

Sensorion completes a private placement of €35 million subscribed by leading US and European biotech investors

- New investor Redmile Group enters Sensorion's capital – existing investors Invus and Sofinnova Partners re-invest significantly
- New financing will enable the Company to extend its cash runway until the end of September 2024
- Redmile Group to become a board member as part of the private placement, in replacement of Bpifrance Investissement whose permanent representative was Mr. Jean-François Morin

Montpellier, August 3rd, 2023, 7pm 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, today announced a €35 million private placement financing reserved to the categories of beneficiaries (the "**Private Placement**") and secured through the execution by the Company of definitive agreements with Redmile Group, a US-based healthcare investor, and Sensorion's existing shareholders, Invus and Sofinnova Partners for (i) the subscription by such investors of 107,142,856 ordinary shares newly issued by the Company (the "**New Shares**") at a price per New Share of €0.28 (the "**Subscription Price**") and (ii) the subscription by Redmile Group of 17,857,143 pre-funded warrants (*bons de souscription d'actions préfinancés*) (the "**Warrants**") against payment of a pre-funded amount per Warrant of €0.18 (the "**Pre-funded Amount**"), one (1) Warrant giving right to one (1) ordinary share at an exercise price corresponding to the Subscription Price less the Pre-funded Amount (the "**Warrant Shares**"). The Subscription Price for the New Shares represents a 3.95% discount to the average of the closing prices of the shares during 5 consecutive trading days (i.e June 27th, 28th, 29th, 30th and July 3rd 2023) chosen from among the last thirty trading sessions, which was €0.2915, in accordance with the 13th resolution of the shareholders' meeting of the Company held on May 24th, 2023. The Private Placement is expected to close on August 8th, 2023.

Nawal Ouzren, Chief Executive Officer of Sensorion, said: *"We are thrilled to announce today's successful capital raise of EUR 35 million. We are excited to welcome among our shareholders a new US-based healthcare investor, Redmile Group. At the same time, the renewed confidence of Invus and Sofinnova Partners means that Sensorion now has three influential reference shareholders with a long-term vision. With this strengthened investor base in both the US and Europe, we now look forward to further develop our first gene therapy program OTOF-GT into the clinic and accelerate our second program GJB2-GT preclinical IND enabling activities. This capital increase will boost our relentless efforts in building a comprehensive franchise in the treatment of hearing loss caused by genetic mutations. Last but not least, I would like to thank Institut Pasteur for their team's scientific leadership and support for our gene therapy projects."*

Khalil Barrage, ad interim Chair, Sensorion, said: *"We are very pleased to welcome Redmile Group in Sensorion. We look forward to partnering with them to build a leading inner ear gene therapy franchise"*.

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Redmile Group, said: *“We believe gene therapy is a potentially curative approach for indications with high unmet medical need. We are pleased to be partnering with the Sensorion team to advance these programs towards patients with genetic hearing loss.”*

Jean-François Morin, Investment Director at Innobio, Bpifrance Investissement, said: *“ It has been an honour to represent Bpifrance Investissement at the board of directors of Sensorion. Over the years Sensorion has been able to develop an impressive franchise in the treatment of hearing loss caused by genetic mutations through its collaboration with the Institut Pasteur. Today, Sensorion is the only European biotech with multiple gene therapy programs in the field of hearing loss. We are very proud of this accomplishment. At Bpifrance Investissement and in particular in our Venture Fund, Innobio, it is our mission to support companies with high innovation profile and excellence in development execution. Redmile together with Invus and Sofinnova Partners will undoubtedly help the Company to pave the way to success.”*

Sensorion Next clinical milestones:

H2 2023 – SENS-401 CIO: NOTOXIS preliminary results

H2 2023 – OTOF-GT: CTA Approvals

H1 2024 – SENS-401 in combination with cochlear implantation: final proof-of-concept clinical data readout

H1 2024 – OTOF-GT: first patient inclusion

Half-year 2023 results is expected to be published by the Company on September 20th, 2023. Existing cash (and cash equivalents) of the Company as of June 30th, 2023 amounts, on a non-audited basis, to €14,4 millions.

Impact on cash flow and use of proceeds

The Company intends to use the net proceeds from the Private Placement, which amount to circa €33 million (based on the aggregate Subscription Price and the Pre-funded Amount), to finance the clinical development of OTOF-GT, the preclinical IND enabling activities for GJB2-GT as well as for other R&D and corporate overhead expenses.

Based on its forecasted expenses, cash balance as of June 30th, 2023 as well as the net proceeds from the Private Placement, the Company believes that, it will able to finance its operations through the end of September 2024. The company continues to pursue non-dilutive financing for the other assets.

Main terms of the Private Placement

Sensorion’s Board of Directors using the delegation of powers granted by the 13th resolution of the shareholders’ general meeting held on May 24th, 2023 (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 August 3, 2023 to complete the issuance of the New Shares and the Warrants. The New Shares were issued at a price of €0.28, which represents a 3.95% discount to average of the closing prices of the shares during 5 consecutive trading days (i.e. June 27th, 28th, 29th, 30th and July 3rd 2023) chosen from among the last thirty trading sessions, which was €0.2915, in accordance with the 13th resolution of the shareholders’ meeting of the Company held on May 24th, 2023 and a 12.5% discount

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to the share price of the last trading session preceding the Board of Directors held on August 3rd, 2023.

The issuance of the 107,142,856 New Shares will result in an immediate capital increase of €29,999,999.68 (divided into a nominal amount of €10,714,285.60 and a total issuance premium of €19,285,714.08 and corresponding to a nominal value of 10 cent (€0.1) plus an issuance premium of €0.18 per New Share), representing approximately 134% of the Company's share capital and voting rights outstanding before the Private Placement. In addition, the exercise of the Warrants and the correlative issuance of the Warrant Shares, may result in a capital increase up to €1,785,714.30 (nominal value), representing, together with the issuance of the New Shares, approximately 156% of the Company's share capital and voting rights outstanding before the Private Placement.

Redmile Group, who is a new shareholder to the Company, will participate in the Private Placement by acquiring (i) 46,428,571 New Shares for an aggregate Subscription Price of €12,999,999.88 and (ii) 17,857,143 Warrants corresponding to the total number of Warrants issued in the Private Placement for an aggregate Pre-funded Amount of €3,214,285.74. The issuance of the Warrants to the sole benefit of Redmile Group is intended to allow Redmile to acquire up to 17,857,143 Warrants Shares upon obtaining from the French Ministry of Economy through an authorization request or prior notification, in accordance with French regulations regarding the control of foreign investments in France¹, the authorization (express or tacit) to proceed with the crossing of 25% of the share capital and/or voting rights of the Company (the "**FDI Clearance**").

Invus and Sofinnova Partners who are existing shareholders and are also represented on the Board of Directors of the Company, will participate in the Private Placement for subscription amounts of €10 million and €7 million respectively, representing, respectively, 28% and 20% of the aggregate gross amount of the Private Placement. It is specified that Invus and Sofinnova Partners, who are also members of Sensorion's Board of Directors did not take part in the vote of the Private Placement at the Board of Directors' meeting held on August 3rd, 2023.

Following the settlement-delivery expected to occur on August 21st, 2023, the Company's total share capital will be €18,708,079.40 divided into 187,080,794 ordinary shares, each with a par value of €0.10 and following, and subject to, the exercise of Warrants and the issuance of the Warrant Shares, the Company's total share capital will be increased, and fixed, at €20,493,793.70 divided into 204,937,937 ordinary shares, each with a par value of €0.10. The New Shares, and as the case may be, the Warrant Shares, will be fungible with the existing ordinary shares of the Company and will be admitted to trading on Euronext Growth in Paris under the ISIN FR0012596468.

Warrant Terms

Each of the Warrants will entitle the holder to subscribe for one Warrant Share, at an exercise price equal to the Subscription Price, including issue premium. The terms and conditions of the Warrants provide that, on the settlement date of the Private Placement, Redmile Group, as subscriber of all the Warrants, shall pay the Pre-Funded Amount to the Company².

The Warrants may be exercised at any time until December 15th, 2023 upon FDI Clearance (if applicable) against payment of the remaining exercise price, less the Pre-funded Amount.

¹ Article L. 151-3 and seq., R. 151-3 and seq. of the French *code monétaire et financier* and Decree no. 2020-892 of July 22, 2020.

² It being specified that the Warrants will be repurchased by the Company in view of cancelling them upon the holder's option in the event the FDI Clearance has not been obtained by December 15, 2023 at the latest.

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The Warrants are not transferrable to any third party, except to any affiliate of the holder. The Warrants will not be listed.

Shareholding Structure after the Private Placement

On an illustrative basis, a shareholder holding 1% of the Company's share capital before the Private Placement and who did not participate in the Private Placement will hold 0.43% of the Company's share capital after the issuance of the New Shares and 0.39% of the Company's share capital upon issuance of the Warrant Shares.

To the Company's knowledge, the shareholding structure, on a non-diluted base, before and after the Private Placement and after issuance of all the Warrants Shares, breaks down as follows:

| | Shareholding Structure as of July 31 2023 (non diluted) | | | | Shareholding Structure POST Money (non diluted) | | | | Shareholding Structure POST Money (After Redmile BSA exercise) | | | |
|---|---|----------------------|-------------------------|-----------------------------|---|----------------------|-------------------------|-----------------------------|--|----------------------|-------------------------|-----------------------------|
| | Number of shares | Number of shares (%) | Number of Voting Rights | Number of Voting Rights (%) | Number of shares | Number of shares (%) | Number of Voting Rights | Number of Voting Rights (%) | Number of shares | Number of shares (%) | Number of Voting Rights | Number of Voting Rights (%) |
| Redmile Group LLC | | | | | 46 428 571 | 24,8% | 46 428 571 | 24,8% | 64 285 714 | 31,4% | 64 285 714 | 31,4% |
| Invus Public Equities | 26 490 415 | 33,14% | 26 490 415 | 33% | 62 204 700 | 33,3% | 62 204 700 | 33,2% | 62 204 700 | 30,4% | 62 204 700 | 30,4% |
| Sofimova Partners | 15 469 458 | 19,35% | 15 469 458 | 19% | 40 469 458 | 21,6% | 40 469 458 | 21,6% | 40 469 458 | 19,7% | 40 469 458 | 19,8% |
| WuXi App Tec | 5 249 608 | 6,57% | 5 249 608 | 7% | 5 249 608 | 2,8% | 5 249 608 | 2,8% | 5 249 608 | 2,6% | 5 249 608 | 2,6% |
| 3SBio | 4 055 150 | 5,07% | 4 055 150 | 5% | 4 055 150 | 2,2% | 4 055 150 | 2,2% | 4 055 150 | 2,0% | 4 055 150 | 2,0% |
| Innobio | 3 499 874 | 4,38% | 3 499 874 | 4% | 3 499 874 | 1,9% | 3 499 874 | 1,9% | 3 499 874 | 1,7% | 3 499 874 | 1,7% |
| SONOVA AG | 2 941 176 | 3,68% | 2 941 176 | 4% | 2 941 176 | 1,6% | 2 941 176 | 1,6% | 2 941 176 | 1,4% | 2 941 176 | 1,4% |
| Inserm Transfert Initiative | 982 911 | 1,23% | 982 911 | 1% | 982 911 | 0,5% | 982 911 | 0,5% | 982 911 | 0,5% | 982 911 | 0,5% |
| Cochlear | 533 755 | 0,67% | 533 755 | 1% | 533 755 | 0,3% | 533 755 | 0,3% | 533 755 | 0,3% | 533 755 | 0,3% |
| Sub Total Institutional Shareholders | 59 222 347 | 74,09% | 59 222 347 | 74% | 166 365 203 | 88,9% | 166 365 203 | 89% | 184 222 346 | 89,9% | 184 222 346 | 90,0% |
| Officers | 160 000 | 0,20% | 160 000 | 0% | 160 000 | 0,09% | 160 000 | 0% | 160 000 | 0,1% | 160 000 | 0,1% |
| Directors | 0 | 0,00% | 0 | 0% | - | - | - | - | - | 0,0% | - | 0,0% |
| Employees & consulting | 0 | 0,00% | 0 | 0% | - | - | - | - | - | 0,0% | - | 0,0% |
| Treasury shares | 158 634 | 0,20% | | | 158 634 | 0,00% | - | - | 158 634 | 0,1% | - | 0,0% |
| Free Float | 20 396 957 | 25,52% | 20 396 957 | 26% | 20 396 957 | 10,90% | 20 396 957 | | 20 396 957 | 10,0% | 20 396 957 | 10,0% |
| TOTAL | 79 937 938 | | 79 779 304 | 100% | 187 080 794 | | 187 082 160 | | 204 937 937 | 100,0% | 204 779 303 | 100,0% |

Governance

The Board of Directors has, during its meeting held on August 3rd, 2023, decided the appointment (through *cooptation*) of Redmile Group, as member of the Board of Directors in replacement of Bpifrance Investissement, represented by Mr. Jean-François Morin, who has resigned from its position as board member.

The Company is currently searching for a high profile executive with Gene Therapy experience to chair the board of directors as an independent member. Further information will be provided in due course.

Settlement of the Private Placement

The admission of the New Shares to trading on the Euronext Growth market in Paris is scheduled for the time of settlement and delivery, which is expected to take place on August 8th, 2023.

The New Shares and, as the case may be, the Warrants Shares (upon exercise of the Warrants in compliance with their terms) will be immediately assimilated to the Company's existing shares already traded on Euronext Growth in Paris, and will be able to be traded, from their issuance, on the same listing line (ISIN code: [FR0012596468](#)).

The Private Placement has not given rise to a prospectus submitted for approval by the AMF.

Risk Factors



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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 31st, 2022, 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) shareholders stake in the Company will be diluted further to the issuance of the New Shares and Warrants Shares (in case of exercise of the Warrants) without any possibility for the shareholders to participate to the Private Placement, (ii) FDI Clearance could be subject to specific undertakings which may constitute a constraint for the activities of the Company, (iii) the market price for the Company's shares may fluctuate and fall below the subscription price of the shares issued pursuant to the Private Placement, (iv) the volatility and liquidity of the Company's shares may fluctuate significantly, (v) sales of the Company's shares (including the New Shares and Warrant Shares) may occur on the market and have a negative impact on the market price of the shares, and (vi) the Company's shareholders could undergo a potentially material dilution resulting from any future capital increases (including as a consequence of the exercise of all or part of the Warrants) 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 hearing loss disorders, a significant global unmet medical need. 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 mechanisms of action for drug candidates.

It has two gene therapy programs aimed at correcting hereditary monogenic forms of deafness, developed in the framework of its broad strategic collaboration focused on the genetics of hearing with the Institut Pasteur. OTOF-GT targets deafness caused by mutations of the gene encoding for otoferlin and GJB2-GT targets hearing loss related to mutations in *GJB2* gene to potentially address important hearing loss segments in adults and children. The Company is also working on the identification of biomarkers to improve diagnosis of these underserved illnesses.

Sensorion's portfolio also comprises clinical-stage small molecule programs for the treatment and prevention of hearing loss disorders.

Sensorion's clinical-stage portfolio includes one Phase 2 product: SENS-401 (Arazasetron) progressing in a planned Phase 2 proof of concept clinical study of SENS-401 in Cisplatin-Induced Ototoxicity (CIO) and, with partner Cochlear Limited, in a study of SENS-401 in patients scheduled for cochlear implantation. A Phase 2 study of SENS-401 was also completed in Sudden Sensorineural Hearing Loss (SSNHL) in January 2022.

www.sensorion.com

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ISIN: **FR0012596468**
Mnemonic: **ALSEN**



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In France, the Private Placement 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



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which would require the publication of a prospectus (pursuant to article 3 of the Prospectus Regulation) in any Member State.

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