sequanamedical

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2023

Contents

1. Statement of the Board of Directors

The Board of Directors of Sequana Medical NV certifies in the name and on behalf of Sequana Medical NV, that to the best of their knowledge the Condensed Consolidated Financial Statements, for the six-month period ended 30 June 2023, which has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union, (a) give a true and fair view of the assets, liabilities, financial position and results of Sequana Medical NV and of the entities included in the consolidation, (b) include a fair view of the important events that have occurred during the first six months of the financial year, (c) as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

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

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

2. Statutory auditor's report on review of the Consolidated Condensed Financial Statements for the six-month period ended 30 June 2023

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Sequana Medical NV and its subsidiaries (the "Group") as of 30 June 2023 and the related condensed consolidated income statement and condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Material uncertainty related to going concern

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

Antwerp, 13 September 2023

The statutory auditor

PwC Reviseurs d’Entreprises SRL / Bedrijfsrevisoren BV

Represented by

Peter D’hondt

Réviseur d'Entreprises / Bedrijfsrevisor

3. Condensed Consolidated Income Statement

EUR	Notes	H1 2023	H1 2022
Revenue	**8.4**	**384,173**	**464,446**
Costs of goods sold		(88,471)	(103,180)
Gross Margin		**295,702**	**361,265**
Sales & Marketing		(1,100,233)	(1,149,280)
Clinical		(3,713,593)	(4,279,236)
Quality & Regulatory		(3,186,260)	(1,659,556)
Supply Chain		(2,372,247)	(1,478,034)
Engineering		(2,095,194)	(1,761,315)
General & administration	8.5.1	(3,454,532)	(3,537,837)
Total Operating Expenses		**(15,922,059)**	**(13,865,259)**
Other income		209,818	217,290
Earnings before interests and taxes (EBIT)		**(15,416,540)**	**(13,286,704)**
Finance income		1,316,050	113,467
Finance cost		(2,108,195)	(1,424,928)
Net Finance Cost		**(792,145)**	**(1,311,461)**
Income Tax Expense		(255,180)	(257,279)
Net loss for the period		**(16,463,865)**	**(14,855,445)**
Attributable to Sequana Medical shareholders		(16,463,865)	(14,855,445)
Basic loss per share	8.5.2	(0.65)	(0.68)

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

4. Condensed Consolidated Statement of Comprehensive Income

EUR	Notes	H1 2023	H1 2022
Net loss for the period		**(16,463,865)**	**(14,855,445)**
Components of other comprehensive income (OCI) items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		-	
Items that may be reclassified subsequently to profit or loss			
Currency translation adjustments		95,404	(559,089)
Total other comprehensive income/(loss)-net of tax		**95,404**	**(559,089)**
Total comprehensive income		**(16,368,461)**	**(15,414,534)**
Attributable to Sequana Medical shareholders		(16,368,461)	(15,414,534)

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

5. Condensed Consolidated Statement of Financial Position

EUR	Notes		30 June 2023		31 December 2022
Property, Plant and Equipment			2,185,116		2,067,958
Financial assets			87,677		85,746
Other non-current assets			954,398		782,207
Total non-current assets			**3,227,191**		**2,935,911**
Trade Receivables			112,131		113,871
Other receivables and prepaid expenses			1,887,857		1,479,294
Other Receivables		518,266		292,330	
Prepaid expenses		1,369,592		1,186,964	
Inventory			2,777,567		2,621,197
Cash and cash equivalents	9.1		17,121,981		18,874,959
Total current assets			**21,899,537**		**23,089,321**
TOTAL ASSETS			**25,126,728**		**26,025,232**

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

Condensed Consolidated Statement of Financial Position (continued)

EUR	Notes		30 June 2023		31 December 2022
Total Equity			(3,610,428)		(2,153,252)
Share Capital	9.2	2,921,010		2,460,487	
Share premium	9.2	185,644,093		170,324,139	
Reserves		(3,104,319)		(2,425,934)	
Loss brought forward		(189,922,248)		(173,458,384)	
Cumulative Translation Adjustment		851,036		946,440	
Total equity			**(3,610,428)**		**(2,153,252)**
Long term financial debts	9.3		13,908,946		12,192,829
Long term lease debts			573,221		609,458
Retirement benefit obligation			384,508		228,194
Total non-current liabilities			**14,866,675**		**13,030,481**
Short term financial debts	9.3		2,882,106		4,482,914
Short term lease debts			279,609		306,952
Other current financial liabilities	9.4		1,358,274		1,568,784
Trade payables and contract liabilities			2,876,261		3,391,783
Trade payables	9.5	2,711,220		3,227,290	
Contract liabilities		165,041		164,492	
Other payables			2,084,858		1,811,940
Accrued liabilities			4,389,374		3,585,631
Provision warranty	9.5	70,203		71,088	
Accrued liabilities	9.5	4,319,170		3,514,543	
Total current liabilities			**13,870,482**		**15,148,003**
TOTAL EQUITY AND LIABILITIES			**25,126,728**		**26,025,232**

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

6. Condensed Consolidated Statement of Changes in Equity

EUR	Notes	Share capital	Share premium	Reserves	Loss brought forward	Cumulative Translation Adjustment	Total equity
1 January 2022		**1,924,932**	**142,432,715**	**(2,668,955)**	**(142,695,301)**	**219,689**	**(786,919)**
Net loss for the period					(14,855,445)		**(14,855,445)**
Other comprehensive income						559,089	**559,089**
March 2022 Equity Placement	9.2	535,329	27,884,645				**28,419,974**
Capital increase Share Options		226	6,779				**7,005**
Capital increase convertible loan to shares							**-**
Transaction costs for equity instruments				(734,789)			**(734,789)**
Share-based compensation				378,743			**378,743**
30 June 2022		**2,460,487**	**170,324,139**	**(3,025,001)**	**(157,550,746)**	**778,778**	**12,987,658**
1 January 2023		**2,460,487**	**170,324,139**	**(2,425,934)**	**(173,458,384)**	**946,440**	**(2,153,252)**
Net loss for the period					(16,463,865)		**(16,463,865)**
Other comprehensive income						(95,404)	**(95,404)**
April 2023 Equity Placement	9.2	460,523	15,319,955				**15,780,478**
Transaction costs for equity instruments				(678,215)			**(678,215)**
Share-based compensation				(170)			**(170)**
30 June 2023		**2,921,010**	**185,644,094**	**(3,104,319)**	**(189,922,249)**	**851,036**	**(3,610,428)**

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

7. Condensed Consolidated Statement of Cash Flows

EUR	Notes	H1 2023	H1 2022
Net loss for the period		**(16,463,865)**	**(14,855,445)**
Income tax expense		255,180	257,279
Financial result		67,204	1,184,308
Depreciation		143,747	99,752
Change in defined benefit plan		156,314	155,561
Share-based compensation		(170)	378,743
Changes in trade and other receivables		(406,824)	(145,897)
Changes in inventories		(156,370)	(745,501)
Changes in trade and other payables / accrued liabilities		172,769	200,391
Taxes paid		(129,999)	(187,793)
Cash flow from operating activities		**(16,362,014)**	**(13,658,602)**
Investments in tangible fixed assets		(80,965)	(454,909)
Investments in financial assets		-	13,361
Cash flow used for investing activities		**(80,965)**	**(441,548)**
Proceeds from capital increase	9.2	15,780,478	28,426,979
(Repayments) from leasing debts		(221,646)	(202,662)
(Repayments)/Proceeds from financial debts	9.3	(522,367)	-
Interest paid	9.3	(318,323)	-
Cash flow from financing activities		**14,718,142**	**28,224,317**
Net change in cash and cash equivalents		**(1,724,838)**	**14,124,167**
Cash and cash equivalents at the beginning of the period		**18,874,959**	**9,600,412**
Net effect of currency translation on cash and cash equivalents		(28,140)	77,143
Cash and cash equivalents at the end of the period		**17,121,981**	**23,801,722**

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

8. Notes to the Condensed Consolidated Financial Statements

8.1. Corporate Information

The Condensed Consolidated Financial Statements of Sequana Medical NV ("Sequana Medical" or "Sequana Medical Group" or "Group" of the "Company") for the first six months ended 30 June 2023 were authorized for issue in accordance with a resolution of the Board on 13 September 2023.

Sequana Medical NV has the legal form of a limited liability company (naamloze vennootschap/sociéte anonyme) organised under the laws of Belgium. The registered office's address is Kortrijksesteenweg 1112 box 102, 9051 Sint-Denijs-Westrem, Belgium. The shares of Sequana Medical NV are listed on the regulated market of Euronext Brussels.

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

8.2. Basis of preparation of the Condensed Consolidated Financial Statements

8.2.1. Basis of preparation

The Condensed Consolidated Financial Statements of Sequana Medical Group for the half year ended 30 June 2023 have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. They do not include all the information required for the preparation of the Annual Consolidated Financial Statements and should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2022 of Sequana Medical Group, that can be found on the website: http://www.sequanamedical.com

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

A summary of the significant accounting policies can be found in the audited Consolidated Financial Statements for the year ended 31 December 2022 of Sequana Medical NV that can be found in the Annual Report 2022 on the website (www.sequanamedical.com), from page 159 through page 174.

The accounting policies used to prepare the Condensed Consolidated Financial Statements for the period from 1 January 2023 to 30 June 2023 are consistent with those applied in the audited Consolidated Financial Statement for the year ended 31 December 2022 of Sequana Medical NV.

8.2.2. New and amended standards adopted by the Group

New standards or interpretations applicable from 1 January 2023 do not have any significant impact on the Condensed Consolidated Financial Statements.

8.2.3. Significant accounting judgments, estimates and assumptions

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

In preparing these Condensed Consolidated Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2022.

8.2.4. Issued standards, amendments or interpretations not yet adopted

We refer to note 2.3.3 under the 'Notes to the Consolidated Financial Statements' in the financial report section of the Annual Report 2022.
There are no issues standards, amendments or interpretations that are not yet adopted by the Group.

8.2.5. Information regarding major risks and uncertainties

We refer to the risk factors described in note 3 under the 'Notes to the Consolidated Financial Statements' in the financial report section of the Annual Report 2022.
The most recent update of the risk factors is included in the Prospectus relating to the April 2023 Equity placement available on the company website (https://www.sequanamedical.com/equity-placement-april-2023/).

8.3. Going concern

The Company is still in its development phase for its **alfa**pump® 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 Condensed Consolidated Statement of Financial Position as at 30 June 2023 shows a negative equity in the amount of EUR 3.6 million and a cash balance of EUR 17.1 million.
The Company will continue to require additional financing in the near future and in that respect already successfully raised EUR 15.8 million in April 2023 in a private equity placement via an accelerated book building offering disclosed in the note *9.2 Share capital and Share Premium.*

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 H1 2023 in order to reduce costs and expenditures, and the Company is carrying 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, (ii) EUR 2 million investment will be dedicated to the heart failure program, and (iii) the first patients are most important as the Company is looking for confirmation that DSR 2.0 in US patients has same positive treatment effect as DSR 1.0 in the patients from Republic of Georgia (cfr. SAHARA and RED DESERT studies).
- US **alfa**pump program: Delaying the establishment of a new production facility.
- EU **alfa**pump 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 **alfa**pump® 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 spending, 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.

With the existing cash resources, the current cash runway is sufficient into Q1 2024.

In summary, 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 Condensed Consolidated Financial Statements on a going concern basis as appropriate.

8.4. Segment information

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

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

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

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

EUR	H1 2023	H1 2022
Germany	244,500	358,650
France	76,000	57,250
Switzerland	43,673	18,546
Rest of the world	20,000	30,000
Total revenue	**384,173**	**464,446**

Revenue decreased from €0.46 million in H1 2022 to €0.38 million in H1 2023.

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

8.5. Detailed information on profit or loss items

8.5.1. Operating Expenses – general and administration

Expenses (EUR)	H1 2023	H1 2022
Capital increase related expenses	365,397	343,093

The total amount of known and accrued capital raise related expenditure for the first half year of 2023 is EUR 1,043,612, of which EUR 365,397 has been recognized in the Condensed Consolidated Income Statement as G&A expenses and EUR 678,215 has been reported under equity. The capital raise expenditure accounted for in equity relate to the issuance of equity instruments and represent the incremental costs attributed to new shares.

The total amount of known and accrued capital raise related expenditure for the first half year of 2022 were EUR 1,077,822 , of which EUR 343,093 had been recognized in the Condensed Consolidated Income Statement as G&A expenses and EUR 734,789 had been reported under equity.

8.5.2. Loss per share

EUR, except number of shares	H1 2023	H1 2022
Net loss attributable to shareholders	(16,463,865)	(14,855,445)
Weighted average number of shares	25,308,197	21,776,432
Basic loss per share	**(0.65)**	**(0.68)**

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

The Group offers its employee's share-based compensation benefits, which may have a dilutive effect on the basic earning per share.
For the purpose of calculating diluted earning per share, the number of ordinary shares shall be the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued in case of conversion into ordinary shares of all instruments that can be converted into ordinary shares.

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

9. Detailed information on balance sheet items

9.1. Cash and cash equivalents

The Group held cash and cash equivalents of EUR 17.1 million at 30 June 2023 (31 December 2022: EUR 18.9 million). The relatively stable cash amount is mainly due to the April 2023 Equity Placement (cf. *9.2 Share capital and Share Premium*).

9.2. Share capital and Share Premium

EUR, except number of shares	Shares	Share capital	Share premium	Total
1 January 2022	**18,577,078**	**1,924,932**	**142,432,715**	**144,357,647**
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**
30 June 2022	**23,746,528**	**2,460,487**	**170,324,139**	**172,784,626**
1 January 2023	**23,746,528**	**2,460,487**	**170,324,139**	**172,781,974**
April 2023 Equity Placement dd 27 April 2023	4,304,360	445,932	14,834,546	**15,280,478**
April 2023 Equity Placement dd 10 May 2023	140,845	14,592	485,408	**500,000**
30 June 2023	**28,191,733**	**2,921,010**	**185,644,093**	**188,562,452**

The share capital of the Company is EUR 2,921,010 and is represented by 28,191,733 ordinary shares. The share capital is fully paid-in. During H1 2023, several capital increases took place.

At 27 April 2023, the Company announced that in the context of the capital increase that was announced on 24 April 2023 and completed on 27 April 2023 by means of a private placement through an accelerated book building procedure of 4,445,205 new shares (being approximately 18.72% of the Company's outstanding shares) at an issue price of EUR 3.55 per share. Its share capital increased from EUR 2,460,487 to EUR 2,921,010 and the number of issued and outstanding shares has increased from 23,746,528 to 28,191,733 ordinary shares. Of the 4,445,205 new shares, 2,276,192 were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance (on the basis of applicable listing prospectus exemptions), while 2,169,013 shares were not immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance (as their admission to listing and trading was subject to the approval of a listing prospectus). The remaining shares have been admitted to trading and listing on the regulated market of Euronext Brussels after the approval of a listing prospectus by the FSMA.

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

As of 30 June 2023 the Company does not hold any Treasury shares.

During H1 2022, several capital increases took place.

At 21 January 2022, the Company announced that a number of holders of share options (having the form of subscription rights), have exercised a total number of 756 Executive Share Options. As a result of this exercise of Executive Share Options, on 21 January 2022 the share capital of the Company has increased from EUR 1,924,931.96 to EUR 1,925,158.02 and the number of issued and outstanding shares has increased from 18,577,078 to 18,579,260 shares, through the issuance of a total of 2,182 new shares.

At 10 March 2022, the Company announced that in the context of the capital increase that was announced on 7 March 2022 and completed on 10 March 2022 by means of a private placement through an accelerated book building procedure of 5,167,268 new shares (being approximately 27.8% of the Company's outstanding shares) at an issue price of EUR 5.50 per share. Its share capital increased from EUR 1,925,158.02 to EUR 2,460,486.98 and the number of issued and outstanding shares has increased from 18,579,260 to 23,746,528 ordinary shares. Of the 5,167,268 new shares, 3,060,082 were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance (on the basis of applicable listing prospectus exemptions), while 2,107,186 shares were not immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance (as their admission to listing and trading was subject to the approval of a listing prospectus). The remaining shares have been admitted to trading and listing on the regulated market of Euronext Brussels after the approval of a listing prospectus by the FSMA.

9.3. Financial debts

EUR	30 June 2023	31 December 2022
Fair value of convertible loans issued at recognition date	800,000	800,000
Conversion convertible loan to shares	-	-
Cumulative remeasurement at FVTPL on convertible loans	102,549	134,779
Total convertible loans	**902,549**	**934,779**
Fair value of non-convertible loans	15,133,363	15,133,363
Subordinated loan agreements	*5,900,000*	*5,900,000*
Kreos loan agreement	*9,233,363*	*9,233,363*
Cumulative interest expenses accrued on non-convertible loans (amortized cost)	2,309,262	1,296,032
(Repayments)/Proceeds from financial debts (cumulative)	(522,367)	-
Paid interest Kreos Loan agreement (cumulative)	(657,839)	(314,516)
Advance payment Kreos loan agreement (cumulative)	(373,915)	(373,915)
Total non-convertible loans	**15,888,504**	**15,740,964**
Total short term and long term financial debt	**16,791,053**	**16,675,743**

The Company considers no material changes have occurred in its own credit risk that would significantly impact the fair value of the convertible loans as at 30 June 2023.

Subordinated debt agreements with PMV/z leningen (currently known as PMV Standaardleningen), Belfius Insurance and Sensinnovat BV

In July 2020, the Company entered into subordinated loan agreements with PMV/z Leningen NV ("PMV/z"), Sensinnovat BV ("Sensinnovat") and Belfius Insurance NV ("Belfius Insurance"), for an aggregate principal amount of EUR 7.3 million, of which loans for a principal amount of EUR 1.4 million could be converted for new shares in the event of an equity financing or sale of the Company.

In March 2021, as a result of the equity raising by the Company that took place on 15 February 2021, Sensinnovat and Belfius Insurance converted their convertible loans for an aggregate amount of EUR 618,917 (representing principal and interests) into an aggregate of 97,084 new Shares in accordance with the terms of the convertible loans, thereby settling the convertible portion of their loans through a contribution in kind of their payables due by the Company under the relevant loans.

In December 2021, the Company entered into amendment agreements related to the outstanding subordinated loan agreements with the lenders, 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 loans bear an interest rate of 6.5% per annum, except that the convertible portion of the loan granted by PMV/z bears an interest rate of 5.5% per annum. The loans with PMV/z, Belfius Insurance and Sensinnovat allow the Company to prepay the relevant loans together with all accrued interest, provided that the Company pays a termination indemnity equal to six months of interest on the prepaid loan. The convertible portion of the loan granted by PMV/z can be converted in the event of an equity financing or sale of the Company, at a price per share that is equal to 75% of the price of the Company's shares as will be reflected in the relevant equity financing or sale. The impact of the modification has been recognized in the Consolidated Income Statement for the year ending 31 December 2021 and was considered as not material.

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. The impact of the modification has been recognized in the Condensed Consolidated Income Statement for the 6 months ending 30 June 2023 and was considered as not material.

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. 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%.

Given the April 2023 Equity placement, the capital repayments have been reduced by 75% until 31 December 2023. In July 2023, the Company succeeded the startup of the first clinical site of its MOJAVE study resulting in an extension of the reduced capital repayments until 31 March 2024.

9.4. Other current financial liabilities

	Investor Warrants	Bootstrap Warrants	Kreos subscription rights
Number of subscription rights granted	1,111,294	10	161,405
Fair value / subscription right (€)	0.82	1.00	0.85-0.92
Share price (€)	3.26	3.19	3.26
Exercise price (€)	5.10	3.21	5.31 - 5.77
Expected volatility	40%	40%	40%
Lifetime (years)	5	3	6
Risk-free interest rate	2.93%	3.03%	2.87%
Expected dividends	0%	0%	0%

Investor Warrants

At 27 April 2023, the Company announced that it successfully raised an amount of EUR 15.78 million in gross proceeds by means of a private placement of new shares and subscription rights (the "Investor Warrants"), at a ratio of one (1) new subscription right per four (4) new shares, via an accelerated bookbuild offering of 4,445,205 new shares (being approximately 18.72% of the Company's current outstanding shares) at an issue price of EUR 3.55 per new share and 1,111,294 new subscription rights (if exercised into 1,111,294 new shares, representing approximately 4.68% of the Company's current outstanding shares) at an exercise price of EUR 5.10 per underlying new share. For more information, refer also to note *9.2 Share capital and Share Premium.*

The Investor Warrants are accounted for in accordance with 'IAS 32 - Financial Instruments: Presentation' (measurement category: derivative financial instruments at FVTPL) and are classified in the Condensed Consolidated Statement of Financial Position as 'Other current financial liabilities'. The fair value of the Investor Warrants has been calculated using the Black & Scholes model. The fair value of the Investor Warrants as at 30 June 2023 has been determined at EUR 910,765 and has been reported as 'Finance cost' in the Condensed Consolidated Statement Income Statement.

The expected volatility is based on the volatility of the Company's shares.

The share price applied aligns with the closing price of the Company's shares on Euronext Brussels on the balance sheet date.

Bootstrap Warrants

The extraordinary general shareholders' meeting of the Company dd. 27 May 2022 approved the issuance of 10 new subscription rights for shares of the Company, named the "Bootstrap Warrants", to the benefit of Bootstrap Europe S.C.Sp. ("Bootstrap"), as initially stipulated in the Bootstrap Loan Agreement dd. 2 September 2016 (as amended over time).

The Bootstrap Warrants are accounted for in accordance with 'IAS 32 - *Financial Instruments: Presentation*' and are classified in the Condensed Consolidated Statement of Financial Position as '*Other current financial liabilities*'. The fair value of the Bootstrap Warrants as at 30 June 2023 has been determined at EUR 301,519. The relating fair value measurement has been reported as '*Finance income*' in the Condensed Consolidated Statement Income Statement.

The fair value of the Bootstrap Warrants as at 30 June 2023 has been calculated using the Black & Scholes model.

The expected volatility is based on the volatility of the Company's shares.

The share price is calculated, in line with the terms and conditions of the Bootstrap Warrants, as the average of the closing price of the Company's shares on Euronext Brussels over the 30 calendar day period ending 3 days prior to the balance sheet date.

Kreos subscription rights

The Kreos subscription rights are accounted for in accordance with 'IAS 32 - Financial Instruments: Presentation' (measurement category: derivative financial instruments at FVTPL) and are classified in the Condensed Consolidated Statement of Financial Position as 'Other current financial liabilities'. The fair value of the Kreos subscription rights has been calculated using the Black & Scholes model. The fair value of the Kreos subscription rights as at 30 June 2023 has been determined at EUR 145,991. The fair value adjustment has been reported as 'Finance income' in the Condensed Consolidated Statement Income Statement.

The expected volatility is based on the volatility of the Company's shares.

The share price applied aligns with the closing price of the Company's shares on Euronext Brussels on the balance sheet date.

9.5. Trade payables, other payables and accrued liabilities

EUR	30 June 2023	31 December 2022
Trade payables	**2,876,261**	**3,227,290**
Other payables	**2,084,858**	**1,811,940**
Accrued liabilities and provisions	**4,389,374**	**3,585,631**
Provision warranty	70,203	71,088
Accrued liabilities	4,319,170	3,514,543

Other payables mainly consist of salary related provisions, VAT, income taxes payable, social security, employee insurances and other employee provisions (e.g. holiday pay and bonus).
The current Accrued Liabilities in the Condensed Consolidated Statement of Financial Position are mainly accruals related to clinical expenses and other liabilities.

10. Commitments

10.1. Capital commitments

The Group has no material contracted expenditures for the acquisition of property, plant and equipment at 30 June 2023.

10.2. Asset pledges

The Kreos secured loan facility is secured by the Company's bank accounts, receivables and movable assets, including IP rights. The Company has no other meaningful pledges as per 30 June 2023.

11. Transactions with related parties

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

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, therefore no further details are included in this interim report. For more details, we refer to the corporate governance section of the Annual Report 2022.

12. Events after the reporting period

No relevant material events occurred after the reporting period that require further disclosure.