

GenSight Biologics secures a €35 million credit facility from the European Investment Bank to support the launch of LUMEVOQ[®] in Europe

- The credit facility will enable GenSight to support the development of its pipeline and in particular the preparation of the marketing of LUMEVOQ[®] in Europe
- The credit facility consists of three tranches of €8 million, €12 million, and €15 million respectively, each redeemable *in fine* in 5 years
- The credit facility is part of the European Investment Bank's strategy to support biotech companies developing a high-level of expertise in various therapeutic areas with significant unmet medical needs

Paris, France, November 4, 2022 7:30am CET – GenSight Biologics (Euronext: SIGHT, ISIN: FR0013183985, PEA-PME eligible) (the "**Company**"), a biopharma company focused on developing and commercializing innovative gene therapies for retinal neurodegenerative diseases and central nervous system disorders, today announced that it has entered into a €35 million credit facility agreement with the European Investment Bank ("**EIB**"), supported by the European Fund for Strategic Investment (EFSI).

The Company plans to use the facility toward the development of its pipeline in the field of gene therapy for the treatment of neurodegenerative retinal diseases and disorders of the central nervous system and, in particular, LUMEVOQ[®] until its possible marketing in Europe, planned for the end of 2023.

The €35 million facility is divided into three tranches: €8 million for the first tranche ("**Tranche A**"), €12 million for the second tranche ("**Tranche B**") and €15 million for the third tranche ("**Tranche C**"). The disbursement of each tranches, including the first disbursement of Tranche A, is subject to certain conditions which, as of the date of this press release, remain to be satisfied.

The disbursement of Tranche A is subject to, among other things:

- the execution of a warrant agreement (see hereafter) to be entered into with the EIB, issue of the warrants relating to Tranche A,
- the full repayment of the outstanding financing with Kreos¹,
- the successful manufacturing of one engineering batch of LUMEVOQ[®] (condition satisfied on September 19, 2022²),
- the decision by the Company to launch the validation batches (PPQ) manufacturing campaign, and
- a cash injection of €10 million, in the form of equity, convertible bonds (to the extent that their repayment would be subordinated to the EIB's debt under the terms of a subordination agreement to be concluded) or license revenues.

¹ As of the date of closing of the financing contract, the balance of the Kreos loan amounts to 4.1 million euros.

² <https://www.gensight-biologics.com/wp-content/uploads/2022/09/GENSIGHT-BIOLOGICS-PR-Manufacturing-Update-September-2022-vdef.pdf>

The disbursement of Tranche B is subject to, among other things,

- the full drawdown of Tranche A,
- the issue of the warrants relating to Tranche B,
- the successful manufacturing campaign of several PPQ batches of LUMEVOQ[®], and
- the submission of responses to the Day 120 List of Questions to the European Medicines Agency (EMA) (condition satisfied in October 2022³).

The disbursement of Tranche C is subject to, among other things,

- the full drawdown of Tranche B,
- the issue of the warrants relating to Tranche C,
- a cash injection of at least €20 million (in addition to the aforementioned €10 million), in the form of equity, convertible bonds (to the extent that their repayment would be subordinated to the EIB's debt under the terms of a subordination agreement to be concluded) or license revenues,
- the obtaining of EMA marketing authorization for LUMEVOQ[®] in Europe, and
- a condition related to early access for patients.

The three tranches will be available within 24 months following the signature of the Finance Contract.

*"The EIB is proud to finance a European biotech company that is pioneering breakthrough solutions for patients suffering from neuro-ophthalmological diseases," commented **Ambroise Fayolle**, Vice-President of the European Investment Bank. "We are confident that GenSight Biologics will become the first European biopharma to commercialize a gene therapy capable of treating Leber's Hereditary Optic Neuropathy (LHON), a rare blinding disease, thereby contributing to illustrate European know-how in terms of worldwide healthcare innovation".*

*"This EIB financing, which is minimally dilutive for our shareholders, is excellent news for GenSight and a recognition of the work accomplished by our teams," said **Bernard Gilly**, CEO and Co-founder of GenSight Biologics, "It will allow us to support the development of our product portfolio, and in particular the launch on the European market of LUMEVOQ[®], the first gene therapy for LHON patients."*

The credit facility agreement will carry an annual fixed interest rate of 2% for all tranches and a decreasing fixed payment-in-kind (PIK) interest rate per tranche, with 5% for Tranche A, 4% for Tranche B and 3% for Tranche C, and with a maturity of five years for each tranche. Such PIK interest shall be capitalized annually, payable at maturity and added to the outstanding principal amount of the credit and therefore bear interest.

The facility may, in certain circumstances, be prepaid, in whole or in part, with a prepayment fee, either at the election of the Company or upon the demand of EIB following certain prepayment events, including a change of control or a change in senior management of the Company.

Subject to certain terms and conditions, upon the occurrence of standard events of default (i.e. including payment default, misrepresentation, cross default), EIB may demand immediate repayment by the Company of all or part of the outstanding debt and/or cancel any undisbursed tranches.

The credit facility agreement will be supplemented by an agreement to be concluded to issue warrants to the benefit of the EIB, pursuant to Article L. 225-138 of the French Commercial Code, in varied amounts according to the relevant tranche. If the Tranche A of warrants were issued today under the conditions

³ <https://www.gensight-biologics.com/wp-content/uploads/2022/10/GENSIGHT-BIOLOGICS-PR-2022-Q3-Earnings-v1.pdf>



currently proposed, the potential dilution represented by the underlying shares would be approximately 2.42% of the Company's current share capital.

The warrants will have a term of 20 years and will become exercisable upon the occurrence of certain events (such as a change of control or a repayment regarding one or several tranches), thus avoiding dilution for existing shareholders in the near term. Each warrant will entitle EIB to one ordinary share of the Company in exchange for the exercise price (subject to anti-dilution provisions). The exercise price for each warrant will be equal to 95% of the volume weighted average of the trading price of the Company's ordinary share over the last five trading days preceding the decision of the competent corporate body of the Company to issue such warrants. EIB shall be entitled to, as soon as the warrants become exercisable, a put option at its intrinsic value, (subject to a cap equal to the drawn amount under the facility agreement) requiring the Company to buy back all or part of the warrants then exercisable, but not yet exercised. Furthermore, the Company shall be entitled to a call option on all outstanding warrants under certain limited circumstances.

Kempen & Co. acted as GenSight Biologics' debt advisor.

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About GenSight Biologics

GenSight Biologics S.A. is a clinical-stage biopharma company focused on developing and commercializing innovative gene therapies for retinal neurodegenerative diseases and central nervous system disorders. GenSight Biologics' pipeline leverages two core technology platforms, the Mitochondrial Targeting Sequence (MTS) and optogenetics, to help preserve or restore vision in patients suffering from blinding retinal diseases. GenSight Biologics' lead product candidate, LUMEVOQ® (GS010; lenadogene nolparvovec), is an investigational compound and has not been registered in any country at this stage; a marketing authorization application is currently under review by the EMA for the treatment of Leber Hereditary Optic Neuropathy (LHON), a rare mitochondrial disease affecting primarily teens and young adults that leads to irreversible blindness. Using its gene therapy-based approach, GenSight Biologics' product candidates are designed to be administered in a single treatment to each eye by intravitreal injection to offer patients a sustainable functional visual recovery.

About the European Investment Bank (EIB)

The EIB is the European Union (EU) long-term financing institution, and its shareholders are the 27 EU Member States. Its mission is to contribute to the integration, balanced development, and economic and social cohesion of EU Member States. It borrows large volumes of funds from the capital markets and lends them with very favorable terms to support projects which contribute to the achievement of EU objectives. The EIB is working to put the EU at the forefront of the next wave of innovation, especially in



the health sector. In response to the Covid-19 health crisis, the EIB has released €6 billion for investments in the health sector to support medical infrastructure, additional research activities or other financing related to vaccines and treatments. As a European bank supporting the climate, the EIB is one of the main fund providers in the green transition towards a more low-carbon and sustainable growth model.