PRESS RELEASE

GenSight Biologics obtains funding of €10 million from Sofinnova Partners, Invus and UPMC Enterprises

- **GenSight Biologics shares resume trading today**
- **New financing of €10 million consisting of two tranches of €6 million and €4 million each in the form of a bond issue convertible into shares for the first tranche and an issue of new shares for the second tranche**
- **Immediate drawdown of the first tranche of €6 million through the issue of bonds convertible into new shares reserved for Sofinnova Partners, Invus and UPMC Enterprises**
- **Cash runaway extended to October 2023 after drawdown of the first tranche and to November 2023 after drawdown of the second tranche**
- **Renegotiation of the terms and conditions of bonds convertible into new shares with Heights with a nominal amount of €12 million**
- **Ongoing renegotiation of the conditions precedent to draw down the €12 million Tranche B of the EIB loan**

Paris, France, August 3, 2023, 7:30am CEST – 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, announced today the resumption of the trading of the Company's shares following the signing of a €10 million financing agreement with Sofinnova Partners, Invus and UPMC Enterprises (the "**Investors**") (the "**Financing**") and drew down the first tranche of the Financing of €6 million ("**Tranche 1**").

"*We are truly grateful for the continuing support of Sofinnova Partners over the past 4 years. We are also deeply honored to see Top-Tier US healthcare investors Invus and UPMC Enterprises join this financing at a critical time for GenSight,"* said Bernard Gilly, Co-founder and Chief Executive Officer of GenSight. "*This renewed trust speaks for the quality of our science and clinical data, and notably the potential for LUMEVOQ to be approved in Europe and in the US within a reasonable timeframe.* "

Structure of the Financing

The Financing is divided into two tranches, each subject to certain conditions:

- Tranche 1 of €6 million, under which the Company issued 60 bonds convertible into new shares with a value of €100,000 each (the "**OCAs**"), maturing in twelve months and bearing interest at 10% per annum; and

- A second tranche of €4 million, under which the Company will issue new ordinary shares (the "**Tranche 2**").

Each tranche will be subscribed for by each investor pro rata to its participation in the Financing, as follows: 35% for Sofinnova Partners, 35% for Invus and 30% for UPMC Enterprises.

The drawdown of Tranche 1 was subject to, among other conditions, the approval of the Company, the Investors, the Company's creditor banks (notably BNP Paribas, CIC and Bpifrance) (the "**Banks**"), the European Investment Bank (the "**EIB**") and CVI Investments, Inc. ("**Heights**") with respect to:

- waiver by the Banks, the EIB and Heights on any provision which could trigger early repayment of their debt until January 31, 2024;

- agreement of the EIB and Heights on the issuance of the OCAs and their ranking, and the execution by the Investors of an accession undertaking to the subordination agreement signed by the Company, the EIB and Heights on December 22, 2022;

- deferral of principal payments due to the Banks until January 31, 2024;

- suspension of Heights' conversion rights with respect to the convertible bonds issued on December 28, 2022 (the "**2022 OCAs**") until January 31, 2024;

- deferral of principal payments due to Heights in connection with the redemption of the 2022 OCAs until January 31, 2024; and

- waiver by the EIB of any adjustment right it has under the warrant agreement in the context of the Financing signed by the Company and the EIB on December 22, 2022.

The drawdown of Tranche 2 is subject, among other conditions, to the fulfillment of the following conditions at the latest October 30, 2023:

- the production of at least two successive successful GMP batches (Good Manufacturing Practices), of LUMEVOQ® as demonstrated by a statement signed by a qualified person and/or representative of the quality unit documenting that the GMP batches are within specifications required (individually, a “**Successful Manufacturing**”) or,

- in the event that the GMP batches are not produced, or only one Successful Manufacturing, with unanimous approval by all the Investors.

No guarantee can be given that the Company will satisfy the conditions precedent for Tranche 2.

As previously disclosed, given the Company's decision to withdraw its EMA application in April 2023, there is no immediate need for a validation (PPQ) campaign until a new Marketing Authorization Application (MAA) is submitted. Consequently, the Company decided to manufacture 3 GMP batches as planned, using the commercial process but outside the context of a validation campaign, to generate more batch data for a future MAA filing and provide more experience with the manufacturing process to operating teams, while fulfilling the immediate requirement of supplying product for a possible new clinical trial and for the resumption of an early access program for patients in Q1 2024. The Company will thus not meet the contractual condition related to PPQ production for disbursement of the tranche B of the EIB loan for an amount of €12 million. The Company acknowledges that the availability of such tranche is currently suspended, until such time as a new agreement with the EIB is reached on revised conditions to the disbursement of that tranche. Discussions with the EIB on this matter are still ongoing.

Reasons for the issue of the OCAs and use of the proceeds from the issue of the OCAs

The gross proceeds from the issuance of the OCAs amount to €6 million. The net proceeds of the issuance of the OCAs amounting to €5.6 million, will be used by the Company to produce the 3 GMP batches of LUMEVOQ® at its partner's facility in the United States, to prepare for the initiation of a possible new clinical trial of LUMEVOQ®, and more generally to finance its activities.

Working capital statement

To date, the Company does not have sufficient net working capital to meet its obligations over the next 12 months. Before the completion of the Financing and excluding any anticipated revenues from the resumption early access in France (*Autorisation d'Accès Précoce* (AAP), formerly *Autorisation Temporaire d'Utilisation* (ATU)) early 2024, the Company's net cash requirement is estimated at €34 million for the next twelve months after negotiations with the various financial partners as described above and excluding tranche B of the loan with the EIB.

As at June 30, 2023, the Company's available cash amounted to €0.9 million. After the completion of Tranche 1, the Company expects to be able to meet its obligations until October 2023.

For the 12-month period following the date of this press release, taking into account the net proceeds of Tranche 1 of the Financing of €5.6 million and the expected upcoming receipt of payment under Tranche 2 of the Financing for €4 million, the Company will have sufficient net working capital to meet its obligations until November 2023, and the net working capital requirement for the next 12 months is estimated at approximately €26 million, in view of the Company's need to finance its ongoing activities, notably the planned launch of a new clinical trial in early 2024. As indicated above, the availability of the tranche B of the EIB loan for an amount of €12 million is currently suspended, until such time as a new agreement with the EIB is reached on revised conditions to the disbursement of that tranche.

The Company expects to seek other sources of debt or equity financing as early as the fourth quarter of 2023, in order to supplement its working capital requirements and fund its operating expenses after November 2023 and for 2024, which will enable the Company to resume early access in France (AAP) for patients in the first quarter of 2024 when LUMEVOQ® becomes available.

Debt structure

As a reminder, the Company's current financial debt consists of:

- tranche A of the EIB loan for €8 million[1];
- bonds convertible into new shares in favor of Heights for a nominal amount of €12 million[2]; and
- state-guaranteed loans from credit institutions for a total outstanding amount of €2.4 million.

Terms and conditions of the issue of the OCAs

The Chief Executive Officer (*Directeur Général*), acting within the limits of the delegations granted by the Board of Directors of the Company, using the delegation granted to it under the 17th resolution of the shareholders' meeting held on June 21, 2023 (the "**AGM**"), decided to proceed with the issuance, without shareholders' preferential subscription rights, of OCAs reserved to a category of investors, it being specified that in accordance with Article L. 225-38 of the French Commercial Code and in application of the provisions of the Board of Directors' internal rules relating to conflicts of interest, Sofinnova Partners took no part in the deliberations nor in the vote relating to this authorization.

Tranche 1 comprised of 60 OCAs with a par value of €100,000 each, representing gross proceeds of the issuance of €6 million. The OCAs will be subscribed for as follows: €2.1 million by Sofinnova Partners, €2.1 million by Invus and €1.8 million by UPMC Enterprises.

The settlement and delivery of the OCAs and receipt of the proceeds is expected to occur on August 4, 2023. No application will be made for the OCAs to be admitted to trading on any market. However, any ordinary shares issued pursuant to the terms and conditions of the OCAs will be listed on the same line as the existing ordinary shares (ISIN code FR0013183985).

The issuance of the OCAs is not subject to a prospectus requiring the AMF approval (French financial market authority).

The Company will regularly publish on its website the number of new shares issued pursuant to the terms and conditions of the OCAs.

The Investors have entered into an accession undertaking to the subordination agreement which was entered into by the Company, Heights and the EIB on December 22, 2022[3], under which the Company undertakes to repay in cash its debt to the Investors, the holders of junior debt under the OCA issuance agreement, only after full repayment to the EIB, the holder of senior debt under the credit agreement entered into with the Company. The Investors' debt ranks *pari passu* with Heights' debt.

The Company intends to issue the OCAs at par on August 4, 2023 (the "**Issue Date**") for a maturity of 12 months, *i.e.*, until August 4, 2024 (the "**Maturity Date**"). The OCAs will bear interest at a rate of 10% per annum.

The OCAs will entitle their holders, in the event of conversion, to a maximum of 140,409 new ordinary shares per OCA, i.e. a conversion price of 0.7122 euros per OCA (the "**Conversion Price**"), corresponding

[1] https://www.gensight-biologics.com/2023/02/06/gensight-biologics-announces-the-drawdown-of-the-first-eur-8-million-tranche-under-its-credit-agreement-with-the-european-investment-bank/

[2] https://www.gensight-biologics.com/2022/12/23/gensight-biologics-secures-e12-million-financing-through-a-premium-convertible-notes-issuance-to-an-institutional-investor-and-provides-business-update/

[3] See press release dated December 23, 2022

to a premium of 1.04% to the volume-weighted average price of the Company's shares on Euronext Paris over the last twenty trading sessions preceding the determination of the price, in accordance with the limits set in the 17th resolution of the AGM[4].

The OCAs may be converted into new ordinary shares of the Company at any time at the Conversion Price and automatically at the closing of Tranche 2 at the Conversion Price (the "**Conversion Dates**" or each one, the "**Conversion Date**"). Interest will also be converted into new ordinary shares at the Conversion Price.

In accordance with the terms and conditions of the OCAs, customary events of default (including in the event of non-payment on a due date, breach of the terms and conditions, delisting or cessation of business) will give the Investors an option to request the early redemption of the OCAs in cash in an amount equal to 100% of the principal amount of the outstanding OCAs. The Company has also given certain customary undertakings (in particular, not to grant any security interests other than certain customary exceptions in this respect, and not to offer any shares for 30 days following the Issue Date, subject in particular to the issue of warrants to the EIB and certain customary exceptions in this regard).

Holders of OCAs may freely transfer any OCAs to an affiliate or, with the prior written consent of the Company, to a third party.

Dilution

The shareholding of a shareholder currently holding 1% of the share capital of the Company before conversion of all the OCAs (and without conversion of the interests) would be 0.81% following the conversion of all the OCAs at the Conversion Price on a non-diluted basis and 0.70% on a diluted basis.

Renegotiation of the terms of the convertible bonds with Heights

In accordance with the subscription agreement signed between the Company and Heights, 2022 OCAs may be converted into new ordinary shares of the Company exclusively at the initiative of the holder between their issue date and their maturity date, *i.e.,* December 28, 2027. The 2022 OCAs initially entitle their holders, upon conversion, to a maximum of 22,884 new ordinary shares per 2022 OCA, *i.e.,* a conversion price of 4.37 euros per 2022 OCA (the "**Initial Conversion Price**").

It is reminded that the Initial Conversion Price corresponds to a premium of 30% of the volume-weighted average price of the Company's shares on the regulated market of Euronext in Paris during the last trading session preceding the determination of the terms of issuance, thus complying with the price limits set by the 24th resolution of the Company's combined general shareholders' meeting held on May 25, 2022 (the volume-weighted average of the Company's share prices on the regulated market of Euronext in Paris over the last 5 trading sessions preceding the determination of the price, less a maximum discount of 15%, *i.e.,* 3.07 euros) (the "**Price Limit**"). A modification to the Price Limit will be presented to the shareholders at a future general meeting expected to occur in Q4 2023, which should reflect the Company's share price at the time of convening this general meeting, subject to a maximum discount of 10%.

[4] The Conversion Price corresponds to a premium of 6.06% to the volume-weighted average price of the Company's shares on Euronext Paris over the last five trading sessions preceding the determination of the price, *i.e.,* July 25, 26, 27, 28, and August 1, 2023, in accordance with the 17th resolution of the AGM.

From June 2023, the 2022 OCAs were initially to be amortized quarterly in an amount of €5,263 per 2022 OCA (or €5,266 for the amortization corresponding to the final maturity date) (the "**Amortization Amount**"), payable either (i) in new ordinary shares issued at a 10% discount to the market value of the Company's shares at the time of amortization (it being specified that all payments in shares have to comply with the Price Limit) or (ii) at the Company's option, in cash at 110% of the amount to be amortized, being specified that redemption in cash will become mandatory in the event that the Price Limit is crossed downwards.

The Company and Heights have decided to suspend the redemption of the 2022 OCAs until January 31, 2024. Starting from March 2024 and until the maturity date of the 2022 OCAs, Heights will be entitled to trigger an additional amortization payment for each 2022 OCA between two quarterly amortization periods up to the Amortization Amount payable (i) either in new ordinary shares at an amortization price equal to the one applicable on the preceding quarterly amortization date, (ii) or in cash at 110% of the amortizable amount, it being specified that the repayment in cash will become mandatory in the event that the Price Limit, as forthcoming shareholders' general meeting, is crossed downwards (the "**Additional Amortization Right**").

Heights may only exercise this Additional Amortization Right up to a maximum of three times per calendar year, without being able to carry over this right to the following year. This Additional Amortization Right does not alter the maximum number of shares that may be issued, and only impacts the maturity of the 2022 OCAs.

When exercising the Additional Amortization Right, Heights will be subject to a global trading limitation of 15% of the average daily trading volume of the Company's shares for the duration of an amortization period.

These amendments will be submitted to a future general meeting of the Company's shareholders expected to occur in Q4 2023, and will be subject to a vote at a special meeting of the holders of the 2022 OCAs.

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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, developed 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.

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