Paris, April 30, 2020 – 9pm

**Net loss of 21.7M€ in 2019, a 16.6% decrease as compared with 2018 (-25.9M€)**

**Operating loss of -17.5M€, a 39.4% expenses decrease as compared with 2018 (28.9M€)**

**Cash position of 5.7M€ as of 31 December 2019, plus the 12.3 M€ fundraising performed in March 2020**

**AB Science SA** (NYSE Euronext - FR0010557264 - AB) reports today its annual financials as of 31 December 2019 and provides an update on its activities. The Board who met on April 30th, 2020, reviewed and approved the consolidated financial statement for the year closing on 31 December 2019 Audit procedures on consolidated financial statements were performed. The audited financial report is available on the Company's website.

## I. Key events of year 2019

Clinical studies

- **Lifting of the ANSM clinical hold**

The Agence Nationale de la Sécurité des Médicaments (ANSM - French National Agency for Medicines and Health Products Safety) has lifted its suspension of clinical studies conducted by AB Science in France on May 28, 2019.

This lifting of the clinical hold follows the in-depth restructuring of the Company performed over the past 2 years and the last ANSM inspection, which ensured that the conditions required to lift the clinical hold had been met.

- **Positive results in severe asthma**

AB Science reported positive results of a first phase 2/3 study with masitinb in severe asthma. The Phase 3 trial (AB07015) was a prospective, multicenter, randomised, double-blind, placebo-controlled, 2-parallel groups, Phase 3 study to compare the efficacy and the safety of masitinib at 6 mg/kg/day versus placebo in the treatment of patients with severe persistent asthma uncontrolled by oral corticosteroids. The study enrolled 355 assessable patients.

The pre-specified primary analysis was conducted in the severe asthma population with daily OCS ≥ 7.5 mg and masitinib treatment was associated with a significant reduction in severe asthma exacerbations. This positive primary analysis detected a 35% statistically significant reduction (p=0.0103) in severe exacerbation rate between masitinib and placebo.

The masitinib safety profile was acceptable based on available data. The occurrence of adverse events (AEs) and serious adverse events (SAEs) was comparable between masitinib and placebo.

A second Phase 3 trial (AB14001) is on-going with masitinib in asthma. It is a prospective, multicenter, randomised, double-blind, placebo-controlled, 2-parallel groups, Phase 3 study evaluating the efficacy and safety of masitinib in asthma uncontrolled by high-dose inhaled corticosteroids and with elevated eosinophil level. The primary endpoint of this study is the rate of severe asthma exacerbations over the treatment period.

- **Interim analysis results in pancreatic cancer**

In June 2019, the Independent Data Monitoring Committee (IDMC) recommended to continue the masitinib study in pancreatic cancer, following the interim analysis that was pre-planned in the protocol.

The IDMC recommended the study continuation without resampling in the pre specified subgroup of patients with unresectable locally advanced tumors, which means that the probability of success is above 80% in this selected sub-population.

The study compares the efficacy and safety of masitinib in combination with gemcitabine to placebo in combination with gemcitabine, in first-line treatment of unresectable locally advanced or metastatic pancreatic cancer patients with pain at baseline or taking opioids.

The recruitment is completed.

- **Interim analysis results in Alzheimer's Disease**

In June 2019, the pre-planned interim analysis of masitinib study in Alzheimer's Disease showed a positive trend of efficacy in one of the doses tested. Two doses of masitinib are evaluated, masitinib 4.5 mg/kg/day and a dose titration from masitinib 4.5 to 6.0 mg/kg/day, each dose having its own control arm.

The study compares the efficacy and safety of masitinib when administered as an add-on therapy to cholinesterase inhibitor (donepezil, rivastigmine or galantamine) and/or memantine, to placebo as add-on to cholinesterase inhibitor and/or memantine, in patients with confirmed mild to moderate Alzheimer's disease.

The recruitment is completed.

- **ANSM authorization to start the confirmatory phase 3 study in indolent systemic mastocytosis**

AB Science has been authorized by the French Medicine Agency, ANSM, to initiate the Phase 3 confirmatory study evaluating masitinib in indolent systemic mastocytosis.

This study (AB15003) is a multicenter, randomized, double blind, placebo-controlled, phase 3 study to compare the efficacy and safety of masitinib dose titration up to 6 mg/kg/day with that of placebo in treatment of patients with severe indolent systemic mastocytosis, unresponsive to optimal symptomatic treatment

The study is designed to enroll 140 patients with or without the D816V mutation of c-Kit. The primary endpoint is a measure of the cumulative response on 3 severe symptoms of mast cell mediator release (pruritus, flush and depression) from week 8 to week 24.

<u>Other events</u>

- Private placement

AB Science successfully completed a private placement of shares with warrants attached ("ABSA") allowing it to raise gross proceeds of €10 million. The net commission income received by AB Science amounted to €9.7 million. 2,463,054 ABSAs were issued at €4.06 each.

All ABSAs comprise one ordinary share and one share warrant ("BSA"). The BSAs will allow holders to subscribe 1,231,527 additional new shares at €5.5 per share.
The BSAs are exercisable for five years from their issue. They are not listed on Euronext Paris. If all of the BSAs are exercised, the Company will raise additional gross proceeds of 6.8 million euros.

- Other security transactions

During 2019 :
- 333,000 stocks options were allotted
- 1,260,000 share warrants were allotted and subscribed in 2019.

- Other information

AB Science confirms its eligibility for the PEA-SMEs in accordance with decree n°2014-283 of 4 March 2014 for the implementation of Article 70 of 2014 Finance Law n°2013-1278 of 29 December 2013, setting the PEA-PME eligibility for companies: less than 5 000 employees on one hand, a turnover lower than 1,500 million euros or total assets of less than 2,000 million, on the other hand.

**II. Recent events since the closing of the financial year**

Clinical studies

- Positive results in progressive forms of multiple sclerosis

The Phase 2B/3 trial (AB07002) was a prospective, multicenter, randomized (2:1), double-blind, placebo-controlled, 2-parallel groups study evaluating oral masitinib as a treatment for progressive multiple sclerosis (MS). Eligible patients aged 18-75 years, with baseline Expanded Disability Status Scale (EDSS) 2.0–6.0, regardless of time-from-onset, and diagnosed with primary progressive (PPMS) or non-active secondary progressive (nSPMS) MS, were treated for 96 weeks.

The study met its primary analysis, demonstrating a statistically significant reduction in disability progression on EDSS with masitinib 4.5 mg/kg/day (p=0.0256). This treatment-effect was consistent for PPMS and nSPMS.

Safety was consistent with the known profile for masitinib.

No significant treatment-effect on EDSS was observed for high-dose masitinib (6 mg/kg/day).

AB Science will consult with the FDA and EMA to discuss the appropriate pathway forward for masitinib in the treatment of progressive forms of multiple sclerosis

- **FDA authorization to start the confirmatory phase 3 study in amyotrophic lateral sclerosis**

The U.S. Food and Drug Administration (FDA) has cleared the company's Investigational New Drug (IND) application, allowing the Company to initiate its masitinib Phase 3 study (AB19001) in amyotrophic lateral sclerosis (ALS).

Study AB19001 is an international, multicenter, randomized, double-blind, placebo-controlled, 3-parallel group, Phase 3 study to compare the efficacy and safety of masitinib in combination with riluzole versus placebo in combination with riluzole for the treatment of patients suffering from ALS.

The study's primary endpoint is the absolute change from baseline in functional score as assessed using the Amyotrophic Lateral Sclerosis Functional Rating Scale-revised (ALSFRS-R) after 48 weeks of treatment. The main secondary endpoint is the Combined Assessment of Function and Survival (CAFS).

The study will enroll 495 patients and is intended to confirm the results from the first Phase 2/3 study (AB10015) which demonstrated that masitinib at 4.5 mg/kg/day in combination with riluzole significantly slowed ALSFRS-R decline by 27% compared to riluzole alone at week 48 (p-value < 0.05).

- **FDA authorization for patient recruitment in Phase 3 study in prostate cancer**

The U.S. Food and Drug Administration (FDA) has cleared the company's Investigational New Drug (IND) application to conduct its masitinib Phase 3 study (AB12003) in metastatic castrate-resistant prostate cancer (mCRPC) eligible to chemotherapy.

Study AB12003 is 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 aims to compare the efficacy and safety of masitinib (6.0 mg/kg/day) in combination with docetaxel to placebo in combination with docetaxel. Docetaxel is combined with prednisone.

The study primary endpoint is progression free survival (PFS). A total of 468 patients are planned to be enrolled.

Fundraising

In March 2020, AB Science carried out a fundraising generating 12.3 million euros due to the success of a private placement, the exercise of share warrants (subscribed by way of the private placement of August 2019) and the implementation of the financing agreement put in place to pre-finance the 2019 research tax credit:

- The private placement resulted in the issuance of 860,220 ordinary shares, raising gross proceeds of approximately 6.4 million euros. The placement price was set at €7.44 per share. This price is equal to the volume weighted average price per ordinary share of AB Science during the last two trading sessions preceding the price fixing date.
- The exercise of share warrants under the August 2019 private placement raised 1.23 million euros per the exercise of 449,014 share warrants. An investor subscribing for ABSAs in August 2019 informed AB Science on 28 February 2020 of its decision to exercise 449,014 share warrants and thus to subscribe for 224,507 new ordinary shares.
- Adopting the funding option allowing early receipt of 2019 research tax credit as reported on 6 November 2019 raised €4.70 million. In application of the provisions of the contract, this sum will bear interest at the US LIBOR rate 3 months + 2.50% per annum and must be repaid by AB Science after payment of the 2019 research tax credit by the tax authorities, scheduled for the second half of 2020.

The proceeds of all the operations described above will be used by AB Science for its general needs and in order to finance its clinical development program. Net proceeds for AB Science from the three operations described above are estimated at around €12 million.

Covid-19

AB Science expects that the COVID-19 pandemic will have limited impact on its clinical development program, as this crisis struck at a time when most of the on-going clinical studies were completed and new confirmatory studies were not yet initiated.

Data integrity is not affected for any of the clinical programs as a result of the pandemic. The only trial with patients still under treatment is the phase 3 trial in prostate cancer (AB12003). In this study, AB Science continues to work closely with its clinical partners to monitor the safety of patients who are participating in the study. AB Science has not observed any discontinuations nor deaths due to COVID-19.

For the studies to be read out, phase 2b/3 Alzheimer's Disease AB9004, phase 3 Severe Asthma with High Eosinophils AB14001, phase 3 Pancreatic Cancer AB12005 and phase 3 Metastatic Prostate Cancer AB12003, the potential impact could be a delay of up to a couple of months in study read-out timing, due to more difficult access to the clinical sites to perform quality control checks before the database lock.

For the new phase 3 Mastocytosis (AB15003) and ALS (AB19001) confirmatory studies, patient enrollment will start once post-pandemic conditions permit proper access to the sites, which may delay the enrollment date initially planned in March 2020 by up to 3 months. This decision is necessary to ensure the safety and well-being of the employees, the patients and the healthcare professionals involved in AB Science clinical trials, and to ensure the integrity of these trials.

No other event that is likely to have an impact on the financial position of the Company has occurred since closing.

**III. 2019 and 2018 consolidated financial statements**

Global Profit and Loss Account – 31.12.2019 (IFRS):

| *(in thousands of euros)* | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Net Revenues | 1 571 | 1 701 |
| Operating loss | (17 474) | (28 944) |
| Net loss | (21 747) | (26 061) |
| Global loss of Period | (21 726) | (25 907) |
| Net income per share – in euros | (0,55) | (0,69) |
| Diluted income per share - in euros | (0,55) | (0,69) |

*Operating income*

| *(in thousands of euros)* | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Net Revenues | 1 571 | 1 701 |
| Other operating revenues | 0 | 0 |
| Total operating income | 1 571 | 1 701 |

As of December 31st 2019, operating income, consisting exclusively of sales related to the drug in veterinary medicine, amounted to 1,571 K€ against 1,701 K€ last year. This represents a decrease of 7.6 %.

*Operating expenses*

| *(in thousands of euros)* | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Cost of goods sold | 181 | 248 |
| Marketing costs | 1 018 | 1 082 |
| Administrative costs | 2 263 | 2 388 |
| R&D costs | 15 583 | 26 926 |
| Other operating expenses | 0 | 0 |
| Total operating expenses | 19 045 | 30 645 |

As of 31 December 2019, operating expenses amounted to 19,045 K€, against 30,645 K€ last year, a decrease of 37,8%.

As of 31 December 2019, cost of goods sold amounted to 181 K€, against 248 K€ last year, a decrease of 67 K€.

As of 31 December 2019, marketing costs amounted to 1,021 K€, against 1,082 K€ last year, a decrease of 5.6%.

As of 31 December 2018, administrative expenses decreased by 5.2%, from 2,388 K€ last year to 2,263 K€.

Research and development expenses decreased by 42.1%, from 15,583 K€ as of 31 December 2019, to 26,926 K€ as of 31 December 2018.
This decrease is explained by the following reasons:

- Completion of a growing number of studies, which caused a decrease of the clinical costs (clinical partners, hospitals, laboratories), while the confirmatory studies have not started as of 31 December 2019.
- Study portfolio rationalization in order to focus masitinib clinical program on key indications

*Operating profit/loss*

The operating loss as of 31 December 2019 amounted to 17,474 K€, against 28,944 K€ as of 31 December 2018, which represents an increase of the operating loss by 11,470 K€ (39.6%) for the reasons indicated above.

*Financial profit/loss*

The financial loss as of 31 December 2019 was 4,269 K€, as compared with a profit of 2,887 K€ a year earlier.

The 4,269 K€ financial loss was mainly related to the accounting at the fair value of the financial liabilities (4,152 K€). This variation generated a non-recurring and non-cash effect income.

*Net profit/loss*

The net loss amounted, as of 31 December 2019, to 21,747 K€ against 26,061 K€ at 31 December 2018, a decrease of 16.6%, for the reasons mentioned above.

## IV. Consolidated balance sheet information

*Assets*

Given the expected sales perspectives, 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 decreased by 8.1% as of 31 December 2019, from 1,536 K€ as of 31 December 2018 to 1,411 K€ as of 31 December 2019.

According to IFRS 16 guidelines, leases with a duration of more than 12 months are now recognized as assets by the recognition of a right of use. This amounts to 1,979 K€ as of December 31, 2019.

Inventories amounted to 230 K€ as of 31 December 2019 as compared to 153 K€ as of 31 December 2018.

Trade receivable decreased from 236 K€ at the end of 2018 to 197 K€ as of 31 December 2019.

The financial assets correspond mainly to cash instruments, the term of which is beyond 3 months. As of 31 December 2019, no financial asset has a term which is beyond 3 months.

Other current assets of the Company decreased by 802 K€ (7,962 K€ as of 31 December 2019, against 8,764 K€ as of 31 December 2018).

Cash amounts to 5,695 K€ as of 31 December 2019, compared to 11,560 K€ as of 31 December 2018.

The total cash and financial current assets amount to 5,695 K€ as of 31 December 2019 compared to 11,560 K€ as of 31 December 2018. The Company increased its cash position by 12.3 M€ in March 2020.

*Liabilities*

Funding used by the Company comes mainly from issue of bond loan agreements, issue of new shares with the equity line facilities and various public aids (research tax credits, reimbursable advances and subsidies).

The table hereafter shows the change in the Company's equity between 31 December 2018 and 31 December 2019.

| *(in thousands of euros) - IFRS norms* | Company Equity |
|---|---|
| Equity as of 31 December 2018 | (14 962) |
| Capital increases and additional paid-in capital net of issuance costs | 9 740 |
| Total profit/loss over the period | (21 726) |
| Conversion options | 0 |
| Payments in shares | 119 |
| Equity as of 31 December 2019 | (26 830) |

As of 31 December 2019, the Company's net negative equity amounts to 26,830 K€.

Current liabilities amount to 19,527 K€ as of 31 December 2019, compared to 19,200 K€ at the end of 2018, which represents an increase of 1.7%.
This increase (327 K€) is explained in particular by:

- increase in current accruals (92 K€) related to employment-related legal disputes
- increase in other current liabilities (62 K€)
- decrease in trade payable (33 K€)
- accounting of lease obligations (IFRS 16): 333 K€

Non-current liabilities amount to 25,043 K€ as of 31 December 2019 and comprise the following items:

- non-current financial liabilities, for an amount of 22,546 K€:
  - 10,197 K€ in conditioned advances related to research programs and reimbursable if these programs are successful,
  - 12,345 K€ related to the valuation of preference shares and warrants bearing the definition of debt instruments according to IFRS standards. These instruments are therefore recognized in financial liabilities and valued at their fair value on the date of each closing, i.e. 12,345 K€ as of 31 December 2019. This valuation has no impact on cash.
- the sum of the updated rents to be paid under the current leases, for an amount of € 1,679 thousand, in application of IFRS 16 standards
- the provision of 817 K € for retirement indemnities

Non-current liabilities increased by 6,790 K€ as compared to 31 December 2018. This increase is explained by the following reasons:

- The increase of conditional cash advances (865 K€)
- The increase of cash instruments (4,152 K€). This variation is mainly due to the cash instruments fair value variation
- The accounting of lease obligations (IFRS 16): 1 679 K€

The only bank loan is a loan concluded in 2018 for an amount of 18 K€ at a fixed rate of 2.06% and a duration of 36 months.

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

In 2020, AB Science continues to allocate most of its resources to the development of masitinib, the most advanced molecule of the Company.

The expected masitinib clinical milestones for 2020 are:

- Final analysis for phase 3 study in Alzheimer's disease;
- Final analysis for phase 3 study in severe asthma uncontrolled by inhaled corticosteroids and with high eosinophils level;
- Final analysis for phase 3 study in pancreatic cancer;
- Final analysis for phase 3 study in prostate cancer;

These results on studies that include a large sample of patients will increase the visibility on the portfolio and will lead to the identification of the indications with the greatest potential for the company.

Additionally, AB Science is about to launch two confirmatory studies:

- Launch of a confirmatory phase 3 study in ALS
- Launch of a confirmatory phase 3 in systemic indolent mastocytosis

The Company also continued to invest in drug discovery activities in order to fuel its portfolio of molecules. The Company anticipates, subject to the availability of financial resources, to begin the regulatory preclinical studies of new molecules from its own research program.

Finally, AB Science intends to launch a phase 1/2 study in refractory acute myeloid leukemia with a new molecule developed by AB Science (AB8939).

## Next 2020 financial appointments

Financial communication on 1st semester 2020: September 30, 2020

***Find our complete 2019 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.

**For additional information, please contact:**

**AB Science**
Financial Communication & Media Relations
*investors@ab-science.com*

**FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019**

| **Assets** ***(in thousands of euros)*** | 31/12/2019 | 31/12/2018 |
|---|---|---|
| Intangible assets | 1 417 | 1 572 |
| Tangible assets | 193 | 153 |
| Use rights related to leases | 1 979 | |
| Non-current financial assets | 67 | 54 |
| Other non-current assets | 0 | 0 |
| Deferred tax assets | 0 | 0 |
| Non-current assets | 3 656 | 1 779 |
| Inventory | 230 | 153 |
| Trade receivable | 197 | 236 |
| Current financial assets | 0 | 0 |
| Other current assets | 7 962 | 8 764 |
| Cash and cash equivalent | 5 695 | 11 560 |
| Current assets | 14 085 | 20 712 |
| **TOTAL ASSETS** | **17 740** | **22 491** |

| **Liabilities** ***(in thousands of euros)*** | 31/12/2019 | 31/12/2018 |
|---|---|---|
| Share capital | 435 | 411 |
| Additional paid-in capital | 202 891 | 193 271 |
| Translation reserve | (72) | (63) |
| Other reserves and results | (230 083) | (208 580) |
| Total equity attributable to equity holders of the Company | (26 829) | (14 962) |
| Non-controlling interests | | |
| Total equity | (26 829) | (14 962) |
| Non-current provisions | 817 | 718 |
| Non-current financial liabilities | 22 546 | 17 535 |
| Other non-current liabilities | 0 | 0 |
| Non-current lease obligations | 1 679 | 0 |
| Deferred tax liabilities | 0 | 0 |
| Non-current liabilities | 25 043 | 18 253 |
| Current provisions | 237 | 145 |
| Trade payable | 15 003 | 15 036 |
| Current financial liabilities | 7 | 11 |
| Tax liabilities / Tax payable | 0 | 0 |
| Current lease obligations | 333 | 0 |
| Other current liabilities | 3 946 | 4 008 |
| Current liabilities | 19 527 | 19 200 |
| **TOTAL EQUITY AND LIABILITIES** | **17 740** | **22 491** |

**STATEMENT OF COMPREHENSIVE INCOME 31 DECEMBER 2019**

| *(in thousands of euros)* | 31/12/2019 | 31/12/2018 |
|---|---|---|
| **Revenue** | **1 571** | **1 701** |
| Other operating revenues | 0 | 0 |
| **Total revenues** | **1 571** | **1 701** |
| Cost of sales | (181) | (248) |
| Marketing expenses | (1 018) | (1 082) |
| Administrative expenses | (2 263) | (2 388) |
| Research and development expenses | (15 583) | (26 926) |
| Other operating expenses | - | - |
| **Operating income** | **(17 474)** | **(28 944)** |
| Financial income | 29 | 2 963 |
| Financial expenses | (4 298) | (76) |
| **Financial income** | **(4 269)** | **2 887** |
| Income tax expense | (4) | (4) |
| **Net income** | **(21 747)** | **(26 061)** |
| Other comprehensive income | | |
| Items that will not be reclassified subsequently to net income: | | |
| - Actuarial differences | 30 | 161 |
| Items that should be reclassified subsequently to net income: | | |
| - Translation differences – Foreign operations | (10) | (7) |
| **Other comprehensive income for the period net of tax** | **21** | **154** |
| **Total comprehensive income for the period** | **(21 726)** | **(25 907)** |
| Net income for the period attributable to: | | |
| - Attributable to non-controlling interests | - | - |
| - Attributable to equity holders of the parent Company | (21 747) | (26 061) |
| Comprehensive income for the period attributable to: | | |
| - Attributable to non-controlling interests | - | - |
| - Attributable to equity holders of the parent Company | (21 726) | (25 907) |
| Basic earnings per share - in euros | (0,55) | (0,69) |
| Diluted earnings per share - in euros | (0,55) | (0,69) |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| *(in thousands of euros)* | 31/12/2019 | 31/12/2018 |
|---|---|---|
| Net income | (21 747) | (26 061) |
| - Adjustment for amortization and charges to provisions | 1 074 | 923 |
| - Adjustment for income from asset sales | 0 | 0 |
| - Non-cash income and expenses linked to share-based payments | 119 | 149 |
| - Other non-cash income and expenses | 3 804 | (2 857) |
| - Adjustment for income tax expense | 0 | 0 |
| - Adjustment for change in deferred tax | 0 | 0 |
| - Impact of change in working capital requirement generated by operating activities | 1 533 | 1 038 |
| - Income from interest on financial assets | 61 | 15 |
| ***- Cash flow from operations before tax and interest*** | **(15 156)** | **(26 792)** |
| - Income Tax (paid) / received | 0 | 0 |
| **Net cash flow from operating activities** | **(15 156)** | **(26 792)** |
| Acquisitions of fixed assets | (390) | (484) |
| Sales of tangible and intangible assets | 0 | 0 |
| Acquisitions of financial assets | 0 | 0 |
| Proceeds from the sale and financial assets | 0 | 0 |
| Changes in loans and advances | 28 | 0 |
| Interest received / (paid) | (71) | (6) |
| Other cash flow related to investing activities | 0 | 0 |
| **Net cash flow from investing activities** | **(432)** | **(490)** |
| Dividends paid | | |
| Capital increase (decrease) | 9 740 | 61 |
| Issue of loans and receipt of conditional advances | 2 197 | 0 |
| Repayments of loans and conditional advances | (2 203) | 0 |
| Other cash flows from financing activities | 0 | 0 |
| **Net cash flow from financing activities** | **9 734** | **61** |
| Effect of exchange rate fluctuations | (10) | (7) |
| 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** | **(5 864)** | **(27 229)** |
| | | |
| Cash and cash equivalents – opening balance | 11 560 | 38 789 |
| Cash and cash equivalents – closing balance | 5 695 | 11 560 |
| **Net increase / decrease in cash and cash equivalents – by change in closing balances** | **(5 864)** | **(27 229)** |