



Press Release

Sensorion launches a share capital increase of newly issued ordinary shares

Montpellier, May 17, 2018 (7:30 pm CEST) – Sensorion (FR0012596468 – ALSEN), a biotechnology company specializing in the treatment of inner ear diseases, today announced the launch of a share capital increase of newly issued ordinary shares directed at certain institutional investors located in Europe, including in France, and internationally.

The funds raised aim at financing the acceleration of research & development of Sensorion pipeline of products, more specifically:

- the ongoing Phase 2 clinical trial for SENS-111 (vestibular neuritis), for which results are expected for the end of 2018;
- the initiation of a Phase 2 clinical trial for SENS-401 relating to the treatment of sudden deafness before the end of the first half of 2018 (intermediate results are expected mid-2019); and
- the preparation of a Phase 2 clinical trial for the prevention of ototoxicity induced by cisplatin in a pediatric population, to be launched in 2019.

The funds will also be allocated to the working capital requirements as well as current activities of the Company.

This transaction will reinforce the cash position of the Company which amounted to €7.6 million as of December 31, 2017 and will extend Sensorion's runway until the end of the first half of 2019.

Details of the Transaction

This capital raise would correspond to a maximum of 4,466,245 ordinary shares, representing approximately 45 % of the number of shares outstanding before the transaction, which would bring the total number of shares after the transaction to a maximum of 13,061,824 shares.

The capital raise will be performed through a share capital increase without preemptive rights for the Company's existing shareholders and the correlative issue of new ordinary shares to categories of beneficiaries, pursuant to the authorization granted by the 13th resolution of the extraordinary shareholders' general meeting of the Company dated May 30, 2017 and the decision of the board of directors of the Company dated May 17, 2018 and pursuant to Article L. 225-138 of the French commercial code. In accordance with the 13th resolution of the extraordinary shareholders' general meeting of the Company dated May 30, 2017, the issue price of the shares will be at least equal to 70% of the volume weighted average price of the last twenty trading days preceding the setting of the issue price.

Innobio (Bpifrance Investissement), reference shareholder of Sensorion, has indicated an intention to subscribe up to 30 % of the maximum number of new shares. Assuming the maximum percentage indicated above is subscribed by Innobio (Bpifrance Investissement), after completion of the capital raise, Innobio (Bpifrance Investissement), will hold 28 % of the share capital of the Company and the voting rights.

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The capital raise will be conducted by way of an accelerated book-build process, which will begin immediately and which is expected to end before markets open tomorrow, and which may close early or be extended. The Company will announce the results of the capital raise as soon as possible after closing of the book-building in a subsequent press release. Settlement and delivery of the new shares and the new shares' admission to trading are expected to occur on May 22, 2018 on the Euronext Growth market of Euronext in Paris.

The capital raise via the accelerated book-building is open to institutional investors falling into one of the categories referred to in the 13th resolution of the extraordinary shareholders' general meeting of the Company dated May 30, 2017.

The capital raise is not subject to a prospectus to be approved by the French financial markets authority (Autorité des marchés financiers).

Attention is drawn to the risk factors related to the Company presented in section 4 of the 2016 reference document registered by the Autorité des marchés financiers on September 7, 2017, under number R.17-0062, which is available on the Autorité des marchés financiers website (www.amf-france.org) or on the Company's website (www.sensorion-pharma.com).

Simultaneously with the determination of the final terms and conditions of the capital increase, Innobio (Bpifrance Investissement) as well as certain directors of the Company will enter into a lock-up agreement with regard to the Company's shares that they hold or might hold in the future, ending 90 calendar days after the date of settlement and delivery of the offering, subject to customary exceptions. Moreover, the Company has committed not to issue shares or other securities giving access to the share capital for a period of 90 calendar days from the date of the settlement of the shares issued, subject to customary exceptions.

Oddo BHF SCA is acting as sole Global coordinator and bookrunner.

This announcement does not constitute a prospectus within the meaning of the Prospectus Directive or an offer to the public.

About Sensorion

Sensorion is a biotech company pioneering novel treatments of inner ear diseases such as severe vertigo, tinnitus or hearing loss. Two products are currently in the clinical development stage: SENS-111, in phase 2 in acute unilateral vestibulopathy (vestibular neuritis), and SENS-401, which has completed a phase 1 trial. 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 first-in-class easy-to-administer, notably orally active, drugs for treating and preventing hearing loss and the symptoms of bouts of vertigo and tinnitus.

Based in Montpellier, Southern France, Sensorion has received financial support from Bpifrance, through the InnoBio fund, and Inserm Transfert Initiative.

Sensorion has been listed on the Euronext Growth Paris exchange since April 2015. www.sensorion-pharma.com

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The distribution of this document may be restricted by law in certain jurisdictions. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement is published for information purpose only and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the "**Prospectus Directive**").

With respect to the member States of the European Economic Area which have implemented the Prospectus Directive, no action has been undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant member State. As a result, the securities may not be offered in any relevant member State except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Directive, if they have been implemented in that relevant member State, or under any other circumstances which do not require the publication by Sensorion of a prospectus pursuant to Article 3 of the Prospectus Directive and/or to applicable regulations of that relevant member State.

For the purposes of the provisions above, the expression "offer to the public" in relation to any shares of Sensorion (the "**Shares**") in any relevant member State, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Shares to be offered, thereby enabling an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that relevant member State.

These selling restrictions with respect to relevant member States apply in addition to any other selling restrictions which may be applicable in the relevant member States.

The Shares will not be offered or sold, directly or indirectly, to the public in France. Any offer or sale of the Shares and distribution of any offering material relating to the Shares will be made in France as part of a placement to the benefit of categories of persons as referred to in the 13th resolution of the extraordinary shareholders' general meeting of the Company dated May 30, 2017 and in accordance with Article L. 225-138 of the French commercial code only to (a) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers), and/or (b) qualified investors (investisseurs qualifiés) and/or a restricted circle

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of investors acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French monetary and financial code (code monétaire et financier).

This document is not an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States of America or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States of America absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or an exemption from registration. The Shares have not been and will not be registered under the Securities Act, and Sensorion does not intend to make a public offer of its securities in the United States of America.

Any investment decision to buy Shares must be made solely on the basis of publicly available information regarding Sensorion.

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