

SEQUANA MEDICAL
Limited Liability Company

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VAT BE 0707.821.866 legal entities register Ghent, division Gent

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE STATUTORY FINANCIAL STATEMENTS PER 31 DECEMBER 2022

Dear shareholders,

We are pleased to present to you the statutory financial statements for the fiscal year ended December 31, 2022 of Sequana Medical NV (the "**Company**" or "**Sequana Medical**").

1 Overview

Sequana Medical NV is a pioneer in treating fluid overload, a serious and frequent clinical complication in patients with liver disease, heart failure and cancer. These patients can have up to 15 liters of extra fluid in their bodies, causing major medical issues including increased mortality, repeated hospitalizations, severe pain, difficult breathing and restricted mobility that severely impacts daily life. Although diuretics are standard of care, the problem is that in many patients they are no longer effective and / or tolerable. There are limited effective treatment options for these patients resulting in poor clinical outcomes, high costs and major impact on their quality of life. Sequana Medical is seeking to provide innovative treatment options for this large and growing "diuretic-resistant" patient population.

alfapump® and DSR® are Sequana Medical's proprietary platforms that work with the body to treat diuretic-resistant fluid overload, delivering major clinical and quality of life benefits for patients and reducing costs for healthcare systems. The Company has reported positive primary endpoint data from the North American pivotal POSEIDON study of the alfapump in recurrent or refractory ascites due to liver cirrhosis, enabling the filing of a Pre-Market Approval (PMA) application with the FDA, planned for H2 2023. Having delivered clinical proof-of-concept for DSR as a disease-modifying drug program for the treatment of heart failure, the Company is planning to commence MOJAVE, a US multi-centered randomized controlled Phase 1/2a clinical study of DSR 2.0, in 2023.

2 Discussion and analysis of the statutory financial statements

The annual accounts cover the accounting period from January 1, 2022 to December 31, 2022.

The annual accounts give a true and fair view of the course of affairs of the Company during the past fiscal year.

Balance sheet – assets

- The cash at bank and in hand amounts to 18,356,178 euro per 31 December 2022.
- The non-current assets represent an amount of 13,114,483 euro, representing mainly elements with respect to the IT equipment, as well as laboratory & production equipment and leasehold improvements. The remaining non-current assets mainly relate to the rent guarantees for the offices in Belgium and Switzerland and the participation in Sequana Medical GmbH. In 2022, an amount of 11,659,525 euro was capitalized on R&D.
- The current assets, excluding the cash at bank and in hand, amount to 5,475,718 euro. They mainly consist of inventories, trade and other receivables within one year, deferred charges and accrued income. A long-term receivable of 782,207 euro was recognized relating to the application of R&D tax credit.

Balance sheet – liabilities

- The issued capital of the Company amounts to 2,460,487 euro and the share premium accounts amounts to 170,324,139 euro;
- Accumulated losses reached 163,303,595 euro per 31 December 2022.
- The liabilities of 25,915,970 euro mainly consist of financial debts from subordinated loans (6,070,579 euro); financial debts from other loans (6,736,921 euro); short term financial debts (4,482,914 euro); trade payables (3,211,304 euro), customer advances (164,492 euro) , liabilities in respect of remuneration and social security obligations (1,729,479 euro) and accrued charges (3,520,281 euro).

Results of the fiscal year

The operating income amounts to 13,057,906 euro and relates to revenues generated from the sale of the **alfapump** for an amount of 922,687 euro, the inventory movement of finished products (-54,480 euro) and other revenues for 530,174 euro. Since 2020, costs for research and development have been capitalized as intangible fixed assets resulting in produced fixed assets in 2022 amounting to 11,659,525 euro.

The operating charges of 36,198,200 euro mainly consist of:

- Cost of goods sold for an amount of 205,758 euro, higher than in 2021 (35,492 euro) mainly due to the increase in revenue.
- Services and other goods for an amount of 20,013,122 euro, significantly higher than in 2021 (16,682,547 euro) mainly as a result of costs related to the North American pivotal POSEIDON study of the **alfapump**, the SAHARA Phase 2a study of DSR and pre-clinical and clinical development work for the Company's proprietary DSR therapy.
- Total personnel costs of 8,408,911 euro, higher than in 2021 (7,105,253 euro) as a result of the expansion of the team.

Other revenues decreased to 0,53 million euro in 2022 mainly related to the one-off termination of a distribution agreement by mutual agreement in 2021.

The non-recurring operational charges amount to 739,992 euro, are lower than in 2021 (1,050,503 euro) and mainly relating to costs associated with the capital increase in March 2022 and respectively February 2021.

The financial charges of 1,549,354 euro in 2022 mainly relate to attributed interest charges on the subordinated loan agreements concluded at the end of July 2020 and amended in December 2021 and interest charges on the secured loan facility agreement with Kreos. In 2021, the financial charges of 803,208 euro mainly relate to attributed interest charges on the subordinated loan agreements concluded at the end of July 2020 and amended in December 2021.

The losses before taxes amount in 2022 to 24,415,225 euro.

The Company has closed its annual accounts with respect to the financial year 2022 with a loss of 24,785,163 euro.

Statutory and non-distributable reserves

The Company has a share capital of 2,460,487 euro. The Company has 1,321,184 euro of non-distributable reserves. As the Company has closed its annual accounts with respect to the past financial year with a loss, the Company is not legally obliged to reserve additional amounts.

Result allocation

The Board of Directors proposes to carry forward the loss for the financial year to the next financial year.

3 Principles of financial reporting and going concern

The Company is still in its development phase for its alfapump® and DSR® products, and is conducting clinical trials in order to achieve regulatory marketing approvals for these products. This entails 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 macroeconomic conditions and the geopolitical situation 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.

The Statement of Financial Position as at 31 December 2022 shows a positive equity in the amount of EUR 10.80 million and ending cash balance of EUR 18.4 million. Reference is also made to section 4 "*Significant events after the Reporting Period*" below.

Equity placement

The Company envisions to conclude a capital increase by means of a private placement through an accelerated book building procedure in the coming days. We refer to the press release available on the Company's website dated 24 April 2023. The Company will regularly provide an update on the envisioned equity placement via its website.

The above 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 Executive Management and the Board of Directors made an assessment of the Company's ability to continue as a going concern. Several measures have already been carried out in order to reduce costs and expenditures, and the Company intends to carry out further savings. These measures include:

- Heart Failure / DSR: Slowing down the further progression of the MOJAVE clinical study. The Board of Directors notes that (i) the Company still targets results from the first 3 patients by Q42023 for the safety cohort, and (ii) the first patients are most important as the Company is looking for confirmation that DSR 2.0 in US patients has same dramatic treatment effect as DSR 1.0 in the patients from Republic of Georgia (cfr. SAHARA and RED DESERT studies).
- US alfapump program: Delaying the establishment of a new production facility.
- EU alfapump commercial strategy: Reducing the Company's European commercial team by moving to a "reactive" rather than "proactive" commercial stance (i.e., ready to act on clinician interest and maintaining dialogue with key centres, instead of actively promoting the therapy). The Board of Directors notes that (i) the platform for training US clinicians and implanting teams remains available, and (ii) it intends to scale-up the European commercial teams in the future (when additional financing has been attracted).

The Company is also assessing to what extent partnerships or licensing arrangements could be entered into regarding its alfapump® and DSR® products in order to support the further development, regulatory approval process, and subsequent marketing. While on the date hereof no concrete plans are on the table, the Company continuously engages with potential partners, which could also provide further funding to the Company's business.

The Board of Directors believes that a combination of one or more of the foregoing measures will help in addressing the Company's liquidity and funding structure. It also believes that these may further help in finding additional equity and/or debt financing from existing and/or new investors, as well as to renegotiate and/or refinance existing debt financing arrangements. Efforts in that respect are ongoing continuously. The Company has also control over its spendings, and management can timely and adequately reduce budgeted expenditures should this be necessary in the context of the Company's going concern and/or should it be necessary to have more time to obtain additional financing.

We also refer to note 4 Significant events after the reporting period below.

With the existing cash resources, the current cash runway is sufficient into mid-2023.

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 Statutory Financial Statements on a going concern basis as appropriate.

4 Significant events after the reporting period

Restructuring program

In April 2023, several measures have already been carried out in order to reduce costs and expenditures, and intends to carry out further savings. These measures include:

- Heart Failure / DSR: Slowing down the further progression of the MOJAVE clinical study. The Board of Directors notes that (i) the Company still targets results from the first 3 patients by Q4 2023 for the safety cohort, and (ii) the first patients are most important as the Company is looking for confirmation that DSR 2.0 in US patients has same dramatic treatment effect as DSR 1.0 in the patients from Republic of Georgia (cfr. SAHARA and RED DESERT studies).
- US alfapump program: Delaying the establishment of a new production facility.
- EU alfapump commercial strategy: Reducing the Company's European commercial team by moving to a "reactive" rather than "proactive" commercial stance (i.e., ready to act on clinician interest and maintaining dialogue with key centres, instead of actively promoting the therapy). The Board of Directors notes that (i) the platform for training US clinicians and implanting teams remains available, and (ii) it intends to scale-up the European commercial teams in the future (when additional financing has been attracted).

Refinancing of subordinated debt agreements with PMV/z-leningen (currently known as PMV-Standaardleningen) Belfius Insurance en Sensinnovat BV

In March 2023, the Company has obtained an amendment to its subordinated debts with PMV/z-loans, Belfius Insurance and Sensinnovat BV whereby the repayment of the outstanding amount will not take place in 8 quarterly payments starting on 30 September 2023. Under the amended agreement, the outstanding amount is to be repaid in 4 quarterly payments starting on 30 September 2024. The nominal interest rate was retroactively increased by 0.5%. The result of this amended agreement is that in 2023 the repayment of this subordinated debt has decreased by EUR 1.7 million. A similar decrease will take place in the first half of 2024.

Refinancing of Senior debt agreements with Kreos Capital VII (UK) Limited

In April 2023, the Company has obtained an amendment to its debt financing with Kreos Capital VII (UK) Limited. The amended agreement is subject to a number of conditions. If the Company succeeds in securing equity financing, of at least EUR 15,000,000 and no later than 30 June 2023, capital repayments will be reduced by 75% until 31 December 2023. As far as relevant and applicable, in case the equity financing, before 30 June 2023, is at least EUR 25,000,000, the capital repayments will be reduced by 80% (instead of 75%) until 31 December 2023. The end date of the reduced capital repayments may be extended to 31 March 2024 if the company succeeds in starting up the first clinical site of its MOJAVE study no later than 31 December 2023.

If the Company succeeds in completing an additional equity financing (additional to the previously described equity financing no later than 30 June 2023) of at least EUR 20,000,000 no later than 31 December 2023, the capital repayments will be reduced by 50% for an additional period of 6 months.

The agreement is subject to a number of conditions as described before, including an increase of the end of loan payment from 1.25% to 1.75%.

Application of article 7:228 of the Belgian Companies and Associations Code

The Board of Directors notes that at the occasion of the preparation of the statutory (non-consolidated) financial statements of the Company for the financial year ended 31 December 2022, it determined that the Company's (non-consolidated) accounting net assets (as defined in the Belgian Companies and Associations Code) had fallen below the thresholds of the articles 7:228 and 7:229 of the Belgian Companies and Associations Code, and therefore has initiated the procedure set out in the article 7:228 of the Belgian Companies and Associations Code. For more

information on the measures the Board of Directors has taken and proposes to take to redress the financial situation of the Company, and its proposal to continue the operations of the Company, reference is made to the relevant report of the Board of Directors submitted to the annual general shareholders' meeting to be held on Thursday, 25 May 2023.

Equity placement

The Company envisions to conclude a capital increase by means of a private placement through an accelerated book building procedure in the coming days. We refer to the press release available on the Company's website dated 24 April 2023. The Company will regularly provide an update on the envisioned equity placement via its website.

5 Circumstances that could impact the Company's further development

Refer to section 3.

6 Major Risks and Uncertainties

Sequana Medical is subject to numerous risks, in addition to other risks that are mentioned elsewhere in this report, such as:

Risks relating to global events

- The Russian invasion of Ukraine could have a destabilising impact on Sequana Medical's operations, both directly as a result of the conduct of studies in neighbouring countries and indirectly due to the impact on global macroeconomic conditions.
- The outbreak of the coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Sequana Medical's clinical studies and could adversely affect its supply chain and work force, as well as macroeconomic conditions generally, which could have an adverse effect on demand for the alfapump®, the DSR® product and/or any future products.

Risks relating to Sequana Medical's financial situation

- Sequana Medical has incurred operating losses, negative operating cash flows and an accumulated deficit since inception and may not be able to achieve or subsequently maintain profitability.
- Changes in currency exchange rates could have a material negative impact on the profitability of Sequana Medical.

Risks relating to clinical development

- Sequana Medical is required to conduct clinical studies for regulatory approvals and other purposes. Clinical studies require approvals, carry substantial risks and may be costly and time consuming, with uncertain results.
- If Sequana Medical experiences delays or difficulties in the recruitment of Investigators, obtaining necessary approvals from study sites or the enrolment of subjects in clinical studies, or study sites failure to adhere to trial

protocols and good clinical practices (GCP) regulations or similar regulations its receipt of necessary regulatory approvals could be delayed or prevented.

- If Sequana Medical is unable to enter into a partnership or strategic alliance for the further development and commercialisation of the DSR® product, as is currently contemplated, it may incur additional costs and/or the development of these products might be delayed.
- Adverse events may result in delays to the completion of clinical studies regarding the **alfapump®** or the DSR® product or may prevent completion.

Legal and regulatory risks

- Seeking and obtaining regulatory approval for medical devices and drugs can be a long, expensive and uncertain process. Strict or changing regulatory regimes, government policies and legislation in any of Sequana Medical's target markets may delay, prohibit or reduce potential sales.
- Sequana Medical intends to develop a proprietary DSR® 2.0 product, which will require approval as a drug by the FDA and likely by regulatory authorities in other jurisdictions where Sequana intends to market the DSR® product.
- Sequana Medical is and will be subject to certain post-approval regulatory obligations in relation to the **alfapump®**, and the DSR® product.
- Sequana Medical's manufacturing facility and those of its third party suppliers are subject to significant regulations and approvals. If Sequana Medical or its third-party manufacturers or suppliers fail to comply with these regulations or maintain these approvals, Sequana Medical's business will be materially harmed.
- Sequana Medical is subject to the risk of product liability claims or claims of defectiveness, which could result in uninsured losses for Sequana Medical or recalls of the relevant product.
- Compliance with regulations and standards for quality systems for medical device and drug companies is complex, time consuming and costly. Sequana Medical may be found to be non-compliant, for example as a result of future changes in or interpretation of the regulations regarding quality systems in certain jurisdictions.
- The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about medical devices and drugs. If Sequana Medical is found to have made false or misleading claims about the **alfapump®**, the DSR® product and/or any future products, or otherwise have violated promotion or advertising restrictions, it may become subject to significant fines and/or other liabilities.
- Sequana Medical is subject to healthcare fraud and abuse and other laws applicable to Sequana Medical's business activities. If Sequana Medical is unable to comply with such laws, it could face substantial penalties.
- Sequana Medical faces risks related to environmental matters and animal testing activities.

Risks relating to the Sequana Medical's dependence on third parties and on key personnel

- Sequana Medical depends on third party suppliers for services, components and pharmaceutical ingredients used in the production and operation of the **alfapump®** and DSR® product and some of those services, components and pharmaceutical ingredients are supplied from a single source. Disruption of the supply chain, unavailability of third party services required for the production of the **alfapump®** and DSR® product, component modifications or failure to achieve economies of scale could have a material adverse effect on Sequana Medical.
- Sequana Medical relies on third parties to conduct its clinical studies, perform data collection and analysis, and provide regulatory advice and other services that are crucial to its business.
- For the marketing of the **alfapump®**, Sequana Medical will be largely dependent on Vingmed in Denmark.

Risks relating to commercialisation and reimbursement

- Sequana Medical's success is largely contingent on third party payment from government providers, healthcare insurance providers or other public or private sources and it could fail to achieve or maintain reimbursement levels sufficient to support commercialisation on a large scale.
- Sequana Medical is reliant on the Neue Untersuchungs- und Behandlungsmethoden (the "NUB") (New Research and Treatment Methods) reimbursement mechanism in Germany and will seek to obtain a German Diagnosis

Related Group ("G-DRG") code for the **alfapump®** when its operations in Germany reach sufficient scale, which may not be granted.

- Sequana Medical's future financial performance will depend on the commercial acceptance of the **alfapump®**, the DSR® product and/or any future products in target markets.
- The success of the **alfapump®**, the DSR® product and/or any future products depends on their acceptance and adoption by physicians.
- Sequana Medical may not be able to manufacture or outsource manufacturing of the **alfapump®**, the DSR® product and/or any future products in sufficient quantities, in a timely manner or at a cost that is economically attractive.
- If Sequana Medical is unable to expand its sales, marketing and distribution capabilities for the **alfapump®**, the DSR® product and/or any future products, whether it be with internal infrastructure or an arrangement with a commercial partner such as the ones that Sequana Medical has entered into with Vingmed, Sequana Medical may not be successful in commercialising the **alfapump®**, the DSR® product and/or any future products in its target markets, if and when they are approved.

Risks relating to intellectual property

- Any inability to fully protect and exploit Sequana Medical's intellectual property may adversely impact Sequana Medical's financial performance and prospects.
- Sequana Medical could become subject to intellectual property litigation that could be costly, result in the diversion of management's time and efforts, require Sequana Medical to pay damages, prevent Sequana Medical from marketing the **alfapump®**, the DSR® product and/or any future products, and/or reduce the margins for the **alfapump®**, the DSR® product and/or any future products.
- Intellectual property rights do not necessarily address all potential threats to Sequana Medical's competitive advantage.

Risks relating to business activities

- Security breaches and other disruptions could compromise Sequana Medical's information and expose Sequana Medical to liability, which would cause Sequana Medical's business and reputation to suffer.
- Information technology forms a key support requirement within Sequana Medical's business. Any failure of Sequana Medical's IT systems could present a substantial risk to its business continuity.

Risks relating to surgical procedures

- Active implantable medical devices such as the **alfapump®** carry risks associated with the surgical procedure for implant or removal of the device, use of the device, or the therapy delivered by the device.

Risks relating to the market in which Sequana Medical operates

- Competition from medical device companies, pharmaceutical and biotechnology companies, and medical device subsidiaries of large healthcare and pharmaceutical companies is intense and expected to increase.

Risks relating to the Company's shares and the stock market

- An active market for the Company's shares may not be sustained.
- The market price of the Company's shares may fluctuate widely in response to various factors.
- Future sales of substantial amounts of the Company's shares, or the perception that such sales could occur, could adversely affect the market value of the Company's shares.
- The Company will likely not be in a position to pay dividends in the near future and intends to retain all earnings.
- Certain significant shareholders of the Company may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes.
- Any future capital increases by the Company could have a negative impact on the price of the Company's shares and could dilute the interests of existing shareholders.

7 Research and Development

The following R&D programs have been undertaken in the course of 2022 with the objective to further develop the alfapump and the DSR® product:

alfapump in liver disease

- POSEIDON – North American pivotal study of the **alfapump** in patients with recurrent or refractory ascites due to liver cirrhosis successfully met primary endpoint data:
 - Reported positive top-line results in [October 2022](#) from 40 patients of the Pivotal Cohort at six months post-implantation, including primary effectiveness endpoints substantially exceeding the predefined thresholds for study success and safety in line with expectations:
 - 100% median per-patient reduction in therapeutic paracentesis (TP) post- vs pre-implantation ($p < 0.001$), vs hypothesis of at least 50% reduction.
 - 77% of patients with at least 50% reduction in number of TP post- vs pre-implantation ($p < 0.001$), vs hypothesis of at least 50% of patients.
 - Six primary safety events of which three involved explants due to wound or skin erosion, and three explants due to patient-reported discomfort (all patient-reported discomfort events were adjudicated by the Clinical Events Committee as moderate severity), in line with expectations.
 - Reported results of a preliminary interim analysis¹ of patient survival from the Roll-In Cohort in [April 2022](#) including 70% survival rate at one year post-implantation, comparing favorably to published literature of 50% survival rate for refractory ascites patients after one year².
 - Prof. Wong presented safety, efficacy and quality of life data from the Roll-In Cohort at the AASLD The Liver Meeting® in [November 2022](#).
- US patient preference study initiated:
 - Survey study to quantify patients' preferences for the **alfapump** including treatment effectiveness and risks of treatment-related adverse events. The results of this study are expected to be presented in H2 2023.
- European PMSR data published in Liver International³:

¹ Date of analysis 25 March 2022, as part of a general safety assessment

² Biggins et al., Hepatology, Vol. 74, No. 2, 2021, AASLD Practice Guidance; Moreau R et al., Liver International 2004: 24: 457-464

³ Liver International promotes all aspects of the science of hepatology from basic research to applied clinical studies and provides an international forum for the publication of high quality original research in hepatology.

- Final safety and efficacy results of the Post Marketing Surveillance Registry (PMSR) study of the **alfapump** published in [Liver International](#), the peer-reviewed publication of the International Association for the Study of the Liver.

DSR in heart failure

- SAHARA – Phase 2a study of DSR 1.0 in diuretic-resistant heart failure patients with persistent congestion showed important and long-lasting clinical benefits:
 - Reported positive top-line data from ten evaluable patients with its first-generation DSR product (DSR 1.0) in [November 2022](#), including i) safe, effective and rapid elimination of fluid overload and restoration of euvolemia, ii) improvement of cardiovascular and renal health, iii) restoration of the diuretic-response of the kidney, and iv) dramatic reduction in the need for oral loop diuretics up to 15 months post-therapy – demonstrating a durable improvement in the heart failure status of these patients.
- Strong clinical observations from RED DESERT and SAHARA studies in diuretic-resistant heart failure patients support heart failure disease-modifying profile of DSR therapy:
 - No heart failure congestion-related re-hospitalizations during study follow-up.
 - All patients improved their NYHA⁴ status by at least one class.
 - Clinical benefits result in a 75% reduction in predicted one-year mortality pre- vs. post-intensive DSR therapy based on the Seattle Heart Failure Model⁵.
- Focus on Short Term DSR therapy with proprietary DSR 2.0:
 - Based on the results of RED DESERT and SAHARA, the Company expects that an intensive treatment period of three to four weeks of DSR therapy may deliver at least twelve months of important clinical benefits.
 - As a result of the strong, durable clinical signals observed, the Company will focus the heart failure development program on Short Term DSR with its proprietary second-generation DSR product (DSR 2.0) administered via a peritoneal catheter.
 - DSR 2.0 is expected to have an improved therapeutic and favorable safety profile with robust intellectual property protection.
- MOJAVE – US Phase 1/2a randomized controlled multi-center study of DSR 2.0 in diuretic-resistant chronic heart failure patients with persistent congestion, on track to start in Q2 2023:
 - Good progress of DSR 2.0 in product development and GLP⁶ animal studies.

⁴ NYHA: New York Heart Association classification, data collected outside study protocols of RED DESERT and SAHARA

⁵ Predicted one-year survival analysis using Seattle Heart Failure Model of seven patients from RED DESERT and eight patients from SAHARA pre- and post-intensive DSR therapy. Analysis includes physician-assessed data collected *post hoc*

⁶ GLP: Good Laboratory Practice

- Approval to start two Phase 1 single-arm, open-label, single-dose studies in Canada (YUKON) and Mexico (CHIHUAHUA) to evaluate the safety, tolerability and efficacy of DSR 2.0, with first patient dosed successfully in YUKON.
- Data from the GLP animal and Phase 1 CHIHUAHUA studies are intended to support the US IND⁷ application filing of DSR 2.0, planned for Q1 2023. Preparations ongoing to start the MOJAVE study, planned for Q2 2023, assuming FDA approval of the US IND application. The intention is to enroll 30 diuretic-resistant chronic heart failure patients with persistent congestion, with 20 patients randomized to DSR 2.0 administered via a peritoneal catheter on top of usual care for congestive heart failure (CHF) for up to four weeks and ten patients randomized to usual care for CHF alone.

8 Number of shares and share capital

(EUR, except number of shares)	Shares	Share capital	Share premium	Total
31 December 2021	18,577,078	1,924,932	142,432,715	144,354,995
Capital increase ESOP 21/01/2022	2,182	226	6,779	7,005
March 2022 Equity Placement	5,167,268	535,329	27,884,645	28,419,974
31 December 2022	23,746,528	2,460,487	170,324,139	172,784,626

At 31 December 2021, the share capital of the Company was EUR 1,924,932. It was divided into 18,577,078 shares without nominal value and without name.

On 31 December 2022, the share capital of the Company amounted to EUR 2,460,486.98 and was fully paid-up. It was represented by 23,746,528 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 23,746,528th of the share capital. The Company's shares do not have a nominal value.

In addition to the outstanding shares, the total number of outstanding subscription rights amounts to 2,465,508, which entitles their holders (if exercised) to subscribe to 2,636,623 new shares with voting rights in total, namely:

- 261,895 new shares can be issued upon the exercise of 90,780 share options that are still outstanding under the "Executive Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire ca. 2.88 shares when exercising one of his or her share options (the "**Executive Share Options**"); and
- 1,071,924 new shares can be issued upon the exercise of 1,071,924 2018 share options that are still outstanding under the "2018 Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire one share when exercising one of his or her share options (the "**2018 Share Options**").

⁷ IND: Investigational New Drug

- 1,000,000 new shares can be issued upon the exercise of 1,000,000 share options (each share option having the form of a subscription right) that are still outstanding under the '2021 Share Options' plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one share option (the "2021 Share Options").
- 302,804 new shares can be issued to Bootstrap Europe S.C.SP. upon the exercise of 10 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this report) that have been issued by the extraordinary shareholders meeting of 27 May 2022 (the "Bootstrap Warrants"); and
- 161,404 new shares can be issued to Kreos Capital VII Aggregator SCSp. upon the exercise of 875,000 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this report) that have been issued by the extraordinary shareholders meeting of 10 February 2023 (the "Kreos Subscription Rights").

On 17 July 2020, the Company entered into a subordinated loan agreement with PMV/z-Leningen ("**PMV/z**") for an aggregate principal amount of maximum EUR 4.3 million, of which a loan for a principal amount of EUR 0.8 million can be converted by PMV/z for new ordinary shares of the Company in the event of a future equity financing or sale of the Company. The conversion can be carried out by means of a contribution in kind of the respective payable due by the Company under the loan (whether as principal amount or as interest) (the "**Convertible Loan Payable**") to the share capital of the Company. In December 2021, the Company entered into an amendment agreement, thereby (i) extending the duration of such loans, (ii) increasing the interest rates retroactively, and (iii) introducing payment by instalments. Consequently, the loans have a term of 60 months and are repayable in eight equal quarterly instalments between months 36 and 60. The convertible portion of the loan granted by PMV/z bears an interest rate of 5.5% per annum. The price per share at which the Convertible Loan Payable can be converted through a contribution in kind 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 relevant equity financing or sale. PMV/z can exercise this right until 30 days as from the completion of such equity financing or sale of the Company.

The shares of the Company can take the form of registered shares and dematerialized shares. All the Company's shares are fully paid-up and are freely transferable.

On 31 December 2022, all of the Company's shares have been admitted to trading on the regulated market of Euronext Brussels.

As of 31 December 2022, the Company does not hold any Treasury shares.

Authorised capital

On 10 March 2022, the Board of Directors of the Company increased the share capital of the Company in the framework of the authorised capital with the issuance of 5,167,268 new shares, with dis-application of the preferential subscription right of the shareholders of the Company and, in so far as required, of the holders of subscription rights (stock options) of the Company, that were offered to a broad group of Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions, in the framework of a private placement through an accelerated bookbuilding procedure. In this context, the Board of Directors prepared a report in accordance with Article 7:198 juncto Article 7:179 and 7:191 of the Belgian Companies and Associations Code in relation to the transaction, providing notably (i) a justification of the proposed issue price of the new shares, (ii) a description of the consequences of the transaction for the financial and shareholder rights of the shareholders of the Company, (iii) a justification of the proposed dis-application of the statutory preferential subscription right of the

shareholders and, in so far as required, of the holders of subscription rights (stock options) in connection with the proposed increase of the share capital in the framework of the transaction, and (iv) a description of the consequences of the dis-application of the preferential subscription rights for the financial and shareholder rights of the shareholders. This board report must be read together with the report prepared by the Company's statutory auditor, PwC Bedrijfsrevisoren BV, a private company with limited liability organised and existing under the laws of Belgium, with registered office at Culliganlaan 5, 1831 Diegem, Belgium, represented by Mr. Peter D'hondt, auditor. The abovementioned reports are available on the Company's website at: <https://www.sequanamedical.com/investors/shareholder-information/>.

9 Conflicts of interest (Article 7:96 of the Belgian Companies and Associations Code)

On 7 March 2022, the Board of Directors of the Company decided to approve (in principle) the increase of the share capital of the Company in the framework of the authorised capital by the issuance of new shares in the framework of a private placement through an accelerated bookbuilding procedure. On 8 March 2022, the Board of Directors of the Company decided, before a notary public and subject to a number of condition precedents, to increase the share capital of the Company in the framework of the authorised capital with the issuance of new shares to be offered via a private placement through an accelerated bookbuilding procedure. On 8 March 2022, 5,167,268 new shares were effectively issued.

The conflicts of interests procedure of Articles 7:96 and 7:97 of the Belgian Companies and Associations Code was applied during each of the aforementioned board meetings. Within the context of the aforementioned procedures, prior to the launch of the relevant transaction, a committee of three independent directors of the Company issued an advice to the board of directors pursuant to Article 7:97 of the Belgian Companies and Associations Code in which the committee assessed the participation of a related party in the relevant transaction. The Company's board of directors did not deviate from the committee's favourable and unqualified conclusion. The Company published the required information in accordance with Article 7:97, §4/1 of the Belgian Companies and Associations Code through the following press release dated 7 March 2022: <https://www.sequanamedical.com/wp-content/uploads/2022/03/Stratus-IV-Launch-PR-ENG.pdf>.

In accordance with the Articles 7:96 and 3:6 of the Belgian Companies and Associations Code, the sections below contain the relevant parts of the aforementioned board decisions.

1.11.1 Extract of the Minutes of the Meeting of the Board of Directors of 7 March 2022

[...]

3.1. Prior declarations by Dr. Erik Amble

Prior to the deliberation and resolutions by the board of directors, Dr. Erik Amble, a director of the Company, as aforementioned, made the following declarations as far as needed and applicable, in accordance with Articles 7:96 and 7:97 of the Belgian Companies and Associations Code:

- *Dr. Erik Amble informed the meeting that the agenda refers to a new fund raising via the proposed Transaction, and that he supports the Transaction. Dr. Erik Amble noted that, subject to the launch of the Transaction, he committed to submit a subscription order for new shares in the Transaction for an amount of EUR 100,000.00. Dr. Erik Amble's commitment is not subject to an undertaking by the Company to guarantee the allocation of new shares to him.*

- *Dr. Erik Amble indicated that it is contemplated that the new shares shall need to be admitted to listing and trading on the regulated market of Euronext Brussels. For this purpose, the Company is to make the necessary filings and applications, and, as the case may be, prepare a listing prospectus, all as required by applicable regulations, in order to permit an admission to listing and trading following the issue of the new shares. Dr. Erik Amble informed the meeting that if the Company is able to offer and allocate an aggregate number of new shares in the offering that is greater than ca. 16.5% of its currently outstanding shares of the Company, then the Company and Underwriters will have the right and ability to allocate to Dr. Erik Amble new shares that shall not be immediately admitted to listing upon their issuance (such new shares, the "**Unlisted New Shares**"), provided that in such case the Company undertakes to (i) apply to Euronext Brussels for the admission to trading and listing of the Unlisted New Shares, as soon as practicable after their issuance and in any event within 90 days after their issuance, and (ii) prepare as soon as reasonably possible after the date of their issuance, and submit as soon as practicable after their issuance to the Belgian Financial Services and Markets Authority (FSMA), a listing prospectus.*
- *Dr. Erik Amble informed the meeting that, as a result, he may have a conflict of interest within the meaning of Article 7:96 of the Belgian Companies and Associations Code in relation to the resolutions to be passed by the board of directors with respect to the Transaction. Further, as a director of the Company, Dr. Erik Amble is a "related party" in the sense of the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), as referred to in article 7:97 of the Belgian Companies and Associations Code. Dr. Erik Amble will therefore also inform the Company's statutory auditor of the foregoing, as far as needed and applicable in accordance with the provisions of Article 7:96 and/or 7:97 of the Belgian Companies and Associations Code. Despite this potential conflict, however, Dr. Erik Amble stated that he believed that the proposed private placement and his potential participation in the Transaction are in the Company's interest, as it will allow the Company to complete the Transaction and raise new funds.*

Subsequently, Dr. Erik Amble no longer took part in the further deliberation and resolutions of the board of directors with respect to the Transaction.

3.2. Prior declarations by the other directors

None of the other directors declared to have an interest in the proposed Transaction that would require the application of the procedure set out in the provisions of Article 7:96 and/or 7:97 of the Belgian Companies and Associations Code.

3.3. Considerations by the board of directors in relation to the prior declarations

The remaining members of the board of directors took note of the prior declarations by Dr. Erik Amble.

The board of directors noted that the Company has received a commitment from Dr. Erik Amble to submit a subscription order for new shares in the framework of the Transaction for an amount of EUR 100,000.00, subject to the launch of the Transaction. In this respect and without prejudice to the Guaranteed Allocation to the Pre-Committing Investor (as defined below), Dr. Erik Amble has agreed that (a) the new shares will be allocated to investors in the offering on the basis of objective allocation criteria, without guarantee as to allocation of new shares to the investors subscribing in the offering (before the closing of the bookbuilding procedure),

(b) the applicable issuance price of the new shares to be issued in the offering is still to be determined in the offering on the basis of the accelerated bookbuilding that is to be organised as further referred to above, and (c) the same issuance price shall apply to all new shares and all investors subscribing for the new shares in the offering. Dr. Erik Amble also agreed and accepted that (i) the Company and Underwriters will have the right and ability to allocate to Dr. Erik Amble Unlisted New Shares, provided that, in such case, the Company will undertake to (i) apply to Euronext Brussels for the admission to trading and listing of the Unlisted New Shares, as soon as practicable after their issuance and in any event within 90 days after their issuance, and (ii) prepare as soon as reasonably possible after the date of their issuance, and submit as soon as practicable after their issuance to the Belgian Financial Services and Markets Authority (FSMA), a listing prospectus. This will allow the Company to issue new shares in excess of the aforementioned 16.5% threshold in the contemplated Transaction, and hence to raise more funds in the Transaction than would otherwise be possible, given that investors in the accelerated offering expect that these new shares will be immediately admitted to listing and trading. This is in the interest of the Company.

The board of directors considered that the commitment from Dr. Erik Amble provides additional evidence of support, which can be used in the solicitation of interest from other potential investors. A successful Transaction would be in the interest of the Company as, amongst other things, it allows the Company to have access to equity financing in a fast and efficient manner to fund its activities (requiring continuous investments), as further explained in the Board Report.

In addition, as far as needed and applicable, in accordance with the procedure set out in Article 7:97 of the Belgian Companies and Associations Code, an ad hoc committee of three independent directors of the Company (consisting of Pierre Chauvineau, WIOT BV (represented by its permanent representative Wim Ottevaere) and Jackie Fielding) have, prior to this meeting, evaluated in the Independent Directors Advice the proposed Transaction and have concluded that the Transaction and Dr. Erik Amble's potential participation and related pre-commitment are in the interest of the Company. The conclusions of the committee of independent directors are as follows:

For all of the above reasons, the Committee comes to the following conclusion:

"The Committee believes that the envisaged transaction, including the commitment of Dr. Erik Amble, is in the interest of the Company and of its shareholders, and is not manifestly abusive. The commitment from Dr. Erik Amble provides evidence of the personal support for the Company's business and strategy by an existing director of the Company. The commitment is therefore an important means that can be used in the solicitation of interest with other potential investors for the purpose of the envisages capital raising. While the envisaged capital raising may entail a dilution for the shareholders and holders of subscription rights (share options) of the Company, a successful capital raising would be in the interest of the Company as, amongst other things, it would allow the Company to have access to equity financing in a fast and efficient manner to fund its activities and its ongoing working capital requirements. The Committee also notes that the Company did not undertake to a guaranteed allocation of new shares to Dr. Erik Amble. The Committee notes in particular that, subject to the launch of the transaction, the offering will be open to institutional, qualified, professional and/or other investors as permitted under the applicable private placement exemptions, and that any final allocation to investors in excess of any guaranteed allocation will be made on the basis of customary objective and pre-identified criteria, and that upon successful completion of the capital raising, the same issue price of the new shares shall apply to all investors to which

shares will be allocated, as the case may be. In view hereof, the Committee issues a favourable and unqualified opinion to the board of directors of the Company.”

The board of directors agrees with, and does not deviate from, the abovementioned conclusions and considerations of the committee of independent directors, which have also been reflected in the abovementioned Board Report.

4. DELIBERATION AND RESOLUTIONS

[...]

After deliberation, it was unanimously:

- a) *RESOLVED to approve in principle the issue of the new shares within the context of the Transaction, subject to the finalisation of the terms of the Transaction and the Documents, taking into account, however, the following:*
 - (i) *the capital increase will be for a maximum amount of EUR 45,000,000.00 (including issue premium). The maximum number and issue price of the new shares to be issued are to be determined as a result of the accelerated bookbuilding procedure which is further detailed in the Board Report and in these minutes.*
 - (ii) *without prejudice to the Guaranteed Allocation to the Pre-Committing Investor, the new shares are to be offered by the Underwriters to a broad group of currently unidentified Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions, including (i) qualified investors in the member states of the European Union (as defined in the EU Prospectus Regulation), (ii) qualified investors in the United Kingdom (as defined in the UK Prospectus Regulation), (iii) "professional clients" in Switzerland (as defined in the FinSa), (iv) "Qualified Institutional Buyers" (QIBs) in the United States, and (v) subject to applicable securities law rules and regulations, natural and legal persons other than those mentioned in (i) to (iv), in and outside of Belgium, to whom the shares may be offered, it being understood that in Belgium and the United Kingdom, the minimum investment amount per investor should be at least EUR 100,000.00, with dis-application of the statutory preferential subscription right of the Company's existing shareholders and, insofar as required, of the Company's existing holders of subscription rights (stock options), and whereby (a) any final allocation of new shares to investors (as the case may be) must be made on the basis of customary objective and pre-identified criteria, and (b) with the exception of the Pre-committing Investor, no guarantee shall be given, by or on behalf of the Company or the Underwriters, as to any allocation of new shares to any party. It may also be provided that investors who have committed to submit a subscription order to the Underwriters and to whom new shares will ultimately be allocated (if any) will have the opportunity to subscribe directly for the new shares at the time of completion of the offering;*

- (iii) *subject to the completion of the proposed Transaction, an application will be made and all steps will be taken as shall be required (including, as the case may be, the preparation of a listing prospectus as required by the EU Prospectus Regulation) in order to admit the new shares to listing and trading on the regulated market of Euronext Brussels in accordance with the applicable rules and regulations.*
- b) *RESOLVED to approve, or, insofar as required, ratify, the following:*
- (i) *the Documents, the execution thereof (where relevant), and the performance of the obligations that the Company is to assume and perform in that regard;*
 - (ii) *the Board Report and the execution thereof.*
 - (iii) *the negotiation and execution of all other documentation and agreements to which the Company is or must become a party within the framework of the Transaction, including, but not limited to, the Placement Agreements;*
- in each case in accordance with the substantive terms set out in the Documents submitted to the board of directors or, as the case may be, as further negotiated, finalised or changed in accordance with the provisions in section (e) below.*
- c) *RESOLVED to confirm the assignment to the statutory auditor to draw up a report in accordance with Article 7:198 juncto Articles 7:179, 7:191 and 7:193 of the Belgian Companies and Associations Code with respect to the Transaction, as well as a report in accordance with Article 7:97 of the Belgian Companies and Associations Code with respect to the prior investment commitment of Dr. Erik Amble, and it being noted that, as far as needed and applicable, in accordance with Article 3:63, §5 of the Belgian Companies Code, the members of the audit committee agree that this assignment, in accordance with the rules and conditions necessary for such reports, is given to the statutory auditor of the Company.*
- d) *RESOLVED, subject to the finalisation of the Board Report and the report of the statutory auditor of the Company in relation thereto and subject to a final decision to be taken by the Placement Committee (as defined under section (e) below), to approve the passing of the Notarial Board Resolutions before a notary public.*

[...]

1.11.2 Extract of the Notarial Deed recording the Minutes of the Meeting of the Board of Directors of 8 March 2022

"Prior declarations by Mr. Erik Amble

Prior to the deliberation and resolutions by the Board of Directors, Mr. Erik Amble, a director of the Company, made the following declarations, as far as needed and applicable, in accordance with Articles 7:96 and 7:97 of the Belgian Companies and Associations Code:

Mr. Erik Amble informed the Board of Directors that the agenda refers to new fundraising through the proposed capital increase, and that he supports the capital increase. Mr. Erik Amble noted that he has undertaken to submit a subscription order for new shares in the capital increase in the amount of EUR 100,000.00. The undertaking of Mr. Erik Amble is not subject to an obligation of the Company to guarantee the allotment of new shares to him.

Mr. Erik Amble indicated that it is contemplated that the new shares should be admitted to listing and trading on the regulated market of Euronext Brussels. To this end, the Company will make the necessary application, and, as the case may be, prepare a listing prospectus, as required by the applicable regulations, for the purpose of admission to listing and trading following the issuance of the new shares. Mr. Erik Amble informed the Board of Directors that if the Company is able to offer and allot an aggregate number of new shares in the offering that is greater than approximately 16.5% of the Company's currently outstanding shares, the Company and the Underwriters will have the right and possibility to allot to Mr. Erik Amble new shares which will not be immediately admitted to listing upon their issuance (such new shares, the "Non-listed New Shares") provided that in such event, the Company undertakes to (i) apply for admission to trading and listing of the Non-Listed New Shares with Euronext Brussels as soon as practicably possible following their issuance and in any event within 90 days following their issuance, and (ii) proceed as soon as practicably possible following the date of their issuance with the preparation, and as soon as practicably possible following their issuance, with the submission to the Belgian Financial Services and Markets Authority (FSMA) of a listing prospectus.

Mr. Erik Amble has informed the Board of Directors that, as a result, he could potentially have a conflict of interest within the meaning of Article 7:96 of the Belgian Companies and Associations Code, in relation to the resolutions to be taken by the Board of Directors in relation to the capital increase. Furthermore, as a director of the Company, Mr. Erik Amble is a related party within the meaning of the International Financial Reporting Standards, as adopted by the European Union ("IFRS"), as referred to in Article 7:97 of the Belgian Companies and Associations Code. Mr. Erik Amble will therefore also inform the Company's statutory auditor of the foregoing as far as needed and applicable in accordance with the provisions of Article 7:96 and/or 7:97 of the Belgian Companies and Associations Code. However, despite this potential conflict of interest, Mr. Erik Amble has stated that he is of the opinion that the proposed private placement and his potential participation in the capital increase are in the interest of the Company, as it will enable the Company to complete the transaction and raise new funds.

Subsequently, Mr. Erik Amble no longer participated in the further deliberation and resolutions of the board of directors in relation to the capital increase.

Prior declarations by the other directors

None of the other directors declared to have an interest in the capital increase that would require the application of the procedure of the provisions of Article 7:96 and/or 7:97 of the Belgian Companies and Associations Code.

Considerations by the board in relation to the prior declarations

The other members of the Board of Directors have taken note of the preliminary declarations by Mr. Erik Amble.

The Board of Directors has noted that the Company has received a commitment from Mr. Erik Amble to submit a subscription order for new shares within the framework of the capital increase in the amount of EUR 100,000.00. In this regard, and without prejudice to the Secured Allotment to the Investor with Prior Undertaking (as defined below), Mr. Erik Amble has agreed that (a) the new shares will be allotted to the investors in the offering on the basis of objective allotment criteria, without guarantee as to the allotment of new shares to the investors subscribing in the offering (prior to the closing of the order book procedure), (b) the applicable issue price of the new shares to be issued in the offering is yet to be determined in the offering on the basis of the accelerated order book procedure which will be organised as further mentioned above, and (c) the same issue price will apply to all new shares and all investors subscribing for the new shares in the offering. Mr. Erik Amble has also agreed and accepted that (i) the Company and the Underwriters will have the right and possibility to allot Non-listed New Shares to Mr. Erik Amble, provided that, in such event, the Company undertakes to (i) apply for admission to trading and listing of the Non-listed New Shares with Euronext Brussels as soon as practicably possible following their issuance and in any event within 90 days following their issuance, and (ii) proceed as soon as practicably possible following the date of their issuance with the preparation, and as soon as practicably possible following their issuance, with the submission to the Belgian Financial Services and Markets Authority (FSMA) of a listing

prospectus. This will enable the Company to issue new shares above the aforementioned threshold of 16.5% in the capital increase, and therefore raise more funds than would otherwise be possible, as investors in the accelerated offering expect that these new shares will be admitted to listing and trading immediately. This is in the interest of the Company.

The board of directors is of the opinion that the commitment of Mr. Erik Amble provides additional evidence of support, which can be used in the verification of potential interest from other potential investors. A successful capital increase would be in the interest of the Company, as it, among other, enables the Company to have access to capital in a quick and efficient manner in order to be able to fund its business (which requires ongoing investments), as further explained in the Report of the Board of Directors.

In addition, as far as needed and applicable, in accordance with the procedure of Article 7:97 of the Belgian Companies and Associations Code, an ad hoc committee of three independent directors of the Company (consisting of Pierre Chauvineau, WIOT BV (represented by its permanent representative Wim Ottevaere) and Jackie Fielding) has evaluated the capital increase prior to this meeting and, in relation to the capital increase within the framework of the authorised capital, concluded that the capital increase and the potential participation of Mr. Erik Amble and the prior undertaking relating thereto are in the interest of the Company. The conclusions of the committee of independent directors are as follows:

"The Committee is of the opinion that the proposed Transaction, including the undertaking of Dr. Erik Amble, is in the interest of the Company and its shareholders, and is not manifestly unlawful. The undertaking of Dr. Erik Amble provides evidence of the personal support of an existing director of the Company for the Company's business and strategy. The undertaking is therefore an important tool that can be used in the garnering of interest from other potential investors. Although the proposed capital increase may entail a dilution for the Company's shareholders and holders of subscription rights (stock options), a successful capital increase would be in the Company's interest as it would, among other, allow the Company to have access to equity financing in a quick and efficient manner to fund its business and its ongoing working capital needs. The Committee also notes that the Company has not agreed to a secured allotment of new shares to Dr. Erik Amble. In particular, the Committee notes that subject to the commencement of the transaction, the offering will be open to institutional, qualified, professional and/or other investors as permitted on the basis of applicable exemptions for private placements, and that any final allotment to investors in excess of any secured allotment will be made on the basis of customary objective and pre-identified criteria, and that following the successful completion of the capital increase, the same issue price of the new shares will apply to all investors to whom shares will be allotted, as the case may be. In light of this, the Committee provides a favourable and approving advice to the Board of Directors of the Company."

The board of directors agrees with, and does not deviate from, the above conclusions and considerations of the committee of independent directors, which are also reflected in the abovementioned report of the board of directors mentioned in agenda item 1(a) in accordance with Article 7:198 juncto Article 7:179, 7:191 and 7:193 of the Belgian Companies and Associations Code.

[...]

After deliberation, the board of directors has unanimously decided as follows:

FIRST DECISION: Reports

The report of the board of directors of the Company in accordance with to Article 7:198 juncto Articles 7:179, 7:191 and 7:193 of the Belgian Companies and Associations Code dated 23 March 2019, as amended (the "Companies and Associations Code") in relation to the proposal of the board of directors of the Company to increase, within the framework of the authorised capital, the capital of the Company in cash by a maximum amount of EUR 45,000,000.00 (including issue premium) through the issuance of new shares, the maximum number and issue

price of which are still to be determined, and to dis-apply, in the interest of the Company, the statutory preferential subscription right of the existing shareholders of the Company and, to the extent necessary, of the existing holders of subscription rights (stock options) of the Company, however without prejudice to the Secured Allotment (as defined below) of new shares in favour of Partners in Equity V B.V. (the "Investor with Prior Undertaking"), in order to offer the new shares via a private placement, through an accelerated order book procedure, to a broad group of as of present not yet identified Belgian and foreign institutional, qualified, professional and/or other investors, within and outside Belgium, based on the applicable exemptions for private placements, including (i) qualified investors in the member states of the European Union (as defined in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended (the "EU Prospectus Regulation")), (ii) qualified investors in the United Kingdom (as defined in the EU Prospectus Regulation and the delegated acts, implementing acts and technical standards within the framework thereof, as such legislation forms part of the enforced EU law as defined in the EU (Withdrawal) Act 2018, as amended (the "UK Prospectus Regulation")), (iii) "professional clients" in Switzerland (as defined in the Swiss Federal Financial Services Act (Finanzdienstleistungsgesetz) of 15 June 2018 as amended (the "FinSa")), (iv) "Qualified Institutional Buyers" (QIBs) in the United States and (v) subject to applicable securities laws and regulations, natural and legal persons other than those mentioned in (i) to (iv), within and outside Belgium, to whom the shares may be offered, it being understood that in Belgium and the United Kingdom, the minimum investment amount per investor must amount to at least EUR 100,000.00, is submitted to the Board of Directors for approval.

The board of directors declares to already have approved this report prior to this meeting of the board of directors. It takes note of it again, and no comments are formulated.

The board of directors approves this report again.

The Board of Directors subsequently takes note of the report of the Company's statutory auditor in accordance with Article 7:198 juncto Articles 7:179, 7:191 and 7:193 of the Companies and Associations Code, as well as the report of the Company's statutory auditor in accordance with, as far as needed and applicable, Article 7:97 of the Companies and Associations Code, whereby both reports were prepared in relation to the proposal of the Company's Board of Directors to increase, within the framework of the authorised capital, the capital of the Company in cash by a maximum amount of EUR 45.000.000.00 (including issue premium) through the issuance of new shares, the maximum number and issue price of which are still to be determined, and to dis-apply, in the interest of the Company, the statutory preferential subscription right of the existing shareholders of the Company and, as far as needed, of the existing holders of subscription rights (stock options) of the Company, however without prejudice to the Secured Allotment of new shares for the benefit of the Investor with Prior Undertaking, in respect of the proposal to issue new shares.

The directors declare to have received a draft of this report from the board of directors prior to this meeting of the board of directors and to have taken note of it. They declare no formulate no comments on it.

[...]

SECOND DECISION: Increase of the company's capital within the authorised capital

The Board of Directors resolves to increase the Company's capital in cash within the framework of the authorised capital as set out in Article 8 of the Company's articles of association by a maximum amount of forty-five million euros (EUR 45,000,000.00) (including issue premium) through the issuance of new shares, the maximum number and issue price of which are still to be determined, with the dis-application of the statutory preferential subscription right of the existing shareholders of the Company and, as far as needed, of the existing holders of subscription rights (stock options) of the Company, subject to the following terms and conditions:

[...]"

10 Financial risk management (at group level)

Introduction

Sequana Medical and its subsidiaries (the "**Sequana Medical Group**") operate a risk management and control framework in accordance with the Belgian Companies and Associations Code and the 2020 Corporate Governance Code.

The Sequana Medical Group is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the board of directors (including the audit committee), the executive management and the management team and all other employees with managerial responsibilities.

The risk management and control system has been set up to reach the following goals:

- achievement of the Sequana Medical Group objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting; and
- compliance with all applicable laws and regulations.

Control Environment

Three lines of defence

The Sequana Medical Group applies the 'three lines of defence model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control. Within this model, the lines of defence to respond to risks are:

- First line of defence: line management is responsible for assessing risks on a day-to-day basis and implementing controls in response to these risks.
- Second line of defence: the oversight functions like Finance and Controlling and Quality and Regulatory oversee and challenge risk management as executed by the first line of defence. The second line of defence functions provide guidance and direction and develop a risk management framework.
- Third line of defence: independent assurance providers such as external accounting and external audit challenge the risk management processes as executed by the first and second line of defence

Policies, procedures and processes

The Sequana Medical Group fosters an environment in which its business objectives and strategy are pursued in a controlled manner. This environment is created through the implementation of different Company-wide policies, procedures and processes such as the Sequana Medical Group values, the Quality Management System and the Delegation of Authorities rule set. The Executive and Senior Management fully endorses these initiatives.

The employees are regularly informed and trained on these subjects in order to develop sufficient risk management and control at all levels and in all areas of the organization.

Group-wide financial system

The Sequana Medical entities operate the same group-wide financial system which are managed centrally. This system embeds the roles and responsibilities defined at the Sequana Medical Group level. Through these systems, the main flows are standardised and key controls are enforced. The systems also allow detailed monitoring of activities and direct access to data.

Risk management

Sound risk management starts with identifying and assessing the risks associated with the Company's business and external factors. Once the relevant risks are identified, the Company strives to prudently manage and minimise such risks, acknowledging that certain calculated risks are necessary to ensure that the Sequana Medical Group achieves its objectives and continues to create value for its stakeholders. The employees of the Sequana Medical Group are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

Control activities

Control measures are in place to minimise the effect of risk on Sequana Medical Group's ability to achieve its objectives. These control activities are embedded in the Sequana Medical Group's key processes and systems to assure that the risk responses and the Sequana Medical Group's overall objectives are carried out as designed. Control activities are conducted throughout the organisation, at all levels and within all departments. Key compliance areas are monitored for the entire Sequana Medical Group by the Quality and Regulatory department and the Finance and Controlling department. In addition to these control activities, an insurance program is being implemented for selected risk categories that cannot be absorbed without material effect on the Company's balance sheet.

Information and communication

The Sequana Medical Group recognises the importance of timely, complete and accurate communication and information both top-down as well as bottom-up. The Sequana Medical Group therefore put several measures in place to assure amongst others:

- security of confidential information;
- clear communication about roles and responsibilities; and
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility

Monitoring of control mechanisms

The quality of the Sequana Medical Group's risk management and control framework is assessed by the following functions:

- **Quality and Regulatory:** Within the Quality Management System (QMS) according to ISO 13485:2016, MDSAP and MDR 2017/745, Sequana Medical has a systematic process for identifying hazards and hazardous situations associated with Sequana Medical devices and their use, estimating and evaluating the associated risks, controlling and documenting the risks, and monitoring the effectiveness of controls. This risk management process is based on the standard EN ISO 14971:2012 / ISO 14971:2019. Sequana Medical's QMS is subject to internal audits by the Quality and Regulatory department and external audits by the Notified Body and Auditing Organization BSI. The suitability and effectiveness of the QMS will also be evaluated as part of the annual management review.

- **External Audit:** In Sequana Medical's review of the annual accounts, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements. The outcome of the audits, including work on internal controls, is reported to management and the audit committee.
- **Audit Committee:** The board of directors and the audit committee have the ultimate responsibility with respect to internal control and risk management. For more detailed information on the composition and functioning of the audit committee, see section 13.6.1 of the Corporate governance statement.

Risk management and internal control with regard to the process of financial reporting

10.7.1. Introduction

The accurate and consistent application of accounting rules throughout the Sequana Medical Group is assured by means of set of control procedures. On an annual basis, a bottom-up risk analysis is conducted to identify risk factors. Action plans are defined for all key risks.

Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.

The accounting team is responsible for producing the accounting figures, whereas the controlling team checks the validity of these figures. These checks include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities.

Uniform reporting of financial information throughout the Sequana Medical Group ensures a consistent flow of information, which allows the detection of potential anomalies. The Group's financial systems and management information tools allow the central controlling team direct access to integrated financial information.

An external financial calendar is planned in consultation with the Board and the Executive Management, and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Sequana Medical Group stakeholders with the information necessary for making sound business decisions. The financial calendar can be consulted on <https://www.sequanamedical.com/investors/financial-information>.

The nature of Sequana's business and its global presence exposes the Group to market risks and liquidity risks. The Board of Directors is responsible for overseeing the Group's internal control system, which addresses risks to which the Group is exposed. These systems provide appropriate security against significant inaccuracies and material losses. Management is responsible for identifying and assessing risks that are of significance for the respective country.

10.7.2. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risks consist primarily of foreign currency risks and, to a lesser degree, interest rate risks. Main currency exposures are the Swiss franc and the Euro. The Group is not hedging any of these risks.

Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The group identifies two main types of foreign currency risk: foreign currency transaction risk and foreign currency translation risk.

The Group incurs foreign currency transaction risk on accounts receivable, accounts payable and other monetary items that are denominated in a currency other than the Company's functional currency. Foreign currency transaction risk in the Group's operations also arises from the variability of cash flows in respect of forecasted transactions. The foreign currency transaction risk is not significant.

Foreign operations which do not have the Euro as their functional currency give rise to a translation risk. The Group operates internationally and is exposed to foreign exchange risks arising from currency exposures, primarily with respect to the Swiss Franc (CHF) in relation to procurement and financing.

The carrying amounts of the Group's main foreign currency denominated monetary assets and monetary liabilities in CHF at the end of the reporting period are as follows:

	31.12.2022 CHF	31.12.2021 CHF
Assets		
Inventory	2,581,381	2,617,495
Cash and cash equivalents	1,462,972	1,308,155
Liabilities		
Long term debt	-	-
Short term debt	-	-

The Group has exposures to the Swiss Franc (CHF) and the US dollar (USD) due to their net investments in foreign operations.

Foreign exchange exposures are currently not hedged.

The following table shows the sensitivity to foreign exchange rate changes (CHF / EUR and USD / EUR), with all other variables held constant, of the Group's income statement and equity:

As at 31 December 2022	
(EUR)	Impact on income statement
5% decrease of average foreign exchange rate	-725,845
5% increase of average foreign exchange rate	+725,651
As at 31 December 2021	
(EUR)	Impact on income statement
5% decrease of average foreign exchange rate	-559,564
5% increase of average foreign exchange rate	+560,700

As of 31 December 2022, if the EUR had weakened 5% against the CHF and against the USD with all other variables held constant, the loss for the period would have been EUR 725,845 higher (2021: EUR 559,564). Conversely, if the EUR had strengthened 5% against the CHF and the USD with all other variables held constant, the loss of the period would have been EUR 725,651 lower (2021: EUR 560,700).

As at 31 December 2022	
(EUR)	Impact on equity
5% decrease of average foreign exchange rate	+36,338
5% increase of average foreign exchange rate	-36,338
As at 31 December 2021	
(EUR)	Impact on equity
5% decrease of average foreign exchange rate	-12,792
5% increase of average foreign exchange rate	+12,792

As of 31 December 2022, if the EUR had weakened 5% against the CHF and against the USD with all other variables held constant, the equity for the period would have been EUR 36,338 lower (2021: EUR -12,792). Conversely, if the EUR had strengthened 5% against the CHF and the USD with all other variables held constant, the equity of the period would have been EUR 36,338 higher (2021: EUR 12,792).

Interest rate risks

Interest rate risks arise from changes in interest rates, which have negative repercussions on the Group's asset and earnings situation. Interest rate fluctuations lead to changes in interest income and interest expense on interest-bearing assets and liabilities.

The following table shows the sensitivity to interest rate changes, with all other variables held constant, of the Group's income statement and equity:

As at 31 December 2022	
(EUR)	Impact on income statement and equity
50 basis points increase / decrease	-/+ 9,822
As at 31 December 2021	
(EUR)	Impact on income statement and equity
50 basis points increase / decrease	-/+ 5,768

As at 31 December 2022 and 31 December 2021, the Group interest rates applied on material interest-bearing assets and liabilities are contractually fixed and therefore the above sensitivity is highly unlikely to materialise.

Liquidity risk

The Group's objective is to maintain sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Sequana Medical defines Liquidity risk, a risk of being unable to raise funds to meet payment obligations when they fall due.

10.7.3. Capital management

Management presently monitors its capital structure based on its legal, statutory requirements for stand-alone entities and, in particular, for the holding company. The Group's policy is to maintain sufficient capital to continue as a going concern, and sustain the future development of the business (see note 3 Principles of financial reporting and going concern regarding the assessment of the going concern).

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows for at least the next 12 months. This is carried out in accordance with practice and limits set by management and in accordance with the statutory capital requirements of the holding company. In addition, the Group's liquidity management policy involves projecting cash flows in EUR, CHF and GBP and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt-financing plans.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

11 Transactions under the authorised capital

On 10 March 2022, the Board of Directors of the Company increased the share capital of the Company in the framework of the authorised capital with the issuance of 5,167,268 new shares, with dis-application of the preferential subscription right of the shareholders of the Company and, in so far as required, of the holders of subscription rights (stock options) of the Company, that were offered to a broad group of Belgian and foreign institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable private placement exemptions, in the framework of a private placement through an accelerated bookbuilding procedure. In this context, the Board of Directors prepared a report in accordance with Article 7:198 juncto Article 7:179, 7:191 and 7:193 of the Belgian Companies and Associations Code in relation to the transaction, providing notably (i) a justification of the transaction, including notably a justification of the issue price of the new shares (taking into account the financial situation of the Company, the identity of the pre-committing investor that obtain guaranteed allocation, and the nature and importance of the contribution of said pre-committing investor), (ii) a description of the consequences of the transaction for the financial and shareholder rights of the shareholders of the Company, (iii) a justification of the proposed dis-application of the statutory preferential subscription right of the shareholders and, in so far as required, of the holders of subscription rights (stock options) in connection with the proposed increase of the share capital in the framework of the transaction, and (iv) a description of the consequences of the dis-application of the preferential subscription rights for the financial and shareholder rights of the shareholders. This board report must be read together with the report prepared by the Company's statutory auditor, PwC Bedrijfsrevisoren BV, a private company with limited liability organised and existing under the laws of Belgium, with registered office at Culliganlaan 5, 1831 Diegem, Belgium, represented by Mr. Peter D'hondt, auditor.

The abovementioned reports are available on the Company's website at: <https://www.sequanamedical.com/investors/shareholder-information/>.

12 Acquisition of own shares

Neither the Company nor any person acting in his own name but on behalf of the Company has acquired shares of the Company during the financial year 2022.

13 Corporate Governance

Corporate governance statement

13.1. Introduction

This Corporate Governance Statement is included in the Company's report of the Board of Directors on the statutory accounts for the financial year ended on 31 December 2022 (dated 21 April 2023) in accordance with Article 3:6, §2 of the Belgian Companies and Associations Code of 23 March 2019 (as amended) (the "**Belgian Companies and Associations Code**").

On 17 May 2019, the Belgian Royal Decree of 12 May 2019 designating the Corporate Governance code to be complied

with by listed companies was published in the Belgian Official Gazette. On the basis of this royal decree, Belgian listed companies are required to designate the 2020 Belgian Corporate Governance Code (the "**2020 Belgian Corporate Governance Code**") as reference code within the meaning of Article 3:6, §2 of the Belgian Companies and Associations Code. The 2020 Belgian Corporate Governance Code applies to reporting years beginning on or after 1 January 2020.

On 23 April 2020, the Board of Directors approved an amended and restated version of the Company's Corporate Governance Charter to align it with the provisions of the 2020 Belgian Corporate Governance Code and the Belgian Companies and Associations Code.

The 2020 Belgian Corporate Governance Code can be accessed on the following website: www.corporategovernancecommittee.be/.

13.2. Corporate Governance Charter

The Company applied a Corporate Governance Charter that was in line with the 2020 Belgian Corporate Governance Code. The Company's Board of Directors approved this charter on 23 April 2020. The Corporate Governance Charter described the main aspects of the Corporate Governance of the Company, including its governance structure, the terms of reference of the Board of Directors and its committees and other important topics. The Corporate Governance Charter had to be read together with the Company's articles of association.

13.3. Deviations from the 2020 Belgian Corporate Governance Code

The Company applied the provisions set forth in the 2020 Belgian Corporate Governance Code except in relation to following:

- Pursuant to Article 7:91 of the Belgian Companies and Associations Code and provision 7.11 of the 2020 Belgian Corporate Governance Code, shares should not vest and share options should not be exercisable within three years as of their granting. Insofar as necessary, it is recalled that following the extraordinary shareholders' meeting of 28 May 2020, it has been expressly provided in the articles of association that the Board of Directors is explicitly authorised to deviate from the provisions of Article 7:91 of the Belgian Companies and Associations Code, for all persons who fall within the scope of these provisions (whether directly or pursuant to Articles 7:108 and 7:121 of the Belgian Companies and Associations Code, or otherwise). The Company is of the opinion that this allows for more flexibility when structuring share-based awards. For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice.
- In accordance with provision 7.6 of the 2020 Belgian Corporate Governance Code, non-executive directors should receive a part of their remuneration in the form of shares of the Company. The Company has however no distributable reserves and therefore does not meet the legal requirements to proceed to a shares buy-back. As a result, the Company does not own any treasury shares and is unable to grant existing shares to non-executive directors as part of their remuneration. The interests of the non-independent non-executive directors are however considered to be sufficiently oriented to the creation of long-term value for the Company. The directors are also paid in cash, leaving it their own initiative whether or not they wish to use such funds (in whole or in part) to acquire existing shares of the Company. On 10 February 2023 the Company's

extraordinary shareholders' meeting approved an amendment to the Company's remuneration policy, allowing for the issuance of so-called "restricted share units" or "RSUs", which provide for a remuneration in the form of new shares whereby the relevant directors will have an obligation to subscribe for such shares at a value of EUR 0.11 per share (independent of the value of the share at that time). One restricted share unit or RSU represents the obligation of the relevant non-executive independent director to subscribe for one new share of the Company. The RSU remuneration is in addition to the cash component of the yearly remuneration of the directors. The issue of RSUs is designed to align the remuneration policy of the Company in respect of non-executive independent directors with provision 7.6 of the 2020 Code. The RSUs are not entirely equivalent to a share (no voting rights, no preferential subscription rights or other membership rights) but, in the opinion of the Company, the RSUs meet the objectives provided for in provision 7.6 of the 2020 Code.

- In accordance with provision 7.9 of the 2020 Belgian Corporate Governance Code, the Board of Directors should set a minimum threshold of shares to be held by the members of the Executive Management. A part of the remuneration of the members of the Executive Management consists of options to subscribe for the Company's shares, which should allow the members of the Executive Management over time to acquire shares of the Company, in line with the objectives of the option plans.
- In accordance with provision 7.12 of the Belgian Corporate Governance Code, the Board of Directors should include provisions in the contracts of the members of the Executive Management that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. There are currently no contractual provisions in place between the Company and the Chief Executive Officer or the other member of the Executive Management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded. The Board of Directors does not consider that it is necessary to apply claw-back provisions as (x) the pay-out of the variable remuneration, based on the achievement of corporate targets as set by the Board of Directors, is paid only upon achievement of those corporate targets, and (y) the Company does not apply any other performance based remuneration or variable compensation. Furthermore, the share option plans do contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the Company's position that share options are not to be qualified as variable remuneration, the Board of Directors is of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently not necessary to provide for additional contractual provisions that give the Company a contractual right to reclaim any (variable) remuneration from the members of the Executive Management.

What constitutes good Corporate Governance will evolve with the changing circumstances of a company and with the standards of Corporate Governance globally, and must be tailored to meet those changing circumstances.

The Board of Directors intends to update the Corporate Governance Charter as often as required to reflect changes to the Company's Corporate Governance.

The articles of association and the Corporate Governance Charter are available on the Company's website (www.sequanamedical.com) and can be obtained free of charge at the Company's registered office.

13.4. Composition Board of Directors, Executive Management and Senior Management Team

13.4.1. Board of Directors

The table below gives an overview of the current members of the Company's board of directors and their terms of office:

Name	Age	Position	Start of Current Term	End of Current Term
Mr Pierre Chauvineau	59	Chair, Independent Non-Executive Director	2021	2025
Mr Ian Crosbie	55	CEO, Executive Director	2021	2025

Dr Rudy Dekeyser	61	Non-Executive Director	2021	2025
Mr Wim Ottevaere ⁽¹⁾	66	Independent Non-Executive Director	2021	2025
Mrs Jackie Fielding	58	Independent Non-Executive Director	2022	2026
Mr Doug Kohrs	64	Independent Non-Executive Director	2023	2026
Mrs Alexandra Clyde	58	Independent Non-Executive Director	2023	2026

Notes:

- (1) Acting as permanent representative of WIOT BV.

Mr Pierre Chauvineau is an independent non-executive director and the chair of the Company's Board of Directors. Mr Chauvineau has over 31 years of international business leadership in corporate and start-up companies within the medical technology industry. He started his career with Medtronic where he spent 20 years before joining Cameron Health, a VC-funded medical device company based in California where he was responsible for commercialising their innovative implantable defibrillator across international markets. Cameron Health was acquired by Boston Scientific two years later in June 2012, after which Mr Chauvineau went on to lead Boston Scientific's largest European Business Unit for 5 years. Today, Mr Chauvineau continues to mentor and coach, he is also an executive board member with London based Rhythm AI and Lausanne based Comphyra. He is also the chairman of Galway based Aurigen Medical and Grenoble based Aryballe. Pierre Chauvineau holds an MBA degree in International Management from the Monterey Institute of International Studies (Monterey, California, U.S.A.) and a BA degree from IPAG (Paris, France).

Mr Ian Crosbie is an executive director of the Company since 2019 and the Company's Chief Executive Officer since 2016. Mr Crosbie has over 25 years of experience in the healthcare sector, both in-house at medical device and pharmaceutical companies, and as an investment banker at leading global firms. He has extensive expertise and a strong track record in capital markets, licensing and strategic transactions. Prior to joining Sequana Medical, Mr Crosbie was Chief Financial Officer of GC Aesthetics Ltd based in Dublin. Before that, Ian was Senior Vice President, Corporate Development at Circassia Pharmaceuticals plc, a late-stage biopharmaceutical company focused on allergy immunotherapy where he led the execution of the company's £210 million IPO, as well as the M&A and licensing activities. Prior to Circassia, Ian enjoyed a 20-year career in corporate finance, including Managing Director, Healthcare Investment Banking at Jefferies International Limited and Director, Healthcare Investment Banking at Deutsche Bank. He has a degree in Engineering, Economics and Management from Oxford University.

Dr Rudy Dekeyser is a non-executive director of the Company. He is managing partner of the LSP Health Economics Fund 2, a EUR 280 million fund investing in medical device, diagnostic and digital health companies in Europe and the US. Besides serving on the Company's Board of Directors, Dr Dekeyser currently also serves on the Board of Directors of Lumeon, Nobi, reMYND and EMBLEM and has served on many other biotech boards such as Ablynx (acquired by Sanofi), Devgen (acquired by Syngenta), CropDesign (acquired by BASF), Actogenix (acquired by Intrexon) and Multiplicom (acquired by Agilent). Prior to joining LSP, he was one of the founders of VIB and co-managing director of this leading life sciences research institute for 17 years, during which he was also responsible for all business development. Under his leadership VIB has built a patent portfolio exceeding 200 patent families, signed 800 R&D and license agreements, spun out twelve companies and laid the foundation for bio-incubators, bio-accelerators and the biotech association FlandersBio. Dr Dekeyser is member of the advisory board of several foundations investing in life sciences innovation and has been one of the catalysts in the foundation of Oncode, a Dutch cancer research institute. Dr. Dekeyser holds a Ph.D in molecular biology from the University of Ghent.

Mr Wim Ottevaere (WIOT BV) is an independent non-executive director of the Company. Mr Ottevaere is currently active as a non executive consultant for biotechs and CFO of Biotalys. Mr Ottevaere was the Chief Financial Officer of Ablynx until September 2018, a Belgian biopharmaceutical company engaged in the development of proprietary therapeutic proteins based on single-domain antibody fragments. Ablynx was listed on Euronext Brussels and Nasdaq and acquired by Sanofi in June 2018. From 1992 until joining Ablynx in 2006, Mr Ottevaere was Chief Financial Officer of Innogenetics (now Fujirebio Europe), a biotech company that was listed on Euronext Brussels at the time. From 1990 until 1992, he served as Finance Director of Vanhout, a subsidiary of the Besix group, a large construction enterprise in Belgium. From 1978 until 1989, Mr Ottevaere held various positions in finance and administration within the Dossche group. Wim Ottevaere holds a Master's degree in Business Economics from the University of Antwerp, Belgium.

Mrs Jackie Fielding is an independent non-executive director of the Company. Mrs Fielding spent 28 years with Medtronic, most recently as Vice President UK / Ireland, where she was responsible for more than 700 staff and revenue of approximately \$750 million. She held a number of external posts alongside her role at Medtronic, including Chair of the BCIA (British Cardiovascular Intervention Association) and council member of the BCIS (British Cardiovascular Intervention Society). In 2010, she was elected to the Board of Directors of ABHI (Association of British HealthTech Industries) and in 2015 was appointed Vice Chair. Jackie has worked with the UK's NHS (National Health Service) Clinical Entrepreneur programme and was a member of the Ministerial Medical Technology Strategy Group. She is Non-Executive Director on the Boards of UK's NICE (National Institute for Health and Care Excellence), 3D Life Prints and Northumbria Primary Care, of which she is also Chair.

Mr Doug Kohrs is an independent non-executive director of the Company. Doug Kohrs currently serves as the President and CEO of Responsive Arthroscopy, a company he founded that focusses on innovative surgical solutions for orthopedic surgery centers. In 2013, he also founded Responsive Orthopedics, a value-based medical device company, where he served as CEO until it was acquired by Medtronic in June 2016. From 2006 to 2012, he was CEO and President of Tornier NV, and from 1999 to 2005 he was CEO and President of American Medical Systems. Doug was also a founder of Spine Tech, a pioneering spinal surgery company, where he worked in R&D and Marketing roles from 1991 to 1998. Prior to that, he spent seven years with Johnson and Johnson Orthopedics as the Chief Designer for the Press Fit Condylar (PFC) knee and PFC hip systems. Doug currently serves on the Board of Directors of Cerapedics, Lima Orthopedics, Osteal Therapeutics, UroTronic, and Vergent Bioscience. Doug has previously served on the public company boards of ev3 (acquired by Covidien), Kyphon (acquired by Medtronic), and Protolabs, and the private company boards of Imascap (acquired by Wright Medical), Pioneer Surgical (acquired by RTI Surgical), SpineCore (acquired by Stryker), and five other boards. Doug holds a B.S. in Bioengineering from Texas A&M University, a B.A. in Engineering Sciences from Austin College and an MBA from Northeastern University.

Mrs Alexandra Clyde is an independent non-executive director of the Company. She is Senior Vice President of Global Health Economics, Policy, and Reimbursement for Medtronic plc. In this role, she leads a global function of more than 300 reimbursement and health economics professionals and provides company-wide leadership on health and payment policy. She is a member of the Duke Margolis Value-Based Payment and Innovative Technology Consortium, the Health Technology Assessment International (HTAi) Policy Forum, and the Advisory Board for the Center for the Evaluation of Value and Risk in Health (CEVR) at the Institute for Clinical Research and Health Policy Studies at Tufts Medical Center. She is a former member of the Health Care Payment Learning and Action Network's (HCP-LAN) Guiding Committee which is charged by the US Secretary of Health and Human Services with accelerating the health care system's transition to alternative payment models (APMs) by combining the innovation, power, and reach of the public and private sectors. She has also participated in various Centers for Medicare and Medicaid Services (CMS) technical advisory councils as well as other private and public sector initiatives to improve value in health care. Alex graduated from Colgate University with a B.A. in Economics and from Harvard University with a M.S. in Health Policy and Management.

The business address of each of the directors for the purpose of their mandate is the address of the Company's registered office: Kortrijksesteenweg 1112 bus 102, 9051 Sint-Denijs-Westrem, Belgium.

The following persons attend the Company's board meetings as board observers (in a non-voting capacity):

- Erik Amble, as representative of NeoMed IV Extension L.P., shareholder of the Company;

- Ids van der Weij, as representative of Partners in Equity V B.V., shareholder of the Company; and
- Maurizio Petitbon, as representative of Kreos Capital VII (UK) Limited, a debt provider of the Company.

13.4.2. Executive Management and Senior Management Team

The executive management of the Company consists of the following members:

Name	Age	Position
Mr Ian Crosbie	55	Chief Executive Officer
Mrs Kirsten Van Bockstaele ⁽¹⁾	48	Chief Financial Officer

Notes:

- (1) Acting as permanent representative of Fin-2K BV.

Mr Ian Crosbie is the Chief Executive Officer and a director of the Company. Please see his biography under the section "Board of Directors" above.

Mrs Kirsten Van Bockstaele is the Chief Financial Officer of Sequana Medical. She is a seasoned finance executive with extensive international experience in the healthcare industry. Mrs Van Bockstaele joined Sequana Medical from Fagron (formerly Arseus), an international pharmaceutical compounding company. Within Fagron, she held a number of senior financial roles, most recently as Vice President of Finance, North America. In this role, Mrs Van Bockstaele was responsible for creating and overseeing the company's financial strategy and policy, positioning Fagron's North American companies for growth. She also played a pivotal role in building out the North American headquarters, supporting the financial integration of acquisitions and assisting in redirecting the company's strategy. Mrs Van Bockstaele previously served as Chief Financial Officer for Arseus Dental & Medical Solutions, where she was instrumental in the coordination, support and control of financial activities in key European countries. Her previous roles include Financial Controller at Omega Pharma and Audit Manager at PwC. Kirsten Van Bockstaele has a degree in Business Economics from EHSAL and a degree in Financial and Fiscal Sciences from the University of Antwerp, Belgium.

The Senior management team of the Company consists of the members of the Executive Management, together with the following members:

Name	Age	Position
Dr Oliver Gödje	58	Chief Medical Officer
Dr Gijs Klarenbeek	46	Senior Medical Advisor
Mr Timur Resch	41	Global Vice President QM/QA/RA
Dr Andreas Wirth	54	Global Vice President Engineering
Mr Martijn Blom	49	Chief Commercial Officer
Mr Dragomir Lakic	40	Global Vice President Manufacturing

Dr. Oliver Gödje is the Chief Medical Officer of the Company. Dr. Gödje is a highly experienced clinician and medtech industry executive with 18 years of international experience in medical and commercial roles. Prior to joining Sequana Medical, Oliver served as Chief Medical Officer at Humedics GmbH, Medical Director and VP Sales & Marketing at Hepa Wash GmbH, Chief Medical Officer and Chief Marketing Officer at Tensys Medical Inc., and Medical & Marketing Director of PULSION Medical Systems AG, all medtech companies in the liver or cardiovascular field. He holds a PhD and Professorship in Human Medicine and built an extensive knowledge of cardiology during his time as a Cardiac Surgeon at leading German Universities. He was a Consultant and Vice Chairman of the Department of Cardiac Surgery at the University Hospital of Ulm until 2002.

Dr Gijs Klarenbeek is the Senior Medical Advisor of the Company. Dr Klarenbeek has over 14 years academic and healthcare industry experience. After his training in abdominal surgery at the University of Leuven, he held multiple positions in Medical Affairs, Clinical and Marketing at large pharmaceutical (Sanofi, AstraZeneca) and medical device companies. These include roles as Director of Medical Affairs Europe at Boston Scientific, providing leadership to the medical support for the portfolio of products in the Structural Heart and Medical / Surgical divisions, and as Worldwide Medical Director Clinical Research at Johnson & Johnson's medical device division (Cordis and Cardiovascular Care Franchise), supporting the clinical development of different products through regulatory submission (CE mark & IDE), post-market commitments and development. Dr Klarenbeek holds an MD from the University of Leuven, Belgium and a degree in Business Administration from the Institute for Pharmaceutical Business Administration (IFB).

Mr Timur Resch is the Global Vice President QM/QA/RA and Person Responsible for Regulatory Compliance (PRRC) of Sequana Medical. Mr Resch has over 10 years of experience within quality management and regulatory affairs in the regulated medical device industry. In 2010, Mr Resch graduated as an engineer in medical technology from the University of Applied Sciences in Lübeck, Germany and began his professional career as a process and management consultant at Synspace AG. Thereafter, Mr Resch continued as Head of Quality Management & Regulatory Affairs at Schaerer Medical AG and prior to joining Sequana Medical held the position of Manager & Team Leader Regulatory Affairs at Medela AG. His experience includes the establishment of quality management systems, auditing, international product registrations for Class I to Class III medical devices, ensuring compliance with applicable regulatory requirements as well as being the liaison to Notified Bodies and Health Authorities. Mr Resch serves as member of quality and regulatory task forces and expert groups within Germany and Switzerland.

Dr Andreas Wirth is the Global Vice President Engineering of the Company. Mr. Wirth has over 12 years of experience within leading R&D departments in regulated industries. Most recently he was Director of R&D at Carl Zeiss Meditec and responsible for refractive surgery products. Previous to his time at Carl Zeiss Meditec he was the Head of metrology development at Schott and responsible for pharmaceutical primary packaging across 17 plants worldwide. Prior to this, he was head of R&D at medi Group managing seven small R&D groups in Germany, France and the US and project manager at Amaxa / Lonza Biologics of medical and laboratory devices. Andreas holds a PhD in applied science and studied physics at the University of Osnabrück, Germany.

Mr Martijn Blom is the Chief Commercial Officer of the Company. Mr Blom has over 15 years' experience in the life sciences industry. Most recently he was the Director of International Marketing at Myriad Genetics, responsible for the marketing development of genetic testing in the international markets. Previous to Myriad, he worked as Director of Marketing and Market Development at PulmonX, a start up from Redwood City focusing on developing and marketing minimally-invasive medical devices and technologies to expand and improve treatment options for emphysema patients. Prior to this he was Director International Marketing at Alere where he spent more than 7 years leading the marketing, training and marketing communications teams, for all of their business units: Cardiology, Women's Health, Oncology, Infectious Diseases, Blood Borne Pathogens, Toxicology and Health Management. Mr Blom studied economics at the MEAO in Breda and specialised at de Rooi Pannen in Marketing and Sales management.

Mr Dragomir Lakic is the Global Vice President Manufacturing of the Company. Mr. Lakic spent almost his whole career in the field of medical devices, with 15 years at Zimmer Biomet and Smith + Nephew, and brings an in-depth knowledge of the medical device industry. He joined Sequana Medical from Smith + Nephew, a leading portfolio medical technology company where he was responsible for planning, procurement, logistics, and supply chain. Before joining Smith + Nephew, he had a successful 12-year career at Zimmer Biomet, holding progressively senior leadership positions in Engineering and Manufacturing. Dragomir holds a degree in Engineering and Management from the University of Applied Sciences and Arts of Italian Switzerland and a Master of Business Administration (MBA) degree from the ZHAW (Zurich University of Applied Sciences).

The business address of each of the members of the Executive Management for the purpose of their mandate is the address of the Company's registered office: Kortrijksesteenweg 1112 bus 102, 9051 Sint-Denijs-Westrem, Belgium.

13.5. Board of Directors

The Company has opted for a "one tier" governance structure whereby the Board of Directors is the ultimate decision making body, with the overall responsibility for the management and control of the Company, and is authorised to carry out all actions that are considered necessary or useful to achieve the Company's object. The Board of Directors has all powers except for those reserved to the general shareholders' meeting by law or the Company's articles of association. The Board of Directors acts as a collegiate body.

Pursuant to the Company's Corporate Governance Charter (approved by the Board of Directors on 23 April 2020), the role of the Board of Directors is to pursue sustainable value creation by the Company, by determining the Company's strategy, putting in place effective, responsible and ethical leadership, and monitoring the Company's performance. The Board of Directors decides on the Company's values and strategy, its risk appetite and key policies.

The Board of Directors is assisted by specialized committees in order to advise the board in respect of decisions to be taken, to give comfort to the board that certain issues have been adequately addressed and, if necessary, to bring specific issues to the attention of the board. The decision-making should remain the collegial responsibility of the Board of Directors.

The Board of Directors appoints and removes the Chief Executive Officer and determines his or her powers. The Chief Executive Officer is responsible for the day-to-day management of the Company and the implementation of the Company's mission, its strategy and the targets set by the Board of Directors, with a focus on the long-term future growth of the business. He or she may be granted additional well-defined powers by the Board of Directors. He or she has direct operational responsibility for the Company and oversees the organisation and day-to-day management of subsidiaries, affiliates and joint ventures. The Chief Executive Officer is responsible for the execution and management of the outcome of all decisions of the Board of Directors. The Chief Executive Officer reports directly to the Board of Directors.

Pursuant to the Belgian Companies and Associations Code and the Company's articles of association, the Board of Directors must consist of at least three directors. The Company's Corporate Governance Charter (approved by the Board of Directors on 23 April 2020), provides that the composition of the Board of Directors should ensure that decisions are made in the corporate interest. It should be determined so as to gather sufficient expertise in the Company's areas of activity as well as sufficient diversity of skills, background, age and gender. Pursuant to the 2020 Belgian Corporate Governance Code, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Companies and Associations Code and in the 2020 Belgian Corporate Governance Code. By 1 January 2025, at least one third of the members of the Board of Directors must be of the opposite gender. On the date of this report, the composition of the Board of Directors complies with the aforementioned statutory rules on gender diversity.

The directors are elected by the Company's general shareholders' meeting. The term of the directors' mandates cannot exceed four (4) years. Resigning directors can be re-elected for a new term. Proposals by the Board of Directors for the appointment or re-election of any director must be based on a recommendation by the board. In the event the office

of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next general shareholders' meeting.

The general shareholders' meeting can dismiss the directors at any time. The Belgian Companies and Associations Code provides however that the general shareholders' meeting may, at the occasion of the termination, determine the date on which the mandate ends or grant a severance pay.

The Board of Directors elects a chair from among its non-executive members on the basis of his knowledge, skills, experience and mediation strength. The chair should be a person trusted for his or her professionalism, independence of mind, coaching capabilities, ability to build consensus, and communication and meeting management skills. The chair is responsible for the leadership and the proper and efficient functioning of the Board of Directors. He or she leads the meetings of the Board of Directors and ensures that there is sufficient time for consideration and discussion before decision-making.

On the date of this report, Mr Pierre Chauvineau is chair of the Board of Directors and Mr Ian Crosbie is the Chief Executive Officer. If the Board of Directors envisages appointing a former Chief Executive Officer as chair, it should carefully consider the positive and negative implications of such a decision and disclose why such appointment will not hamper the required autonomy of the Chief Executive Officer.

The Board of Directors should meet as frequently as the interest of the Company requires, or at the request of one or more directors. In principle, the Board of Directors will meet sufficiently regularly and at least five (5) times per year. The decisions of the Board of Directors are made by a simple majority of the votes cast. The chair of the Board of Directors will have a casting vote.

During 2022, 12 meetings of the Board of Directors were held.

13.6. Committees of the Board of Directors

The board of directors has established two board committees which are responsible for assisting the board of directors and making recommendations in specific fields: the audit committee (in accordance with Article 7:99 of the Belgian Companies and Associations Code and provision 4.10 of the 2020 Belgian Corporate Governance Code) and the remuneration and nomination committee (in accordance with Article 7:100 of the Belgian Companies and Associations Code and provision 4.17 and 4.19 of the 2020 Belgian Corporate Governance Code). The terms of reference of these board committees are primarily set out in the corporate governance charter of the Company (approved by the board of directors on 23 April 2020).

13.6.1. Audit Committee

The audit committee of the Company consists of three directors. According to the Belgian Companies and Associations Code, all members of the audit committee must be non-executive directors, and at least one member must be independent within the meaning of Article 7:87 of the Belgian Companies and Associations Code. The chair of the audit committee is to be appointed by the members of the audit committee. On the date of this report, the following directors are the members of the audit committee: Mr Wim Ottevaere (WIOT BV), Mr Pierre Chauvineau and Mrs Alexandra Clyde. The composition of the audit committee complies with the 2020 Belgian Corporate Governance Code, which require that a majority of the members of the audit committee are independent.

The members of the audit committee must have a collective competence in the business activities of the Company as well as in accounting, auditing and finance, and at least one member of the audit committee must have the necessary competence in accounting and auditing. According to the board of directors, the members of the audit committee satisfy

this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold.

The role of the audit committee is to:

- inform the board of directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the audit committee has played in that process;
- monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process,
- monitor the effectiveness of the internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- monitor the audit of the financial statements, including the follow-up questions and recommendations by the statutory auditor;
- assess and monitor the independence of the statutory auditor, in particular with respect to the appropriateness of the provision of additional services to the Company. More specifically, the audit committee analyses, together with the statutory auditor, the threats for the statutory auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in Article 4 §3 of Regulation (EU) No 537/2014; and
- make recommendations to the board of directors on the selection, appointment and remuneration of the statutory auditor of the Company in accordance with Article 16 § 2 of Regulation (EU) No 537/2014.

The audit committee should have at least four regularly scheduled meetings each year. The audit committee regularly reports to the board of directors on the exercise of its missions, and at least when the board of directors approves the financial statements and the condensed or short form financial information that will be published. The members of the audit committee have full access to the executive management and to any other employee to whom they may require access in order to carry out their responsibilities.

Without prejudice to the statutory provisions which determine that the statutory auditor must address reports or warnings to the corporate bodies of the Company, the statutory auditor must discuss, at the request of the statutory auditor, or at the request of the audit committee or of the board of directors, with the audit committee or with the board of directors, essential issues which are brought to light in the exercise of the statutory audit of the financial statements, which are included in the additional statement to the audit committee, as well as any meaningful shortcomings discovered in the internal financial control system of the Company.

During 2022, 5 meetings of the audit committee were held.

13.6.2. Remuneration and Nomination Committee

The remuneration and nomination committee consists of at least three directors. In line with the Belgian Companies and Associations Code, the 2020 Belgian Corporate Governance Code (i) all members of the remuneration and nomination committee are non-executive directors, (ii) the remuneration and nomination committee consists of a majority of independent directors and (iii) the remuneration and nomination committee is chaired by the chair of the board of directors or another non-executive director appointed by the committee. On the date of this report, the following

directors are the members of the remuneration and nomination committee: Dr Rudy Dekeyser, Mr Doug Kohrs and Mrs Jackie Fielding.

Pursuant to the Belgian Companies and Associations Code, the remuneration and nomination committee must have the necessary expertise in terms of remuneration policy, which is evidenced by the experience and previous roles of its current members.

The Chief Executive Officer participates in the meetings of the remuneration and nomination committee in an advisory capacity each time the remuneration of another member of the executive management is being discussed.

The role of the remuneration and nomination committee is to make recommendations to the board of directors with regard to the appointment and remuneration of directors and members of the executive management and, in particular, to:

- identify, recommend and nominate, for the approval of the board of directors, candidates to fill vacancies in the board of directors and executive management positions as they arise. In this respect, the remuneration and nomination committee must consider and advise on proposals made by relevant parties, including management and shareholders;
- advise the board of directors on any proposal for the appointment of the Chief Executive Officer and on the Chief Executive Officer's proposals for the appointment of other members of the executive management;
- draft appointment procedures for members of the board of directors and the Chief Executive Officer;
- ensure that the appointment and re-election process is organised objectively and professionally;
- periodically assess the size and composition of the board of directors and make recommendations to the board of directors with regard to any changes;
- consider issues related to succession planning;
- make proposals to the board of directors on the remuneration policy for directors and members of the executive management and the persons responsible for the day-to-day management of the Company, as well as, where appropriate, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- make proposals to the board of directors on the individual remuneration of directors and members of the executive management, and the persons responsible for the day-to-day management of the Company, including variable remuneration and long-term incentives, whether or not share-related, in the form of share options or other financial instruments, and arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- prepare a remuneration report to be included by the board of directors in the annual corporate governance statement;
- present and provide explanations in relation to the remuneration report at the annual shareholders' meeting; and
- report regularly to the board of directors on the exercise of its duties.

In principle, the remuneration and nomination committee meets as frequently as necessary for carrying out its duties, but at least two times a year.

In 2022, 2 meetings of the remuneration and nomination committee were held.

13.7. Activity Report and Attendance at Board and Committee Meetings during 2022

The table summarises the attendance of meetings of the board of directors and the respective committees of the board of directors by their (former and current) members in person or by conference call. It does not take into account attendance via representation by proxy.

Name	Board Meeting ⁽⁶⁾	Audit	Nomination and remuneration
Mr Pierre Chauvineau	12 out of 12 meetings	5 out of 5 meetings	2 out of 2 meetings ⁽⁵⁾
Mr Ian Crosbie	11 out of 12 meetings	5 out of 5 meetings ⁽⁵⁾	2 out of 2 meetings ⁽⁵⁾
Mr Rudy Dekeyser ⁽⁴⁾	11 out of 12 meetings	N/A ⁽²⁾	2 out of 2 meetings
Mr Erik Amble ⁽⁹⁾	10 out of 12 meetings	3 out of 5 meetings	N/A ⁽²⁾
Mr Wim Ottevaere ^{(1) (3)}	12 out of 12 meetings	5 out of 5 meetings	1 out of 2 meetings
Mrs Jackie Fielding	11 out of 12 meetings	N/A ⁽²⁾	2 out of 2 meetings
Mrs Alexandra Clyde ⁽⁸⁾	2 out of 12 meetings	2 out of 5 meetings	N/A ⁽²⁾
Mr Doug Kohrs ⁽⁷⁾	2 out of 12 meetings	N/A ⁽²⁾	1 out of 2 meetings

Notes:

- (1) Acting as permanent representative of WIOT BV.
- (2) The board member is not a member of the specific committee.
- (3) The board member is chairman of the Audit Committee
- (4) The board member is chairman of the Remuneration and Nomination Committee
- (5) The board member attended the meeting as an observer.
- (6) 1 of the 12 board meetings was a private board meeting of independent directors (as envisaged by article 7:97 BCAC). More information is included in section 9 of the Report of the Board of Directors.
- (7) On 19 July 2022, it has been announced that Mr Doug Kohrs appointment as member of the Board of Directors would be submitted to a general shareholders' meeting. Mr Kohrs' appointment has been approved by the extraordinary general meeting of shareholders of 10 February 2023. Pending such approval, Mr Kohrs already participated to board and committee meetings.
- (8) On 25 August 2022, it has been announced that Mrs Alexandra Clyde's appointment as member of the Board of Directors would be submitted to a general shareholder's meeting. Ms. Clyde's appointment has been approved by the Extraordinary General Meeting of shareholders of 10 February 2023. Pending such approval, Mrs Clyde already participated to board and committee meetings.
- (9) On 25 August 2022, it has been announced that Mr Erik Amble resigned as member of the Board of Directors. Mr. Amble continued to be observer (in a

non-voting capacity) to the Board of Directors.

13.8. Independent Directors

A director in a listed company is considered to be independent if he or she does not have a relationship with that company or with a major shareholder of the Company that compromises his or her independence. If the director is a legal entity, his or her independence must be assessed on the basis of both the legal entity and his or her permanent representative. A director will be presumed to qualify as an independent director if he or she meets at least the criteria set out in Article 7:87 of the Belgian Companies and Associations Code and Clause 3.5 of the 2020 Corporate Governance Code, which can be summarised as follows:

1. Not being an executive, or exercising a function as a person entrusted with the daily management of the Company or an affiliated company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the Company related to this position;
2. Not having served for a total term of more than twelve years as a non-executive board member;
3. Not being an employee of the senior management (as defined in Article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) of the Company or an affiliated company or person, and not have been in such a position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the Company related to this position;
4. Not receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the Company or an affiliated company or person, apart from any fee they receive or have received as a non-executive board member;
5. Not holding shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the Company's share capital or one tenth or more of the voting rights in the company at the moment of appointment;
6. Not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under point 5;
7. Not having, nor having had in the past year before their appointment, a significant business relationship with the Company or an affiliated company or person, either directly or as partner, shareholder, board member, member of the senior management (as defined in Article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry) of a company or person who maintains such a relationship;
8. Not being or having been within the last three years before their appointment, a partner or member of the audit team of the Company or person who is, or has been within the last three years before their appointment, the external auditor of the Company or an affiliated company or person;

9. Not being an executive of another company in which an executive of the Company is a non-executive board member, and not have other significant links with executive board members of the Company through involvement in other companies or bodies;
10. Not being, in the Company or an affiliated company or person, a spouse, legal partner or close family member to the second degree, exercising a function as board member or executive or person entrusted with the daily management or employee of the senior management (as defined in Article 19,2° of the law of 20 September 1948 regarding the organisation of the business industry), or falling in one of the other cases referred to in the points 1 to 9 above, and as far as point 2 is concerned, up to three years after the date on which the relevant relative has terminated their last term.

If the board of directors submits the nomination of an independent director who does not meet the abovementioned criteria to the general meeting, it shall explain the reasons why it assumes that the candidate is in fact independent.

Mr Pierre Chauvineau, Mr Wim Ottevaere (WIOT BV), Mrs Jackie Fielding, Mrs Alexandra Clyde and Mr Doug Kohrs are the Company's current independent directors.

The Company is of the view that the independent directors comply with each of the criteria of the Belgian Companies and Associations Code and the 2020 Belgian Corporate Governance Code.

13.9. Performance Review of the Board of Directors

The board of directors will evaluate, through a formal process and at least every three years, its own performance and its interaction with the executive management, as well as its size, composition, and functioning and that of its committees.

The evaluation assesses how the board of directors and its committees operate, checks that important issues are effectively prepared and discussed, evaluates each director's contribution and constructive involvement, and assesses the present composition of the board of directors and its committees against the desired composition. This evaluation takes into account the members' general role as director, and specific roles as chair, chair or member of a committee of the board of directors, as well as their relevant responsibilities and time commitment. At the end of each board member's term, the remuneration and nomination committee should evaluate this board member's presence at the board or committee meetings, their commitment and their constructive involvement in discussions and decision-making in accordance with a pre-established and transparent procedure. The remuneration and nomination committee should also assess whether the contribution of each board member is adapted to changing circumstances.

The board will act on the results of the performance evaluation. Where appropriate, this will involve proposing new board members for appointment, proposing not to re-appoint existing board members or taking any measure deemed appropriate for the effective operation of the board.

Non-executive directors assess their interaction with the executive management on a continuous basis.

13.10. Executive management and Chief Executive Officer

13.10.1. Executive Management

The executive management is composed of two members and is led by the Chief Executive Officer. Its members are appointed by the board of directors on the basis of a recommendation by the remuneration and nomination committee. The executive management is responsible and accountable to the board of directors for the discharge of its responsibilities.

The executive management is responsible for:

- being entrusted with the operational leadership of the Company;

- formulating proposals to the board in relation to the Company's strategy and its implementation;
- proposing a framework for internal control (i.e. systems to identify, assess, manage and monitor financial and other risks) and risk management, and putting in place internal controls, without prejudice to the board's monitoring role, and based on the framework approved by the board of directors;
- presenting to the board of directors complete, timely, reliable and accurate financial statements, in accordance with the applicable accounting standards and policies of the Company;
- preparing the Company's mandatory disclosure of the financial statements and other material financial and non-financial information;
- presenting the board of directors with a balanced and understandable assessment of the Company's financial situation;
- preparing the Company's yearly budget to be submitted to the board of directors;
- timely providing the board of directors with all information necessary for it to carry out its duties;
- being responsible and accountable to the board of directors for the discharge of its responsibilities;
- implementing the decisions made and the policies, plans and policies approved by the board and deal with such other matters as are delegated by the board of directors from time to time.

13.10.2. Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day management of the Company and the implementation of the Company's mission, its strategy and the targets set by the board of directors, with a focus on the long-term future growth of the business. He or she may be granted additional well-defined powers by the board of directors. The Chief Executive Officer is responsible for the execution and management of the outcome of all decisions of the board of directors.

The Chief Executive Officer leads the executive management within the framework established by the board of directors and under its ultimate supervision. The Chief Executive Officer is appointed and removed by the board of directors and reports directly to it.

13.11. Conflicts of Interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by Article 7:96 of the Belgian Companies and Associations Code) on any matter before the board of directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberation or voting related thereto. The corporate governance charter of the Company (approved by the board of directors on 23 April 2020), contains the procedure for transactions between the Company and the directors which are not covered by the legal provisions on conflicts of interest. The corporate governance charter (approved by the board of directors on 23 April 2020), contains a similar procedure for transactions between the Company and members of the executive management.

To the knowledge of the Company, there are, on the date of this report, no potential conflicts of interests between any duties to the Company of the members of the board of directors and members of the executive management and their private interests and/or other duties.

On the date of this report, there are no outstanding loans granted by the Company to any of the members of the board

of directors and members of the executive management, nor are there any guarantees provided by the Company for the benefit of any of the members of the board of directors and members of the executive management.

None of the members of the board of directors and members of the executive management has a family relationship with any other of the members of the board of directors and members of the executive management.

13.12. Dealing Code

With a view to preventing market abuse (insider dealing and market manipulation), the board of directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the executive management, certain other employees and certain other persons with respect to transactions in shares and other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares and other financial instruments of the Company, and allows dealing by the above mentioned persons only during certain windows.

13.13. Internal Control and Risk Management

13.13.1. Introduction

The Sequana Medical Group operates a risk management and control framework in accordance with the Belgian Companies and Associations Code and the 2020 Corporate Governance Code. The Sequana Medical Group is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the board of directors (including the audit committee), the executive management and the management Team and all other employees with managerial responsibilities.

The risk management and control system has been set up to reach the following goals:

- achievement of the Sequana Medical Group objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting; and
- compliance with all applicable laws and regulations.

13.13.2. Control Environment

Three lines of defence

The Sequana Medical Group applies the 'three lines of defence model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control. Within this model, the lines of defence to respond to risks are:

- First line of defence: line management is responsible for assessing risks on a day-to-day basis and implementing controls in response to these risks.
- Second line of defence: the oversight functions like Finance and Controlling and Quality and Regulatory oversee and challenge risk management as executed by the first line of defence. The second line of defence functions provide guidance and direction and develop a risk management framework.
- Third line of defence: independent assurance providers such as external accounting and external audit challenge the risk management processes as executed by the first and second line of defence.

Policies, procedures and processes

The Sequana Medical Group fosters an environment in which its business objectives and strategy are pursued in a controlled manner. This environment is created through the implementation of different Company-wide policies, procedures and processes such as the Sequana Medical Group values, the Quality Management System and the Delegation of Authorities rule set. The Executive and Senior Management fully endorses these initiatives.

The employees are regularly informed and trained on these subjects in order to develop sufficient risk management and control at all levels and in all areas of the organization.

Group-wide Financial System

The Sequana Medical Group entities operate the same group-wide financial system which are managed centrally. This system embeds the roles and responsibilities defined at the Sequana Medical Group level. Through these systems, the main flows are standardized and key controls are enforced. The systems also allow detailed monitoring of activities and direct access to data.

13.13.3. Risk management

Sound risk management starts with identifying and assessing the risks associated with the Sequana Medical Group's business and external factors. Once the relevant risks are identified, the Company strives to prudently manage and minimize such risks, acknowledging that certain calculated risks are necessary to ensure that the Sequana Medical Group achieves its objectives and continues to create value for its stakeholders. All employees of the Sequana Medical Group are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

13.13.4. Control activities

Control measures are in place to minimize the effect of risks on Sequana Medical Group's ability to achieve its objectives. These control activities are embedded in the Sequana Medical Group's key processes and systems to assure that the risk responses and the Sequana Medical Group's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and within all departments.

Key compliance areas are monitored for the entire Sequana Medical Group by the Quality and Regulatory department and the Finance and Controlling department. In addition to these control activities, an insurance program is implemented for selected risk categories that cannot be absorbed without material effect on the Company's balance sheet.

13.13.5. Information and communication

The Sequana Medical Group recognizes the importance of timely, complete and accurate communication and information both top-down as well as bottom-up. The Sequana Medical Group therefore put several measures in place to assure amongst others:

- security of confidential information;
- clear communication about roles and responsibilities; and
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility.

13.13.6. Monitoring of control mechanisms

Monitoring helps to ensure that internal control systems operate effectively.

The quality of the Sequana Medical Group's risk management and control framework is assessed by the following functions:

- **Quality and Regulatory:** Within the Quality Management System (QMS) according to ISO 13485:2016, MDSAP and MDR 2017/745, Sequana Medical has a systematic process for identifying hazards and hazardous situations associated with Sequana Medical devices and their use, estimating and evaluating the associated risks, controlling and documenting the risks, and monitoring the effectiveness of controls. This risk management process is based on the standard EN ISO 14971:2012 / ISO 14971:2019. Sequana Medical's QMS is subject to internal audits by the Quality and Regulatory department and external audits by the Notified Body and Auditing Organization BSI. The suitability and effectiveness of the QMS will also be evaluated as part of the annual management review.
- **External Audit:** In Sequana Medical's review of the annual accounts, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements. The outcome of the audits, including work on internal controls, is reported to management and the audit committee.
- **Audit Committee:** The board of directors and the audit committee have the ultimate responsibility with respect to internal control and risk management. For more detailed information on the composition and functioning of the audit committee, see section 13.6.1. of this Corporate Governance Statement.

13.13.7. Risk management and internal control with regard to the process of financial reporting

The accurate and consistent application of accounting rules throughout the Sequana Medical Group is assured by means of a set of control procedures. On an annual basis, a bottom-up risk analysis is conducted to identify risk factors. Action plans are defined for all key risks.

Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.

The accounting team is responsible for producing the accounting figures, whereas the controlling team checks the validity of these figures. These checks include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities.

Uniform reporting of financial information throughout the Sequana Medical Group ensures a consistent flow of information, which allows the detection of potential anomalies. The Group's financial systems and management information tools allow the central controlling team direct access to integrated financial information.

An external financial calendar is planned in consultation with the Board and the Executive Management, and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Sequana Medical Group stakeholders with the information necessary for making sound business decisions. The financial calendar can be consulted on <https://www.sequanamedical.com/investors/financial-information>.

13.14. Principal Shareholders

The Company has an international shareholder base with both large and smaller specialised shareholders focused on the healthcare and life sciences sectors, and a number of more local retail investors.

The table provides an overview of the shareholders that notified the Company of their shareholding in the Company pursuant to applicable transparency disclosure rules up to 31 December 2022.

It should be noted that the Company has received updated transparency notifications after 31 December 2022. The most recent update of principal shareholder overview, as well as the most recent transparency notifications, are available on Sequana Medical's website (<https://www.sequanamedical.com/investors/shareholder-information/>). Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of the relevant thresholds, it is possible that the information included in such transparency notifications in relation to a shareholder is no longer up-to-date.

		On a non-diluted basis
	Date of Notification	% of the voting rights attached to Shares⁽¹⁾
NeoMed IV Extension L.P. / NeoMed Innovation V L.P. / Dr. Erik Amble ⁽²⁾	14 March 2022	18.06
Partners in Equity V B.V. (3)	16 March 2022	15.31
Société Fédérale de Participations et d'Investissement SA – Federale Participatie- en Investeringsmaatschappij NV / Belfius Insurance NV/SA (4)	18 February 2020	12.70
Participatiemaatschappij Vlaanderen NV (5)	18 February 2019	9.70
LSP Health Economics Fund Management B.V. (6)	19 February 2021	9.25
Newton Biocapital I SA(7)	15 March 2022	4.64
GRAC Société Simple(8)	22 March 2022	4.25

Sensinnovat BV(9)	15 March 2022	3.79
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Notes:

- (1) The percentage of voting rights is calculated on the basis of the number of outstanding Shares at the date of the notification. On the date of this Prospectus, the share capital of the Company amounts to EUR 2,460,486.98. It is divided into 23,746,528 Shares of no nominal value, each representing the same fraction of the share capital.
- (2) A parent undertaking or a controlling person of NeoMed IV Extension L.P. ("**NeoMed IV**") and NeoMed Innovation V L.P. ("**NeoMed V**") and NeoMed Management (Jersey) Limited ("**NeoMed Management**") informed the Company, by means of a notification dated 14 March 2022, that on 10 March 2022 the aggregate shareholding of NeoMed IV and NeoMed V passively crossed below the threshold of 20% of the outstanding voting rights of the Company. Notably, it followed from the notification that an aggregate of 4,288,988 Shares, representing 18.06% of the 23,746,528 outstanding Shares and voting rights of the Company, is held through the following entities : NeoMed IV (holding 2,853,673 voting securities) and NeoMed V (holding 1,417,134 voting securities). The notification furthermore specified that NeoMed IV and NeoMed V are each a private limited company incorporated in Jersey, and are each controlled by their investment manager NeoMed Management (a private limited company incorporated in Jersey) and that NeoMed Management is controlled by Dr. Erik Amble, Claudio Nessi, Dina Chaya and Pål Jensen within the meaning of articles 1:14 and 1:16 of the Belgian Companies and Associations Code. The notification also stated that (a) NeoMed IV and NeoMed V do not own the securities of the Company but manage funds that own the voting rights attached to the securities, and (b) as general partners to their funds, NeoMed IV and NeoMed V exercise the voting rights attached to the securities at their discretion in the absence of specific instructions.
- (3) A parent undertaking or a controlling person of PiE (as defined above) and Partners in Equity III B.V. ("**PIE III**"), informed the Company, by means of a notification dated 16 March 2022, that, on 10 March 2022 PiE's shareholding crossed the threshold of 15% of the outstanding voting rights of the Company. Notably, it followed from the notification that PiE held 3,636,363 Shares, representing 15.31% of the 23,746,528 outstanding Shares and voting rights of the Company. The notification furthermore specified that PiE V is 100% owned by PiE III and that no natural or legal person has exclusive control of PiE III.
- (4) A parent undertaking or a controlling person of Société Fédérale de Participations et d'Investissement SA / Federale Participatie- en Investeringsmaatschappij NV ("**SFPI-FPIM**"), Belfius Bank NV/SA and Belfius Insurance, informed the Company, by means of a notification dated 18 February 2020, that the aggregate shareholding of SFPI-FPIM and Belfius Insurance crossed the threshold of 10% of the outstanding voting rights of the Company on 17 February 2020. Notably, it followed from the notification that an aggregate of 2,004,358 Shares, representing 12.70% of the then 15,778,566 outstanding Shares and voting rights of the Company, were held through the following entities: SFPI-FPIM (holding 1,297,234 voting securities) and Belfius Insurance (holding 707,124 voting securities). The joint notification specified furthermore that SFPI-FPIM is the parent company of Belfius Bank NV/SA (ex Dexia Banque SA), which in its turn is the parent company of Belfius Insurance. The notification also stated that SFPI-FPIM acts in its own name, but on behalf of the Belgian State and that it is owned for 100% by the Belgian State. It followed from the notification that Belfius Bank NV/SA did not own any voting securities or voting rights in the Company.
- (5) A parent undertaking or a controlling person of Participatiemaatschappij Vlaanderen NV ("**PMV**"), informed the Company, by means of a notification dated 18 February 2019 that, as a result of the completion of the initial public offering, on 11 February 2019, PMV's shareholding crossed the threshold of 5% of the outstanding voting rights of the Company. Notably, it followed from the notification that PMV held 1,223,906 Shares, representing 9.70% of the then 12,611,900 outstanding Shares and voting rights of the Company. The notification further specified that PMV is controlled by the Flemish Region within the meaning of the articles 5 and 7 of the Belgian Companies Code of 7 May 1999 and that the Flemish Region is not controlled.

- (6) A parent undertaking or a controlling person of LSP Management Group B.V. ("**LSP Management Group**") and LSP Health Economics Fund Management B.V. ("**LSP**"), informed the Company, by means of a notification dated 19 February 2021 that LSP's shareholding crossed below the threshold of 10% of the outstanding voting rights of the Company on 15 February 2021. Notably, it followed from the notification that LSP held 1,706,077 Shares, representing 9.25% of the then 18,438,435 outstanding Shares and voting rights of the Company. The notification specified furthermore that LSP is controlled by LSP Management Group within the meaning of the articles 1:14 and 1:16 of the Belgian Companies and Associations Code and that LSP Management Group is not a controlled company. The notification also stated that LSP was not an owner of the Shares of the Company, but manages the funds that own the Shares of the Company, that LSP exercises the voting rights of the Shares held by the funds as a management company, including the voting rights associated with the Company's Shares, that LSP can exercise the voting rights of the funds at its own discretion at the general meeting of shareholders of the Company, and that LSP HEF Sequana Holding B.V. is the fund that owns the shares in the Company as of the date of notification.
- (7) Newton Biocapital I SA ("**Newton Biocapital**") (acting as a person that notifies alone) informed the Company, by means of a notification dated 15 March 2022, of the passive crossing of a threshold. The notification furthermore specified that Newton Biocapital is not a controlled entity on 10 March 2022. Notably, it followed from the notification that Newton Biocapital held 1,102,529 Shares, representing 4.64% of the 23,746,528 outstanding Shares and voting rights of the Company. The notification also stated that Newton Biocapital acts as discretionary asset manager and holds the voting rights attached to the shares on behalf of its clients, which it can exercise at its own discretion without instructions from its clients.
- (8) GRAC société simple ("**GRAC**") (acting as a person that notifies alone) informed the Company, by means of a notification dated 22 March 2022, that, on 10 March 2022, the shareholding of GRAC passively crossed below the threshold of 5% of the outstanding voting rights of the Company. Notably, it followed from the notification that GRAC held 1,008,333 Shares, representing 4.25% of the 23,746,528 outstanding Shares and voting rights of the Company. The notification further specified that GRAC is not controlled by another entity or holding.
- (9) A parent undertaking or a controlling person of Sensinnovat BV ("**Sensinnovat**") informed the Company, by means of a notification dated 15 March 2022, that, on 10 March 2022 Sensinnovat's shareholding crossed the threshold of 3% of the outstanding voting rights of the Company. Notably, it followed from the notification that Sensinnovat holds 900,769 Shares, representing 3.79% of the 23,746,528 outstanding Shares and voting rights of the Company. The notification furthermore specified that Sensinnovat is jointly controlled by Rudi de Winter and Françoise Chombar via Maatschap Chione.

No other shareholders, acting alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

Copies of the abovementioned transparency notifications, are available on Sequana Medical's website (www.sequanamedical.com).

13.15. Share Capital and Shares

On 31 December 2022, the share capital of the Company amounted to EUR 2,460,486.98 and was fully paid-up. It was represented by 23,746,528 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 23,746,528th of the share capital. The Company's shares do not have a nominal value.

In addition to the outstanding shares, the total number of outstanding subscription rights amounts to 2,465,508, which entitles their holders (if exercised) to subscribe to 2,636,623 new shares with voting rights in total, namely:

- 261,895 new shares can be issued upon the exercise of 90,780 share options that are still outstanding under the "Executive Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire ca. 2.88 shares when exercising one of his or her share options (the "**Executive Share Options**"); and

- 1,071,924 new shares can be issued upon the exercise of 1,071,924 2018 share options that are still outstanding under the "2018 Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire one share when exercising one of his or her share options (the "**2018 Share Options**").
- 1,000,000 new shares can be issued upon the exercise of 1,000,000 share options (each share option having the form of a subscription right) that are still outstanding under the '2021 Share Options' plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one share option (the "2021 Share Options").
- 302,804 new shares can be issued to Bootstrap Europe S.C.SP. upon the exercise of 10 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this report) that have been issued by the extraordinary shareholders meeting of 27 May 2022 (the "Bootstrap Warrants"); and
- 161,404 new shares can be issued to Kreos Capital VII Aggregator SCSp. upon the exercise of 875,000 warrants (each warrant having the form of a subscription right) that are still outstanding (at the date of this report) that have been issued by the extraordinary shareholders meeting of 10 February 2023 (the "Kreos Subscription Rights").

On 17 July 2020, the Company entered into a subordinated loan agreement with PMV/z-Leningen ("**PMV/z**") for an aggregate principal amount of maximum EUR 4.3 million, of which a loan for a principal amount of EUR 0.8 million can be converted by PMV/z for new ordinary shares of the Company in the event of a future equity financing or sale of the Company. The conversion can be carried out by means of a contribution in kind of the respective payable due by the Company under the loan (whether as principal amount or as interest) (the "**Convertible Loan Payable**") to the share capital of the Company. In December 2021, the Company entered into an amendment agreement, thereby (i) extending the duration of such loans, (ii) increasing the interest rates retroactively, and (iii) introducing payment by instalments. Consequently, the loans have a term of 60 months and are repayable in eight equal quarterly instalments between months 36 and 60. The convertible portion of the loan granted by PMV/z bears an interest rate of 5.5% per annum. The price per share at which the Convertible Loan Payable can be converted through a contribution in kind 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 relevant equity financing or sale. PMV/z can exercise this right until 30 days as from the completion of such equity financing or sale of the Company.

13.15.1. Form and Transferability of the Shares

The shares of the Company can take the form of registered shares and dematerialized shares. All the Company's shares are fully paid-up and are freely transferable.

On 31 December 2022, all of the Company's shares have been admitted to trading on the regulated market of Euronext Brussels.

13.15.2. Currency

The Company's shares do not have a nominal value, but each reflect the same fraction of the Company's share capital, which is denominated in euro.

13.15.3. Voting Rights attached to the Shares

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described in the Company's articles of association.

Voting rights can be mainly suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled or on which more than one person has rights in rem (zakelijke rechten/droits réels) on, except in the event a single representative is appointed for the exercise of the voting right vis-à-vis the Company;
- which entitle their holder to voting rights above the threshold of 3%, 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 calendar days prior to the date of the general shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies and Associations Code, the voting rights attached to shares owned by the Company, or a person acting in its own name but on behalf of the Company, or acquired by a subsidiary of the Company, as the case may be, are suspended.

Generally, the general shareholders' meeting has sole authority with respect to:

- the approval of the annual financial statements of the Company;
- the distribution of profits (except interim dividends);
- the appointment (at the proposal of the board of directors and upon recommendation by the remuneration and nomination committee) and dismissal of directors of the Company;
- the appointment (at the proposal of the board of directors and upon recommendation by the audit committee) and dismissal of the statutory auditor of the Company;
- the granting of release from liability to the directors and the statutory auditor of the Company;
- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate;
- the advisory vote on the remuneration report included in the annual report of the Board of Directors, the binding vote on the remuneration policy (which was approved for the first time by the general shareholders' meeting held on 27 May 2021, and was amended by the general shareholders' meetings held on 27 May 2022 and 10 February 2023), and subsequently upon every material change to the remuneration policy and in any case at least every four years, and the determination of the following features of the remuneration or compensation of directors, members of the executive management and certain other executives (as the case may be): (i) in relation to the remuneration of executive and non-executive directors, members of the executive management and other executives, an exemption from the rule that share based awards can only vest after a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, members of the executive management and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, (iii) in relation to the remuneration of non-executive

directors, any variable part of the remuneration (provided, however that no variable remuneration can be granted to independent non-executive directors), and (iv) any service agreements to be entered into with executive directors, members of the executive management and other executives providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen (18) months' remuneration);

- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganisations of the Company; and
- the approval of amendments to the articles of association.

13.15.4. Dividends and Dividend Policy

All of the shares of the Company entitle the holder thereof to an equal right to participate in dividends (if any) in respect of the financial year ending 31 December 2022 and future years. All of the shares participate equally in the Company's profits (if any). Pursuant to the Belgian Companies and Associations Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with Belgian GAAP and based on a (non-binding) proposal of the Company's Board of Directors. In accordance with Belgian law, the right to collect dividends declared on shares expires five years after the date the board of directors has declared the dividend payable, whereupon the Company is no longer under an obligation to pay such dividends. The Belgian Companies and Associations Code and the Company's articles of association also authorise the board of directors to declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions.

The Company has never declared or paid any cash dividends on its shares. The Company does not anticipate paying cash dividends on its equity securities in the foreseeable future and intends to retain all available funds and any future earnings for use in the operation and expansion of its business.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's stand-alone statutory accounts prepared in accordance with Belgian GAAP. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (*i.e.* summarised, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), decreased with, except in exceptional cases, to be disclosed and justified in the notes to the annual accounts, the non-amortised costs of incorporation and extension and the non-amortised costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves.

In addition, pursuant to Belgian law and the Company's articles of association, the Company must allocate an amount of 5% of its Belgian GAAP annual net profit (*nettowinst/bénéfices nets*) to a legal reserve in its stand-alone statutory accounts, until the legal reserve amounts to 10% of the Company's share capital. The Company's legal reserve currently does not meet this requirement. Accordingly, 5% of its Belgian GAAP annual net profit during future years will need to be allocated to the legal reserve, limiting the Company's ability to pay out dividends to its shareholders.

Furthermore, the aforementioned loan agreements entered into with PMV/z in July 2020 and amended in December 2021, also include restrictive covenants, which may limit the Company's ability (and require PMV/z's prior consent) to make distributions by way of dividends or otherwise and this so long as any monies or obligations, actual or contingent, are outstanding under the aforementioned loan agreements. Under the loan facility agreement entered into with Kreos Capital VII (UK) Limited on 19 July 2022, no distributions by way of dividend can be declared or made without consent

of Kreos Capital VII (UK) Limited (other than the payment of a dividend to the Company by any of its directly or indirectly wholly owned subsidiaries)

Additional financial restrictions and other limitations may be contained in future credit agreements.

13.16. Information that has an impact in case of public takeover bids

The Company provides the following information in accordance with Article 34 of the Belgian Royal Decree dated 14 November 2007:

- (i) The share capital (at the date of this report) of the Company amounts to EUR 2,460,487 and is fully paid-up. It is represented by 23,746,528 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 23,746,528th of the share capital. The Company's shares do not have a nominal value.
- (ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings and the Company's articles of association, there are no restrictions on the transfer of shares.
- (iii) There are no holders of any shares with special control rights.
- (iv) There are no share option plans for employees other than the share option plans disclosed elsewhere in this report. These share option plans contain provisions on accelerated vesting in case of change of control.
- (v) Each shareholder of the Company is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.
- (vi) There are no agreements between shareholders which are known by the Company that may result in restrictions on the transfer of securities and/or the exercise of voting rights, except transfer restrictions in relation to shares issuable upon exercise of the Executive Share Options, the 2018 Share Options and the 2021 Share Options (see also section 14.7 of the Remuneration Report).
- (vii) The rules governing appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and the Company's Corporate Governance Charter.
- (viii) The powers of the Board of Directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The Board of Directors was not granted the authorization to purchase its own shares "*to avoid imminent and serious danger to the Company*" (i.e., to defend against public takeover bids). The Company's articles of association do not provide for any other specific protective mechanisms against public takeover bids.
- (ix) At the date of this report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:
 - the employment agreement between the Company and Ian Crosbie (Chief Executive Officer) contains takeover provisions. Agreements concluded between the Company and certain of its employees also provide for compensation in the event of a change of control;
 - the loan agreements entered into with PMV/z, Sensinnovat and Belfius Insurance in July 2020 and amended in December 2021, contain change of control provisions.

- The Kreos Loan Agreement contains a change of control clause, which has been approved by the shareholders on the extraordinary general meeting held on 10 February 2023.
 - the 'Warrant Agreement', dated 2 September 2016, that was entered into between the Company and Bootstrap, and that has been amended and supplemented by an amendment agreement dated 28 April 2017, a second amendment agreement dated 1 October 2018, an amendment letter dated 20 December 2018, and an agreement dated 1 September 2021 (the "Former Bootstrap Warrant"), also contains take-over provisions. The extraordinary general shareholders' meeting held on 27 May 2022 resolved to renew the Former Bootstrap Warrant through the issuance of ten new warrants represented by ten separate subscription rights (the "Bootstrap Warrants"), including the take-over provisions.
 - In addition, the Company's subscription rights plans provide for an accelerated vesting of the subscription rights in case of a change of control event. These plans are described in more detail in the Remuneration Report below.
- (x) The employment agreement with the Chief Executive Officer provides that if within six months after the completion of an "Exit Transaction" the Chief Executive Officer is (i) no longer the Chief Executive Officer of the Company, or (ii) required to change his current work pattern (the events in (i) and (ii) shall be an "Enforced Redundancy"), the Chief Executive Officer shall be entitled to resign and shall no longer be required to work or perform until the end of the four months' notice period. The term "Exit Transaction" has been defined as (i) a transfer of more than 50% of the Company's shares or more than 50% of the voting rights to a third party or a group of persons exercising joint control in one or a series of related transactions to a propose acquirer who wishes to acquire a controlling majority of the shares, voting rights or assets pursuant to a bona fide purchase offer, (ii) the sale, lease, transfer, license or other disposition of all or substantially all of the Company's assets, or (iii) the consolidation or merger of the Company in which the Company is not the surviving entity or any other event pursuant to which the shareholders of the Company will have less than 50% plus one share of the voting power and/or of the shares of the surviving or acquiring company. In the event of an Enforced Redundancy, the Chief Executive Officer will be entitled to a pro rata bonus. In the event of an Enforced Redundancy, the Chief Executive Officer may also, at his sole discretion, elect to terminate the employment agreement with immediate effect and the Company shall then be required to make a payment in lieu of a notice equivalent to the basic salary only (but not the other benefits) to which the Chief Executive Officer would have been entitled. Furthermore, the agreements concluded between the Company and a few of its employees provide for compensation in the event of a change of control.

In addition, the Company's share-based plans also contain takeover protection provisions.

No takeover bid has been instigated by third parties in respect of the Company's equity during the current financial year.

13.17. Diversity & Inclusiveness

Due to the fact that the Company has only been listed for four years, no diversity policy has been introduced yet.

Although the Company does not have a diversity policy on the date of this report, it intends to put this in place in order to remain and foster a gender diversity amongst its board members in accordance with Article 7:86 of the Belgian Companies and Associations Code.

The Company will also ensure that a diversity policy will exist for the members of the management committee, the other leaders and the individuals responsible for the daily management of the Company.

14 REMUNERATION REPORT

14.1. Introduction

The Company has prepared this remuneration report relating to the remuneration of directors and the executive management of the Company. This remuneration report is part of the Corporate Governance Statement, which is part of the Company's annual report of the board of directors on the statutory accounts for the financial year ended on 31 December 2022 (dated 21 April 2023) in accordance with Article 3:6, §3 of the Belgian Companies and Associations Code of 23 March 2019 (as amended) (the "**Belgian Companies and Associations Code**"). The remuneration report will be submitted to the annual general shareholders' meeting on 25 May 2023 for approval.

14.2. Remuneration policy

On 16 May 2020 the new article 7:89/1 of the Belgian Companies and Associations Code, which provides that listed companies must establish a remuneration policy with respect to directors, other officers and delegates for day-to-day management, entered into force. This article details the objectives of, as well as the information that needs to be included in, the remuneration policy. The remuneration policy must be approved by a binding vote of the general shareholders' meeting and must be submitted to the general shareholders' meeting for approval whenever there is a material change and in any case at least every four years. In view hereof, in accordance with article 7:89/1 of the Belgian Companies and Associations Code, the nomination and remuneration committee prepared a remuneration policy which (most recent version) has been approved by the shareholders at the extraordinary general meeting held on 10 February 2023. The aforementioned remuneration policy can be consulted on the Company's website through the following link: <https://www.sequanamedical.com/wp-content/uploads/2022/06/Remuneration-Policy-ENG-post-AGM-2022.pdf>.

No significant change to the remuneration policy is envisaged for the following accounting years. However, the Company will continuously review the remuneration of directors and members of the executive management against market practice.

14.3. Directors

14.3.1. General

Upon recommendation and proposal of the remuneration and nomination committee, the board of directors determines the remuneration of the directors to be proposed to the general shareholders' meeting.

Pursuant to the provisions of the Belgian Code on Companies and Associations, the general shareholders' meeting approves the remuneration of the directors, including inter alia, each time as relevant:

- (i) in relation to the remuneration of executive and non-executive directors, the exemption from the rule that share-based awards can only vest after a period of at least three years as of the grant of the awards;
- (ii) in relation to the remuneration of executive directors, the exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years;

- (iii) in relation to the remuneration of non-executive directors, any variable part of the remuneration (provided, however, that no variable remuneration can be granted to independent non-executive directors); and
- (iv) any service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen months' remuneration).

The general shareholders' meeting of the Company has not approved any of the matters referred to in paragraphs (i) to (iv) with respect to the remuneration of the directors of the Company on the date of this report, except for the following matters:

- The general shareholders' meeting approved that share options issued pursuant to the Company's existing share option plans (for further information, see section 3.6. of this Remuneration Report) can, under certain conditions, vest earlier than three years as of their grant, as referred to in paragraph (i) above. Notably, pursuant to the Company's articles of association, the board of directors is explicitly authorised to deviate from the rule of Article 7:91 of the Belgian Companies and Associations Code in connection with share-based incentive plans, compensation, awards or issues to employees, directors and service providers of the Company and/or its subsidiaries. The Company is of the opinion that this allows for more flexibility when structuring share-based awards. For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice.
- The general shareholders' meeting approved that the existing share options under the respective existing share option plans will not qualify as variable remuneration nor as annual remuneration for the purpose of the application of the rule set out in paragraph (ii) above under the former Belgian Companies Code of 7 May 1999.

The remuneration and compensation of the non-executive directors for the current financial year, which has been determined by the general shareholders' meeting, is as follows:

- Annual fixed fees:
 - The chair of the board of directors receives an annual fixed fee of €60,000.
 - The chair of the audit committee receives an annual fixed fee of €15,000.
 - The chair of the remuneration and nomination committee receives an annual fixed fee of €15,000.
 - Until 1 July 2022, the non-executive independent directors received an annual fixed fee of €25,000. Since 1 July, 2022, the non-executive independent directors (other than the chair of the board of directors) are entitled to an annual fixed fee of €34,000, plus €1,750 per meeting of the board of directors attended in person (pro rata temporis). The change has been approved by the extraordinary shareholders' meeting held on 10 February 2023.
 - Until 1 July 2022, the members of the audit committee and the remuneration and nomination committee (other than the chair of such committees) received an additional annual fixed fee of €10,000. Since 1 July 2022, members of the audit committee and the remuneration and nomination committee (other than the chair of such committees) are entitled to an additional annual fixed fee of €11,500 (pro rata temporis). The change has been approved by the extraordinary general shareholders' meeting held on 10 February 2023.

- The aforementioned remuneration of the non-executive directors can be reduced pro rata temporis depending on the duration of the director's mandate, the mandate of chair or the membership of a committee during a given year. All amounts are exclusive of VAT and similar charges.
- Share based awards: Each non-executive independent director is in principle entitled to receive so-called "restricted share units" or "RSUs", which provide for a remuneration in the form of new shares whereby the relevant directors will have an obligation to subscribe for such shares at a value of EUR 0.11 per share (independent of the value of the share at that time). One restricted share unit or RSU represents the obligation of the relevant non-executive independent director to subscribe for one new share of the Company.

The issue of RSUs is designed to align the remuneration policy of the Company in respect of non-executive independent directors with provision 7.6 of the 2020 Code. In accordance with provision 7.6 of the 2020 Code, non-executive directors should receive a part of their remuneration in the form of shares of the Company. The Company has however no distributable reserves and therefore does not meet the legal requirements to effect a share buy-back. As a result, the Company does not have any treasury shares and is unable to grant existing shares to non-executive directors as part of their remuneration. It should be noted that the RSUs are not entirely equivalent to a share (no voting rights, no preferential subscription rights or other membership rights), but, in the opinion of the Company, the RSUs meet the objectives provided for in provision 7.6 of the 2020 Code.

Pursuant to article 7:91 of the BCAC and provisions 7.6 and 7.11 of the 2020 Code, shares or options on shares should not vest and be exercisable within three years as of the grant thereof. The Board has been explicitly authorised in the Articles of Association to deviate from this rule. As indicated above, the proposed RSUs will vest on a yearly basis. Furthermore, while provision 7.6 of the 2020 Code also states that shares should be held until at least one year after the non-executive board member leaves the board, the RSUs and underlying shares are not subject to this restriction. The Company is of the opinion that the deviation from the aforementioned rules and principles allows for more flexibility when structuring share-based awards, in line with changing practices. The Company believes that the RSU plan provides for sufficient orientation of the beneficiaries to the creation of long-term value for the Company.

Ultimately, the ability to remunerate non-executive independent directors with RSUs allows the Company to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned global experts with the most relevant skills, knowledge and expertise. The Company is of the opinion that granting non-executive independent directors the opportunity to be remunerated in part in share-based incentives rather than all in cash enables the non-executive directors to link their effective remuneration to the performance of the Company and to strengthen the alignment of their interests with the interests of the Company's shareholders. The Company believes that this is in the interest of the Company and its stakeholders. Furthermore, the Company believes that this is customary for directors active in companies in the life sciences industry.

As mentioned, a revised (stand-alone) remuneration policy (which includes the ability to remunerate non-executive independent directors with RSUs) has been approved on the extraordinary general shareholders' meeting of the Company held on 10 February 2023 in order to align the current remuneration policy of the Company with the requirements of Article 7:89/1 of the Belgian Companies and Associations Code.

The Company also reimburses reasonable out of pocket expenses of directors (including travel and accommodation expenses) incurred in performing the activity of director. Without prejudice to the powers granted by law to the general

shareholders' meeting, the Board of Directors sets and revises the rules for reimbursement of directors' business-related out of pocket expenses.

There are currently no plans to change the remuneration of members of the Board of Directors. However, the Company will continuously review the remuneration of members of the Board of Directors against market practice.

The directors who are also a member of the Executive Management are remunerated for the Executive Management mandate, but not for their director mandate.

14.3.2. Remuneration and compensation in 2022

During 2022, the non-executive directors were entitled to the following compensation, based on the approved fees in 14.3.1.

	Gross amount (in €)	Share options awarded
Pierre Chauvineau	70,750	-
Wim Ottevaere (WIOT BV)	55,500	-
Jackie Fielding(1)	43,750	-
Doug Kohrs	20,037	-
Alexandra Clyde	18,331	-

(1) The amounts are prorated to the term that the director is part of a committee.

No remuneration, compensation or other benefits were paid to the other directors of the Company, other than the reimbursement of (non-material) travel and hotel expenses incurred by the directors in connection with their attendance of meetings of the board of directors.

14.4. Executive Management

14.4.1. General

The remuneration of the chief executive officer and the other member of the executive management is based on recommendations made by the remuneration and nomination committee. The chief executive officer participates in the meetings of the remuneration and nomination committee in an advisory capacity each time the remuneration of another member of the executive management is being discussed.

The remuneration is determined by the board of directors. As an exception to the foregoing rule, Belgian law provides that the general shareholders' meeting must approve, as relevant:

- (i) in relation to the remuneration of members of the executive management and other executives, an exemption from the rule that share-based awards can only vest after a period of at least three years as of the grant of the awards;
- (ii) in relation to the remuneration of members of the executive management and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years; and

- (iii) any service agreements to be entered into with members of the executive management and other executives (as the case may be) providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen months' remuneration).

Notwithstanding point (i) above, the Company's board of directors has been explicitly authorised in the Company's articles of association to deviate from the rule set out in Article 7:91 of the Belgian Companies and Associations Code in connection with share-based incentive plans, compensations, awards and issuances to employees, directors and service providers of the Company and/or its subsidiaries. The Company believes that this allows for more flexibility when structuring share-based awards.

In relation to point (ii) above, under the former Belgian Companies Code of 7 May 1999, the Company took the view that share options generally do not qualify as variable remuneration nor as annual remuneration for the purpose of the application of the rule set out in point (ii) above. This has been approved by the Company's general shareholders' meeting with respect to share-based awards that are outstanding on the date of this report. The general shareholders' meeting also approved that the variable remuneration of the members of the executive management could deviate from the principle described in point (ii) above.

An appropriate proportion of the remuneration package should be structured so as to link rewards to corporate and individual performance, thereby aligning the interest of the executive management with the interests of the Company and its shareholders. The chief executive officer will determine whether the targets for the variable remuneration of the members of the executive management, as set by the board of directors, are met. In the past, approval by the general shareholders' meeting has been obtained in relation to the share plans.

The remuneration of the executive management currently consists of the following main remuneration components:

- annual base salary/fee (fixed);
- participation in share option plans;
- a performance bonus in cash; and
- other (fringe) benefits in whatever form (such as contribution for pension plan, insurance plan, car lease, transport allowance or medical plan).

The members of the executive management have a variable remuneration (*i.e.* remuneration linked to performance criteria) amounting to up to 50% of the base salary/fee for on target performance. The remuneration is closely linked to performance. Bonuses, if any, are linked to identifiable objectives and to special projects and are set and measured on a calendar-year basis. The performance objectives of the executive management members are primarily evaluated with regard to the following criteria: (i) respect of the Board-approved annual budget, and (ii) meeting measurable operational targets. The various objectives and their weighting may differ for the individual managers. The nomination and remuneration committee of the board of directors meets annually to review the performance of the managers, to compare the actual measurable results to the objectives that were pre-defined by the committee, and to establish the measurable objectives for the ensuing calendar year. This policy contributes to aligning the interests of the members of the executive management with those of the Company, amongst other things, by involving them in the risks and prospects of its activities in a long-term perspective. Their remuneration contributes to the Company's long-term performance.

The Chief Executive Officer is entitled to pension benefits. The contributions by the Company to the pension scheme amount to 5% of the annual salary.

The Chief Financial Officer is not entitled to pension benefits.

The members of the Executive Management are also reimbursed for certain costs and expenses made in the performance of their function.

There are currently no plans to change the remuneration of members of the Executive Management. However, the Company will continuously review the remuneration of members of the Executive Management against market practice.

14.4.2. Remuneration and compensation in 2022

In 2022, the following remuneration, compensation and other benefits were paid to the two members of the executive management. All amounts included in the table are gross amounts.

	Chief executive officer (€)		Other member of the executive management (€)	
	Amount (1)	%	Amount (5)	%
Annual base salary	299,029	65%	291,312	82%
Pension plan(2)	14,658	3%	N/A	N/A
Insurance plan(3)	1,179	0%	N/A	N/A
Car lease/transport allowance	11,258	2%	N/A	N/A
Medical plan.....	5,548	1%	N/A	N/A
Bonus plan(4)	131,925	28%	62,832	18%
Total	463,597	100%	354,144	100%

Notes:

(1) The amount is paid in GBP to the CEO. The conversion applied to EUR is performed on the average GBP/EUR rate of 2022 of the ECB.

(2) The pension plan amounts to 5% of the annual base salary of the CEO.

(3) The Company pays a life insurance plan for the CEO.

(4) The bonus has been paid in cash

(5) Acting as permanent representative of Fin-2K BV

In 2022, the Board of Directors has decided to establish the Company's performance at 66,67% (reflecting the level of achievement of the Company's 2021 objectives based on the progress made in our clinical programs and the financial performance). In function thereof, variable remuneration (in the form of a cash bonus) has been paid out in the course of 2022 to the members of the Executive Management.

In 2022, the members of the Executive Management were also reimbursed for certain costs and expenses made in the performance of their function, more specifically for an aggregate amount of EUR 84,181.

14.4.3. Annual evolution in remuneration, performance and average annual remuneration of employees

Evolution of the remuneration of the directors and executive managers on a full-time equivalent basis

	2018		2019		2020		2021		2022	
	EUR	% vs prior year	EUR	% vs prior year						
Directors and executive managers	586,794	39%	834,090	42%	901,035	8%	919,714	2%	1,026,109	12%

Note:

- No remuneration was in place for the non-executive directors prior to the Company's IPO of 2019.

- The remuneration is partially dependent on the fluctuation of the exchange rate of GBP/EUR.

Evolution of the average remuneration on a full-time equivalent basis of employees other than directors and members of the executive management

	2018		2019		2020		2021		2022	
	EUR	% vs prior year								
Employees	114,071	-5%	109,695	-4%	109,886	0%	112,481	2%	117,388	4%

Note:

- The average remuneration on a full-time basis of 2018 is less comparable to 2019 and onwards as this was prior to the transfer to Belgium and the subsequent IPO (February 2019).
- In 2019 and onwards, some key positions are fulfilled by persons working via a consulting agreement, who are not included in the above average remuneration of employees.
- The remuneration is dependent on the fluctuation of the exchange rate of GBP/EUR and CHF/EUR.

Evolution of the performance of the Company

Performance Criteria	2018		2019		2020		2021		2022	
	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year
Net loss for the period	-13,983,224	70%	- 14,977,445	7%	-19,106,205	28%	-23,615,081	24%	-30,763,083	30%
Total Equity	-18,759,747	307%	925,932	-105%	112,761	-88%	-786,919	-798%	-2,153,252	174%
Paid dividends	0	0	0	0	0	0	0	0	0	0
Market capitalisation at 31 December	NA	NA	78,950,494	NA	186,305,079	136%	140,442,710	-25%	142,479,168	1%

Ratio between the highest and the lowest remuneration

The ratio between the highest and lowest remuneration in 2022 was equal to 10 in the European Union and 7 outside the European Union.

14.4.4. Claw-back right relating to variable remuneration

In accordance with provision 7.12 of the Belgian Corporate Governance Code, the board of directors should include provisions in the contracts of the members of the executive management that would enable the Company to recover variable remuneration paid, or withhold the payment of variable remuneration, and specify the circumstances in which it would be appropriate to do so, insofar as enforceable by law. There are currently no contractual provisions in place between the Company and the chief executive officer or the other member of the executive management that give the Company a contractual right to reclaim from said executives any variable remuneration that would be awarded. The board of directors does not consider that it is necessary to apply claw-back provisions as (x) the pay-out of the variable remuneration, based on the achievement of corporate targets as set by the board of directors, is paid only upon achievement of those corporate targets, and (y) the Company does not apply any other performance based remuneration or variable compensation. Furthermore, the share option plans do contain bad leaver provisions that can result in the share options, whether vested or not, automatically and immediately becoming null and void. Notwithstanding the Company's position that share options are not to be qualified as variable remuneration, the board of directors is of the opinion that such bad leaver provisions sufficiently protect the Company's interests and that it is therefore currently not necessary to provide for additional contractual provisions that give the Company a contractual right to reclaim any (variable) remuneration from the members of the executive management.

14.4.5. Payments upon termination

The employment agreement with the chief executive officer provides that the agreement can be terminated by either

the Company or the chief executive officer subject to four months' notice. If within six months after the completion of an "Exit Transaction" the chief executive officer is (i) no longer the chief executive officer of the Company, or (ii) required to change his current work pattern (the events in (i) and (ii) shall be an "Enforced Redundancy"), the chief executive officer shall be entitled to resign and shall no longer be required to work or perform until the end of the four months' notice period. The term "Exit Transaction" has been defined as (i) a transfer of more than 50% of the Company's shares or more than 50% of the voting rights to a third party or a group of persons exercising joint control in one or a series of related transactions to a propose acquirer who wishes to acquire a controlling majority of the shares, voting rights or assets pursuant to a bona fide purchase offer, (ii) the sale, lease, transfer, license or other disposition of all or substantially all of the Company's assets, or (iii) the consolidation or merger of the Company in which the Company is not the surviving entity or any other event pursuant to which the shareholders of the Company will have less than 50% plus one share of the voting power and/or of the shares of the surviving or acquiring company. In the event of an Enforced Redundancy, the chief executive officer will be entitled to a pro rata bonus. In the event of an Enforced Redundancy, the chief executive officer may also, at his sole discretion, elect to terminate the employment agreement with immediate effect and the Company shall then be required to make a payment in lieu of a notice equivalent to the basic salary only (but not the other benefits) to which the chief executive officer would have been entitled. The employment agreement also provides for a number of instances in which the agreement can be immediately terminated by the Company, including for cause.

The services agreement with the chief financial officer of the Company provides that it has been entered into for an unlimited term, and that it may be terminated in mutual agreement by the Company and the chief executive officer at any time. In case of termination of the agreement by the Company, the chief financial officer is entitled to three months' notice or to the payment of a quarter of the annual compensation in lieu of notice, or the payment of a pro rata part of one quarter of the fixed annual compensation in lieu of part of the notice. The agreement may be terminated by the chief executive officer subject to a notice period of three months. The agreement may be terminated by either the Company or the chief executive officer with immediate effect and without notice period (or, in case of termination by the Company, without notice period or indemnity) in case of wilful or serious breach or violation by a party of any of its covenants, obligations or duties under the agreement, or any wilful or serious neglect of or refusal to perform any of such covenants, obligations or duties.

14.5. Indemnification and Insurance of Directors and Executive Management

As permitted by the Company's articles of association, the Company has entered into indemnification arrangements with the directors and relevant members of the executive management and has implemented directors' and officers' insurance coverage in order to cover liability they may incur in the exercise of their mandates.

14.6. Description of share option plans

The Company, as per 31 December 2022, has a number of outstanding options that are exercisable into ordinary shares, consisting of:

- 261,895 new shares can be issued upon the exercise of 90,780 share options (each share option having the form of a subscription right) that are still outstanding under the "Executive Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire ca. 2.88 shares when exercising one of his or her share options (the 'Executive Share Options'); and
- 1,071,924 new shares can be issued upon the exercise of 1,071,924 2018 Share Options (each share option having the form of a subscription right) that are still outstanding under the "2018 Share Options" plan for

directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one of his or her share options (the '2018 Share Options').

- 1,000,000 new shares can be issued upon the exercise of 1,000,000 share options (each share option having the form of a subscription right) that are still outstanding under the '2021 Share Options' plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new share when exercising one share option (the "2021 Share Options").

The table below provides an overview of the number of shares which each member of the Executive Management is entitled to acquire upon exercise of the outstanding and granted Executive Share Options, 2018 Share Options and 2021 Share Options that are held by him or her on 31 December 2021.

Name	Number of Shares issuable		
	Executive Share Options	2018 Share Options	2021 Share Options
Ian Crosbie	216,442	135,809	5,030
Kirsten Van Bockstaele ⁽¹⁾	6,226	70,419	-

Notes:

- (1) Acting as permanent representative of Fin-2K BV.

In financial year 2022, 66,644 share options lapsed as a result of the termination of a number of employment contracts.

14.7. Terms and conditions of the share option plans.

The key features of the Executive Share Options can be summarised as follows:

- The Executive Share Options could be granted to the employees, consultants and directors of the Company or its subsidiaries.
- The Executive Share Options are in registered form.
- The Executive Share Options are in principle non-transferable, and the holders of the Executive Share Options are not permitted to transfer the Executive Share Options nor the underlying Shares issuable upon exercise of the Executive Share Options for a period of two years as from the initial public offering of the Company's shares, except as provided otherwise in the grant agreement or by the board of directors, and except in case of death of the beneficiary and in the context of inheritance planning by the beneficiary. In case of death, only Executive Share Options that have vested prior to the time of death can be transferred.
- Each holder of an Executive Share Option will be entitled to subscribe to ca. 2.88 ordinary shares when exercising one of his or her share option. The exercise price of the Executive Share Options shall be determined by the board of directors of the Company, taking into account applicable laws.

- If an Executive Share Option which is not exercisable or which cannot be exercised pursuant to the issuance conditions (as determined in the Executive Share Option Plan or in the relevant Sub-Plan and/or Share Option Agreement) becomes prematurely exercisable on the basis of the provisions of Article 7:71 of the Belgian Companies and Associations Code (or any other provision having the same purport) and is also exercised pursuant to said provision, the shares obtained by exercising the Executive Share Options shall not be transferable, unless explicitly agreed upon by the board of directors of the Company, until the time the underlying Executive Share Options would have become exercisable in accordance with the Executive Share Option Plan and the relevant sub-plan or share option agreement.
- Pursuant to Belgian company law, the Executive Share Options have a maximum term of 10 years as of their issuance.
- All Executive Share Options have vested on the date of this report.
- The Executive Share Options of beneficiaries of whom the employment agreement, consultancy agreement or directorship with the Company is terminated for serious cause, breach of contract or breach of director responsibilities, shall automatically and immediately lapse and become null and void.
- The terms of the Share options are governed by the laws of Belgium.

The key features of the 2018 Share Options can be summarised as follows:

- The 2018 Share Options are subscription rights in registered form.
- The 2018 Share Options are in principle non-transferable, except as provided otherwise in the grant agreement or by the board of directors, and except in case of death of the beneficiary and in the context of inheritance planning by the beneficiary. In case of death, only 2018 Share Options that have vested prior to the time of death can be transferred.
- Each 2018 Share Option can be exercised for one new ordinary share.
- If a 2018 Share Option which is not exercisable or which cannot be exercised pursuant to the issuance conditions (as determined in the 2018 Share Option Plan or in the relevant sub-plan and/or share option agreement) becomes prematurely exercisable on the basis of the provisions of Article 7:71 of the Belgian Companies and Associations Code (or any other provision having the same purport) and is also exercised pursuant to said provision, the shares obtained by exercising the 2018 Share Options shall not be transferable, unless explicitly agreed upon by the board of directors, until the time the underlying 2018 Share Options would have become exercisable in accordance with the 2018 Share Option Plan, the relevant sub-plan or share option agreement.
- The exercise price of the 2018 Share Options shall be determined by the board of directors of the Company, taking into account applicable laws.
- The 2018 Share Options are granted for free, *i.e.* no consideration is due upon the grant of the 2018 Share Options, unless the grant agreement provides otherwise.
- Pursuant to Belgian company law, the 2018 Share Options have a maximum term of 10 years as of their issuance.

- Unless stipulated otherwise in the grant agreement, one third of the 2018 Share Options granted to a beneficiary shall vest one year after the date of grant, the remaining two thirds will vest in 8 equal instalments, whereby on each first calendar day of the 8 quarters following first anniversary of the date of grant falls, 1/8 of the total number of unvested 2018 Share Options granted to a beneficiary shall vest. However, unless determined otherwise in the grant agreement or by the board of directors, there is accelerated vesting of the 2018 Share Options in the event of a sale or other transfer of at least 50% of all of the then outstanding shares of the Company, whereby an (internal) reorganisation in which the Shares of the Company would be transferred to a person in which the then existing shareholders of the Company were to hold shares or other interest in a similar proportion as the proportion held by each of them in the Company will not result in accelerated vesting. Notwithstanding the foregoing, the board of directors can at all times decide to accelerate the vesting of (all or part of) the 2018 Share Options and determine the conditions of such accelerated vesting.
- The 2018 Share Options, whether vested or not, of beneficiaries of whom the employment agreement, consultancy agreement or directorship with the Company is terminated for serious cause, breach of contract or breach of director responsibilities, shall automatically and immediately lapse and become null and void.
- The 2018 Share Option Plan is governed by the laws of Belgium.

The key features of the 2021 Share Options can be summarised as follows:

- The 2021 Share Options are subscription rights in registered form.
- The 2021 Share Options are in principle non-transferable, except as provided otherwise in the grant agreement or by the Board of Directors, and except in case of death of the beneficiary and in the context of inheritance planning by the beneficiary. In case of death, only 2021 Share Options that have vested prior to the time of death can be transferred.
- Each 2021 Share Option can be exercised for one new ordinary share.
- If a 2021 Share Option which is not exercisable or which cannot be exercised pursuant to the issuance conditions (as determined in the 2021 Share Option Plan or in the relevant sub-plan and/or share option agreement) becomes prematurely exercisable on the basis of the provisions of Article 7:71 of the Belgian Companies and Associations Code (or any other provision having the same purport) and is also exercised pursuant to said provision, the shares obtained by exercising the 2021 Share Options shall not be transferable, unless explicitly agreed upon by the Board of Directors, until the time the underlying 2021 Share Options would have become exercisable in accordance with the 2021 Share Option Plan, the relevant sub-plan or share option agreement.
- The exercise price of the 2021 Share Options shall be determined by the Board of Directors of the Company, taking into account applicable laws.
- The 2021 Share Options are granted for free, *i.e.* no consideration is due upon the grant of the 2021 Share Options, unless the grant agreement provides otherwise.
- Pursuant to Belgian company law, the 2021 Share Options have a maximum term of 10 years as of their issuance.
- Unless stipulated otherwise in the grant agreement, one third of the 2021 Share Options granted to a beneficiary shall vest one year after the date of grant, the remaining two thirds will vest in 8 equal

instalments, whereby on each first calendar day of the 8 quarters following first anniversary of the date of grant falls, 1/8 of the total number of unvested 2021 Share Options granted to a beneficiary shall vest. However, unless determined otherwise in the grant agreement or by the Board of Directors, there is accelerated vesting of the 2021 Share Options in the event of a sale or other transfer of at least 50% of all of the then outstanding shares of the Company, whereby an (internal) reorganisation in which the Shares of the Company would be transferred to a person in which the then existing shareholders of the Company were to hold shares or other interest in a similar proportion as the proportion held by each of them in the Company will not result in accelerated vesting. Notwithstanding the foregoing, the Board of Directors can at all times decide to accelerate the vesting of (all or part of) the 2021 Share Options and determine the conditions of such accelerated vesting.

- The 2021 Share Options, whether vested or not, of beneficiaries of whom the employment agreement, consultancy agreement or directorship with the Company is terminated for serious cause, breach of contract or breach of director responsibilities, shall automatically and immediately lapse and become null and void.
- The 2021 Share Option Plan is governed by the laws of Belgium.

14.8. Shareholding and Share Options

As per 31 December 2022, with the exception of Mr Wim Ottevaere, who holds 21,000 shares of the Company and Pierre Chauvineau, who holds 7,664 shares of the Company, none of the directors of the Company hold shares. However, in 2019 (before the entry into force of the Belgian Companies and Associations Code), 2018 Share Options have been granted to non-executive directors Mr Wim Ottevaere (10,192) and Mr Pierre Chauvineau (10,192). No share options were granted to non-executive directors since 2020.

Furthermore, none of the members of the executive management of the Company hold shares. However, share options have been granted to both members of executive management. Please see above in the section "Description of share option plans".

15 Discharge board of directors

In accordance with the law and the articles of association, the shareholders' meeting shall be requested to approve the statutory financial statements as submitted and to release the directors from liability for the performance of their duties in the course of the financial year ended December 31, 2022.

16 Discharge auditor

In accordance with the law and the articles of association, the shareholders' meeting shall be requested to approve the statutory financial statements as submitted and to release the auditor from liability for the performance of their duties in the course of the financial year ended December 31, 2022.

17 Branches

The Company has a branch located in Switzerland, 8005 Zürich, Technoparkstrasse 1.

This report will be deposited according to the legal requirements and can be consulted at the Company's address.

The shareholders' meeting shall be requested to approve the statutory financial statements as submitted

and to release the directors and auditor from liability for the performance of their duties in the course of the financial year ended December 31, 2022 and to determine the result allocation as disclosed in the statutory annual accounts for the year ended 31 December 2022.

21 April 2023

On behalf of the board of directors,

By: _____
Pierre Chauvineau
Director

By: _____
Ian Crosbie
Director