30<sup>th</sup> 2016, the three-month moving average share price of the of the Company is greater or equal to twenty-eight euros and ninety cents (28.90) for Bond n°1 or thirty-six euros (36) for Bond n°2, the Company will have the possibility to repay the bonds in cash in advance, as long as the bondholder had not requested a conversion of the bonds by means of a notification sent within the three business days after the end of the three-month reference period.

### Case of conversion

The bonds are convertible into shares at any time at the initiative of the bondholder, effective on the last business day of the month during which the notification was made, unless the notification was made less than four business days before that day, in which case the conversion will be effective on the last business day of the following month.

### Case of automatic repayment

The bonds are automatically repaid in shares, if after June 30<sup>th</sup> 2016, the three-month moving average share price of the Company with a one (1) euro cent nominal value is greater or equal to twenty-eight euros and ninety cents (28.90) for Bond n°1 or thirty-six euros (36) for Bond n°2, effective on the first business day following the last day of the reference three-month period.

### Conversion parity or repayment

During the conversion or the repayment of shares, each bond will be automatically converted or repaid, as appropriate, in a number "A" of ordinary shares of the Company with a nominal value of one (1) euro cent, paid-up by the offset of the bond debt and calculated as follows:

$$A = O / P$$

whereby:

- A: Rounded to nearest integer
- O: Nominal value of the bonds
- P: 23.53 euros for Bond n°1 or 29.30 euros for Bond n°2

### Capital increase

Conversion of the bonds will lead to the issue of a maximum of four hundred fifty-two thousand, nine hundred sixty (452,960) new ordinary shares for Bond n°1 and sixty-three thousand, one hundred forty-four (63,144) new ordinary shares for Bond n°2, i.e. a maximum total amount of five hundred sixteen thousand, one hundred four (516,104) new ordinary shares, with one (1) euro cent nominal value and twenty-three euros and fifty-two cents (23.52) in additional capital for Bond n°1 and twenty-nine euros and twenty-nine cents (29.29) in additional capital for Bond n°2. The new shares, issued following conversion or repayment of the bonds, will be subject to all statutory provisions and assimilated to existing shares.

### Seniority

The bond loan will have priority of repayment over any bank loans or bond issuances subscribed after the subscription date of the present loan. Repayable advances obtained as part of public aid to development, loans counter-guaranteed by Oséo and financing secured with receivables on the State, however, will have highest seniority, higher than the present bonds.

### **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 new class of targeted molecules whose action is to modify signaling pathways within cells. Through these PKIs, the Company targets diseases with high unmet medical needs (cancer, inflammatory diseases, and central nervous system diseases), in both human and veterinary medicines.

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 pursuing nine on-going phase 3 studies in human medicine in GIST in 1<sup>st</sup> and 2<sup>nd</sup> line of treatment, metastatic melanoma expressing JM mutation of c-Kit, multiple myeloma, mastocytosis, severe persistent asthma, Alzheimer disease, rheumatoid arthritis, and progressive 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](http://www.ab-science.com)*

*This document contains prospective information. No guarantee can be given as for the realization of these forecasts, which are subject to those risks described in documents deposited by the Company to the Authority of the financial markets, including trends of the economic conjuncture, the financial markets and the markets on which AB Science is present.*

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