

SEQUANA MEDICAL
Limited Liability Company

Registered office: Kortrijksesteenweg 1112 box 102, 9051 Sint-Denijs-Westrem, Belgium
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 2023

Dear shareholders,

We are pleased to present to you the statutory financial statements for the fiscal year ended December 31, 2023 of Sequana Medical NV (the "**Company**" or "**Sequana Medical**").

1 Overview

Sequana Medical NV is a pioneer in treating drug-resistant fluid overload, a serious and frequent clinical complication in patients with liver disease, heart failure and cancer. Fluid overload is a well-recognized problem in these growing diseases, causing severe problems for the large number of patients for whom current medicines are no longer effective. 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.

alfapump® and **DSR®** are our proprietary platforms that work with the body to remove this excess fluid, delivering major clinical and quality of life benefits for patients and reducing costs for healthcare systems.

2 Discussion and analysis of the statutory financial statements

The annual accounts cover the accounting period from January 1, 2023 to December 31, 2023.

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 2,286,958 euro per 31 December 2023.
- The non-current assets represent an amount of 14,680,460 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 2023, an amount of 9,554,540 euro was capitalized on R&D.
- The current assets, excluding the cash at bank and in hand, amount to 5,206,347 euro. They mainly consist of inventories, trade and other receivables within one year, deferred charges and accrued income. A long-term receivable of 1,387,979 euro was recognized relating to the application of R&D tax credit.

Balance sheet – liabilities

- The issued capital of the Company amounts to 2,926,296 euro and the share premium accounts amounts to 185,644,420 euro;
- Accumulated losses reached 193,086,827 euro per 31 December 2023.
- The liabilities of 25,335,675 euro mainly consist of financial debts from subordinated loans (4,944,923 euro); financial debts from other loans (4,652,444 euro); short term financial debts (7,263,550 euro); trade payables (2,693,921 euro), customer advances (170,260 euro), liabilities in respect of remuneration and social security obligations (2,212,200 euro) and accrued charges (3,398,378 euro).

Results of the fiscal year

The operating income amounts to 10,839,227 euro and relates to revenues generated from the sale of the **alfapump** for an amount of 712,173 euro, the inventory movement of finished products (-56,754 euro) and other revenues for 629,268 euro. Since 2020, costs for research and development have been capitalized as intangible fixed assets resulting in produced fixed assets in 2023 amounting to 9,554,540 euro.

The operating charges of 38,747,738 euro mainly consist of:

- Cost of goods sold for an amount of 590,136 euro, higher than in 2022 (205,758 euro) mainly due to the decrease in revenue resulting in an inventory decrease.
- Services and other goods for an amount of 19,194,798 euro, lower than in 2022 (20,013,122 euro) mainly due to the decision to scale back European commercial activities and lower costs related to the North American pivotal POSEIDON study of the alfapump and the completion of the SAHARA DSR proof-of-concept study in 2022, partially compensated by pre-clinical and clinical development work required for the Company's IND filing for its proprietary DSR product and commencement of the MOJAVE study in the US.
- Total personnel costs of 9,085,246 euro, higher than in 2022 (8,408,911 euro) as a result of additional staffing for the preparation of the submissions for marketing approval of the **alfapump** in the US

Other revenues remained broadly unchanged from 530,174 euro in 2022 to 629,269 euro in 2023.

The non-recurring operational charges amount to 678,215 euro and are broadly unchanged compared to 2022 (739,992 euro).

The financial charges of 1,674,652 euro in 2023 mainly relate to the debt related interest expenses. In 2022, the financial charges of 1,549,353 euro 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.

The losses before taxes amount in 2023 to 29,341,977 euro.

The Company has closed its annual accounts with respect to the financial year 2023 with a loss of 29,783,232 euro.

Statutory and non-distributable reserves

The Company has a share capital of 2,926,296 euro. The Company has 686,404 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 the development phase for its alfapump® and DSR® programs, including the execution of clinical trials and submission / review of applications 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 and regulatory review 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 geopolitical situation in Ukraine and the Middle East 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 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 Statement of Financial Position as at 31 December 2023 shows a negative equity in the amount of EUR 3.83 million and ending cash balance of EUR 2.3 million.

The Company will continue to require additional financing in the near future and in that respect already executed a EUR 3.0 million Investor Loan Agreement in February 2024 with Partners in Equity and Rosetta Capital and raised EUR 11.5 million gross proceeds in March 2024 in a private equity placement via an accelerated book-build offering disclosed in section 4 "*Significant events after the Reporting Period*" below. Together with existing cash resources, the net proceeds from these financing activities are expected to extend the current cash runway of the Company to the end of Q3 2024.

Based on the above condition, 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 expenditures, including:

- alfapump program: The Board of Directors strongly believes that pre-market approval ("PMA") approval of the alfapump is a key value inflection point for the Company and has decided to prioritize its resources on reaching this important milestone. A number of other alfapump-related activities have been delayed or halted, including termination of all commercial activities in Europe, which resulted in a significant reduction in personnel in all countries, and
- Heart Failure/DSR: Delaying the randomized phase of the MOJAVE clinical study until after the alfapump pre-market approval ("PMA") approval.

The Company is also assessing to what extent partnerships or licensing arrangements could be entered into regarding its alfapump and DSR programs in order to support development and commercialisation. 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.

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 Consolidated Financial Statements on a going concern basis as appropriate.

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

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 2023, it determined that the Company's (non-

consolidated) accounting net assets (as defined in the Belgian Companies and Associations Code) were still below the thresholds of the articles 7:228 and 7:229 of the Belgian Companies and Associations Code.

On 30 June 2023 the Company's (non-consolidated) accounting net assets had already fallen below the thresholds of the Articles 7:228 and 7:229 of the Belgian Companies and Associations Code.

Based on the foregoing, the procedure set out in the article 7:228 of the Belgian Companies and Associations Code has been initiated with the extraordinary general shareholders' meeting of 10 November 2023

Consequently, the extraordinary general shareholders' meeting of the Company held on 10 November 2023 approved the proposal set out in the report prepared by the board of directors at the time in accordance with Article 7:228 of the Belgian Companies and Associations Code.

Even with the March 2024 capital increase, the (non-consolidated) accounting net assets of the Company remain below the thresholds of Articles 7:228 and 7:229 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 extraordinary general shareholders' meeting of 10 November 2023. Further measures were announced in a press release on 8 February 2024.

4 Significant events after the reporting period

Restructuring program

In February 2024, several additional measures have been carried out in order to reduce expenditures, including:

- alfapump program: The Board of Directors strongly believes that pre-market approval ("PMA") approval of the alfapump is a key value inflection point for the Company and has decided to prioritize its resources on reaching this important milestone. A number of other alfapump-related activities have been delayed or halted, including termination of all commercial activities in Europe, which resulted in a significant reduction in personnel in all countries, and
- Heart Failure/DSR: Delaying the randomized phase of the MOJAVE clinical study until after the alfapump pre-market approval ("PMA") approval.

Additional secured investor financing of EUR 3.0 million

In February 2024, the Company has obtained a Convertible Loan provided by major shareholders Partners in Equity and Rosetta Capital (each a "Lender") and is for an aggregate principal amount of EUR 3.0 million. The maturity date of the Convertible Loan is 30 September 2024. The principal amount and interest of the Convertible Loan can be converted by the Lenders for new shares of the Company at any time prior to the maturity date, at a conversion price equal to the lower of (i) arithmetic average of the daily volume weighted average trading price per share of the Company's shares traded on Euronext Brussels during the period of twenty (20) consecutive trading days ending on (and including) the third trading day before the date on which the Company has received the optional conversion exercise notice, minus a discount of 45%, and (ii) the issue price of the new shares issued by the Company at the occasion of the most recent future equity financing before receipt of the optional conversion exercise notice, minus a discount of 45%. The principal amount and interest of the Convertible Loans are mandatorily converted in the event of a future equity financing transaction by the Company for at least EUR 7.0 million. In case of a mandatory conversion, the conversion occurs at a conversion price equal to the issue price of the new shares in equity financing transaction, minus a discount of 45%. If the Company enters into a new convertible loan for a value of at least EUR 7.0 million and such new convertible loan includes conversion rights equivalent to the mandatory and optional equity conversion rights in the Convertible Loan (but with a discount of at least 25% instead of 45%), all amounts outstanding under the Convertible Loan, plus a conversion fee of 33% of all amounts owed under the Convertible Loan, will be converted into the new convertible loan. In the event that the conditions for conversion for shares or for a new convertible loan have not been fulfilled by the maturity date, the loans will be repayable in cash (subject to certain subordination provisions). The loans bear interest of 15% per annum, which shall be compounded on a monthly basis. In case of conversion, the minimum amount to be converted for new shares or a new convertible loan will in any event be EUR 300,000. The proceeds from the loan will be used to finance general working capital requirements.

As a consequence of the equity placement on 25 March 2024 (see below for more details), the aggregate principal amounts and interests under this loan agreement will be mandatorily converted at the date of the annual shareholders' meeting into new shares (through a contribution in kind of payables) at a conversion price per share equal to the issue price in said equity financing transaction, minus a discount of 45%.

Amendments to the existing loan agreements

The Company's lenders have also agreed to a number of measures to support the goal of obtaining PMA approval through enabling the focus of the Company's cash resources on alfapump PMA approval instead of debt service payments. These measures include the postponement of all repayments under the existing loan agreements and a new conversion feature for 30% of the outstanding loans of funds and accounts managed by BlackRock, Inc. and its affiliates ("BlackRock").

Amendment to the senior debt agreements with Kreos Capital VII (UK) Limited

In February 2024, the Company also entered into an agreement in relation to the amendment of certain repayment and other terms of the EUR 10,000,000 loan with Kreos Capital VII (UK) Limited (together with its affiliates "Kreos", and the "Kreos Loan").¹

Subject to finalization of definitive agreements, the main amendments to the Kreos Loan can be summarized as follows:

- Payment holiday: Suspension of the repayment of any principal or interest amounts under the Kreos Loan until the earlier of (i) three months following the date on which the Company has obtained a PMA decision for the alfapump by the US FDA (irrespective whether such decision is positive or otherwise), (ii) date on which the Company has obtained a PMA approval for the alfapump by the US FDA and has completed an equity raise of at least EUR 20.0 million, and (iii) 31 December 2024.
- Maturity date extension: If the Company (i) completes an equity raise resulting in additional cash proceeds of the higher of: (x) EUR 30.0 million, and; (y) such amount as required to provide the Company with cash runway until 31 March 2026 determined by reference to a budget approved by the board at the time of such equity raise, and (ii) receives a PMA approval for alfapump before the payment resumption date, the maturity date of the Kreos Loan would be extended from 30 September 2025 to March 2026.
- Interest rate increase: The applicable interest rate of the Kreos Loan would increase from 9.75% per annum to 11.5% per annum (counting as of 1 February 2024).
- New restructuring fee: Kreos will be entitled to a certain restructuring fee equal to 1.5% of the principal amount outstanding as at 1 February 2024 and accrued interest outstanding as at 31 January 2024, which shall accrue interest of 11.5% per annum until payment.
- Increase of the end of loan fee: The applicable end of loan fee due at expiration of the Kreos Loan would increase from 1.75% to 2.25% of the total principal amount of the Kreos Loan or, if earlier, on prepayment in full of the relevant amount.
- Convertibility feature: 30% of the principal amounts outstanding under the Kreos Loan as at 31 January 2024 will be convertible into new shares of the Company (through a contribution in kind of receivables) at the option of Kreos against a conversion price equal to the lower of (i) the applicable loan conversion price under the Convertible Loan agreement with Partners in Equity and Rosetta Capital, and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the conversion of the Kreos Loan.
- Kreos warrants amendment: The Company agreed to submit a proposal to amend the exercise price of the subscription rights (warrants) issued by the Company's extraordinary shareholders' meeting to the benefit of Kreos on 10 February 2023. The amended exercise price would be equal to the lower of (i) the applicable loan conversion price under the Convertible Loan agreement with Partners in Equity and Rosetta Capital, and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the exercise of the relevant warrants.
- Contractual restrictions: The amendments set out in the agreement with Kreos are conditional upon, among other things, the Company's plans to focus on the alfapump business and to pause the DSR product.

Amendment to the subordinated debt agreements with PMV/z-leningen (currently known as PMV-Standaardleningen), Belfius Insurance and Sensinnovat NV

The Company also entered into amendments in relation to (i) the EUR 4,300,000 partially convertible loan with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) (the "PMV Loan"), (ii) the EUR 2,000,000 loan with Belfius Insurance NV (the "Belfius Loan"), and (iii) the EUR 400,000 loan with Sensinnovat BV (the "Sensinnovat Loan").

¹ BlackRock Inc. announced the completion of its acquisition of Kreos, a leading provider of growth and venture debt financing to companies in the technology and healthcare industries, on 2 August 2023.

The main amendments to the PMV Loans, the Belfius Loan and the Sensinnovat Loan consist of (a) an extension of the final maturity date to 31 December 2025, (b) a rescheduling of the principal repayments under the relevant loan agreements so that the principal amount outstanding under the loans thereunder will be repaid in four equal monthly instalments starting on 30 September 2025, and (c) an increase of the applicable interest rates under each of the relevant loan agreements with 0.5% per annum.

Equity placement

The Company successfully raised an amount of EUR 11.5 million in gross proceeds by means of a private placement of new shares via an accelerated bookbuild offering of 7,666,667 new shares (being approximately 27.15% of the Company's current outstanding shares) at an issue price of EUR 1.50 per new share (the "Offering").

As a consequence, the Company's share capital has increased on 25 March 2024 from EUR 2,926,295.90 to EUR 3,720,562.60 and the number of issued and outstanding shares has increased from 28,242,753 to 35,909,420 shares, through the issuance of a total of 7,666,667 new shares.

Partners in Equity V B.V. ("Partners in Equity"), Rosetta Capital VII, LP ("Rosetta Capital"), LSP HEF Sequana Holding B.V. ("EQT"), Marc Nolet's family through its investment company ("Nolet"), as well as certain other investors (together, the "Pre-Committing Investors"), pre-committed to submit subscription orders for new shares in the Offering for an aggregate amount of approximately EUR 8.5 million.

2,000,789 of the new shares (representing ca. 7.08% of the currently outstanding shares of the Company already admitted to listing and trading on the regulated market of Euronext Brussels) were immediately admitted to listing and trading on the regulated market of Euronext Brussels. The Pre-Committing Investors received new shares that were not immediately admitted to listing and trading upon their issuance. The Company has undertaken to apply to the regulated market of Euronext Brussels for the admission to trading and listing of those unlisted new shares, as soon as practicable after their issuance, which will be subject to the preparation of a listing prospectus.

The new shares issued have the same rights and benefits as, and rank pari passu in all respects, including as to entitlement to dividends and other distributions, with, the existing and outstanding shares of Sequana Medical at the moment of their issuance, and are entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of issue of the new shares.

5 Circumstances that could impact the Company's further development

We refer to section 3 Principles of financial reporting and going concern.

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 ongoing conflicts in Eastern Europe and the Middle East could have a destabilising impact on Sequana Medical's operations, both directly as a result of potential impacts on Sequana Medical's supply chain and indirectly due to the impact on global macroeconomic conditions.

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.
- Sequana Medical does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Board Report and will require additional funds beyond this period in order to meet its capital and expenditure needs.
- 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, when relevant, 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.
- Once pre-market approval ("PMA") of the alfapump has been granted by the US FDA, Sequana Medical intends to further develop a proprietary DSR product, which will require approval as a drug by the FDA and likely by regulatory authorities in other jurisdictions where Sequana Medical 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, when relevant, 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 as well as retention and hiring of 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, when relevant, 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, when relevant, 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.
- Sequana Medical relies on retaining its key personnel as well as the hiring of additional personnel to conduct its planned activities, including scale up of US commercial and manufacturing.

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's future financial performance will depend on the commercial acceptance of the alfapump®, when relevant, the DSR® product, and/or any future products in target markets.
- The success of the alfapump®, when relevant, 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®, when relevant, 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®, when relevant, the DSR® product, and/or any future products, whether it be with internal infrastructure or an arrangement with a commercial partner, Sequana Medical may not be successful in commercialising the alfapump®, 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®, when relevant, the DSR® product, and/or any future products, and/or reduce the margins for the alfapump®, when relevant, 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 and the market price of the shares may be adversely affected by such 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 2023 with the objective to further develop the alfapump and the DSR® product:

North American alfapump liver program

- POSEIDON – one-year follow-up data from successful pivotal study in patients with recurrent or refractory ascites due to liver cirrhosis, confirms strong clinical profile of **alfapump**
 - Virtual elimination of needle paracentesis
 - Robust safety profile despite disease progression
 - Clinically meaningful improvement in patients' quality of life maintained
 - Survival probability of 70% at 12 and 18 months post-implant
- Patient preference study indicates that US patients have a strong preference for the **alfapump** vs large volume paracentesis²
- Matched interim analysis of patients from NACSELD³ registry indicates that **alfapump** safety profile is comparable to standard of care⁴
- PMA application submitted to the US FDA in December 2023

DSR heart failure program

- Successful completion of IND⁵-enabling pre-clinical and Phase 1 studies of second-generation DSR product (DSR 2.0)
 - Data from GLP⁶ studies in mice and sheep showed there was no difference in systemic and local toxic effects in animals treated repeatedly with DSR 2.0 compared to animals in the control group, concluding that DSR 2.0 had consistent safety with the standard peritoneal dialysis solution used in the control group
 - Data from the Phase 1 CHIHUAHUA study in stable peritoneal dialysis patients demonstrated that a single dose of DSR 2.0 was safe and well-tolerated and indicated a compelling dosing profile
- MOJAVE – all three patients from the non-randomized cohort in the US Phase 1/2a study of DSR 2.0 for treatment of congestive heart failure successfully treated with DSR 2.0, confirming the strong clinical outcomes seen in the RED DESERT and SAHARA proof-of-concept studies

² Patient preference study using discrete-choice experiment methodology to elicit patient preference for attributes of an implantable pump as a novel interventional treatment for ascites, N=125 US patients with comparable patient profile to pivotal cohort in POSEIDON study

³ NACSELD: North American Consortium for the Study of End stage Liver Disease

⁴ Comparing outcomes in terms of death, hospitalization rate and liver transplant of POSEIDON pivotal cohort (6 months post-implant) to matched patient group from NACSELD registry with POSEIDON

⁵ IND: Investigational New Drug

⁶ GLP: Good Laboratory Practice

- Safe and effective maintenance of euvoemia without the need for loop diuretics
- Durable improvement in cardio-renal health
- Dramatic improvement in diuretic response and at least 95% reduction in loop diuretic requirements up to almost four months after last DSR therapy
- Additional DSR patents granted in the US and China
 - Additional US patents granted in February 2023 covering among other, the expansion of the composition of matter and method for Sequana Medical's DSR therapy, including additional oncotic and osmotic agents and the use of an implantable pump system
 - A key composition of matter patent was granted in China in March 2023

8 Number of shares and share capital

(EUR, except number of shares)	Shares	Share capital	Share premium	Total
31 December 2022	23,746,528	2,460,487	170,324,139	172,784,626
April 2023 Equity Placement	4,445,205	460,523	15,319,955	15,780,478
Capital increase RSU 10/23	51,020	5,286	327	5,612
31 December 2023	28,242,753	2,926,296	185,644,420	188,570,716

At 31 December 2022, the share capital of the Company was EUR 2,460,487. It was divided into 23,746,528 shares without nominal value and without name.

On 31 December 2023, the share capital of the Company amounted to EUR 2,926,296 and was fully paid-up. It was represented by 28,242,753 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 28,242,753 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 5,032,452, which entitles their holders (if exercised) to subscribe to 4,792,765 new shares with voting rights in total, namely:

- Up to 261,895 new shares can be issued upon the exercise 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");
- Up to 956,868 new shares can be issued upon the exercise of 956,868 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**");
- Up to 998,500 new shares can be issued upon the exercise of 998,500 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 of his or her share options (the "**2021 Share Options**");

- Up to 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 "2023 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 "**2023 Share Options**");
- Up to 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
- Up to 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**").
- Up to 1,111,294 new shares can be issued upon exercise of 1,111,294 subscription rights that are still outstanding that have been issued by the board of directors (within the framework of the authorized capital) on 27 April 2023 in the framework of the aforementioned private placement of new shares and new subscription rights (the "**2023 Investor Warrants**")

On 17 July 2020, the Company entered into a subordinated loan agreement with PMV Standaardleningen NV (formerly known as PMV/z-Leningen NV) (the "**PMV Loan**") 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 Standaardleningen NV 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 Standaardleningen NV 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 Standaardleningen NV can exercise this right until 30 days as from the completion of such equity financing or sale of the Company. In March 2023, the Company entered into new amendment agreements, thereby (i) amending the repayments terms and (ii) further increasing the interest rates retroactively (+0.5%pt). Consequently, the loans had a term of 60 months and were repayable in four equal quarterly instalments on 30 September 2024, 31 December 2024, 31 March 2025 and 30 June 2025. In February 2024, the Company entered into further amendments in relation to (i) the aforementioned PMV Loan, (ii) the EUR 2,000,000 loan with Belfius Insurance NV (the "**Belfius Loan**"), and (iii) the EUR 400,000 loan with Sensinnovat BV (the "**Sensinnovat Loan**"). The main amendments to the PMV Loans, the Belfius Loan and the Sensinnovat Loan consist of (a) an extension of the final maturity date to 31 December 2025, (b) a rescheduling of the principal repayments under the relevant loan agreements so that the principal amount outstanding under the loans thereunder will be repaid in four equal monthly instalments starting on 30 September 2025, and (c) an increase of the applicable interest rates under each of the relevant loan agreements with 0.5% per annum.

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 2023, all of the Company's shares have been admitted to trading on the regulated market of Euronext Brussels.

As of 31 December 2023, the Company does not hold any Treasury shares.

Authorised capital

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 that time) 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 on 26 July 2023. As a result of this transaction, the Board of Directors of the Company increased the share capital of the Company (on 27 April 2023 and 10 May 2023 in the framework of the authorised capital with the issuance of 4,445,205 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, 7:180 and 7:191 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 , (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, 1830 Machelen, Belgium, represented by Mr. Peter D'hondt, auditor.

As mentioned above, on 4 October 2023, the board of directors of the Company issued 51,020 new shares in the framework of the authorised capital to the benefit of certain non-executive independent directors in the framework of the so-called "Restricted Share Units" (RSU) remuneration component (as set out in the remuneration policy approved by the extraordinary general meeting of the Company on 10 February 2023). The Company's share capital has increased from EUR 2,921,010 to EUR 2,926,296 and the number of issued and outstanding shares has further increased from 28,191,733 to 28,242,753 ordinary shares, through the issuance of a total of 51,020 new shares that were subscribed for in the capital increase. In this context, the Board of Directors prepared a report in accordance with Article 7:198 juncto Articles 7:179 and 7:191 of the Belgian Companies and Associations Code in relation to the transaction. This board report must be read together with the related report prepared by the Company's statutory 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 and 7:97 of the Belgian Companies and Associations Code)

On 4 October 2023, the board of directors of the Company convened before a notary public to resolve to approve the increase of the share capital of the Company in the framework of the authorised capital by the issuance of 51,020 new shares to the benefit of certain non-executive independent directors in the framework of the so-called "Restricted Share Units" (RSU) remuneration component (as set out in the remuneration policy approved by the extraordinary general meeting of the Company on 10 February 2023).

The conflicts of interests procedure of Articles 7:96 of the Belgian Companies and Associations Code was applied during the aforementioned board meeting. 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 decision.

Extract of the Minutes of the Meeting of the Board of Directors of 4 October 2023

[...]

Prior declaration by Pierre Chauvineau, WIOT BV (with Wim Ottevaere as permanent representative), Douglas Kohrs and Alexandra Taylor Clyde

Prior to the deliberation and resolutions of the board of directors, Pierre Chauvineau, WIOT BV (with Wim Ottevaere as permanent representative), Douglas Kohrs and Alexandra Taylor Clyde, each a director of the Company, declared, insofar as necessary and applicable, to have a conflicting interest within the meaning of article 7:96 of the Belgian companies and associations code with regard to the resolutions of the board of directors (since they are all beneficiaries of the capital increase and issuance of shares referred to in the agenda above).

Subsequently, Pierre Chauvineau, WIOT BV (with Wim Ottevaere as permanent representative), Douglas Kohrs and Alexandra Taylor Clyde do not longer participate in the further deliberation and resolutions of the board of directors with regard to the capital increase and issuance of shares.

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 of the Belgian companies and associations code.

Considerations by the board of directors with respect to the prior declarations

The other members of the board of directors have taken note of the prior declarations by Pierre Chauvineau, WIOT BV (with Wim Ottevaere as permanent representative), Douglas Kohrs and Alexandra Taylor Clyde.

The board of directors points out that the resolutions of the board of directors would not require the application of the procedure of article 7:97 of the Belgian companies and associations code since article 7:97, §1, 3° of the Belgian companies and associations code states that such procedure does not have to be applied for resolutions relating to the remuneration of the directors (which is the case since the new shares are issued within the framework of the remuneration policy which was approved by the Company's extraordinary general meeting, on the recommendation of the nomination- and remuneration committee, on February 10, 2023; as further described in the report of the board of directors referred to in item 1 of the agenda).

[...]

After this explanation and after deliberation, the board of directors of the Company requests the notary public to authenticate that the board of directors has unanimously resolved what follows:

FIRST RESOLUTION: Approval of the report of the board of directors

The board of directors resolves to approve the report prepared according to article 7:198 juncto articles 7:179 and 7:191 of the Belgian companies and associations code of March 23, 2019, as amended (the "Belgian companies and associations code") with regard to the proposition of the Company's board of directors to, within the framework of the authorized capital, (i) increase the capital of the Company in cash by an amount not exceeding EUR 15,892.36 (including issue premium) through the issuance of maximum 144.476 new shares at an issue price of EUR 0.11 per new share, to the benefit of members of the personnel within the meaning of article 1:27 of the Belgian companies and associations code, in particular independent non-executive directors Pierre Chauvineau, WIOT BV (with Wim Ottevaere as permanent representative), Douglas Kohrs and Alexandra Taylor Clyde (the "Beneficiaries"), and (ii) in this respect, in the interest of the Company, disapply the legal preferential subscription right of the existing shareholders of the Company and, insofar as necessary, of the existing holders of subscription rights (share options) of the Company, to the benefit of the Beneficiaries.

The board of directors of the Company establishes that, insofar as necessary and applicable, according to article 3:63, §5 of the Belgian companies and associations code, the members of the audit committee consent that the assignment to prepare the statutory auditor's report referred to in item 2 of the agenda, according to the rules and conditions which are necessary for such report, was given to the Company's statutory auditor.

SECOND RESOLUTION: Submission of the report of the statutory auditor

The board of directors submits the report of the statutory auditor of the Company prepared according to article 7:198 juncto articles 7:179 and 7:191 of the Belgian companies and associations code with regard to the proposition of the board of directors of the Company to, within the framework of the authorized capital, (i) increase the capital of the Company in cash by an amount not exceeding EUR 15.892.36 (including issue premium) through the issuance maximum 144,476 new shares at an issue price of EUR 0.11 per new share to the benefit of the Beneficiaries, and (ii) in this respect, in the interest of the Company, disapply the preferential subscription right of the existing shareholders of the Company and, insofar as necessary, the legal preferential right of the existing shareholders of the Company and, to the extent necessary, of the existing holders of subscription rights (share options) of the Company, to the benefit of the Beneficiaries.

[...]

THIRD RESOLUTION: Resolution to issue new shares within the framework of the authorized capital

The board of directors resolves to, within the framework of the authorized capital as provided for in article 8 of the Company's articles of association, increase the capital of the Company in cash by an amount not exceeding fifteen thousand eight hundred and ninety-two euros and thirty-six cents (EUR 15,892.36) (including issue premium) through the issuance of maximum hundred forty-four thousand four hundred and seventy-six (144,476) new shares, in the manner described in the report of the board of directors referred to in item 1 of the agenda.

All new shares to be issued within the framework of the capital increase in cash shall have no nominal value, shall be of the same nature as the existing and outstanding shares of the Company, and shall have the same rights and benefits as, and shall in all aspects have the same (pari passu) rank, including dividends and other entitlement rights, as the existing and outstanding shares of the Company at the time of their issuance and shall have the right to dividends and other entitlements for which the relevant registration date or maturity date is on or after the date of issuance of the new shares.

The aforementioned capital increase is made immediately in the amount of a cash contribution of five thousand six hundred and twelve euro twenty cents (EUR 5,612.20) (including issue premium) through the issuance of fifty-one thousand twenty-one (51,020) new shares. The remaining part of the capital increase, namely the cash contribution of an amount not exceeding ten thousand two hundred and eighty euro

sixteen cents (EUR 10,280.16) (including issue premium) through the issuance of maximum ninety-three thousand four hundred and fifty-six (93.456) new shares, occurs under the conditions precedent set out in the report of the board of directors referred to in item 1 of the agenda, and will be determined at a later date by the board of directors according to article 7:198 juncto article 7:186 of the Belgian companies and associations code.

FOURTH RESOLUTION: Confirmation of subscription to a part of the capital increase

The board of directors confirms that (i) a capital increase has occurred for a total amount of EUR 5,612.20 by issuance of fifty-one thousand twenty-one (51,020) new shares, whereby an amount of five thousand two hundred eighty-five euro sixty-eight cents (EUR 5,285.68) will be booked as capital and an amount of three hundred and twenty-six euro fifty-two cents (EUR 326.52) will be booked as issue premium, (ii) such capital is fully and unconditionally subscribed to and fully paid up, and (iii) as a result of such capital increase, all the existing and outstanding shares of the Company (including the new shares issued to the benefit of the Investors) have the same fractional value of zero comma one zero three six euros (EUR 0.1036) per share.

As mentioned above, certain new shares may be issued at a later time (to the extent that the applicable conditions precedent have been met; as further described in the report of the board of directors referred to in item 1 of the agenda) and the subscription to such capital increase (and confirmation thereof) may be established at that time.

[...]

No other events took place in 2023 that required the application of the provisions foreseen in article 7:96 and/or 7:97 BCAC.

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

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 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 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>.

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).

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:

	31.12.2023 CHF	31.12.2022 CHF
Assets		
Inventory	2,125,800	2,581,381
Cash and cash equivalents	617,310	1,462,972
Liabilities		
Long term debt	(618,382)	-
Short term debt	(2,906,946)	-

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 2023

EUR	Impact on equity
5% decrease of average foreign exchange rate	(3,210)
5% increase of average foreign exchange rate	3,210

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)
5% increase of average foreign exchange rate (CHF)	328,702
5% decrease of average foreign exchange rate (USD)	(397,114)
5% increase of average foreign exchange rate (USD)	396,949

As of 31 December 2023, if the EUR had weakened 5% against the CHF with all other variables held constant, the loss for the period would have been EUR 417,529 higher (2022: EUR 328,731). Conversely, if the EUR had strengthened 5% against the CHF with all other variables held constant, the loss of the period would have been EUR 418,054 lower (2022: EUR 328,702).

As of 31 December 2023, if the EUR had weakened 5% against the USD with all other variables held constant, the loss for the period would have been EUR 330,645 higher (2022: EUR 397,114). Conversely, if the EUR had strengthened 5% against the USD with all other variables held constant, the loss of the period would have been EUR 330,777 lower (2022: EUR 396,949).

As of 31 December 2023, 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 3,210 lower (2022: EUR -36,338). 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 3,210 higher (2022: EUR 36,338).

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 2023 and 31 December 2022, 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.

<u>As at 31 December 2023</u>		<u>As at 31 December 2022</u>	
<u>EUR</u>	<u>Impact on income statement and equity</u>	<u>EUR</u>	<u>Impact on income statement and equity</u>
50 basis points increase / decrease	+/- 13,878	50 basis points increase / decrease	+/- 9,822

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 2023 and 2022.

11 Transactions under the authorised capital

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 that time) 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 on 26 July 2023. As a result of this transaction, the Board of Directors of the Company increased the share capital of the Company (on 27 April 2023 and 10 May 2023 in the framework of the authorised capital with the issuance of 4,445,205 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, 7:180 and 7:191 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 , (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, 1830 Machelen, Belgium, represented by Mr. Peter D'hondt, auditor.

As mentioned above, on 4 October 2023, the board of directors of the Company issued 51,020 new shares in the framework of the authorised capital to the benefit of certain non-executive independent directors in the framework of the so-called "Restricted Share Units" (RSU) remuneration component (as set out in the remuneration policy approved by the extraordinary general meeting of the Company on 10 February 2023). The Company's share capital has increased from EUR 2,921,010 to EUR 2,926,296 and the number of issued and outstanding shares has further increased from 28,191,733 to 28,242,753 ordinary shares, through the issuance of a total of 51,020 new shares that were subscribed for in the capital increase. In this context, the Board of Directors prepared a report in accordance with Article 7:198 juncto Articles 7:179 and 7:191 of the Belgian Companies and Associations Code in relation to the transaction. This board report must be read together with the related report prepared by the Company's statutory 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 2023.

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 2023 (dated 19 April 2024) 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 current version of the Company's Corporate Governance Charter was approved by the Company's board of directors on 21 April 2023. The board of directors of the Company will review this charter from time to time and make such changes as it deems necessary and appropriate.

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 the last version of this charter on 21 April 2023. 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	60	Chair, Independent Non-Executive Director	2021	2025
Mr Ian Crosbie	56	CEO, Executive Director	2021	2025
Dr Rudy Dekeyser	63	Non-Executive Director	2021	2025
Mr Wim Ottevaere ⁽¹⁾	68	Independent Non-Executive Director	2021	2025
Mrs Jackie Fielding	60	Independent Non-Executive Director	2022	2026
Mr Doug Kohrs	66	Independent Non-Executive Director	2023	2026
Mrs Alexandra Clyde	60	Independent Non-Executive Director	2023	2026
Mr Kenneth Macleod	64	Non-Executive Director	2023	2027
Mr Ids van der Weij	57	Non-Executive Director	2023	2027

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 a non executive board member with London based Rhythm AI and Lausanne based Comphyra. He is also the chairman of Galway based Aurigen Medical. 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 partner at EQT and head of the EQT's Health Economics Funds. Besides serving on the Company's Board of Directors, Dr. Dekeyser currently also serves on the Board of Directors of Lumeon, Nobi and reMYND 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). Dr. Dekeyser 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 8 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. Rudy 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 board member/consultant for biotechs. He was the Chief Financial Officer of Biotals from July 2020 until June 2023, a Belgian based Food and Crop Protection company that provides agricultural solutions. 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), Insight Surgery, and Scottish Brain Sciences. She also held the position of Chair at Northumbria Primary Care for 2 years.

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 (now owned by Stryker), and from 1999 to 2005 he was CEO and President of American Medical Systems (now owned by Boston Scientific). 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, Osteal Therapeutics, GIE Medical 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), Lima Orthopedics (acquired by Enovis), UroTronic (acquired by Laborie) 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 an accomplished medical technology executive with deep expertise and experience in health policy, health economics, reimbursement and the global health care landscape. She spent 26 years at Medtronic in roles of increasing responsibility, most recently as Corporate Senior Vice President of Global Health Economics, Policy and Reimbursement. In this role, she led a global function of more than 300 professionals around the world and provided company-wide leadership on health and payment policy. She has been widely recognized for her industry-wide leadership and impact in designing and implementing coverage and payment mechanisms for new technology, as well as value-based strategies and policy initiatives. She has participated in various Centers for Medicare and Medicaid Services (CMS) technical advisory councils as well as other private and public sector multi-stakeholder 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.

Dr Kenneth Macleod is a Partner at Rosetta Capital, a venture capital firm focused on life sciences and medical devices. Dr Macleod has over 35 years' experience in the life sciences sector in a career combining senior operating roles in healthcare companies (Abbott Laboratories, Serono SA) and life science fund management (SV Health Investors, Paul Capital Partners, Visium Healthcare Partners). Dr Macleod currently holds board positions at JenaValve Technology Inc. and Oxular Limited and has previously held board roles including at Pharming Group N.V. (NASDAQ:PHAR) and On-X Life Technologies, Inc., a mechanical heart valve company sold to Cryogenics Inc. (now NASDAQ:AORT). Dr Macleod received a BSc in Biological Sciences from the University of Manchester and a D.Phil. from the University of York.

Mr Ids van der Weij is Managing Partner of Partners in Equity V ("PiE V"), a private investment firm focusing on, among others, life sciences. Ids has spent more than 25 years of his career working in Private Equity and Venture Capital. Before PiE V, he was, among others, CEO of Friesland Bank Investments, Managing Partner of Ondernemend Oranje Kapitaal, board member of the Nederlandse Vereniging van Participatiemaatschappijen and member of the supervisory board of, among others, Arboned and Opthec. Besides PiE V, he is currently a (non-executive) director at Dicerol Therapeutics and member of the supervisory board of Micros B.V. He started his career at ABN AMRO NV, after completing his Business Administration studies at the University of Groningen.

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 /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 Morningside SPV L.P., a shareholder of the Company;
- 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	56	Chief Executive Officer
Mrs Kirsten Van Bockstaele ⁽¹⁾	49	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:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Dr Oliver Gödje (1)	59	Chief Medical Officer
Dr Gijs Klarenbeek	47	Senior Medical Advisor
Mr Timur Resch	41	Global Vice President QM/QA/RA
Dr Andreas Wirth	55	Global Vice President Engineering
Mr Martijn Blom	49	Chief Commercial Officer
Mr Dragomir Lakic	41	Global Vice President Manufacturing

(1) Dr Oliver Gödje's employment will end as of May 2024

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 21 April 2023), 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 21 April 2023), 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 2023, 27 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 21 April 2023).

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 2023, 4 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 2023, 2 meetings of the remuneration and nomination committee were held.

13.7. Activity Report and Attendance at Board and Committee Meetings during 2023

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	Audit	Nomination and remuneration
Mr Pierre Chauvineau	27 out of 27 meetings	4 out of 4 meetings	1 out of 2 meetings ⁽⁵⁾
Mr Ian Crosbie	27 out of 27 meetings	4 out of 4 meetings ⁽⁵⁾	2 out of 2 meetings ⁽⁵⁾
Mr Rudy Dekeyser ⁽⁴⁾	27 out of 27 meetings	N/A ⁽²⁾	2 out of 2 meetings
Mr Wim Ottevaere ^{(1) (3)}	27 out of 27 meetings	4 out of 4 meetings	N/A ⁽²⁾
Mrs Jackie Fielding	25 out of 27 meetings	N/A ⁽²⁾	2 out of 2 meetings
Mrs Alexandra Clyde ⁽⁶⁾	26 out of 27 meetings	4 out of 4 meetings	N/A ⁽²⁾
Mr Doug Kohrs ⁽⁷⁾	26 out of 27 meetings	N/A ⁽²⁾	2 out of 2 meetings
Dr Kenneth Macleod ⁽⁸⁾	12 out of 27 meetings	N/A ⁽²⁾	N/A ⁽²⁾
Mr Ids Van der Weij ⁽⁹⁾	7 out of 27 meetings	N/A ⁽²⁾	N/A ⁽²⁾

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) The extraordinary general shareholders' meeting of 10 February 2023 appointed Mrs. Alexandra Clyde as independent non-executive director. Prior to such appointment, Mrs. Alexandra Clyde already participated to certain board and committee meetings.
- (7) The extraordinary general shareholders' meeting of 10 February 2023 appointed Mr Doug Kohrs as independent non-executive director. Prior to such appointment, Mr Doug Kohrs already participated to certain board and committee meetings.
- (8) The special general shareholders' meeting of 26 June 2023 appointed Dr. Kenneth Macleod as non-executive director.
- (9) The extraordinary general shareholders' meeting of 10 November 2023 appointed Mr Ids Van der Weij as non-executive director. Prior to that, Mr. Ids Van der Weij was already member of the board of directors in a non-voting capacity (observer).

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 21 April 2023), 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 21 April 2023), 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 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 2023.

It should be noted that the Company has received updated transparency notifications after 31 December 2023. 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⁾
Partners in Equity V B.V	16 March 2022	15.31%
Société Fédérale de Participations et d'Investissement SA – Federale Participatie- en Investeringsmaatschappij NV / Belfius Insurance NV/SA	18 February 2020	12.70%
NeoMed IV Extension L.P. / NeoMed Innovation V L.P. / Erik Amble	6 February 2023	12.09%
LSP Health Economics Fund Management B.V	19 February 2021	9.25%
Rosetta Capital Ltd	6 February 2023	5.97%
ParticipatieMaatschappij	11 May 2023	4.80%

Vlaanderen NV		
Newton Biocapital I SA .	15 March 2022	4.64%
GRAC Société Simple	22 March 2022	4.25%
Sensinnovat BV	15 March 2022	3.79%
Optiverder B.V	10 May 2023	3.29%

Notes:

- (1) The percentage of voting rights is calculated on the basis of the number of outstanding Shares at the date of the relevant transparency notification
- (2) 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 2023, the share capital of the Company amounted to EUR 2,926,295.90 and was fully paid-up. It was represented by 28,242,753 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 28,242,753th of the share capital. The Company's shares do not have a nominal value.

On the date of this report, the share capital of the Company amounted to EUR 3,720,562.60 and is fully paid-up. It is represented by 35,909,420 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 35,909,420th 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 5,032,452, which entitles their holders (if exercised) to subscribe to 4,792,765 new shares with voting rights in total, namely:

- Up to 261,895 new shares can be issued upon the exercise 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");
- Up to 956,868 new shares can be issued upon the exercise of 956,868 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**");
- Up to 998,500 new shares can be issued upon the exercise of 998,500 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 of his or her share options (the "**2021 Share Options**");

- Up to 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 "2023 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 "**2023 Share Options**");
- Up to 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
- Up to 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**").
- Up to 1,111,294 new shares can be issued upon exercise of 1,111,294 subscription rights that are still outstanding that have been issued by the board of directors (within the framework of the authorized capital) on 27 April 2023 in the framework of the aforementioned private placement of new shares and new subscription rights (the "**2023 Investor Warrants**")

On 17 July 2020, the Company entered into a subordinated loan agreement with PMV Standaardleningen NV (formerly known as PMV/z-Leningen NV) (the "**PMV Loan**") 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 Standaardleningen NV 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 Standaardleningen NV 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 Standaardleningen NV can exercise this right until 30 days as from the completion of such equity financing or sale of the Company. In March 2023, the Company entered into new amendment agreements, thereby (i) amending the repayments terms and (ii) further increasing the interest rates retroactively (+0.5%pt). Consequently, the loans had a term of 60 months and were repayable in four equal quarterly instalments on 30 September 2024, 31 December 2024, 31 March 2025 and 30 June 2025. In February 2024, the Company entered into further amendments in relation to (i) the aforementioned PMV Loan, (ii) the EUR 2,000,000 loan with Belfius Insurance NV (the "**Belfius Loan**"), and (iii) the EUR 400,000 loan with Sensinnovat BV (the "**Sensinnovat Loan**"). The main amendments to the PMV Loans, the Belfius Loan and the Sensinnovat Loan consist of (a) an extension of the final maturity date to 31 December 2025, (b) a rescheduling of the principal repayments under the relevant loan agreements so that the principal amount outstanding under the loans thereunder will be repaid in four equal monthly instalments starting on 30 September 2025, and (c) an increase of the applicable interest rates under each of the relevant loan agreements with 0.5% per annum.

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 2023, 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 2023 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 Standaardleningen NV in July 2020, amended in December 2021, March 2023 and February 2024, also include restrictive covenants, which may limit the Company's ability (and require PMV Standaardleningen NV'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 (as amended), 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 3,720,562.60 and is fully paid-up. It is represented by 35,909,420 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 35,909,420th 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, the 2021 Share Options and the 2023 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 Standaardleningen NV, Sensinnovat and Belfius Insurance in July 2020, amended in December 2021, March 2023 and February 2024, 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 2023 (dated 19 April 2024) 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 23 May 2024 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/2023/03/20230207-Remuneration-Policy-ENG-final-with-votes.pdf>.

The revised remuneration policy will be submitted for approval to the annual shareholders' meeting of 23 May 2024.

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 2023 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.
 - 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 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 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.

The revised remuneration policy will be submitted for approval to the annual shareholders' meeting of 23 May 2024.

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 2023

During 2023, the non-executive directors were entitled to the following compensation, based on the approved fees in 14.3.1.

	Gross amount (in €) (1)	Share options awarded	Number of RSUs awarded and accepted (2)
Pierre Chauvineau	71,500	-	36,119
Wim Ottevaere (WIOT BV)	52,500	-	36,119
Jackie Fielding	49,000	-	36,119
Alexandra Clyde	49,000	-	36,119
Doug Kohrs	45,500	-	36,119

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

(2) Of the number of RSUs awarded and accepted in 2023, 12,755 underlying RSU shares (relating to the first reference year 2022-2023) have been issued on 4 October 2023. The remaining 23,364 underlying RSU shares (relating to the second reference year 2023-2024) will have to be issues on or prior to 21 June 2024.

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 2023

In 2023, 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	310,765	71%	291,312	82%
Pension plan(2)	15,538	4%	N/A	N/A
Insurance plan(3)	1,156	0%	N/A	N/A
Car lease/transport allowance	11,037	3%	N/A	N/A
Medical plan	6,792	2%	N/A	N/A
Bonus plan(4)	95,282	22%	64,671	18%
Total	440,569	100%	355,983	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 2023 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 2023, the Board of Directors has decided to establish the Company's performance at 65% (reflecting the level of achievement of the Company's 2022 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 2023 to the members of the Executive Management.

In 2023, 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 91,606.

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

	2019		2020		2021		2022		2023	
	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year
Directors and executive managers	834,090	42%	901,035	8%	919,714	2%	1,026,109	12%	1,067,552	4%

Note:

- 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

	2019		2020		2021		2022		2023	
	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year	EUR	% vs prior year
Employees	109,695	-4%	109,886	0%	112,481	2%	117,388	4%	132,626	13%

Note:

- 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	2019		2020		2021		2022		2023	
	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	- 14,977,445	7%	-19,106,205	28%	-23,615,081	24%	-30,763,083	30%	-32,563,574	6%
Total Equity	925,932	-105%	112,761	-88%	-786,919	-798%	-2,153,252	174%	-19,465,174	804%
Paid dividends	0	0	0	0	0	0	0	0	0	0
Market capitalisation at 31 December	78,950,494	NA	186,305,079	136%	140,442,710	-25%	142,479,168	1%	112,971,012	-21%

Ratio between the highest and the lowest remuneration

The ratio between the highest and lowest remuneration in 2023 was equal to 7 in the European Union and 6 outside the European Union. The remuneration is dependent on the fluctuation of the exchange rate of GBP/EUR and CHF/EUR.

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 2023, 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 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
- 984,138 new shares can be issued upon the exercise of 984,138 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**").
- 997,600 new shares can be issued upon the exercise of 997,600 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**").
- 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 '2023 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 "**2023 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 2023.

Name	Number of share options		
	Executive Share Options	2018 Share Options	2021 Share Options
Ian Crosbie	216,442	135,809	173,005
Kirsten Van Bockstaele (1)	6,226	70,419	59,747

Notes:

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

In financial year 2023, 115,656 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.

The key features of the 2023 Share Options can be summarised as follows:

- The 2023 Share Options are subscription rights in registered form.
- The 2023 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 2023 Share Options that have vested prior to the time of death can be transferred.
- Each 2023 Share Option can be exercised for one new ordinary share.

- If a 2023 Share Option which is not exercisable or which cannot be exercised pursuant to the issuance conditions (as determined in the 2023 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 2023 Share Options shall not be transferable, unless explicitly agreed upon by the Board of Directors, until the time the underlying 2023 Share Options would have become exercisable in accordance with the 2023 Share Option Plan, the relevant sub-plan or share option agreement.
- The exercise price of the 2023 Share Options shall be determined by the Board of Directors of the Company, taking into account applicable laws.
- The 2023 Share Options are granted for free, *i.e.* no consideration is due upon the grant of the 2023 Share Options, unless the grant agreement provides otherwise.
- Pursuant to Belgian company law, the 2023 Share Options have a maximum term of 10 years as of their issuance.
- Unless stipulated otherwise in the grant agreement, one third of the 2023 Share Options granted to a beneficiary shall vest on the first anniversary of 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 2023 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 2023 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 2023 Share Options and determine the conditions of such accelerated vesting.
- The 2023 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 2023 Share Option Plan is governed by the laws of Belgium.

14.8. Shareholding and Share Options

As per 31 December 2023, the directors of the company have the following holding of shares and share options :

	Holding per 31/12/2023			
	Ordinary shares	Ordinary shares resulting from exercised RSU	RSU	Share Options
Pierre Chauvineau	7,664	12,755	23,364	10,192 ⁽¹⁾
Wim Ottevaere (WIOT BV)	23,000	12,755	23,364	10,192 ⁽¹⁾
Doug Kohrs	0	12,755	23,364	0
Alexandra Clyde	0	12,755	23,364	0

(1) 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, 2023.

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, 2023.

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, 2023 and to determine the result allocation as disclosed in the statutory annual accounts for the year ended 31 December 2023.

19 April 2024

On behalf of the board of directors,

By: _____
Pierre Chauvineau
Director

By: _____
Ian Crosbie
Director