

Sensorion strengthens its financial structure by issuing a €4.7 million nominal bond issue subscribed by new European investors and management

Bpifrance has selected Sensorion for its program "Hub Health Tech"

Montpellier, March 11, 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 a €4.7 million nominal bond issue, consisting of one (i) convertible bond issue¹ for a nominal amount of €3.4 million subscribed by several new European investors as well as (ii) a bond issue² for a nominal amount of €1.3 million subscribed by these same European investors for an amount of €1 million and the balance by the Company's management, Mr. Patrick Langlois, Chairman of the Board of Directors and Ms. Nawal Ouzren, Chief Executive Officer³.

At the same time, in order to promote the company's development, Bpifrance has included Sensorion in the "Hub Health Tech", a highly selective growth accelerator program designed for only five technology leaders in BPI's portfolio for the current promotion. This program also provides preparation for internationalization. Bpifrance thus confirms its interest and willingness to continue to actively support Sensorion in its development.

The proceeds of the bond issue are intended to finance its expenses and overhead costs as well as the development of the Company's products until the next milestone in product development scheduled for the second half of 2019. Thus, until this horizon, it will allow the financing of its development plan for SENS-111 and SENS-401, currently in Phase 2. It is recalled that the results of Phase 2 studies on the efficacy of SENS-111 in acute unilateral vestibulopathy (a rare and very severe form of vertigo) are expected in the second half of 2019 and that Phase 2 of SENS-401, in sudden sensorineural hearing loss (SSNHL), is starting and interim results should be announced at the end of the year.

Main characteristics of the bond issue

The principle of this bond issue was decided by the Board of Directors at its meeting of 6 March 2019, with regard to the issuance of convertible bonds, using the 10th resolution approved by the Combined General Meeting of the Company.

Convertible bonds and bonds (the "**Bonds**") were subscribed at 93% of their nominal value⁴, will be non-interest bearing and will mature on March 7, 2021. The conversion price of the convertible bonds will depend on the market price upon conversion⁵. For information purposes, if all the convertible bonds were converted on the basis of the Sensorion share price at the close of March 5, 2019⁶, 3,733,574 shares would be newly created, representing a dilution of 22.2%⁷.

¹ i.e. 3,440,862 convertible bonds with a nominal value of €1 each

² i.e. 1,290,325 bonds with a nominal value of €1 each

³ Mr. Patrick Langlois, Chairman of the Company's Board of Directors, has subscribed, through his family holding company, for bonds, up to €50,000. Ms. Nawal Ouzren, Chief Executive Officer, has subscribed for bonds, up to €200,000

⁴ i.e. a bond issue gross proceeds of €4.4 million

⁵ The conversion price of a convertible bond shall equal to the lowest of €1.3 and the lowest weighted market price of Sensorion preceding the decision to convert the convertible bonds, less a 10% discount, pursuant to the ceiling set forth in the authorizations

⁶ €1.024

⁷ On the basis of a capital composed of 13,065,932 shares, on the date of the Board of Directors

The Bonds are secured by a pledge granted by the Company on the intellectual property rights held by the Company itself, it being specified that the pledge is granted subject to the licenses and exploitation rights granted or to be granted by the Company on the pledge rights. The Company has committed to allow the early redemption of the convertible bond issue in the event of an issuance of new securities giving access to the capital or any security representing a debt security, in exchange for the payment of a non-conversion premium⁸. The Bonds will not be the subject of any application for admission to trading on Euronext Growth. The issuance does not give rise to a prospectus submitted to the AMF for approval. The Bonds issuance was advised and structured by Vester Finance, which also subscribed to convertible bonds.

Next Publication

27 March 2019, 2018 annual results

Risk factors

Investors' attention is drawn to the risk factors set out in Section 4 of the management report for the year-ended December 31, 2017, available on the Sensorion website (sensorion-pharma.com). The Company is not aware of any changes in these risk factors, subject to the liquidity risk. The Company has conducted a specific review of its liquidity risk and considers that in view of the net cash available, its expenses, overhead costs, and the likely evolution of its financial needs to ensure the development of its clinical programs, the Company will have to seek additional financing in the upcoming 12 months.

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. Our clinical-stage portfolio includes two phase 2 products: Seliforant (SENS-111) in acute unilateral vestibulopathy and Arazasetron (SENS-401) for sudden sensorineural hearing loss (SSNHL). We have built a unique R&D technology platform to expand our understanding of the pathophysiology and etiology of inner ear diseases enabling us to select the best targets and modalities for drug candidates. We also identify biomarkers to improve diagnosis and treatment of these underserved illnesses.

In its drive to continue to deliver additional groundbreaking therapeutic solutions for inner ear patients, Sensorion entered into exclusive negotiations, in November 2018, with the Pasteur Institute for hearing loss gene therapy programs including among others the Usher Syndrome Type1 and Otoferlin-deficiency.

We are uniquely placed through our 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.

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Mnemonic: **ALSEN**



Disclaimer

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⁸ in an amount of 20% of the nominal value of the outstanding convertible bonds