Paris, August 29, 7pm

Turnover up 23% compared to 2013 second quarter

Turnover of 1,023K€ in the first half of 2014

Cash position of 24.8M€ as of 30 June 2014, plus 4.7M€ of 2013 research tax credit to be reimbursed by Public Finance Department

Clinical trial with masitinib in 13 phase 3 studies

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 2014 and provides an update on its activities.

I. Key events for the first half of 2014

In human medicine

- AB Science initiated a new Phase 3 study with masitinib in Prostate Cancer, following encouraging survival results obtained in a phase 2 study.

This is an international, multicenter, randomized, double blind, placebo-controlled, 2-parallel groups, phase 3 study to compare the efficacy and safety of masitinib in combination with docetaxel to placebo in combination with docetaxel in first line metastatic Castrate Resistant Prostate Cancer (mCRPC). The study will measure overall survival as a primary efficacy criterion. The phase 3 study has been authorized by competent authorities and will recruit 550 patients.

The decision to move to phase 3 follows encouraging results from an exploratory phase 2 study of 34 patients in second line treatment of metastatic Castrate Resistant Prostate Cancer. The phase 2 tested the combination of masitinib with docetaxel, which had an acceptable safety profile. Median overall survival in the masitinib plus docetaxel treatment-arm reached 18.4 months, which compares favorably to a meta-analysis of OS of 13.8 months in second line treatment of mCRPC before the recent arrival of Enzalutamide. With the arrival of Enzalutamide (median OS 18.4 months) the median OS reaches 14.4 months. Because docetaxel is the standard of care in first line treatment of mCRPC, and because the combination of masitinib and docetaxel has an acceptable safety profile, the phase 3 study was designed in first line treatment.

These data, although preliminary, are important since it is the fourth time an extended survival has been observed in clinical studies with masitinib in oncology as compared to standard-of-care. The first time was in imatinib-resistant GIST, with masitinib generating an additional 12 months median overall survival versus sunitinib. The second time was in first line treatment of pancreatic cancer, with two subpopulations having poor prognosis (i.e. patients with pain and patients with an aggressive genomic biomarker that flags a poor immune response) respectively reporting an additional median overall survival of 3 and 8 months for masitinib plus gemcitabine with respect to gemcitabine alone. The third time was in metastatic colorectal cancer with the combination masitinib plus FOLFIRI, with median OS reaching 14.5 months, which compares favorably to published results for FOLFIRI as a single agent at 12.5 months in patients with wild-type KRAS and 11.1 months in patients with mutant KRAS [Peeters et al. 2010].

- The Committee for Medicinal Products for Human Use (CHMP) of the European Medicine Agency (EMA) has adopted a negative opinion on the conditional marketing authorization for masitinib for the treatment of pancreatic cancer and for the treatment of malignant gastrointestinal stromal tumor (GIST), in second line of treatment.

The CHMP considered that the results of both reported studies are promising but have to be confirmed before a marketing authorization decision.

This decision does not affect the perspective to obtain marketing authorization of masitinib in these indications. AB Science intends to file for marketing authorization in each of these indications, with data from Phase 3 studies currently ongoing in both indications.

- As of 30 june 2014, the clinical development program of masitinib is as follows :

At the time of this report, thirteen Phase 3 studies are currently ongoing, in first-line and second-line GIST, metastatic melanoma expressing JM mutation of c-Kit, multiple myeloma, metastatic colorectal cancer, metastatic prostate cancer, pancreatic cancer, mastocytosis, severe persistent asthma, rheumatoid arthritis, Alzheimer's disease, progressive forms of multiple sclerosis, and Amyotrophic Lateral Sclerosis.
Additionally, a large Phase 2 clinical program is ongoing, mainly in oncology. In case of positive results, Phase 3 studies will be initiated following these Phase 2 studies.

Area	Indication	Study	Status
Oncology / Hematology	GIST in first-line treatment	Phase 3	On-going
	GIST in second-line treatment	Phase 3 confirmatory	On-going
	Metastatic melanoma with JM mutation of c-KIT	Phase 3	On-going
	Relapsed metastatic colorectal cancer	Phase 3	On-going
	Relapsed multiple myeloma	Phase 3	On-going
	Metastatic Castrate Resistant Prostate Cancer in first line	Phase 3	On-going
	Pancreatic cancer	Phase 3 confirmatory	Authorized
	Relapsed metastatic non-small cell lung cancer	Phase 2	On-going
	Relapsed metastatic triple negative breast cancer	Phase 2	On-going
	Relapsed metastatic non triple negative breast cancer	Phase 2	On-going
	Relapsed metastatic melanoma	Phase 2	On-going
	Relapsed metastatic liver cancer	Phase 2	On-going
	Relapsed metastatic gastric cancer	Phase 2	On-going
	Relapsed metastatic head and neck cancer	Phase 2	On-going
	Relapsed glioblastoma multiforme	Phase 2	On-going
	Relapsed peripheral T-cell lymphoma	Phase 2	On-going
Non Oncology	Indolent Systemic Mastocytosis	Phase 3	On-going
	Non controlled severe asthma	Phase 3	On-going
	Refractory rheumatoid arthritis	Phase 3	On-going
	Alzheimer's disease	Phase 3	On-going
	Progressive forms of multiple sclerosis	Phase 3	On-going
	Amyothrophic Lateral Sclerosis	Phase 3	On-going

II. Recent events since half-year closing

- AB Science published the results from the randomized phase 2 study of masitinib in treatment of Gleevec®-resistant gastrointestinal stromal tumor in the Annals of Oncology, a peer-reviewed journal.

This is the publication of the Phase 2 study results, which led to the conditional marketing authorization application to the European Medicine Agency.
Findings showed masitinib produces a statistically significant overall survival advantage of 12.4 months in patients with Gleevec®-resistant GIST when compared with Sutent® (sunitinib) from Pfizer, which is currently the standard of care for second-line treatment of advanced GIST. Overall, encouraging survival and safety data from a well-controlled and appropriately designed randomized trial indicates a positive benefit–risk balance.

An international phase 3 trial of masitinib in patients with Gleevec®-resistant/intolerant GIST has been initiated based on these promising results.

- AB Science renewed its Standby Equity Facility (PACEO®) with Société Générale as authorized by the Shareholders' Meeting of June 27, 2014.

Société Générale has committed to purchase newly created shares at any time during the 36-month commitment period, within the global limit of 3,200,000 shares (being 9.7% of currently outstanding shares).

Should the entire standby equity facility be drawn down, a shareholder who currently owns 1% of the company's share capital would experience a reduction of his ownership to 0.96%.
For each tranche, the price to be paid equals the volume weighted average share price of the three trading days preceding the effective date of purchase with a discount capped at 5% dependent on the size of the drawdown. This discount allows Société Générale, who is not positioned as a long term shareholder in the Company, to purchase the shares independently of market volatility.

AB Science has no minimum drawdown obligation, and will use the facility at its sole discretion if market conditions are favorable and in the best interests of both the Company and its shareholders.

III. Consolidated financial statements for the first half-year of 2014

The company turnover amounts to 1,023 K€ for the first half-year 2014, as compared with 995 K€ one year earlier, which represents a growth of 2.81%. It is entirely generated by the commercialization of a drug in veterinary medicine.

Operating expenses as at 30 June 2014 amounted to 7,729 K€, as compared with 7,028 K€ as at 30 June 2013, which is an increase of 10%.

The Company's marketing expenses amounted to 847 K€ as at 30 June 2014, as compared with 682 K€ as at 30 June 2013, which is an increase of 24.2% due to the hiring of six sales representatives between June 2013 and June 2014.

Administrative expenses increased by 5.7%. They amounted to 924 K€ to 30 June 2014 up from 874 K€ as at 30 June 2013.

Research and development expenses increased by 8.8%, amounting to 5,824 K€ as at 30 June 2014 up from 5,354 K€ as at 30 June 2013. This increase (+470 K€) is mainly explained by the following factors:

- Increase of research and development expenses (+1,316 K€) due to the continuation of the clinical development plan, and in particular the launch of phase 3 clinical trials.

- Decrease of research tax credit down from 2,252 K€ as at 30 June 2013 to 1,406 K€ as at 30 June 2014 (-846 K€).
  In fact, as at 30 June 2014, the basis for research tax credit calculation was decreased by 2,464 K€ after taking into account in the basis for calculation the grants and the conditional advances received during the period, leading to a decrease of 739 K€ on research tax credit. Advances will be added to the basis for calculation of the tax credit in the year of potential repayment.
  In addition, research and development expenses eligible for the research tax credit decreased by 356 K€, leading to a decrease of 107 K€ on research tax credit as at 30 June 2014.

Operating profit/loss

The operating loss as at 30 June 2014 amounted to 6,706 K€, as compared with 6,033 K€ as at 30 June 2013, which is an increase of the operating loss by 673 K€ (11.2%) for the reasons provided above.

Financial profit/loss

The financial loss as at 30 June 2014 was 532 K€, as compared with 336 K€ a year earlier.

Financial expenses, excluding currency effects and discounting effect, increased from 433 K€ as at 30 June 2013 to 628 K€ as at 30 June 2014. This increase of 195 K€ is primarily due the subscription of new bonds issuances in 2013. The capitalized interests related to the bond issuances amounted to 409 K€ as at 30 June 2014 against 268 K€ as at 30 June 2013, which represents an increase of 141 K€.

Over the period, interests earned from the investment of the obligations exceeded the annual payable interests.

Net profit/loss

The total net loss as at 30 June 2014 amounted to 7,208 K€, as compared to 6,349 K€ as at 30 June 2013, increasing by 13.5 %, for the reasons provided above.

IV. Consolidated balance sheet information

Assets

Given the stage of product development, development costs were expensed. 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 increased by 8.4% as of 30 June 2014, from 1,278 K€ as of 31 December 2013 to 1,385 K€ as of 30 June 2014.

Inventory amounted to 480 K€ as of 30 June 2014 as compared to 349 K€ as of 31 December 2013. They are related to the inventory of work-in-progress products (184 K€) and to the inventory of finished products (295 K€).

Trade receivable increased from 249 K€ at the end of 2013 to 284 K€ as of 30 June 2014.

Current financial assets increased by 31.4% between 31 December 2013 and 30 June 2014, from 4,504 K€ to 5,949 K€. These financial assets correspond mainly to cash instruments, the term of which is beyond 3 months. This increase results from the investment of cash obtained following the receipt of pre-payments in January 2014.

Other current assets of the Company amount to 8,599 K€ as of 30 June 2014, compared to 9,532 K€ as of 31 December 2013, which represents a decrease of 9.8% over the period (933 K€).

This is explained by:

- Increase in the amount of research tax credit receivable (6,217 K€ as of 30 June 2014 against 5,047 K€ as of 31 December 2013, an increase of 1,170 K€ for the first semester of 2014), since the research tax credit of 2013 was not reimbursed as of 30 June 2014. The case is under investigation.
- Reduced conditional advances receivable (2,464 K €) BPI France, advance provisioned at 31 December 2013 was received in January 2014.

Total cash and current financial assets amounted to 24,833 K€ as of 30 June 2014, excluding reimbursement of 4,716 K € research tax credits for 2013, against 31,445 K € as of 31 December 2013. The application for reimbursement of research tax credit of 2013 (4,716 K €) is still under investigation as of 30 June 2014.

Liabilities

Funds used by the company consist primarily of bond issues and various public assistance (research tax credits, grants and repayable advances).

As of 30 June 2014, shareholders' equity amounted to -6,811 K€.

Current liabilities are stable. They amount to 12,696 K€ to 30 June 2014 against 12,574 K € in late 2013.
This stability can be explained by the following effects:

- The decrease in current provisions (735 K€), related to the reversal of tax reserves previously established
- The increase in current liabilities (822 K€) due to the reclassification of non-current financial liabilities to current financial liability on the part of less than one year conditional advances refundable.

Non-current liabilities mainly include obligations (21,898 K€), two bank loans (422 K€) and conditional cash advances (6,879 K€). They amount to 30,232 K€ as of 30 June 2014 against 30,719 K€ as of 31 December 2013, a decrease of 487 K€.

Risk factors and uncertainties

The main risks and uncertainties to which the Company is exposed for the first six months and the remaining six months of fiscal 2014 are the risks and uncertainties described in Chapter 5 of the Annual Financial Report to 31 December 2013.

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 thirteen phase 3 studies in human medicine in first-line and second-line GIST, metastatic melanoma expressing JM mutation of c-Kit, multiple myeloma, metastatic colorectal cancer, metastatic prostate cancer, pancreatic cancer, mastocytosis, severe persistent asthma, rheumatoid arthritis, Alzheimer's disease, progressive forms of multiple sclerosis, and Amyotrophic Lateral Sclerosis. The company is headquartered in Paris, France, and listed on Euronext Paris (ticker: AB).

Further information is available on AB Science website: 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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FINANCIAL STATEMENTS AS OF 30 JUNE 2014

Assets ***(in thousands of euros)***	Note	30/06/2014	31/12/2013
Intangible assets		1,420	1,290
Tangible assets		217	189
Non-current financial assets	7	284	581
Other non-current assets	6	0	0
Deferred tax assets		0	0
Non-current assets		1,921	2,060
Inventory	4	480	349
Trade receivable	5	284	249
Current financial assets	7	5,919	4,504
Other current assets	6	8,599	9,532
Cash and cash equivalent	8	18,914	26,941
Current assets		34,196	41,573
TOTAL ASSETS		**36,117**	**43,633**

Liabilities ***(in thousands of euros)***	Note	30/06/2014	31/12/2013
Share capital	9	329	329
Additional paid-in capital		85,353	85,328
Translation reserve		27	34
Other reserves and results		(92,520)	(85,351)
Total equity attributable to equity holders of the Company		(6,811)	341
Non-controlling interests			
Total equity		(6,811)	341
Non-current provisions	10	369	363
Non-current financial liabilities	11	29,199	29,650
Other non-current liabilities	12	0	0
Deferred tax liabilities		663	705
Non-current liabilities		30,232	30,719
Current provisions	10	398	1,133
Trade payable		8,529	8,455
Current financial liabilities	11	1,849	1, 027
Tax liabilities / Tax payable		0	0
Other current liabilities	12	1,919	1,959
Current liabilities		12,696	12,574
TOTAL EQUITY AND LIABILITIES		**36,117**	**43,633**

STATEMENT OF COMPREHENSIVE INCOME 30 JUNE 2014

(in thousands of euros)	Note	30/06/2014	30/06/2013
Revenue	13	**1,023**	**995**
Other operating revenues		0	0
Total revenues		**1,023**	**995**
Cost of sales		(135)	(118)
Marketing expenses		(847)	(682)
Administrative expenses		(924)	(874)
Research and development expenses		(5,824)	(5,354)
Other operating expenses		-	-
Operating income (loss)		**(6,706)**	**(6,033)**
Financial income		149	135
Financial expenses		(681)	(471)
Financial income (loss)		**(532)**	**(336)**
Income tax expense		30	20
Net income (loss)		**(7,208)**	**(6,349)**
Other comprehensive income Items that will not be reclassified subsequently to net income : **….** Items that should be reclassified subsequently to net income: - Translation differences – Foreign operations		(6)	(6)
Other comprehensive income for the period net of tax		**(6)**	**(6)**
Total comprehensive income for the period		**(7,214)**	**(6,355)**
Net income for the period attributable to : - Attributable to non-controlling interests - Attributable to equity holders of the parent Company		- (7,208)	- (6,349)
Comprehensive income for the period attributable to : - Attributable to non-controlling interests - Attributable to equity holders of the parent Company		- (7,214)	- (6,355)
Basic earnings per share - in euros	17	(0.22)	(0.20)
Diluted earnings per share - in euros	17	(0.22)	(0.20)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of euros)	30/06/2014	30/06/2013
Net income (loss)	(7,208)	(6,349)
- Adjustment for amortization and charges to provisions	(520)	460
- Adjustment for income (loss) from asset sales	0	0
- Non-cash income and expenses linked to share-based payments	38	39
- Other non-cash income and expenses	53	54
- Adjustment for income tax expense	(42)	(27)
- Adjustment for change in deferred tax	0	0
- Impact of change in working capital requirement generated by operating activities	801	(1,742)
- Income from interest on financial assets	473	294
- Cash flow from operations before tax and interest	**(6,405)**	**(7,270)**
- Income Tax (paid) / received	0	0
Net cash flow from operating activities	**(6,405)**	**(7,270)**
Acquisitions of fixed assets	(362)	(244)
Sales of tangible and intangible assets	0	0
Acquisitions of financial assets	(6,076)	(4,200)
Proceeds from the sale and financial assets	4,973	4 800
Changes in loans and advances	0	0
Interest received / (paid)	119	20
Other cash flow related to investing activities	0	0
Net cash flow from investing activites	**(1,346)**	**376**
Dividends paid	0	0
Capital increase (decrease)	25	153
Issue of loans and receipt of conditional advances	0	12,508
Repayments of loans and conditional advances	(294)	(415)
Other cash flows from financing activities	0	0
Net cash flow from financing activites	**(270)**	**12,246**
Effect of exchange rate fluctuations	(6)	(6)
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	**(8 027)**	**5,346**
Cash and cash equivalents – opening balance	26,941	11,746
Cash and cash equivalents – closing balance	18,914	17,092
Net increase / decrease in cash and cash equivalents – by change in closing balances	**(8,027)**	**5,346**