



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2021

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1. Statement of the Board of Directors

The Board of Directors of Sequana Medical NV certifies in the name and on behalf of Sequana Medical NV, that to the best of their knowledge the Condensed Consolidated Financial Statements, for the six-month period ended 30 June 2021, which has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union, (a) give a true and fair view of the assets, liabilities, financial position and results of Sequana Medical NV and of the entities included in the consolidation, (b) include a fair view of the important events that have occurred during the first six months of the financial year, (c) as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

The condensed consolidated financial report gives an accurate overview of the information that needs to be disclosed pursuant to Article 13, paragraph 2 of the Royal Decree of 14 November 2007.

The amounts in this document are presented in euro (EUR), unless noted otherwise. Due to rounding, numbers presented throughout these Condensed Consolidated Financial Statements may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

2. Statutory auditor's report on review of the Consolidated Condensed Financial Statements for the six-month period ended 30 June 2021

Introduction

We have reviewed the accompanying consolidated condensed statement of financial position of Sequana Medical NV and its subsidiaries (the "Group") as of 30 June 2021 and the related condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union

Material uncertainty related to going concern

We draw attention to Note 8.3 in the condensed consolidated financial statement, which indicates that the Group is still in its development phase conducting clinical trials in order to achieve regulatory marketing approvals, which incurs various risks and uncertainties, including but not limited to the uncertainty of the development process and the timing of achieving profitability. The Company's ability to continue operations also depends on its ability to raise additional capital and to refinance existing debt, in order to fund operations and assure the solvency of the Company until revenues reach a level to sustain positive cash flows. The impact of COVID-19 on the Company's ability to secure additional financing rounds or undertake capital market transactions remains unclear at this point in time and will remain under review by the executive management and the board of directors. These events or conditions as set forth in Note 8.3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Antwerp, 1 September 2021

The statutory auditor
PwC Reviseurs d'Entreprises SRL / Bedrijfsrevisoren BV
Represented by

Peter D'hondt

Bedrijfsrevisor

3. Condensed Consolidated Income Statement

| EUR | | | HY 2021 | | HY 2020 |
|---|--------------|--|---------------------|--|--------------------|
| | Notes | | | | |
| Revenue | 8.4 | | 22,500 | | 594,655 |
| Costs of goods sold | | | (4,487) | | (125,653) |
| Gross Margin | | | 18,013 | | 469,001 |
| Sales & Marketing | | | (1,069,381) | | (1,372,610) |
| Clinical | | | (3,652,094) | | (3,137,641) |
| Quality & Regulatory | | | (1,557,951) | | (1,022,835) |
| Supply Chain | | | (1,106,898) | | (805,760) |
| Engineering | | | (1,539,130) | | (771,481) |
| General & administration | 8.5.1 | | (2,592,789) | | (2,313,266) |
| Other income | | | 17,358 | | 26,866 |
| Total Operating Expenses | | | (11,500,886) | | (9,396,728) |
| Earnings before interests and taxes (EBIT) | | | (11,482,873) | | (8,927,726) |
| Finance income | | | 156,420 | | 47,493 |
| Finance cost | | | (434,450) | | (570,229) |
| Net Finance Cost | | | (278,030) | | (522,736) |
| Income Tax Expense | | | (129,246) | | (103,240) |
| Net loss for the period | | | (11,890,149) | | (9,553,702) |
| Attributable to Sequana Medical shareholders | | | (11,890,149) | | (9,553,702) |
| Basic loss per share | 8.5.2 | | (0.66) | | (0.62) |

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

4. Condensed Consolidated Statement of Comprehensive Income

| EUR | | | HY 2021 | | HY 2020 |
|---|--------------|--|---------------------|--|--------------------|
| | Notes | | | | |
| Net loss for the period | | | (11,890,149) | | (9,553,702) |
| Components of other comprehensive income (OCI) items that will not be reclassified to profit or loss: | | | | | |
| Remeasurements of defined benefit plans | | | - | | - |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Currency translation adjustments | | | (9,422) | | 78,115 |
| Total other comprehensive income/(loss)-net of tax | | | (9,422) | | 78,115 |
| Total comprehensive income | | | (11,899,571) | | (9,475,587) |
| Attributable to Sequana Medical shareholders | | | (11,899,571) | | (9,475,587) |

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

5. Condensed Consolidated Statement of Financial Position

| EUR | | 30 June 2021 | | 31 December 2020 | |
|--------------------------------------|-------|--------------|-------------------|------------------|-------------------|
| | Notes | | | | |
| Property, Plant and Equipment | | | 665,464 | | 704,718 |
| Laboratory | | 64,243 | | 65,592 | |
| Information Technology (IT) | | 238,761 | | 234,663 | |
| RD Tools | | (229) | | 701 | |
| Right-of-use assets | | 356,687 | | 392,616 | |
| Other tangible Fixed Assets | | 6,002 | | 11,147 | |
| Assets under construction | | - | | - | |
| Financial assets | | | 79,143 | | 67,305 |
| Financial assets - Rental deposit | | 79,143 | | 67,305 | |
| Total non-current assets | | | 744,607 | | 772,023 |
| Trade Receivables | | | - | | 23,625 |
| Trade Receivables - Third parties | | - | | 23,625 | |
| Other Receivables | | | 1,225,065 | | 930,005 |
| Other Receivables - Third parties | | 436,704 | | 313,598 | |
| Other Receivables - prepaid expenses | | 788,361 | | 616,407 | |
| Inventory | | | 1,963,559 | | 1,471,655 |
| Inventory | | 1,963,559 | | 1,471,655 | |
| Cash and cash equivalents | | | 21,771,881 | | 11,016,143 |
| Cash and cash equivalents | 9.1 | 21,771,881 | | 11,016,143 | |
| Total current assets | | | 24,960,505 | | 13,441,429 |
| TOTAL ASSETS | | | 25,705,112 | | 14,213,451 |

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Financial Position (continued)

| EUR | | 30 June 2021 | | 31 December 2020 | |
|--|-------|---------------|-------------------|------------------|-------------------|
| | Notes | | | | |
| Total Equity | | | 10,919,148 | | 112,761 |
| Share Capital | 9.2 | 1,924,846 | | 1,635,006 | |
| Share premium | 9.2 | 142,430,149 | | 119,332,864 | |
| Reserves | | (2,950,424) | | (2,250,413) | |
| Loss brought forward | | (130,970,369) | | (119,080,220) | |
| Cumulative Translation Adjustment | | 484,946 | | 475,525 | |
| | | | | | |
| Long term financial debts | | | 7,089,356 | | 7,472,701 |
| Long term financial debts | 9.3 | 7,089,356 | | 7,472,701 | |
| | | | | | |
| Long term lease debts | | | 138,448 | | 122,942 |
| Long term lease debts | | 138,448 | | 122,942 | |
| | | | | | |
| Retirement benefit obligation | | | 611,659 | | 539,042 |
| Retirement benefit obligation | | 611,659 | | 539,042 | |
| | | | | | |
| Total non-current liabilities | | | 7,839,462 | | 8,134,686 |
| | | | | | |
| Short term financial debts | | | - | | - |
| Short term financial debts | 9.3 | - | | - | |
| | | | | | |
| Short term lease debts | | | 204,373 | | 263,700 |
| Short term lease debts | | 204,373 | | 263,700 | |
| | | | | | |
| Trade Payables | | | 3,107,352 | | 2,802,488 |
| Trade Payables - Third parties | 9.4 | 2,319,386 | | 2,013,178 | |
| Contract liabilities | | 787,966 | | 789,311 | |
| | | | | | |
| Other payables | | | 1,640,283 | | 1,523,426 |
| Other payables - Third parties | | 1,640,283 | | 1,523,426 | |
| | | | | | |
| Accrued liabilities | | | 1,994,494 | | 1,376,390 |
| Accrued liabilities - Provision warranty | 9.4 | 69,072 | | 77,545 | |
| Accrued liabilities - Third parties | 9.4 | 1,925,422 | | 1,298,845 | |
| | | | | | |
| Total current liabilities | | | 6,946,502 | | 5,966,004 |
| | | | | | |
| TOTAL EQUITY AND LIABILITIES | | | 25,705,112 | | 14,213,451 |

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

6. Condensed Consolidated Statement of Changes in Equity

| EUR | Notes | Share capital | Other Equity | Share premium | Reserves | Loss brought forward | Currency translation differences | Total shareholder equity |
|---|-------|------------------|--------------|--------------------|--------------------|----------------------|----------------------------------|--------------------------|
| Balance at 1 January 2020 | | 1,306,940 | - | 100,660,934 | (1,651,931) | (99,974,015) | 584,005 | 925,932 |
| Net loss for the period | | | | | | (9,553,702) | | (9,553,702) |
| Other comprehensive income | | | | | | | (78,115) | (78,115) |
| Capital increase January 2020 | | 328,067 | | 18,671,929 | | | | 18,999,996 |
| Transaction costs for equity instruments | | | | | (839,639) | | | (839,639) |
| Share-based compensation | | | | | 68,638 | | | 68,638 |
| 30 June 2020 | | 1,635,006 | - | 119,332,864 | (2,422,933) | (109,527,717) | 505,890 | 9,523,109 |
| Balance at 1 January 2021 | | 1,635,006 | - | 119,332,864 | (2,250,413) | (119,080,220) | 475,525 | 112,761 |
| Net loss for the period | | | | | | (11,890,149) | | (11,890,149) |
| Other comprehensive income | | | | | - | | 9,422 | 9,422 |
| February 2021 Capital increase Placement | 9.2 | 274,235 | | 22,225,766 | | | | 22,500,002 |
| Capital increase Share Options | | 5,547 | | 262,660 | | | | 268,207 |
| Capital increase convertible loan to shares | | 10,058 | | 608,859 | | | | 618,917 |
| Transaction costs for equity instruments | | | | | (1,050,503) | | | (1,050,503) |
| Share-based compensation | | | | | 350,492 | | | 350,492 |
| 30 June 2021 | | 1,924,846 | - | 142,430,149 | (2,950,424) | (130,970,369) | 484,946 | 10,919,148 |

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

7. Condensed Consolidated Statement of Cash Flows

| EUR | | | HY 2021 | | HY 2020 |
|---|-------|--|---------------------|--|--------------------|
| | Notes | | | | |
| Net loss for the period | | | (11,890,149) | | (9,553,702) |
| Income tax expense | | | 129,246 | | 103,240 |
| Financial result | | | 299,090 | | 389,884 |
| Depreciation | | | 52,182 | | 144,522 |
| Change in defined benefit plan | | | 72,616 | | - |
| Share-based compensation | | | 350,492 | | 68,638 |
| Changes in trade and other receivables | | | (271,435) | | 62,932 |
| Changes in inventories | | | (491,904) | | 213,522 |
| Changes in trade and other payables / accrued liabilities | 9.4 | | (31,202) | | (666,784) |
| Taxes paid | | | (85,139) | | (5,831) |
| Cash flow from operating activities | | | (11,866,202) | | (9,243,579) |
| Investments in tangible fixed assets | | | (56,270) | | (25,740) |
| Investments in financial assets | | | (12,420) | | - |
| Cash flow used for investing activities | | | (68,690) | | (25,740) |
| Proceeds from capital increase | 9.2 | | 22,768,208 | | 18,999,996 |
| (Repayments) from leasing debts | | | (137,922) | | (130,893) |
| (Repayments)/Proceeds from financial debts | 9.3 | | - | | - |
| Interest paid | 9.3 | | - | | (194,395) |
| Cash flow from financing activities | | | 22,630,286 | | 18,674,708 |
| Net change in cash and cash equivalents | | | 10,695,394 | | 9,405,389 |
| Cash and cash equivalents at the beginning of the period | | | 11,016,143 | | 5,586,470 |
| Net effect of currency translation on cash and cash equivalents | | | 60,343 | | (110,272) |
| Cash and cash equivalents at the end of the period | | | 21,771,881 | | 14,881,587 |

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

8. Notes to the Condensed Consolidated Financial Statements

8.1. Corporate Information

The Condensed Consolidated Financial Statements of Sequana Medical NV (“Sequana Medical” or “Sequana Medical Group” or “Group” of the “Company”) for the first six months ended 30 June 2021 were authorized for issue in accordance with a resolution of the Board on 1 September 2021.

Sequana Medical NV is a limited-liability company incorporated in the form of a *naamloze vennootschap* under Belgian law. Sequana Medical NV has its registered office at Technologiepark 122, AA Tower, 9052 Ghent, Belgium. The shares of Sequana Medical NV are listed on the regulated market of Euronext Brussels.

The Consolidated Financial Statements of Sequana Medical Group include: Sequana Medical NV, Sequana Medical branch (Switzerland), Sequana Medical GmbH (Germany) and Sequana Medical Inc. (USA).

8.2. Basis of preparation of the Condensed Consolidated Financial Statements

8.2.1. Basis of preparation

The Condensed Consolidated Financial Statements of Sequana Medical Group for the half year ended 30 June 2021 have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union. They do not include all the information required for the preparation of the Annual Consolidated Financial Statements and should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2020 of Sequana Medical Group, that can be found on the website: <http://www.sequanamedical.com>

The Condensed Consolidated Financial Statements are presented in Euro (“EUR”) and have been rounded to the next EUR.

A summary of the significant accounting policies can be found in the audited Consolidated Financial Statements for the year ended 31 December 2020 of Sequana Medical NV that can be found in the Annual Report 2020 on the website (www.sequanamedical.com), from page 164 through page 177. The accounting policies have been consistently applied to all the periods presented.

The accounting policies used to prepare the Condensed Consolidated Financial Statements for the period from 1 January 2021 to 30 June 2021 are consistent with those applied in the audited Consolidated Financial Statement for the year ended 31 December 2020 of Sequana Medical NV.

8.2.2. New and amended standards adopted by the Group

New standards or interpretations applicable from 1 January 2021 do not have any significant impact on the Condensed Consolidated Financial Statements.

8.2.3. Significant accounting judgments, estimates and assumptions

For the preparation of the Condensed Consolidated Financial Statements it is necessary to make judgments, estimates and assumptions to form the basis of presentation, recognition and measurement of the Group’s assets, liabilities, items of income statements, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In preparing these Condensed Consolidated Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2020.

8.2.4. Issued standards, amendments or interpretations adopted and not yet adopted

We refer to note 2.3.3 under the 'Notes to the Consolidated Financial Statements' in the financial report section of the Annual Report 2020.

8.2.5. Information regarding major risks and uncertainties

We refer to the risk factors described in the Prospectus dated 25 June 2020 related to Sequana Medical's January 2020 Equity Placement and to note 3 under the 'Notes to the Consolidated Financial Statements' in the financial report section of the Annual Report 2020.

8.3. Going concern

The Company is still in its development phase conducting clinical trials in order to achieve regulatory marketing approvals, which incurs various risks and uncertainties, including but not limited to the uncertainty of the development process and the timing of achieving profitability. The Company's ability to continue operations also depends on its ability to raise additional capital and to refinance existing debt, in order to fund operations and assure the solvency of the Company until revenues reach a level to sustain positive cash flows.

The impact of COVID-19 on the Company's ability to secure additional financing rounds or undertake capital market transactions remains unclear at this point in time and will remain under review by the executive management and the board of directors.

These conditions indicate the existence of material uncertainties, which may also cast significant doubt about the Company's ability to continue as a going concern.

The consolidated balance sheet as at 30 June 2021 shows a positive equity in the amount of EUR 10.9 million and ending cash balance of EUR 21.8 million. The Company will continue to require additional financing in the near future and in that respect already successfully raised EUR 22.5 million in February 2021 in a private placement via an accelerated book building offering. Together with existing cash resources, the net proceeds from these financing rounds are expected to extend the current cash runway of the Company into Q2 2022. The Company continues to evaluate equity and other financing options, including discussions with existing and/or new investors.

As a result, the board of directors remains confident that the liquidity requirements for the next twelve months can be secured based upon its current assessment of the COVID-19 situation and its impact on our ability to conduct clinical trials. The executive management and the board of directors remain confident about the strategic plan, which comprises additional financing measures including equity and/or other financing sources, and therefore consider the preparation of the present financial statements on a going concern basis as appropriate.

We refer for more details about the COVID-19 situation to note 12.

8.4. Segment information

Operating segments requiring to be reported are determined on the basis of the management approach. Accordingly, external segment reporting reflects the internal organizational and management structure used within the Group as well as the internal financial reporting to the Chief Operating Decision Maker (CODM), which has been identified as the Executive Management Board (EMB). The EMB is responsible for the operational management of the Group, in line with the instructions issued by the Board of Directors.

Based on the Group's structure Sequana Medical's only entity, which performs production and procurement of its only product, **alfapump**[®] is located in Switzerland. All other entities are either administration or distribution entities and are not able to operate on a stand-alone basis. Therefore, Sequana Medical constitutes only one reportable segment, which is represented by the whole Group.

Nevertheless, the EMB monitors all revenues on a country basis.

An overview of revenue by primary geographic market for the Group's reportable segment is included below:

| EUR | HY 2021 | HY 2020 |
|----------------------|---------------|----------------|
| Germany | 22,500 | 398,500 |
| France | - | 95,000 |
| Switzerland | - | 62,605 |
| Rest of the world | - | 38,550 |
| Total revenue | 22,500 | 594,655 |

All revenue is recognized at a point in time, being when the device has been implanted into the patient. There are no significant concentrations of credit risk through exposure to individual customers.

8.5. Detailed information on profit or loss items

8.5.1. Operating Expenses – general and administration

| Expenses (EUR) | HY 2021 | HY 2020 |
|---|---------|---------|
| IPO and capital increase related expenses | 210,941 | 358,089 |

The total amount of known and accrued capital raise related expenses for the first half year of 2021 is EUR 1,261,444, of which EUR 210,941 has been recognized in the Condensed Consolidated Income Statement as G&A expenses and EUR 1,050,503 has been reported under equity. The capital raise expenses accounted for in equity relate to the issuance of equity instruments and represent the incremental costs attributed to new shares.

The total amount of known and accrued IPO related expenses for the first half year of 2020 were EUR 1,197,729, of which EUR 358,089 had been recognized in the Condensed Consolidated Income Statement as G&A expenses and EUR 839,639 had been reported under equity.

8.5.2. Loss per share

The calculation of the basic earnings per share is based on the loss/profit attributable to the holders of ordinary shares and the weighted average number of ordinary shares outstanding during the period.

The Group offers its employee's share-based compensation benefits, which may have a dilutive effect on the basic earning per share.

For the purpose of calculating diluted earning per share, the number of ordinary shares shall be the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued in case of conversion into ordinary shares of all instruments that can be converted into ordinary shares.

Due to the losses incurred by the Group, these instruments had an anti-dilutive effect on the loss per share. Instruments that can be converted into ordinary shares shall only be treated as when their conversion into ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

| (EUR, except number of shares) | 2021 | 2020 |
|---|---------------|---------------|
| Net loss attributable to shareholders | (11,890,149) | (9,553,702) |
| Weighted average number of shares - basic | 17,931,607 | 15,310,073 |
| Basic loss per share | (0.66) | (0.62) |

9. Detailed information on balance sheet items

9.1. Cash and cash equivalents

The Group held cash and cash equivalents of EUR 21,771,881 at 30 June 2021 (31 December 2020: EUR 11,016,143). The increase is mainly due to the February 2021 Equity Placement.

9.2. Share capital and Share Premium

The share capital of the Company is EUR 1,924,846 and is represented by 18,576,252 ordinary shares. The share capital is fully paid-in. During 2021, several capital increases took place.

| (EUR, except number of shares) | Shares | Share capital | Share premium | Total |
|-----------------------------------|-------------------|------------------|--------------------|--------------------|
| 31 December 2020 | 15,778,566 | 1,635,006 | 119,332,864 | 120,967,869 |
| February 2021 Equity Placement | 2,647,059 | 274,235 | 22,225,766 | 22,500,002 |
| Capital increase ESOP 15/02/2021 | 12,810 | 1,327 | 94,235 | 95,563 |
| Capital increase Convertible loan | 97,084 | 10,058 | 608,859 | 618,917 |
| Capital increase ESOP 30/04/2021 | 40,733 | 4,220 | 168,424 | 172,644 |
| 30 June 2021 | 18,576,252 | 1,924,846 | 142,430,149 | 144,354,994 |

At 15 February 2021 the Company completed a capital increase and successfully raised an amount of EUR 22.5 million in gross proceeds by means of a private placement via an accelerated bookbuild offering of 2,647,059 new shares (being approximately 16.78% of the Company's outstanding shares) at an issue price of EUR 8.50 per share. In addition, Sequana Medical announced that a number of holders of share options (having the form of subscription rights), in the context of the '2018 Share Option Plan' for directors, employees and other staff members of the Company and its subsidiaries (the "2018 Share Options"), have exercised a total number of 12,810 2018 Share Options.

At 25 March 2021, the Company announced that two of the three convertible loans that were entered into have been converted for an aggregate amount of EUR 618,916.67 (representing principal and interests) into an aggregate of 97,084 new shares in accordance with the terms of the convertible loans.

At 3 May 2021, the Company announced that a number of holders of share options (having the form of subscription rights), have exercised a total number of 10,705 Executive Share Options and 9,851 2018 Share Options. As a result of this exercise of Executive Share Options and 2018 Share Options, on 30 April 2021 the share capital of the Company has increased to EUR 1,924,846.39 and the number of issued and outstanding shares has increased to 18,576,252 ordinary shares, through the issuance of a total of 40,733 new shares.

The new shares issued within the framework of the capital increases are common shares with the same rights and benefits, and in all respects a grade equivalent, including dividend rights, as the existing and outstanding shares of the Company at the time of their issue.

As of 30 June 2021 the Company does not hold any Treasury shares.

9.3. Financial debts / net debt

Financial debts are mainly composed of the subordinated loan agreements concluded at the end of July 2020 with several shareholders, including PMV/z-Leningen, for an aggregate principal amount of EUR 7.3 million, of which EUR 1.4 million can be converted by the lenders into new shares of the Company in the event of a future equity financing or sale of the Company.

The loans have a term of 36 months and are repayable in full upon expiry of the term. The loans bear an interest of 6% per annum, except that the convertible portion of the loans bear an interest of 5% per annum. The interest is payable only upon expiry of the term of the loans. The price per share at which the convertible portion of the loans can be converted in the event of an equity financing or sale of the Company will be equal to 75% of the price of the Company's shares as will be reflected in the equity financing or sale.

At 25 March 2021, the Company announced that two of the three convertible loans that were entered into have been converted for an aggregate amount of EUR 618,916.67 (representing principal and interests) into an aggregate of 97,084 new shares in accordance with the terms of the convertible loans.

| In EUR | 30 June 2021 | 31 December 2020 |
|--|------------------|------------------|
| Fair value of convertible loans issued in EUR at recognition date | 1,400,000 | 1,400,000 |
| Conversion convertible loan to shares | (618,917) | - |
| Cumulative remeasurement at FVTPL on convertible loans in EUR | 88,629 | 28,603 |
| Total convertible loans | 869,712 | 1,428,603 |
| Face value of non-convertible loans issued in EUR | 5,900,000 | 5,900,000 |
| Cumulative interest expenses accrued on non-convertible loans in EUR | 319,644 | 144,099 |
| Other loans | - | - |
| Total non-convertible loans | 6,219,644 | 6,044,099 |
| Total short term and long term financial debt | 7,089,356 | 7,472,701 |

9.4. Trade payables, other payables and accrued liabilities

| (EUR) | 30 June 2021 | 31 December 2020 |
|-----------------------------|------------------|------------------|
| | | |
| Trade payables | 3,107,352 | 2,802,488 |
| Other payables | 1,640,283 | 1,523,426 |
| Accrued liabilities: | 1,994,494 | 1,376,390 |
| Provision warranty | 69,072 | 77,545 |
| Third Parties | 1,925,422 | 1,298,845 |

Other payables mainly consist of salary related provisions, VAT, income taxes payable, social security, employee insurances and other employee provisions (e.g. holiday pay and bonus).

The current Accrued Liabilities: Third parties in the Balance Sheet are mainly accruals related to clinical expenses and other liabilities.

10. Commitments

10.1. Capital commitments

The Group has no material contracted expenditures for the acquisition of property, plant and equipment at 30 June 2021.

10.2. Asset pledges

The Company has no assets pledged as per 30 June 2021.

11. Transactions with related parties

Related parties primarily comprise members of Executive Management, members of the Board of Directors and significant shareholders. There are no significant transactions with related parties.

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, therefore no further details are included in this interim report. For more details, we refer to the corporate governance section of the Annual Report 2020.

12. COVID-19

The Company continues to monitor the impact of COVID-19 on its activities, particularly in respect to POSEIDON and its European commercial business. While the situation has improved dramatically over the past 12 months, the recent increase in infections due to the delta variant is a potential cause for concern and may impact the Company's forecasts for milestones.

The impact of COVID-19 on the Company's ability to secure additional financing rounds or undertake capital market transactions remains unclear at this point in time and will remain under review by the executive management and the board of directors.

As a result, the board of directors remains confident that the liquidity requirements for the next twelve months can be secured based upon its current assessment of the COVID-19 situation and its impact on our ability to conduct clinical trials. The executive management and the board of directors remain confident about the strategic plan, which comprises additional financing measures including equity and/or other financing sources, and therefore consider the preparation of the present financial statements on a going concern basis as appropriate.

13. Events after the reporting period

There are no material events after 30 June 2021 that require further disclosure.