Press release

Sensorion launches a capital increase by means of an accelerated bookbuild offering

Montpellier, September 17, 2020 – Sensorion (FR0012596468 – ALSEN – the "Company") a pioneering clinical-stage biotechnology company which specializes in the development of novel therapies to restore, treat and prevent within the field of hearing loss disorders, intends to issue new ordinary shares of a nominal value of €0.10 (the "**New Shares**") for a total capital increase of approximately €30 million (US$35 million), by means of an accelerated bookbuild offering to the benefit of categories of persons (the "**Reserved Offering**").

The New Shares will be issued through a share capital increase without shareholders' preferential subscription rights pursuant to the 12th resolution of the extraordinary general meeting of shareholders of the Company held on May 20, 2020 and in accordance with Article L. 225-138 of the French *Code de commerce*, as decided today by the Company's Board of Directors.

The Reserved Offering will be open only to the categories of persons defined by the extraordinary shareholders' meeting as follows ("**Eligible Investors**"):

- natural persons who wish to invest in a company with a view to benefiting from a reduction in income tax under Article 199 terdecies-0 A, for a minimum individual subscription amount in the Company of €100,000 per transaction;
- companies that invest on a regular basis in small and medium-sized companies that wish to invest in a company in order to allow their shareholders or partners to benefit from a reduction in income tax under Article 199 terdecies-0 A, for a minimum individual subscription amount in the Company of €100,000 per transaction;
- investment companies and investment funds investing on a regular basis in so-called growth companies (i.e. unlisted companies or companies whose market capitalization does not exceed €500 million when listed) having their registered office or their management company in the European Union, Israel, Norway, the United States of America or Switzerland (including, in particular, any "FCPR", "FCPI" or "FIP") for a minimum individual subscription amount of €50,000 (including the issue premium);
- natural or legal persons, companies, organizations, institutions or entities in any form, French or foreign, investing in the pharmaceutical, biotechnological, medical technologies or research sectors; and
- companies, institutions or entities, in any form, French or foreign, exercising a significant part of their activities in these sectors.

The offering price per ordinary share will be determined following an accelerated bookbuilding process commencing immediately and expected to end before markets open on the market of Euronext Growth Paris ("**Euronext Growth**") on September 18, 2020 and will not be less than the weighted average share price on the day preceding the date on which the issuance price is set, minus a maximum discount of 20%, if applicable The Company will announce the results of the Reserved Offering and the final number of ordinary shares sold in the Reserved Offering as soon as feasible thereafter in a subsequent press release.

Invus Public Equities LP and Sofinnova Partners, which are existing shareholders, have indicated an interest to participate in the Reserved Offering at the offering price, up to their prorata. The representatives of Invus Public Equities LP and Sofinnova Partners on the Company's Board of Directors did not take part in the vote for the launch of the Reserved Offering at today's meeting of the Board of Directors.

The New Shares will be subject to an application for admission to trading on Euronext Growth on the same trading line as the existing shares under the same ISIN code FR0012596468 and are expected to be admitted to trading on or about September 22, 2020.

The Company intends to use the net proceeds from the Reserved Offering to develop its current gene therapy programs (OTOF and USHER), potentially broaden its gene therapy pipeline, support its pharmacology and clinical studies for phase 3 development of SENS-401 and for working capital and general corporate purposes.

The Company's amount of cash and cash equivalents is €30.4 million as of December 31, 2019, which is sufficient to cover its financing needs until the end of the third quarter 2021.

Expected future milestones and estimated timelines:

- Gene therapy OTOF – CDMO agreement in H2 2020, additional NHP data in H2 2020, Discussions with regulatory authorities H1 2021
- Gene therapy USHER – confirmatory preclinical PoC studies H2 2020
- SENS-401 for SSNHL – Phase 2 readout mid 2021
- SENS-401 for Cisplatin induced ototoxicity – potential clinical study initiation after SSNHL Ph2 results (H2 2021)
- SENS-401 for Hearing preservation after cochlear implantation – final Preclinical data H2 2020

Among Eligible Investors, the Reserved Offering is open to institutional investors (i) in France and elsewhere outside Canada, Australia and Japan or the United States, in reliance on the exemption from registration under the U.S. Securities Act of 1933 (the "**Securities Act**") provided by Regulation S promulgated under the Securities Act and (ii) in the United States that are "Qualified Institutional Buyers" within the meaning of Rule 144A under the Securities Act in reliance on the exemption from registration under Section 4(a)(2) of the Securities Act.

The Reserved Offering will not be subject to a prospectus to be approved by the French financial markets authority (*Autorité des marchés financiers* - the "**AMF**").

Jefferies International Limited ("**Jefferies**") is acting as Sole Global Coordinator and Joint Bookrunner in connection with the Reserved Offering. Bryan, Garnier & Co and Kempen & Co are acting as Joint Bookrunners in connection with the Reserved Offering (together with Jefferies, the "**Placing Agents**"). Chardan is acting as Lead Manager. Namsen Capital is acting as equity capital markets advisor.

In connection with the Reserved Offering, the Company has entered into a lock-up agreement restricting the issuance of additional ordinary shares for a period ending 90 days after the execution of the placement and underwriting agreement entered into between the Company and the Placing Agents (the "**Placement Agreement**"), subject to customary exceptions. The Company's management, Board members and shareholders represented at the Board of Directors who hold ordinary shares of the Company are also subject to a lock-up for a period of 90 days after the execution of the Placement Agreement, subject to customary exceptions.

The Company draws the public's attention to the risk factors related to the Company and its activities presented in section I.3 of the *Rapport financier annuel* for the year ended December 31, 2019, which is available free of charge on the website of the Company (www.sensorion-pharma.com).

In addition, investors are invited to consider the following risks: (i) the market price for the Company's shares may fluctuate and fall below the subscription price of the shares issued pursuant to the Reserved Offering,

(ii) the volatility and liquidity of the Company's shares may fluctuate significantly, (iii) sales of Company's shares may occur on the market and have a negative impact on the market price of the shares, and (iv) the Company's shareholders could undergo a potentially material dilution resulting from any future capital increases that are needed to finance the Company.

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About Sensorion

Sensorion is a pioneering clinical-stage biotech company, which specializes in the development of novel therapies to restore, treat and prevent within the field of hearing loss disorders. Its clinical-stage portfolio includes one Phase 2 product: SENS-401 (Arazasetron) for sudden sensorineural hearing loss (SSNHL). Sensorion has built a unique R&D technology platform to expand its understanding of the pathophysiology and etiology of inner ear related diseases enabling it to select the best targets and modalities for drug candidates. The Company is also working on the identification of biomarkers to improve diagnosis of these underserved illnesses. In the second half of 2019, Sensorion launched two preclinical gene therapy 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 medical need.
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Mnemonic: **ALSEN**

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This press release does not constitute an offer to sell or the solicitation of an offer to buy ordinary shares of the company, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

*This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**").*

In France, the Reserved Offering described above will take 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.

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 (pursuant to article 3 of the Prospectus Regulation) 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 including notably Canada, Australia or Japan . 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.

Press release

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The Placing Agents are acting exclusively for the Company and no one else in connection with the Reserved Offering and will not regard any other person (whether or not a recipient of this press release) as their client in relation to the Reserved Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their client nor for providing advice in relation to the proposed Reserved Offering. Jefferies is authorised and regulated by the Financial Conduct Authority in the United Kingdom.