

## **Sensorion completes a capital increase of €18.1 million subscribed by leading biotech investors**

- *The capital increase will solidify Sensorion's financial position, following the €20m raise from June 2019, subscribed by Invus Public Equities LP and Sofinnova Crossover I SLP*
- *The additional capital will provide the company with enough resources to fund its development until Q1 2021, including completion of SENS-111 and SENS-401 Phase II trials, the strengthening of its gene therapy capabilities as well as the initiation of its first two gene therapy programs*
- *The capital increase will be executed at a price of €1.233, i.e. a 12% premium on the last closing price*

**Montpellier (France), 26 September 2019 – Sensorion (FR0012596468 – ALSEN)** a pioneering clinical-stage biopharmaceutical company which specializes in the development of novel therapies to restore, treat and prevent inner ear diseases such as hearing loss, tinnitus and vertigo, today announced the successful completion of a capital increase of €18.1 million supported by Invus, Sofinnova Crossover I SLP and new investors including WuXi AppTec and 3SBio. The participation of Invus, Sofinnova Crossover I SLP and Marijn Dekkers in this financing round demonstrates their continued support in the Company's long-term strategy.

*"The successful completion of this financing round will put Sensorion in a much stronger position. With visibility until mid Q1 2021, we can now fully focus on the execution of our strategy and advance our rich pipeline which includes clinical stage small molecules and exciting gene therapy programs. We are delighted to welcome among our shareholders two renowned Chinese healthcare investors. The relationship with 3SBio will help us build a credible strategy for the China region. We are also pleased that Invus, Sofinnova Partners and Marijn Dekkers have renewed their trust into Sensorion"*  
**comments Nawal Ouzren, Sensorion CEO.**

### **Reasons for the issuance and use of the proceeds**

Gross proceeds from the transaction are €18.1million and will primarily be used to finance the phase 2 clinical programs for SENS-111 and SENS-401, the initiation of preclinical projects in gene therapy and the Company's overhead costs and expenses. Company's financial visibility will be extended from the second half of 2020 to mid Q1 2021.

### **Key upcoming milestones**

- Results of the phase 2 study on the efficacy of SENS-111 in acute unilateral vestibulopathy by the end of the year 2019
- Interim safety results of the phase 2 of SENS-401, in sudden hearing loss (SSNHL), by the end of the year 2019 and top line read out at the end of H1 2020

**Press release**

- Initiation of two preclinical gene therapy programs targeting Usher type 1 syndrome and Otoferlin deficiency, two monogenic forms of deafness. The programs are part of the framework agreement that was signed with the Institut Pasteur

### **Key characteristics of the share capital increase**

Sensorion's Board of Directors using the delegation of powers granted by the 7th resolution of the shareholders' general meeting held on July 29<sup>th</sup>, 2019 (capital increase with cancellation of preferential subscription rights in favor of categories of persons with specific characteristics) and in accordance with article L. 225-138 et seq. of the French Commercial Code (*code de commerce*), has decided on September 25, 2019 to realize a capital increase of 1,469,928.3 euros, by the issuance of 14,699,283 new shares with a nominal value of €0.10 each (the "**New Shares**") for a subscription price of €1.233 each (including premium) (the "**Capital Increase**").

Invus and Sofinnova Partners will participate in the Capital Increase for subscription amounts of 4.0 million euros and 2.4 million euros respectively. It is specified that these subscribers, who are also members of Sensorion's Board of Directors, did not take part in the vote of the Capital Increase at the Board of Directors' meeting on 25 September 2019. Marijn Dekkers, who participated in the May 2018 capital increase, is today increasing his subscription by 1.0 million euros via his investment vehicle Novalis LifeSciences LLC.

The New Shares were issued at a price of €1.233, representing a premium of 12% to the closing price of the Company's shares on the market of Euronext Growth Paris on September 25, 2019.

Following the settlement-delivery expected to occur on 30 September 2019, Sensorion's share capital will amount to €3,224,726.3 divided into 32,247,263 shares. The New Shares will be fungible with the existing shares of the Company and will be admitted to trading on the market of Euronext Growth in Paris under the ISIN FR0012596468.

All subscribers have agreed not to sell the New Shares until the earliest of (i) the public announcement of the Phase 2 (clinical trial) results of SENS-401, in sudden hearing loss (SSNHL) and (ii) June 30, 2020 (except in the event of an initiated takeover bid for the Company's shares).

In connection with the Capital Increase, the Company has entered into a lock-up agreement, which restricts the issuance of additional shares ending 90 days after settlement and delivery of the New Shares, subject to customary exceptions as well as the ability to request a waiver from the New Shares subscribers.

Furthermore, the Company has granted 3SBio, a pharmaceutical company, a Right of First Refusal for potential licensing on any of its four current pipeline products in The Territory of Greater China (which includes the People's Republic of China, Hong Kong, Macao, and Taiwan).

### **Impact of the offering on the share capital**

The issuance of the New Shares represents 45.58% of the share capital of the Company after the Capital Increase. On an illustrative basis, a shareholder holding 1% of the Company's share capital before the transaction will now hold a stake of 0.54% after the transaction.

**Press release**

The following table specifies the evolution of the share capital of the Company after the Capital Increase:

	(i) Before the Capital Increase				(ii) After the Capital Increase			
	before the conversion of the convertible bonds		after the conversion of the convertible bonds		before the conversion of the convertible bonds		after the conversion of the convertible bonds	
	Total number of shares	% shareholding	Total number of shares	% shareholding	Total number of shares	% shareholding	Total number of shares	% shareholding
Bpifrance Investissements (Innobia)	3 499 874	19,94%	3 499 874	10,82%	3 499 874	10,85%	3 499 874	7,44%
Inserm Transfert Initiative	982 911	5,60%	982 911	3,04%	982 911	3,05%	982 911	2,09%
Cochlear	533 755	3,04%	533 755	1,65%	533 755	1,66%	533 755	1,13%
Invus Public Equities LP			9 149 466	28,28%	3 256 395	10,10%	12 405 861	26,37%
Sofinnova Partners			5 489 679	16,97%	1 953 837	6,06%	7 443 516	15,82%
Management	221 582	1,26%	387 008	1,20%	221 582	0,69%	387 008	0,82%
Marijn Dekkers*	666 666	3,80%	666 666	2,06%	1 477 696	4,58%	1 477 696	3,14%
WuXi AppTec					4 055 150	12,58%	4 055 150	8,62%
3SBio					4 055 150	12,58%	4 055 150	8,62%
Petite Pond LLC					405 515	1,26%	405 515	0,86%
David Epstein					162 206	0,50%	162 206	0,34%
Free Float	11 643 192	66,35%	11 643 192	35,99%	11 643 192	36,11%	11 643 192	24,75%
<b>Total</b>	<b>17 547 980</b>	<b>100,00%</b>	<b>32 352 551</b>	<b>100,00%</b>	<b>32 247 263</b>	<b>100,00%</b>	<b>47 051 834</b>	<b>100,00%</b>

\* holding the shares directly or through his investment vehicle Novallis LifeSciences Investments I, L.P.

\*\* Assumptions:  
- the OC 0321 owned by an officer shall be converted at a price per share of €1,30  
- the OC 0624 owned by Invus and Sofinnova shall be converted at a price per share of €1,3662  
- the dilution resulting from the exercise of 1,980,484 BSCPE, BSA and free shares (including 160,000 free shares granted on May 29, 2018) issued by the Company and in force does not appear in this table

OneHealth Partners Limited acted as Financial Advisor to the Company for this fundraising.

**Information available to the public and risk factors**

Investors' attention is drawn to the risk factors set out in Section 1 of the management report for the financial year ending 31 December 2018. This document, as well as other regulated information and all of the Company's press releases, can be consulted on the Sensorion website under the "News" and "Investors" sections. [www.sensorion-pharma.com](http://www.sensorion-pharma.com)

This press release is not a prospectus within the meaning of the Prospectus Regulation (as defined below) nor a public offering.

The release of the half-yearly financial statements initially scheduled for 18 October 2019 will take place on 31 October 2019 (post market closure).

**About Sensorion**

Sensorion is a pioneering clinical-stage biopharmaceutical company, which specializes in the development of novel therapies to restore, treat and prevent inner ear diseases such as hearing loss, vertigo and tinnitus. Its clinical-stage portfolio includes two phase 2 products: Seliforant (SENS-111) under investigation for acute unilateral vestibulopathy and Arazasetron (SENS-401) for sudden sensorineural hearing loss (SSNHL).

Sensorion has built a unique R&D technology platform to expand its understanding of the physiopathology and etiology of inner ear related diseases enabling it to select the best targets and modalities for drug candidates. The Company has also identified biomarkers to improve diagnosis and treatment of these underserved illnesses.

Sensorion is launching in the second half of 2019 two preclinical gene programs aiming at correcting hereditary monogenic forms of deafness including Usher Type 1 and deafness caused by a mutation of the gene encoding for Otoferlin. The Company is uniquely placed through its platforms and pipeline of potential therapeutics to make a lasting positive impact on hundreds of thousands of people with inner ear related disorders; a significant global unmet need in medicine today.

[www.sensorion-pharma.com](http://www.sensorion-pharma.com)

**Press release**

**About Invus**

Invus is a global investment firm with principal offices in New York, Paris and Hong Kong whose source of capital since its founding in 1985 has been a European family group.

The exceptional returns from Invus' evergreen investment strategy have allowed a modest initial pool of capital to grow to over \$8 billion even after having distributed billions to shareholders. Invus doesn't raise any outside funds and focuses all its energy on value creation.

On the private side, Invus mostly takes majority control positions in companies that have ambitious transformational strategies but also makes minority investments in high-growth companies where it can add real strategic value through its partnership with owner-managers. On the public side, Invus takes significant long-only, long-term positions in companies whose fundamentals and management it believes in. The average holding period in the public equity portfolio is not measured in weeks or months but years.

[www.invus.com](http://www.invus.com)

**About Sofinnova Partners**

Sofinnova Partners is a leading European venture capital firm specialized in Life Sciences. Based in Paris, France, the firm brings together a team of professionals from all over Europe, the U.S. and China.

The firm focuses on paradigm shifting technologies alongside visionary entrepreneurs. Sofinnova Partners invests across the Life Sciences value chain as a lead or cornerstone from very early stage opportunities to late stage/public companies.

It has backed nearly 500 companies over more than 45 years, creating market leaders around the globe. Today, Sofinnova Partners has over €2 billion under management

[www.sofinnova.fr](http://www.sofinnova.fr)

**About WuXi AppTec**

WuXi AppTec provides a broad portfolio of R&D and manufacturing services that enable companies in the pharmaceutical, biotech and medical device industries worldwide to advance discoveries and deliver groundbreaking treatments to patients. As an innovation-driven and customer-focused company, WuXi AppTec helps our partners improve the productivity of advancing healthcare products through cost-effective and efficient solutions. With industry-leading capabilities such as R&D and manufacturing for small molecule drugs, cell and gene therapies, and testing for medical devices, WuXi AppTec's open-access platform is enabling more than 3,600 collaborators from over 30 countries to improve the health of those in need and to fulfill our dream that "every drug can be made and every disease can be treated."

[www.wuxiappotec.com](http://www.wuxiappotec.com)

**About 3SBio**

3SBio is an integrated biotechnology company with market-leading biopharmaceutical business covering therapeutic areas such as oncology, auto-immune diseases, nephrology, metabolic diseases and dermatological diseases. 3SBio is committed to building an innovative product pipeline, and currently has more than 30 product candidates under development. 3SBio possesses the capability of producing recombinant proteins, monoclonal antibodies and chemically-synthesized molecular products, and has established R&D and production centers in Shenyang, Shanghai, Hangzhou, Shenzhen and Como, Italy.

[www.3sbio.com](http://www.3sbio.com)

## Contacts

### Sensorion

Nawal Ouzren  
CEO

[contact@sensorion-pharma.com](mailto:contact@sensorion-pharma.com)

Tél : +33 467 207 730

Catherine Leveau  
Communication financière

[catherine.leveau@sensorion-pharma.com](mailto:catherine.leveau@sensorion-pharma.com)

Tél. : +33 467 207 730

Label : **SENSORION**  
ISIN :  
**FR0012596468**  
Mnemonic : **ALSEN**



**Disclaimer** *This announcement is an advertisement 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").*

*In France, the Offering described above took place solely as a placement to a category of institutional investors, in accordance with Article L. 225-138 of the "Code de commerce" and applicable regulations. The Offering does not constitute a public offering in France, as defined in Article L. 411-1 of the "Code monétaire et financier" and no prospectus reviewed or approved by the Autorité des marchés financiers will be published.*

*With respect to Member States of the European Economic Area (including France), no action has been taken or will be taken to permit a public offering of the securities referred to in this press release which would require the publication of a prospectus in any Member State.*

*This press release and the information it contains is not an offer to sell, nor the solicitation of an offer to subscribe for or buy, New Shares in the United States or any other jurisdiction where restrictions may apply. Securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration thereunder. Sensorion does not intend to register the New Shares under the Securities Act or conduct a public offering of the New Shares in France, the United States, or in any other jurisdiction.*

*This communication is being distributed only to, and is directed only at (a) persons outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), and (c) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this communication or any of its contents.*

*This distribution of this press release may be subject to legal or regulatory restrictions in certain jurisdictions. Any person who comes into possession of this press release must inform him or herself of and comply with any such restrictions.*