*Press release*

# Sensorion successfully raises approximately €31 (US$ 36.5) million in an oversubscribed private placement to US and European investors

**Montpellier, September 18, 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 announces today the success of its previously announced capital increase. The Company has placed 18,236,000 new ordinary shares with a nominal value of €0.10 each (the "**New Shares**"), for total gross proceeds of approximately € 31 million by means of an accelerated bookbuild offering to the benefit of categories of persons (the "**Reserved Offering**").

The issue price of the New Shares is €1.70 per share, representing a 3.5% discount to the weighted average share price on the day preceding the date on which the issuance price is set, which was €1.76, in accordance with the 12th resolution of the extraordinary general meeting of shareholders of the Company held on May 20, 2020. The Reserved Offering is expected to close on or about September 22, 2020.

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

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, clinical studies for the phase 3 development of SENS-401 and for working capital as well as general corporate purposes.

Following the issuance of the New Shares, the Company's total share capital will be 7,679,905.20 euros equal to 76,799,052 shares, each with a par value of €0.10. Based on its forecasted expenses, the cash at December 31, 2019 and the net proceeds from the present offering the Company believes it will be able to fund its operations into end of Q3 2022.

On an illustrative basis, a shareholder holding 1% of the Company's share capital before the Reserved Offering and who did not participate in the Reserved Offering will now hold 0.8% of the Company's share capital after the Reserved Offering. To the Company's knowledge, the shareholding structure, on a non-diluted base, before and after the Reserved Offering breaks down as follows:

| *Shareholders* | *Number of shares before the Reserved Offering* [1] | *% of the share capital before the Reserved Offering* | *% of voting rights before the Reserved Offering* | *Number of shares after the Reserved Offering* [1] | *% of share capital after the Reserved Offering* | *% of voting rights after the Reserved Offering* | *Subscription (in €)* |
|---|---|---|---|---|---|---|---|
| Inserm Transfert Inititiative | 982,911 | 1.68% | 1.68% | 982,911 | 1.28% | 1.28% | - |
| Innobio (Bpifrance) | 3,499,874 | 5.98% | 5.98% | 3,499,874 | 4.56% | 4.56% | - |
| Management, employees and directors | 160,000 | 0.27% | 0.27% | 160,000 | 0.21% | 0.21% | - |
| Cochlear | 533,755 | 0.91% | 0.91% | 533,755 | 0.70 % | 0.70% | - |
| Invus Public Equities LP | 20,608,063 | 35.19% | 35.19% | 26,490,415 | 34.49% | 34.49% | 9,999,998 |
| Sofinnova Partners | 11,822,258 | 20.19% | 20.19% | 15,469,458 | 20.14% | 20.14% | 6,200,240 |
| WuXi AppTec | 4,055,150 | 6.92% | 6.92% | 5,249,608 | 6.84% | 6.84% | 2,030,579 |
| 3SBio | 4,055,150 | 6.92% | 6.92% | 4,055,150 | 5.28% | 5.28% | - |
| Free Float | 12,845,891 | 21.94% | 21.94% | 20,357,881 | 26.51% | 26.51% | - |
| **Total** | **58,563,052** | **100%** | **100%** | **76,799,052** | **100%** | **100%** | **18,230,817** |

[1]To the Company's knowledge and based on the last analysis from August 2020.

Invus Public Equities LP, and Sofinnova Partners subscribed to the capital increase, for a total amount of €16.2 million, which represents 9,529,552 new shares or 52% of the total number of new shares issued as part of this capital increase.

The New Shares will be admitted to trading on the non-regulated market of Euronext Growth in Paris upon their settlement and delivery, which is expected to occur on or about September 22, 2020. They will be listed under the same code as the Company's existing ordinary shares (ISIN FR0012596468), carry dividend rights as from their issue date and be immediately fungible in all respects with the Company's existing shares.

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

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 on 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.

Pursuant to the placement and underwriting agreement entered between the Company and the Placing Agents, the settlement and delivery of the part of the Reserved Offering placed with investors outside of the U.S. is guaranteed by the Placing Agents.

**Risk Factors**

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 the 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.

***

## 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.

http://www.sensorion-pharma.com

## Contacts

Sophie Baumont
LifeSci Advisors
sophie@lifesciadvisors.com
+33 6 27 74 74 49

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

## Disclaimer

*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 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.*

*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.*

*Press release*

*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.*

*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.*

*Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the New Shares has led to the conclusion in relation to the type of clients criteria only that: (i) the type of clients to whom the New Shares are targeted is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); and (ii) all channels for distribution of the New Shares to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the New Shares (a "**distributor**") should take into consideration the manufacturers' type of clients assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the New Shares (by either adopting or refining the manufacturers' type of clients assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes retail clients, the Placing Agents have decided they will only procure investors for the New Shares who meet the criteria of eligible counterparties and professional clients.*

*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.*

*This press release has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of any of the Placing Agents or any of their parent or subsidiary undertakings, or the subsidiary undertakings of any such parent undertakings, or any of such person's respective directors, officers, employees, agents, affiliates or advisers, as to, and no reliance should be placed on, the accuracy, completeness or fairness of the information or opinions contained in this press release and no responsibility or liability is assumed by any such persons for any such information or opinions or for any errors or omissions. All information presented or contained in this press release is subject to verification, correction, completion and change without notice.*

*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.*