

Letter to shareholders – 2021

Dear investors and partners,

Despite the disruption and uncertainties caused by COVID-19, we can look back on 2020 with pride at our many achievements. We reacted swiftly to the emerging threat earlier in the year, keeping the safety and well-being of our employees and partners uppermost in our minds. The team remained focused in their dedication to advancing scientific programs to improve the lives of patients suffering from hearing loss disorders.

We strengthened our financial position with a successful oversubscribed €31m capital increase, including from returning shareholders Invus Public Equities LP, Sofinnova Partners and WuXi AppTec who were joined by other US and European investors. Sensorion is now financed through a number of key value inflection points with a cash runway that extends until H2 2022. The proceeds will support our small molecule pharmacology and clinical studies as well as the continued development of our current gene therapy programs with the potential to broaden our pipeline in this area. We also received €5 million from Sonova Holding AG, a leading provider of hearing solutions, which acquired a 3.7% ownership stake in Sensorion. As part of this investment, the companies also signed a letter of intent to exclusively explore a potential co-development agreement.

During 2020, we continued to build on our landmark gene therapy agreement with Institut Pasteur. We reported positive preliminary preclinical data from the program targeting the Otoferlin (OTOF) encoding gene, which is one of the most common mutations leading to severe or profound congenital hearing loss. In addition, through our agreement with Novasep (since acquired by Thermofisher) for GMP manufacturing of adeno-associated virus (AAV) vectors for the OTOF-GT program, we have also secured state-of-the-art R&D and manufacturing capacity of clinical-grade materials.

This progress reinforces the value of our partnership agreement with Institut Pasteur, under which Sensorion has preferred rights to their pipeline in the field of genetic disorders of the inner ear. This ensures a steady stream of pipeline projects which underpins our goal to become a leader in the field of preventing and treating hearing loss.

Our small molecule clinical program with SENS-401 continued to make good progress last year. Our study in Sudden Sensorineural Hearing Loss (SSNHL) received an additional Ethics Committee approval to include new French military sites, which means that for our Phase II study we can recruit volunteer military personnel who are exposed to extreme noise and suffer from sudden hearing loss. Sensorion expects results from the Phase II study in Q4 2021.

We also reported positive preclinical data demonstrating SENS-401's potential to preserve residual hearing after cochlear implantation under a collaboration with Cochlear, the global leader in implantable hearing solutions. Cochlear implants are highly effective in treating severe to profound hearing loss but preserving acoustic hearing in patients with residual hearing receiving cochlear implants could provide a substantial benefit to this population.

The leadership of Sensorion was strengthened with the appointment of Edwin Moses as Chairman of the Board of Directors. Edwin has more than 25 years of executive experience as both CEO and Chairman of numerous life science companies, including Ablynx, where he led its rapid growth from a small research-focused organization to one of Europe's most successful biotechnology companies. We are very pleased to be working with Edwin and his experience in all elements of the biotech industry is proving invaluable as we continue Sensorion's development.

We added further depth and expertise to our scientific leadership with the appointment of gene therapy expert Dr Géraldine Honnet as Chief Medical Officer. We also reinforced our Scientific Advisory Board (SAB), led by Professor Christine Petit, with the nomination of five renowned experts - Professor Alain Fischer, Dr Robert Dow, Professor Paul Avan, Dr Diane Lazard and Dr Hernán López-Schier.

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We are now preparing for a number of important milestones in 2021. This includes discussions with regulatory authorities on a potential clinical study for the OTOF gene therapy program. In addition to the results of the Phase II trial in SSNHL in Q4 2021, we also anticipate initiating a proof-of-concept clinical study of SENS-401 in Cisplatin Induced Ototoxicity (CIO) in H2 2021 along with a natural history clinical study of CIO in adult cancer patients. This is based on encouraging efficacy data in preclinical models. If successful, this would enlarge our target market for SENS-401 substantially, as around 500,000 patients are treated every year with cisplatin as part of cancer treatment in the US and EU5, a significant number of whom will end up with severe hearing loss.

Sensorion will also remain active in progressing its partnership programs. Following the preclinical data demonstrating SENS-401's potential to preserve residual hearing after cochlear implantation, Sensorion and Cochlear are assessing the possibility of conducting clinical studies for SENS-401 in cochlear implant patients.

Sensorion also signed a letter of intent with Sonova, a leading provider of hearing solutions, which provides the companies an exclusive period of negotiations to reach a potential co-development agreement in the field of innovative diagnostic and therapeutic solutions for certain types of hearing loss.

As you can see, 2021 promises to be another exciting year for the company as we bring forward our solutions to improve the lives of patients suffering from inner ear diseases. I would like to take this opportunity to thank you for your continued support and interest in Sensorion, and I look forward to keeping you updated on our future progress.

Best wishes

Nawal Ouzren, Chief Executive Officer



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