



Sensorion Reports 2015 Annual Results in line with the Company's Development

- Solid cash position of €13.9 million as of December 31, 2015
- Increase in operating costs consistent with the significant progress in clinical development
- 2016 outlook: scaling up of R&D programs

Montpellier, March 17, 2016 (FR0012596468 – ALSEN) – Sensorion, a biotech company specializing in the treatment of inner ear diseases, today announced its annual results for the year to December 31, 2015.

Laurent Nguyen, CEO of Sensorion, comments: “Our 2015 financial results reflect the progress we have made and our ability to successfully utilize the capital resources from the Company’s Initial Public Offering in April 2015. That transaction demonstrated investor interest and confidence in Sensorion and our inner ear disease program and, since then, we have been able to successfully carry out two additional financial transactions with international investors to strengthen both our financial structure and our shareholder base. This access to capital will enable our teams to devote themselves to achieving our main objectives; develop our drug candidates and become a major player in the treatment of inner ear diseases. The funds raised have thus enabled us to invest in R&D and to achieve major breakthroughs in our programs, which are progressing as planned.”

2015 financial results

Annual accounts for the year to December 31, 2015, drawn up under IFRS and approved by the Board on March 11, 2016, have been reviewed by the statutory auditors, whose report is currently being prepared.

These accounts were characterized by an increase in operating costs consistent with Sensorion’s Research and Development activity and by a considerable strengthening of its financial structure.

The simplified income statement at December 31, 2015 was as follows:

<i>In euros – IFRS</i>	31.12.2015	31.12.2014
Operating income	1,303,057	290,143
Research & Development costs	4,506,695	2,267,836
General costs	1,548,531	886,150
Total operating costs	6,055,226	3,153,986
Operating profit/loss	-4,752,169	-2,863,844
Financial profit/loss	-78,823	-217,130
Net profit/loss	-4,830,992	-3,080,974

At December 31, 2015, Sensorion's operating income, consisting mainly of Research Tax Credit (€1.1 million) and subsidies (€158,000), totaled €1.3 million, a 350% increase over the year ended December 31, 2014.

Operating costs increased by 92%, from €3.2 million at December 31, 2014 to €6.1 million at December 31, 2015, essentially as a result of a ramp up in the preclinical and clinical studies of the Company's drug candidates and the strengthening of its team and the ecosystem of external support functions, consultants and service providers required to accompany its scaling up. R&D costs accounted for 74% of total operating costs.

The operating loss at December 31, 2015 was €4.8 million, versus €2.9 million at December 31, 2014.

Once the financial loss (€79,000) is taken into account, there was a net loss of €4.8 million at December 31, 2015, compared with a net loss of €3.1 million the previous year.

The Company's workforce increased from 14 staff at December 31, 2014 to 16 at December 31, 2015.

Solid financial structure

At December 31, 2015, Sensorion had cash and cash equivalents of €13.9 million, versus €713,000 a year earlier. This figure includes the proceeds of a number of financial transactions over the period:

- €1.2 million from a rights issue carried out in February 2015 within the framework of the Series A investment agreement between Sensorion, Innobio Bpifrance and Inserm Transfert Initiative;
- €8 million raised by the Company's IPO on the Alternext in April 2015;
- €8 million raised within the framework of an international private placement in July 2015; and
- €3 million raised within the framework of the exercising of a first tranche of OCABSA financing (convertible bonds coupled with equity warrants) with US investment company Yorkville Advisors Global, LP. Of the 300 equity warrants issued for this first tranche, 165 were converted into ordinary shares in 2015.

The remaining 135 equity warrants not converted into ordinary shares by their holder at December 31, 2015 were all converted between January 1 and February 23, 2016. Within the framework of this flexible financing line put in place in November 2015, Sensorion has the option of strengthening its shareholders' equity by up to approximately €17 million over the next 32 months to support its development (plus €5 million should all the associated equity warrants be exercised).

Cash burn was approximately €5.4 million over the 2015 financial year.

2015 highlights

- **Research & Development:**
 - SENS-111: the molecule that aims to treat severe bouts of vertigo was assessed among 100 healthy volunteers in a phase 1 clinical trial completed in November 2015 that showed a good pharmacokinetic profile and high clinical tolerance allowing the Company to continue its clinical development via a phase 2 clinical trial. The results of this study were submitted to a clinical congress for a presentation in 2016.
 - SENS-218: the poster describing the very positive results obtained with this molecule in recovering hearing loss following acoustic trauma attracted interest from the international scientific community at the Society for Neuroscience's 45th annual meeting (Neuroscience 2015) in October 2015 in Chicago. Additional results have also been accepted for a presentation at the 2016 ARO (Association for Research in Otolaryngology) congress in San Diego, USA.

- **Governance:** in 2015, Sensorion strengthened its governance by appointing Mr. Patrick Langlois as a director and Chairman of the Board and Mr. François Thomas as permanent representative of INSERM Transfert Initiative. The managerial team was strengthened through the appointments of Dr. Pierre Attali as Chief Medical Officer and Mr. Paul Bikard as Administrative and Financial Director.
- **Organization:** Sensorion's teams and departments have been brought together on new central premises in Montpellier, southern France, whose R&D facilities meet the pharmaceutical industry's most stringent standards (AAALAC – Association for Assessment and Accreditation of Laboratory Animal Care – accreditation).

Recent events and outlook

Since the start of 2016, Sensorion has vigorously pursued the development of all its drug candidate programs, whose progress should mark this year:

- **SENS-111:** currently in its final formulation phase, we expect this molecule to enter a phase 2 clinical trial during the second half of 2016. The Company is planning to share its clinical experience, in particular, with the scientific community through publications and announcements during international congresses.
- **SENS-218:** the Company has received approval from the UK health authority (MHRA, the Medicines and Healthcare Products Regulatory Agency) to carry out a phase 1 clinical trial of its SENS-218 drug candidate that aims to treat acute or chronic lesions of the inner ear, both vestibular and cochlear in origin. The results of this study are expected towards the middle of the year. The Company is planning to initiate a phase 2 study during the second half of 2016.
- **SENS-300:** the Company is continuing the preclinical development of a drug candidate to protect the inner ear from the toxicity resulting from chemotherapy using platinum salts.

Pierre Attali, Sensorion's Chief Medical Officer, comments: *"We are delighted with the progress made in all of our drug candidate programs, as well as the interest shown in our work by the international scientific community. Following two presentations dedicated to SENS-218, we expect to document the phase 1 results obtained with SENS-111 in the near term during a conference devoted to inner ear pathologies. Our R&D teams are also continuing to work on optimizing clinical development times, exploring valuable regulatory pathways and to utilize our technological platform dedicated to the search for new drug candidates in all inner ear pathologies leading to vertigo, hearing loss and tinnitus."*

Upcoming events

- **BIO Europe Spring**, April 4 through 6, 2016 in Stockholm
- **Portzamparc SME Seminar**, April 5, 2016 in Paris
- **Small Cap Event**, April 12, 2016 in Paris
- **Shareholders' Meeting**, April 29, 2016 in Paris
- **SFAF financial analysts' MidCap Day**, May 17, 2016 in Paris

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About Sensorion

Sensorion specializes in the treatment of pathologies of the inner ear such as acute vertigo, tinnitus and hearing loss. The company was founded by Inserm (the French Institute of Health and Medical Research) and is utilizing its pharmaceutical R&D experience and comprehensive technology platform to develop drug candidate programs for treating hearing loss and the symptoms of vertigo and tinnitus, for preventing and treating complications associated with progressive lesions in the inner ear, and for preventing the toxicity of chemotherapy in the inner ear. Based in Montpellier, southern France, Sensorion received financial support from Bpifrance, through the InnoBio fund, and Inserm Transfert Initiative.

Sensorion is listed on Alternext Paris since April 2015. www.sensorion-pharma.com

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