

Sonova invests €5 million in Sensorion as the companies plan a collaboration in hearing loss

- **Sonova invests at €1.70 per share, to hold circa 3.7% stake in Sensorion**
- **Companies signed a letter of intent relating to a collaboration to develop new solutions for hearing loss**

Montpellier, December 15, 2020 - 07:00AM CET - Sensorion (FR0012596468 – ALSEN) 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 that Sonova Holding AG (headquartered in Switzerland), a leading provider of hearing solutions, will acquire a 3.7% ownership stake in Sensorion by way of subscription to a reserved share capital increase for total gross proceeds of €5 million.

Sensorion and Sonova plan a strategic collaboration in the field of innovative diagnostic and therapeutic solutions for certain types of hearing loss. To this effect, Sonova and Sensorion signed a letter of intent dated December 14, 2020 providing for an exclusive period of negotiation of a co-development agreement.

"We are pleased to welcome Sonova, a highly respected company with extensive expertise in hearing loss, as an investor in Sensorion," said **Nawal Ouzren, CEO of Sensorion**. *"We are excited to work with Sonova to accelerate the development of innovative solutions for various types of hearing loss."*

"Sensorion is conducting front-line research in the field of hearing loss with its programs, which have the potential to enhance existing approaches for the treatment of hearing loss in the future. We look forward to being involved in the further development of certain programs with Sensorion and to more deeply investigate and develop new diagnostic and therapeutic solutions" said **Arnd Kaldowski, CEO of Sonova**.

Key characteristics of the share capital increase

Sensorion's Board of Directors using the delegation of powers granted by the 12th resolution of the extraordinary general meeting of shareholders of the Company held on May 20, 2020 (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 December 14, 2020 to proceed with a capital increase of €294,117.60 euros, to the benefit of Sonova Holding AG by the issuance of 2,941,176 new shares with a nominal value of €0.10 each (the "New Shares") for a subscription price of €1.70 each (the "Capital Increase").

The Company intends to use the net proceeds from the Capital Increase (as defined above) for possible studies under the co-development agreement, to develop its current gene therapy programs (OTOF and USHER), potentially broaden its gene therapy pipeline, support its pharmacology and clinical studies of SENS-401, and for working capital and general corporate purposes.

Following the issuance of the New Shares, the Company's total share capital will be €7,974,022.80 equal to 79,740,228 shares, each with a par value of €0.10, it being provided that the shareholding of the Company is merely the same as the shareholding published in the half year report on October 21, 2020. Based on its forecasted expenses, the cash at June 30, 2020 and the net proceeds from the Capital Increase, the Company believes it will be able to fund its operations into H2 2022.

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Sonova AG is also subject to a lock-up (subject to customary exceptions) until the later of: a) sixty (60) days as from the settlement of the transaction and b) the signature of a collaboration agreement between the Company and Sonova AG and the Investor under the letter of intent dated as of today, it being specified that, in any case, the lock up period will end no later than ninety (90) days as from the settlement of the transaction.

The settlement of the transaction will occur on or before December 24, 2020.

The Capital Increase did not and will not require a prospectus to be submitted for approval to the French financial markets' authority (the "AMF").

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 initiated two preclinical gene therapy programs aimed 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 potentially 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.

www.sensorion-pharma.com

About Sonova

Sonova, headquartered in Stäfa, Switzerland, is a leading provider of innovative hearing care solutions. The Group operates through its core business brands Phonak, Unitron, Hansaton, Advanced Bionics and the brands of the Audiological Care business, e.g. AudioNova, Geers, Boots Hearing Care, Connect Hearing and Lapperre. Sonova offers its customers one of the most comprehensive product portfolios in the industry – from hearing instruments to cochlear implants to wireless communication solutions. Pursuing a unique vertically integrated business strategy, the Group operates through three core businesses – Hearing Instruments, Audiological Care and Cochlear Implants – along the entire value chain of the hearing care market. The Group's sales and distribution network, the widest in the industry, comprises over 50 own wholesale companies and more than 100 independent distributors. This is complemented by Sonova's Audiological Care business, which offers professional audiological services through a network of around 3,300 locations in 20 key markets. Founded in 1947, the Group has a workforce of over 14,000 dedicated employees and generated sales of CHF 2.92 billion in the financial year 2019/20 as well as a net profit of CHF 490 million. Across all businesses, and by supporting the Hear the World Foundation, Sonova pursues its vision of a world where everyone enjoys the delight of hearing and therefore lives a life without limitations. For more information please visit www.sonova.com and www.hear-the-world.com.

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Disclaimer

This press release contains certain forward-looking statements concerning Sensorion and its business. Such forward looking statements are based on assumptions that Sensorion considers to be reasonable. However, there can be no assurance that such forward-looking statements will be verified, which statements are subject to numerous risks, including the risks set forth in the 2020 Half-Year financial report published on October 21, 2020 and available on our website and to the development of economic conditions, financial markets and the markets in which Sensorion operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Sensorion or not currently considered material by Sensorion. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Sensorion to be materially different from such forward-looking statements.

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