

## **SEQUANA MEDICAL**

### **Limited Liability Company**

Registered office: Kortrijksesteenweg 1112 (box 102), 9051 Ghent, Belgium  
VAT BE 0707.821.866 Register of Legal Entities Ghent, section Ghent

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## **REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 7:180, 7:191 AND 7:193 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE**

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### **1. INTRODUCTION**

On 19 July 2022, Kreos Capital VII (UK) Limited granted a secured loan facility to Sequana Medical NV (the "**Company**") in the amount of up to EUR 10.0 million (which was fully drawn on 5 October 2022) (the "**Loan Facility**") pursuant to a loan agreement originally entered into on 19 July 2022 between the Company and Kreos Capital VII (UK) Limited, as amended and/or restated from time to time (the "**Kreos Loan Agreement**").

In consideration of the willingness of Kreos Capital VII (UK) Limited to provide the Loan Facility within the framework of the Kreos Loan Agreement, the Company entered into a subscription rights agreement on 19 July 2022 with Kreos Capital VII Aggregator SCSp ("**Kreos**") pursuant to which it agreed to propose to the Company's extraordinary general meeting of shareholders to issue a total of 875,000 new subscription rights for new shares in the Company (the "**Original Kreos Subscription Rights**") to the benefit of Kreos (and its permitted successors and assigns). On 10 February 2023, the Company's extraordinary general meeting of shareholders approved the issuance of the Original Kreos Subscription Rights to the benefit of Kreos (and its permitted successors and assigns).

On 8 July 2024, in consideration of the willingness of Kreos Capital VII (UK) Limited to enter into an amendment and restatement agreement relating to the Kreos Loan Agreement, the Company entered into an amended and restated subscription rights agreement with Kreos pursuant to which the Company agreed to propose to the Company's extraordinary general meeting of shareholders (the "**EGM**") to cancel the Original Kreos Subscription Rights (as far as needed) and to issue a total of 875,000 new subscription rights for new shares in the Company (the "**New Kreos Subscription Rights**") to the benefit of Kreos (and its permitted successors and assigns). The New Kreos Subscription Rights to be issued will replace the existing and outstanding Original Kreos Subscription Rights.

The aforementioned 875,000 New Kreos Subscription Rights (giving the right to subscribe to new shares of the Company for an aggregate maximum issue price of EUR 875,000.00) are exercisable at an exercise price per underlying new share equal to the lowest subscription price paid or agreed to be paid for a share in the share capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Kreos Subscription Rights, and subject to certain exempted events that shall not be taken into account when determining the applicable exercise price per underlying new share.

In this context, the board of directors will submit to the EGM the proposal to cancel the Original Kreos Subscription Rights (as far as needed) and to issue the 875,000 New Kreos Subscription Rights, at the terms and conditions as further described below in this report, and to dis-apply, in the interest of the Company, the preferential subscription right of the existing shareholders of the Company and, as far as needed, of the holders of outstanding subscription rights (share options), to the benefit of Kreos (and its permitted successors and assigns) (the "**Transaction**").

Shareholders should note that the Transaction is complex, that the New Kreos Subscription Rights are complex instruments (in particular due to the mechanisms that are used to determine the applicable exercisable price and the number of shares issuable upon exercise of the New Kreos Subscription Rights), and that Kreos may benefit from a discount when exercising its New Kreos Subscription Rights and subscribing for new shares in the Company (leading to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company), in each case as described below.

This report has been prepared by the board of directors of the Company in accordance with Articles 7:180, 7:191 and 7:193 of the Belgian Companies and Associations Code (as defined below) for the purpose of the proposed issuance of the New Kreos Subscription Rights, with cancellation of the preferential subscription right of the Company's existing shareholders, and in so far as required, of the Company's existing holders of subscription rights (share options), to the benefit of Kreos (and its permitted successors and assigns).

In accordance with Article 7:180 of the Belgian Companies and Associations Code, the board of directors provides in this report a justification of the proposed Transaction, with notably a justification of the proposed exercise price of the New Kreos Subscription Rights and a description of the consequences of the proposed Transaction for the financial and shareholder rights of the shareholders of the Company.

In accordance with Article 7:191 of the Belgian Companies and Associations Code, the board of directors also provides in this report a justification of the proposed dis-application of the statutory preferential subscription right of the existing shareholders and, in so far as required, of the existing holders of subscription rights (share options) to the benefit of Kreos (and its permitted successors and assigns), and a description of the consequences thereof for the financial and shareholder rights of the shareholders.

In accordance with Article 7:193 of the Belgian Companies and Associations Code, the justification of the proposed Transaction and the proposed exercise price of the New Kreos Subscription Rights takes into account in particular the financial situation of the Company, the identity of Kreos (and its affiliates), and the nature and importance of the contribution of Kreos (and its affiliates).

This report must be read together with the report prepared in accordance with Articles 7:180, 7:191 and 7:193 of the Belgian Companies and Associations Code by the Company's statutory auditor, PwC Bedrijfsrevisoren BV, a private company with limited liability organised and existing under the laws of Belgium, with registered office at Culliganlaan 5, 1831 Diegem, Belgium, represented by Peter D'hondt BV, represented by Mr. Peter D'hondt, auditor.

This report has been prepared in accordance with the Belgian Companies and Associations Code of 23 March 2019 (as amended) (the "**Belgian Companies and Associations Code**").

## **2. CONTEXT OF THE TRANSACTION**

### **2.1. General**

On 8 July 2024, the Company entered into an amendment and restatement agreement relating to the Kreos Loan Agreement with Kreos Capital VII (UK) Limited, as well as into a related

amended and restated subscription rights agreement with Kreos Capital VII Aggregator SCSp. The main amendments to the aforementioned agreements were already announced by the Company on 8 February 2024 in the framework of the granting of convertible financing for an amount of EUR 3.0 million by certain major shareholders and related arrangements with several lenders (including Kreos Capital VII (UK) Limited) about the deferral of debt service payments.

Kreos Capital VII (UK) Limited (and its affiliates) are not related to the Company and its management (notwithstanding the board observer rights set out below), neither at the date of this report, nor when it granted the Loan Facility and entered into the Kreos Loan Agreement (and related subscription rights agreement (as amended and/or restated from time to time)).

## 2.2. Summary of the main features of the Kreos Loan Agreement

The main terms of the Kreos Loan Agreement can, for information purposes, be summarized as follows:

- (a) **Term:** The Loan Facility, which was available for drawdown until 30 September 2022 in minimum amounts of EUR 1.5 million, matures on 30 September 2025 (or, subject to certain conditions, 31 March 2026). It was agreed that during the initial period of six months from the first drawdown (extendable by mutual agreement), the Company would only pay interest, with the loans amortising thereafter in equal monthly instalments of principal and interest until maturity. On 5 October 2022, the Company made a first drawdown in the amount of EUR 10.0 million. The Kreos Loan Agreement allowed the Company to request on an uncommitted basis additional loans of up to EUR 10.0 million at a later date (which request has not been submitted to date).
- (b) **Use of Proceeds:** Proceeds from the Loan Facility are used by the Company to finance general working capital requirements.
- (c) **Interest:** The loans under the Loan Facility accrue interest at a fixed rate of (i) 9.75% per annum from the relevant drawdown date until 31 January 2024, and (ii) 11.5% per annum on and from 1 February 2024 until the repayment in full of the relevant loan.
- (d) **Fees:** Certain fees were or will be payable to Kreos Capital VII (UK) Limited, principally consisting of (i) a transaction fee equal to 1.25% of the total Loan Facility amount, (ii) a restructuring fee equal to 1.5% of all outstanding principal amounts as at 1 February 2024, and (iii) an end of loan payment, payable upon final repayment of the loan, corresponding to 2.25% of the amount drawn.
- (e) **Convertibility feature:** 30% of the principal amounts outstanding under the Loan Facility as at 31 January 2024 (being an amount of 30% of EUR 8,938,712.71 (being rounded EUR 2,681,613.81)) is convertible into new shares of the Company (through a contribution in kind of receivables) at the option of Kreos Capital VII (UK) Limited against a conversion price equal to the lower of (i) the applicable loan conversion price under the convertible loan agreement entered into on 7 February 2024 with Rosetta Capital VII, LP and Partners in Equity V B.V. (*i.e.*, EUR 0.825), and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the conversion of the Loan Facility.
- (f) **Board observer:** Kreos Capital VII (UK) Limited is entitled to appoint a board observer to attend meetings of the Company's board of directors in a non-voting capacity.
- (g) **Collateral:** The Loan Facility is secured by the Company's bank accounts, receivables and movable assets, including IP rights.

- (h) **Change of control:** The Kreos Loan Agreement contains a change of control clause, which has already been approved by the extraordinary shareholders' meeting of 10 February 2023.
- (i) **Contractual restrictions:** The Kreos Loan Agreement does not contain financial covenants, but does contain other customary restrictions on the business of the Company and its subsidiaries (such as limitations on future disposals, limitations on the incurrence of financial indebtedness, security and acquisitions, subject to certain carve-outs and limitations) and on the ability of the Company to distribute dividends as long as loans are outstanding.
- (j) **Consideration:** The Company and Kreos Capital VII (UK) Limited agreed that the cancellation of the Original Kreos Subscription Rights (as far as needed) and the issuance of the New Kreos Subscription Rights to the benefit of Kreos (and its permitted successors and assigns) was a condition for Kreos Capital VII (UK) Limited, an affiliate of Kreos, to enter into an amendment and restatement agreement relating to the Kreos Loan Agreement on 8 July 2024.

The terms of the Kreos Loan Agreement (of which the proposed cancellation of the Original Kreos Subscription Rights (as far as needed) and the issuance of the New Kreos Subscription Rights form a part) have been determined during at arm's length negotiations between the Company, Kreos Capital VII (UK) Limited and Kreos. The negotiation process was conducted in an objective and independent manner. Kreos Capital VII (UK) Limited (including any of its affiliates) is a third party to the Company and is not related to the Company and its management.

On 30 September 2024, in the framework of the Company's announcement that it obtained convertible financing of up to EUR 6.1 million from major shareholders, the Company also announced that it entered into a (non-binding) letter of intent in relation to the further amendments to the Kreos Loan Agreement. The main amendments to the Kreos Loan Agreement (subject to finalisation of definitive agreements) were summarized in a press release issued by the Company on 30 September 2024 (and include a conditional loan repayment holiday until 1 July 2025, or subject to certain conditions, 31 March 2026) and do not relate to the Original Kreos Subscription Rights and/or the New Kreos Subscription Rights.

### **3. PROPOSED TRANSACTION**

#### **3.1. Terms and conditions of the New Kreos Subscription Rights**

In accordance with what was agreed between the Company and Kreos (in consideration of the willingness of Kreos Capital VII (UK) Limited to enter into an amendment and restatement agreement relating to the Kreos Loan Agreement on 8 July 2024 (as initially announced and agreed in February 2024 in the framework of the granting of EUR 3.0 million convertible financing from certain major shareholders and the related agreement with several lenders about the deferral of debt service payments), the board of directors of the Company proposes to the EGM to cancel the Original Kreos Subscription Rights (as far as needed) and to approve the issuance of the New Kreos Subscription Rights, and to dis-apply, in the interest of the Company, the preferential subscription right of the existing shareholders of the Company and, as far as needed, of the holders of outstanding subscription rights of the Company, to the benefit of Kreos (and its permitted successors and assigns).

The proposed new terms and conditions of the New Kreos Subscription Rights (the "**New Conditions**") are set out in [Annex A](#) to this report. The main New Conditions can, for information purposes, be summarised as follows:

- (a) **Issuer:** The Company (Sequana Medical NV).

- (b) Number of subscription rights issued: An aggregate number of 875,000 New Kreos Subscription Rights.
- (c) Subscription right for ordinary shares: The 875,000 New Kreos Subscription Rights give Kreos the right to subscribe to new shares of the Company for an aggregate maximum issue price of EUR 875,000.00 at an exercise price per underlying new share equal to the lowest subscription price paid or agreed to be paid for a share in the share capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Kreos Subscription Rights, and subject to certain exempted events set out below in section (d) that shall not be taken into account when determining the applicable exercise price per underlying new share.

The abovementioned New Kreos Subscription Rights may be exercised in whole or in part, it being understood that New Kreos Subscription Rights cannot be exercised with respect to fractions of shares. In the event a fraction of a share were to be issued upon the exercise of one or more New Kreos Subscription Rights, the relevant number of shares issuable upon such exercise shall be rounded down to the nearest whole number of shares, without further compensation for the fraction of a share that cannot be so issued.

This number of shares to be issued upon exercise of the New Kreos Subscription Rights is subject to certain adjustments in case of any sub-division (or stock split) or consolidation (or reverse stock split) of shares of the Company as set out in the New Conditions. In any event, it has been agreed that the Company may proceed with all actions that it deems appropriate in relation to its capital, its articles of association, its financial condition, even if such actions lead to a reduction of the benefits allocated to the New Kreos Subscription Rights, including but not limited to, mergers or acquisitions, capital increases or reductions (including those subject to conditions precedent), the incorporation of reserves into the capital with or without the issue of new shares, the issue of dividends or other distributions, the issue of other equity securities and the amendment of arrangements or provisions relating to the distribution of profits or liquidation proceeds, provided, however, that the shares issued or issuable under the New Kreos Subscription Rights shall not be treated differently (had they already been issued at that time) than other shares already issued.

On one occasion only, in lieu of the payment in cash of the relevant aggregate exercise price for each of the relevant shares issuable, Kreos may in respect of all of the shares that would otherwise be issuable elect to receive a reduced number of shares, to be issued to Kreos as fully paid up, which reduced number of shares shall be determined in accordance with the following formula included in New Condition 6.3.3:

$$X = Y (A-B)/A$$

whereby:

X = the reduced number of new shares to be issued.

Y = the number of underlying shares with respect to which the New Kreos Subscription Rights are being exercised.

A = the "fair market value" per share (*i.e.*, at any given time this is to be determined, a price per share that is equal to the arithmetic average of the daily volume weighted average price of the Company's shares traded on the regulated market of Euronext Brussels during the period of five consecutive days ending on (and including) the third day before the date on which such price is to be determined).

B = the applicable exercise price per new share underlying the New Kreos Subscription Rights.

The relevant shares will then be issued against an issue price equal to the fractional value of the Company's shares at that time (currently rounded EUR 0.1036 per share). The aforementioned exercise mechanism is referred to hereinafter as the "**Net Issuance Exercise**".

- (d) Exercise price: The 875,000 New Kreos Subscription Rights (giving the right to subscribe to new shares of the Company for an aggregate maximum issue price of EUR 875,000.00) can be exercised by Kreos against the payment in cash of an exercise price per underlying new share equal to the lowest subscription price paid or agreed to be paid for a share in the share capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Kreos Subscription Rights, provided, however, that any subscription or issue price paid, or agreed to be paid, in the framework of the following transactions shall not be considered when determining the aforementioned exercise price:
- (i) the issuance of new shares or other securities that, directly or indirectly, can be exercised, converted or exchanged for shares in the Company (and the issuance of shares pursuant to such exercise, conversion or exchange) within the framework of a share based incentive plan for members of the personnel as defined in article 1:27 of the Belgian Companies and Associations Code, whether issued, created or put in place before or after 8 July 2024; or
  - (ii) the issuance of new shares in the Company pursuant any of the other warrants or subscription rights issued by the Company prior to 8 July 2024.

The abovementioned exercise price per new share underlying the New Kreos Subscription Rights is subject to certain adjustments in case of any sub-division (or stock split) or consolidation (or reverse stock split), as set out in the New Conditions.

If Kreos would decide, on one occasion only, to receive a reduced number of shares in lieu of payment in cash of the aggregate exercise price by opting for the aforementioned Net Issuance Exercise mechanism, the relevant shares will be issuable against an issue price equal to the fractional value of the Company's shares at that time (currently

rounded EUR 0.1036 per share).

The New Conditions also provide that in circumstances where an exercise of the New Kreos Subscription Rights is specifically in anticipation of, and conditional upon, the occurrence of (i) a public takeover bid with respect to the Company's shares and other outstanding voting securities of the Company or securities granting access to voting rights, or (ii) a sale of the entire issued share capital of the Company to a bona fide third party on arm's length terms for cash consideration (a "**Share Sale**"), the exercise price of the New Kreos Subscription Rights can be satisfied and paid in cash by the relevant purchaser (on behalf of Kreos).

- (e) Duration: The New Kreos Subscription Rights have an initial term commencing on the date on which the New Kreos Subscription Rights have been issued by the EGM and expiring on 19 July 2027, at 12 a.m., or (if earlier) the completion of a Share Sale. To the extent that the New Kreos Subscription Rights have not, or only partly, been exercised by 19 July 2027 and provided that no Share Sale has taken place prior to such expiry date, the Company will issue a number of new subscription rights calculated by subtracting the number of New Kreos Subscription Rights already exercised, at conditions that shall be *mutatis mutandis* the same as the New Conditions, for an additional period of two years. The aforementioned new subscription rights cannot be exercised prior to the expiry of the New Kreos Subscription Rights.
- (f) Nature of the shares issuable upon exercise: The New Kreos Subscription Rights shall entitle the holder thereof to subscribe for new ordinary shares to be issued by the Company at the occasion of the exercise of the New Kreos Subscription Rights. The new ordinary shares shall be issued as fully paid up, shall have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlements to dividends and other distributions, with, the existing and outstanding ordinary shares at the moment of their issuance, and will be 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 shares.
- (g) Capital increase and allocation of the exercise price: Each time upon an exercise of the New Kreos Subscription Rights and the issuance of new shares pursuant to the New Conditions, the applicable aggregate subscription price of the shares shall be allocated to the share capital of the Company. If the applicable issue price, per underlying new share issued, is greater than the fractional value of the existing shares immediately prior to the capital increase, then the applicable aggregate issue price shall be allocated in such a manner that per new share issued (i) a part of the applicable aggregate issue price equal to the fractional value of the existing shares immediately prior to the capital increase shall be booked as share capital, and (ii) the balance of the applicable aggregate issue price shall be booked as issue premium. This issue premium will be booked on a separate account as net equity on the liabilities side of the Company's balance sheet and can only be reduced in execution of a valid decision of the Company in accordance with the Belgian Companies and Associations Code. Following the issue of the new shares and the capital increase resulting therefrom, each of the shares (existing and new) shall represent the same fraction of the Company's share capital.
- (h) Listing of the underlying shares: The new shares to be issued upon exercise of the New Kreos Subscription Rights shall need to be admitted to trading on the regulated market of Euronext Brussels in accordance with paragraph 3.5 below.
- (i) Form of the New Kreos Subscription Rights: The New Kreos Subscription Rights are issued in, and should remain in, registered form.

- (j) No listing of the New Kreos Subscription Rights: The New Kreos Subscription Rights will not be listed at any time on a securities exchange, regulated market or similar securities market.
- (k) Transferability of the New Kreos Subscription Rights: Kreos shall be entitled to transfer or assign the New Kreos Subscription Rights. Notwithstanding the foregoing, Kreos (i) should notify the Company of its intent to transfer the New Kreos Subscription Rights, and (ii) Kreos shall not be entitled to transfer the New Kreos Subscription Rights to an entity that is a customer, competitor or supplier of the Company or a group company, or an entity that holds 20% or more of the share capital of any such customer, competitor or supplier.

The board of directors will submit to the EGM the approval and ratification, insofar as required in accordance with Article 7:151 of the Belgian Companies and Associations Code, of all clauses included in the New Conditions, which come into effect at the moment a change of control occurs and which fall or could be considered to fall within the scope of Article 7:151 of the Belgian Companies and Associations Code (relating to the granting of rights to third parties that substantially affect the Company's assets and liabilities, or give rise to a substantial debt or commitment on its behalf, when the exercise of these rights is subject to the launching of a public takeover bid on the shares of the Company or to a change in the control exercised over it).

For the sake of completeness, it should be noted that, if the EGM would not approve the cancellation of the Original Kreos Subscription Rights (as far as needed) and the issuance and allocation of (all of) the New Kreos Subscription Rights to Kreos by the EGM to be held before 8 January 2025, the Company shall pay Kreos certain fees (as further described in paragraph 4).

### **3.2. Dis-application of the preferential subscription right of the existing shareholders**

Within the framework of the contemplated Transaction as described above, in order to allow the Company to allocate the New Kreos Subscription Rights to Kreos, as agreed between the Company and Kreos, the board of directors proposes to the EGM to dis-apply the preferential subscription right of the Company's existing shareholders and, in so far as required, of the Company's existing holders of subscription rights (share options), in accordance with Articles 7:191 and 7:193 of the Belgian Companies and Associations Code, to the benefit of Kreos (and its permitted successors and assigns).

Kreos is a special limited partnership incorporated under the laws of Grand Duchy of Luxembourg, with registered office at 33, Avenue J. F. Kennedy L – 1855 Luxembourg, Grand-Duchy of Luxembourg.

As mentioned, Kreos (and its affiliates) are not related to the Company and its management (notwithstanding the board observer rights set out above), neither at the date of this report, nor when it granted the Loan Facility and entered into the Kreos Loan Agreement (and related subscription rights agreement (as amended and/or restated from time to time)).

As mentioned, Kreos is in principle also entitled to transfer or assign the New Kreos Subscription Rights.

The dis-application of the preferential subscription right of the existing shareholders, and, in so far as required, of the existing holders of subscription rights (share options), allows the Company to issue the New Kreos Subscription Rights to Kreos (and its permitted successors and assigns).



### **3.3. Exercise price of the proposed New Kreos Subscription Rights**

As set out above in paragraph 3.1(d), the 875,000 New Kreos Subscription Rights (giving the right to subscribe to new shares of the Company for an aggregate maximum issue price of EUR 875,000.00) can be exercised by Kreos at an exercise price per underlying new share equal to the lowest subscription price paid or agreed to be paid for a share in the share capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Kreos Subscription Rights, and subject to certain exempted events set out above in section 3.1(d) that shall not be taken into account when determining the applicable exercise price per underlying new share.

The abovementioned exercise price per new share underlying the New Kreos Subscription Rights is subject to certain adjustments in case of any sub-division (or stock split) or consolidation (or reverse stock split), as set out in the New Conditions. See also section 3.1(c) above.

Subject to, and in accordance with, the provisions of the New Conditions, each time upon an exercise of the New Kreos Subscription Rights and the issuance of new shares pursuant to the New Conditions, the applicable aggregate subscription price of the shares shall be allocated to the share capital of the Company. If the applicable issue price, per underlying new share issued, is greater than the fractional value of the existing shares immediately prior to the capital increase, then the applicable aggregate issue price shall be allocated in such a manner that per new share issued (i) a part of the applicable aggregate issue price equal to the fractional value of the existing shares immediately prior to the capital increase shall be booked as share capital, and (ii) the balance of the applicable aggregate issue price shall be booked as issue premium. This issue premium will be booked on a separate account as net equity on the liabilities side of the Company's balance sheet and can only be reduced in execution of a valid decision of the Company in accordance with the Belgian Companies and Associations Code. Following the issue of the new shares and the capital increase resulting therefrom, each of the shares (existing and new) shall represent the same fraction of the Company's share capital.

If Kreos would decide, on one occasion only, to receive a reduced number of shares in lieu of payment in cash of the aggregate exercise price by opting for the aforementioned Net Issuance Exercise mechanism (as further described in section 3.1(c) above), the relevant shares will be issuable against an issue price equal to the fractional value of the Company's shares at that time.

### **3.4. The rights attached to the new shares to be issued upon exercise of the New Kreos Subscription Rights**

As mentioned above, the New Kreos Subscription Rights shall entitle the holder thereof to subscribe for a number of new ordinary shares to be issued by the Company at the occasion of the exercise of the New Kreos Subscription Rights. The new ordinary shares shall be issued as fully paid up, shall have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlements to dividends and other distributions, with, the existing and outstanding ordinary shares at the moment of their issuance, and will be 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 shares.

### **3.5. Admission to listing and trading of the new shares to be issued upon exercise of the New Kreos Subscription Rights**

The new shares to be issued upon exercise of the New Kreos Subscription Rights shall need to be admitted to listing and trading on the regulated market of Euronext Brussels. For this

purpose, the Company is to make the necessary filings and applications, and, as the case may be, prepare a listing prospectus, all as required by applicable regulations, in order to permit an admission to listing and trading on the regulated market of Euronext Brussels following the issuance of the new shares upon exercise of the New Kreos Subscription Rights in accordance with the New Conditions.

#### **4. JUSTIFICATION OF THE PROPOSED TRANSACTION**

The issuance of the Original Kreos Subscription Rights to the benefit of Kreos (and its permitted successors and assigns) was one of the elements that had been agreed by the Company in consideration of the willingness of Kreos Capital VII (UK) Limited, an affiliate of Kreos, to provide the Loan Facility on 19 July 2022. Had the Company not been willing to agree to submit the issuance of the Original Kreos Subscription Rights to the Company's extraordinary general meeting of shareholders, Kreos Capital VII (UK) Limited would probably not have been willing to (or only at terms less favourable to the Company, if at all) provide the Loan Facility to the Company.

The cancellation of the Original Kreos Subscription Rights (as far as needed) and the issuance of the New Kreos Subscription Rights to the benefit of Kreos (and its permitted successors and assigns) was one of the elements that had been agreed by the Company in consideration of the willingness of Kreos Capital VII (UK) Limited, an affiliate of Kreos, to enter into an amendment and restatement agreement relating to the Kreos Loan Agreement on 8 July 2024 (which, amongst others, postponed the repayment of the principal and interest amounts and (conditionally) extended the loan maturity date) (as initially announced and agreed in principle in February 2024 in the framework of the granting of EUR 3.0 million convertible financing from certain major shareholders and the related agreement with several lenders about the deferral of debt service payments). Had the Company not been willing to agree to submit the cancellation of the Original Kreos Subscription Rights (as far as needed) and the issuance of the New Kreos Subscription Rights to the EGM, Kreos Capital VII (UK) Limited would probably not have been willing to (or only at terms less favourable to the Company, if at all) enter into an amendment and restatement agreement relating to the Kreos Loan Agreement (which contained the aforementioned payment holiday and maturity date extension) (as a result of which the lenders providing the convertible financing in February 2024 would probably not have been willing to further support the Company (as the renegotiation of certain debt arrangements formed an important part of the broader deal at the time)).

The board of directors also notes that the New Kreos Subscription Rights to be issued will replace the existing and outstanding Original Kreos Subscription Rights and that the main amendments relate to the exercise price mechanism and the manner in which the total number of new shares to be issued is calculated.

The net proceeds paid to the Company by Kreos Capital VII (UK) Limited upon the drawdown by the Company of the Loan Facility (of which the issuance of the Original Kreos Subscription Rights formed a part) formed an important source of funding that allowed the Company to finance its development and activities (which is in the interest of the Company and its stakeholders). The postponement of the repayments of the principal and interest amounts and the (conditional) extension of the maturity date of the Kreos Loan Agreement following the amendment and restatement agreement entered into on 8 July 2024 allowed the Company to use its existing cash resources (temporarily) to further support its working capital and its going concern.

Furthermore, while it cannot be guaranteed that the New Kreos Subscription Rights will ultimately be exercised, the exercise of the proposed New Kreos Subscription Rights by Kreos, and the payment of the relevant exercise price of the new shares underlying the New Kreos

Subscription Rights by Kreos, if any, will enable the Company to obtain additional cash resources, which can be further used to fund the Company's business activities, and to strengthen its balance sheet. The board of directors notes that any dilution resulting from the exercise of the New Kreos Subscription Rights is outweighed by the risks and disadvantages if the Company were not able to postpone the repayments of the principal and interest amounts and (conditionally) extend the maturity date of the Kreos Loan Agreement.

Also, the Kreos group is a global debt provider with expertise in complex, cross border transactions worldwide. It has built an important track record in many industries. The fact that Kreos was willing to provide the Loan Facility (of which the issuance of the Original Kreos Subscription Rights formed a part) and to enter into an amendment and restatement agreement relating to the Kreos Loan Agreement (of which the issuance of the New Kreos Subscription Rights forms a part) can be seen as an additional validation of the Company's strategy, business and plans. This may generate additional interest from other investors, both on a national and an international level, which may improve both the stability of the shareholding, and the diversity of the Company's shareholder structure.

For the justification of the exercise price of the New Kreos Subscription Rights, see paragraph 5 of this report.

In view hereof, the board of directors of the Company believes the proposed cancellation of the Original Kreos Subscription Rights (as far as needed) and the issuance of the New Kreos Subscription Rights to be in the interest of the Company and its stakeholders.

The board of directors notes that the amended and restated subscription rights agreement of 8 July 2024 provides that in the event that the cancellation of the Original Kreos Subscription Rights and the issuance and allocation of (all of) the New Kreos Subscription Rights is not approved by the EGM, the Company will have to pay an additional fee in cash equal to the higher of:

(i)  $A * (X - Y)$

where:

$A = 875,000$  minus the number of New Kreos Subscription Rights exercised.

$X =$  an amount equal to the arithmetic average of the daily volume weighted average price per share of the Company's shares traded on the regulated market of Euronext Brussels during the period of thirty (30) consecutive trading days ending on (and including) the third trading day prior to the date of exercise of the New Kreos Subscription Rights.

$Y =$  the applicable exercise price of the New Kreos Subscription Rights,

(ii) an aggregate cash return of 1.35x on the total credit amount under the Kreos Loan Agreement (whether as principal amount, interest, or otherwise). This fee shall be payable within ten business days following the final repayment date of 30 September 2025 (which can be extended, subject to certain conditions, to 31 March 2026).

## **5. JUSTIFICATION OF THE EXERCISE PRICE OF THE NEW KREOS SUBSCRIPTION RIGHTS**

The mechanism pursuant to which the exercise price of the new shares underlying the New Kreos Subscription Rights has been determined in the New Conditions is the result of negotiations that occurred between the Company and Kreos Capital VII (UK) Limited in an arm's length manner. As described above, the exercise price per underlying share will be equal to the lowest subscription price paid or agreed to be paid for a share in the share capital of the

Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Kreos Subscription Rights, and subject to certain exempted events that shall not be taken into account when determining the applicable exercise price per underlying new share.

The board of directors considers the aforementioned proposed mechanism to determine the exercise price of the shares underlying the New Kreos Subscription Rights to be justified since (amongst other things) the mechanism is based on an objective and verifiable reference price, namely the lowest (preferential) issue price that other existing and new investors were or are willing to pay for new shares in the Company (outside the framework of incentive plans for members of the personnel).

By way of illustration, the applicable exercise price per new share underlying the New Kreos Subscription Rights on the date of this report is equal to EUR 0.665 (namely, the issue price per share issued to the benefit of Belfius Insurance NV on 13 November 2024). In comparison with the price of the Company's shares on the regulated market of Euronext Brussels on 11 November 2024 (*i.e.*, EUR 0.902 per share), the aforementioned exercise price represents a discount of 26.27%. As a result of potential future transactions at the occasion of which new shares are issued by the Company, the exercise price of the shares underlying the New Kreos Subscription Rights might further decrease and reflect further discounts. The board of directors notes that such (potential) discounts are not unreasonable as they would reflect, amongst other things, a compensation for the significant solvency and funding risks of the Company, the level of indebtedness of the Company, the general macro-economic factors, and the limited liquidity of the Company's shares notwithstanding the trading of the Company's shares on Euronext Brussels, but also the risks and opportunity cost of Kreos (and its affiliates) to agree to the Loan Facility and the amendment and restatement agreement relating to the Kreos Loan Agreement (which was associated with benefits for the Company (including a payment holiday and a maturity date extension), as described in section 4 above).

The exercise price of the New Kreos Subscription Rights is also subject to customary downward adjustments in case of any sub-division (or stock split) or consolidation (or reverse stock split) set out in the New Conditions, it being understood that notwithstanding Article 7:71, §1 of the Belgian Companies and Associations Code, the Company may proceed with all actions that it deems appropriate in relation to its capital, its articles of association, its financial condition, even if such actions lead to a reduction of the benefits allocated to the New Kreos Subscription Rights, including but not limited to, mergers or acquisitions, capital increases or reductions (including those subject to conditions precedent), the incorporation of reserves into the capital with or without the issue of new shares of the Company, the issue of dividends or other distributions, the issue of other equity securities and the amendment of arrangements or provisions relating to the distribution of profits or liquidation proceeds, provided, however, that the shares issued or issuable under the New Kreos Subscription Rights shall not be treated differently (had they already been issued at that time) than other shares already issued by the Company.

As described in section 3.1(d), if Kreos would decide, on one occasion only, to receive a reduced number of shares in lieu of payment in cash of the aggregate exercise price by opting for the aforementioned Net Issuance Exercise mechanism, the relevant shares will be issuable against an issue price equal to the fractional value of the Company's shares at that time (currently rounded EUR 0.1036 per share). In comparison with the price of the Company's shares on the regulated market of Euronext Brussels on 11 November 2024 (*i.e.*, EUR 0.902 per share), the aforementioned issue price currently represents a discount of 88.51%. The board

of directors notes however that as a reduced number of shares is being issued in such case (at a reduced issue price), the resulting financial dilution is conceptually not higher than the financial dilution in a scenario where the New Kreos Subscription Rights are being exercised in the framework of a Cash Exercise (as defined below) (see section 7.5 below) (and can be justified on the basis of similar reasons set out above).

Hence, in view of all of the foregoing, the board of directors believes that the exercise price of the New Kreos Subscription Rights can be sufficiently justified and is not prejudicial to the existing shareholders and, in so far as required, of existing holders of subscription rights (share options) of the Company.

## **6. JUSTIFICATION OF THE DIS-APPLICATION OF THE PREFERENTIAL SUBSCRIPTION RIGHT**

Within the framework of the contemplated issuance of the New Kreos Subscription Rights as described above, the board of directors proposes to the EGM to dis-apply the preferential subscription right of the Company's existing shareholders and, in so far as required, of the Company's existing holders of subscription rights (share options), in accordance with Articles 7:191 and 7:193 of the Belgian Companies and Associations Code, to the benefit of Kreos (and its permitted successors and assigns as provided for by the New Conditions).

The dis-application of the preferential subscription right is necessary in order to allow the Company to issue the New Kreos Subscription Rights to the benefit of Kreos (and its permitted successors and assigns) in accordance with the New Conditions and the contractual arrangements between the Company and Kreos. For an overview of the justification and benefits of the proposed Transaction, reference is made to paragraph 4 above.

For all of the above reasons, the board of directors recommends that the EGM approves the contemplated issuance of the New Kreos Subscription Rights with dis-application of the preferential subscription right to the benefit of Kreos (and its permitted successors and assigns as provided for by the New Conditions), and this notwithstanding the dilution following from the exercise of the New Kreos Subscription Rights for the shareholders and, as the case may be, the holders of subscription rights (share options), since it is in the interest of both the Company and the existing shareholders and holders of subscription rights (share options).

## **7. CERTAIN FINANCIAL AND OTHER CONSEQUENCES**

### **7.1. Introductory comments**

The following paragraphs provide an overview of certain financial consequences of the exercise of the New Kreos Subscription Rights. For further information with regard to the financial consequences of the exercise of the New Kreos Subscription Rights, reference is also made to the report prepared in accordance with Articles 7:180, 7:191 and 7:193 of the Belgian Companies and Associations Code by the statutory auditor of the Company, PwC Bedrijfsrevisoren BV.

The actual financial consequences resulting from the exercise of the New Kreos Subscription Rights cannot yet be determined with certainty, as these depend on the applicable exercise price and it is not known at present which of the different agreed exercise mechanisms Kreos will use upon exercise of the New Kreos Subscription Rights (see paragraph 3.1(c) above).

The actual financial consequences resulting from the exercise of the outstanding Share Options, the settlement of the 2024-2025 RSUs, and the issuance of new shares pursuant to the contribution in kind of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable (each

as defined and further detailed below) cannot yet be determined with certainty, as certain financial parameters are not known as of the date of this report.

*Accordingly, the discussion herein of the financial consequences of the exercise of the New Kreos Subscription Rights and the settlement or conversion of other dilutive instruments for existing shareholders is purely illustrative and hypothetical, and is based on purely indicative financial parameters (where relevant). The actual number of shares to be issued in connection with the transactions and their issue price, conversion price or exercise price may vary significantly from the hypothetical values used in this report.*

## 7.2. Share capital structure of the Company

Subject to the foregoing reservations, for the purposes of the illustration of some of the financial consequences and notably the dilution for the shareholders, the following parameters and assumptions were used:

- (a) At the date of this report, the share capital of the Company amounts to EUR 4,603,936.18, represented by 44,436,192 shares without nominal value, each representing the same fraction of the share capital, *i.e.*, rounded EUR 0.1036. The share capital is entirely and unconditionally subscribed for and is fully paid-up.
- (b) At the date of this report, 4,169,500 shares can still be issued by the Company, of which:
  - (i) up to 261,895 new shares can be issued upon the exercise 90,780 share options that are still outstanding (at the date of this report) 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**");
  - (ii) up to 687,784 new shares can be issued upon the exercise of 687,784 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this report) 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**");
  - (iii) up to 805,723 new shares can be issued upon the exercise of 805,723 share options (each share option having the form of a subscription right) that are still outstanding (at the date of this report) 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**");
  - (iv) 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 (at the date of this report) 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**");
  - (v) 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**"). For the calculation of the full-dilution scenarios below (to reflect maximum dilution), it is assumed that the Bootstrap Warrants are exercised via

the "cash exercise" mechanism (and not via the "cashless exercise" or "net issuance exercise" mechanism) provided in the relevant terms; and

- (vi) up to 1,111,294 new shares can be issued upon the exercise of 1,111,294 subscription rights that are still outstanding (at the date of this report) that have been issued by the board of directors in the framework of a private placement completed on 27 April 2023, and 10 May 2023 (the "**2023 Investor Warrants**").

The Executive Share Options, the 2018 Share Options, the 2021 Share Options, the 2023 Share Options, the Bootstrap Warrants and the 2023 Investor Warrants are hereinafter jointly referred to as the "**Share Options**". In this report, when reference is made to any "outstanding" Share Options, this refers to, respectively, Share Options that have not yet been granted but can still be granted and (depending on the terms and conditions of such Share Options) have not yet expired, and Share Options that have already been granted and (depending on the terms and conditions of such Share Options) have not yet expired. For the purpose of the full-dilution scenario calculations further below, it is assumed that all of the aforementioned existing (i.e., outstanding and yet to be granted) Share Options have been granted, have vested, are immediately exercisable (regardless of their terms and conditions), and have been fully exercised prior to the exercise of the New Kreos Subscription Rights. The board of directors notes, finally, that whether the Share Options will actually be exercised will ultimately depend on the decision of the respective holders of the relevant securities. In particular, the holder of such securities could realize a gain at the time of exercise or conversion if the Company's share price at that time is higher than the relevant exercise price, and if the underlying shares can be sold on the market at that price.

- (c) In February 2023, the extraordinary general meeting of the Company, upon the recommendation of the nomination and remuneration committee, decided to amend the Company's remuneration policy to allow non-executive independent directors ("**INEDs**") to receive remuneration in the form of shares of the Company in addition to their fixed cash remuneration. Since the Company does not have distributable reserves (and therefore does not meet the legal requirements to carry out a share buyback and subsequent allocation), the remuneration policy provides for the grant by the Company of so-called "restricted share units" (the "**RSUs**") to INEDs. Within the framework of the aforementioned decision of the extraordinary general meeting, the Company proposed in September 2023 and July 2024 to grant RSUs to the then-current INEDs. In this context, up to 197,368 new shares will need to be issued by the Company in June 2025 at an issue price of EUR 0.11 per share in connection with the settlement of RSUs granted for the reference year 2024-2025 to certain of the current INEDs (the "**2024-2025 RSUs**"). Each RSU represents the contractual obligation of the respective INED to subscribe to one new underlying share of the Company at a subscription price of EUR 0.11 per new share (regardless of the market price of the share at that time) after the expiration of a certain period.
- (d) In July 2020, the Company entered into a subordinated and partially convertible loan agreement with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) ("**PMV/z**"), which was amended in December 2021, March 2023, February 2024 and October 2024, for an aggregate principal amount of up to EUR 4.3 million, of which a loan for a principal amount of EUR 0.8 million can be converted by PMV/z into new ordinary shares of the Company. The conversion can be made by means of a contribution in kind of the respective payables due by the Company under the loan (whether as principal amount or as interest) (the "**PMV/z Convertible Loan Payable**") to the share capital of the Company. The maturity date of the loan is 31 December 2025, and the loan is repayable in four equal quarterly instalments from 30 September 2025.

The loan bears an interest at 8.5% per annum, except for the convertible part of the loan which bears an interest at 7.5% per annum. The price per share at which the PMV/z Convertible Loan Payable can be converted is equal to the arithmetic average of the daily volume weighted average price per share of the Company's shares traded on the regulated market of Euronext Brussels during the period of thirty (30) consecutive trading days ending on (and including) the third trading day prior to the date on which the Company received the exercise notice of the loan conversion, *minus* a discount of 25%. To simulate full-dilution, the following is assumed (hypothetically) for the purpose of calculating the scenarios:

- (i) the PMV/z Convertible Loan Payable is contributed in full to the share capital of the Company (taking into account, however, that PMV/z is not obliged to contribute its PMV/z Convertible Loan Payable as a result of the Transaction or an exercise of the New Kreos Subscription Rights);
- (ii) for the purpose of the interest calculation, the contribution in kind is effected on 19 November 2024; and
- (iii) the PMV/z Convertible Loan Payable will be contributed to the share capital of the Company at a hypothetical subscription price per share equal to the closing price per share of the Company on 11 November 2024, being EUR 0.902, *minus* a discount of 25%.

The above would result in the following amounts for the PMV/z Convertible Loan Payable to be contributed in kind:

	<b>Principal Amount (in EUR)</b>	<b>Accrued interests (in EUR) <sup>(1)</sup></b>	<b>Amount to be contributed (in EUR) <sup>(2)</sup></b>	<b>New shares to be issued upon contribution at a subscription price of EUR 0.680 <sup>(3)</sup></b>
PMV/z	800.000,00	262,000.00	1,062,000.00	1,561,764

Notes:

- (1) Assuming an interest rate of 7.5% per annum (360-day period) from 31 July 2020 and until 19 November 2024.
  - (2) Sum of the principal amount of the relevant PMV/z Convertible Loan Payable and accrued interests.
  - (3) Assuming a subscription price of EUR 0.680, representing a 25% discount to the Company's closing price per share on 11 November 2024 (i.e. EUR 0.902 per share).
- (e) In July 2020, the Company entered into a loan agreement with Sensinnovat BV ("**Sensinnovat**"), last amended in September 2024, for a total principal amount of up to EUR 0.4 million, the full amount of which may be converted by Sensinnovat into new ordinary shares of the Company. The conversion can be made by means of a contribution in kind of the respective payables due by the Company under the loan (whether as principal amount or as interest) (the "**Sensinnovat Convertible Loan Payable**") to the share capital of the Company. The maturity date of the loan is 31 December 2025, and the loan is repayable in four equal quarterly instalments from 30 September 2025. The loan bears an interest of 8.5% per annum. The price per share at which the Sensinnovat Convertible Loan Payable can be converted is equal to the arithmetic average of the daily volume weighted average price per share of the Company's shares traded on the regulated market of Euronext Brussels during the period of thirty (30) consecutive trading days ending on (and including) the third trading day prior to the date on which the Company received the exercise notice of the loan conversion, *minus* a discount of 25%. To simulate full-dilution, the following is assumed (hypothetically) for the purpose of calculating the scenarios:



- (i) the Sensinnovat Convertible Loan Payable is contributed in full to the share capital of the Company (taking into account, however, that Sensinnovat is not obliged to contribute its Sensinnovat Convertible Loan Payable as a result of the Transaction or an exercise of the New Kreos Subscription Rights);
- (ii) for the purpose of the interest calculation, the contribution in kind is effected on 19 November 2024; and
- (iii) the Sensinnovat Convertible Loan Payable will be contributed to the share capital of the Company at a hypothetical subscription price per share equal to the closing price per share of the Company on 11 November 2024, being EUR 0.902, *minus* a discount of 25%.

The above would result in the following amounts for the Sensinnovat Convertible Loan Payable to be contributed in kind:

	<b>Principal amount (in EUR)</b>	<b>Accrued interests (in EUR) <sup>(1)</sup></b>	<b>Amount to be contributed (in EUR) <sup>(2)</sup></b>	<b>New shares to be issued upon contribution at a subscription price of EUR 0.680 <sup>(3)</sup></b>
Sensinnovat	400,000.00	148,466.67	548,466.67	806,568

Notes:

- (1) Assuming an interest rate of 8.5% per annum (360-day period) from 31 July 2020 and until 19 November 2024.
- (2) Sum of the principal amount of the relevant Sensinnovat Convertible Loan Payable and Accrued interests.
- (3) Assuming a subscription price of EUR 0.680, representing a 25% discount to the Company's closing price per share on 11 November 2024 (i.e. EUR 0.902 per share).

- (f) In September 2024, the Company entered into an unsecured subordinated convertible bridge loan agreement (the "**Convertible Bridge Loan Agreement**") with certain shareholders (the "**Lenders**"), for an aggregate principal amount not exceeding EUR 6.1 million. In October 2024, the Company obtained additional unsecured subordinated convertible bridge loans for an aggregate principal amount of EUR 1.0 million, as an accession to the aforementioned Convertible Bridge Loan Agreement. As a result of this accession, the aggregate principal amount under the Convertible Bridge Loan Agreement amounts to up to EUR 7.1 million. The loan bears an interest of 15% per annum. The principal amount and interest under the Convertible Bridge Loan Agreement can be converted at any time by the Lenders into new shares of the Company at a conversion price equal to the lower of (i) the arithmetic average of the daily volume weighted average price per share of the Company's shares traded on the regulated market of Euronext Brussels during the period of thirty (20) consecutive trading days ending on (and including) the third trading day prior to the date on which the Company received the optional conversion exercise notice minus a discount of 25%, and (ii) the issue price in EUR per share (including issue premium, if any) of the Company's shares issued by the Company on the occasion of the most recent future share capital financing before receipt of the optional conversion exercise notice, minus a discount of 25%. The optional conversion can be made by means of a contribution in kind of the respective payables due by the Company under the loan (whether as principal amount or as interest) (the "**Convertible Bridge Loan Payable**") to the share capital of the Company. However, the Convertible Bridge Loan Agreement provides that if, at the time of the contribution in kind of the Convertible Bridge Loan Payable, the aggregate amount of accumulated and accrued interests is less than 10% of the aggregate initial principal amount of the loan provided by the relevant Lender, the aggregate sum of outstanding accumulated and accrued interests payable to such Lender will be deemed

to be 10% of the aggregate initial principal amount of the loan provided by the Lender. To simulate full-dilution, the following is assumed (in a hypothetical manner) for the purpose of calculating the scenarios:

- (i) the Convertible Bridge Loan Payable is contributed in full to the share capital of the Company (taking into account, however, that the Lenders are not required to contribute their Convertible Bridge Loan Payable as a result of the Transaction or an exercise of the New Kreos Subscription Rights);
- (ii) for the purpose of the interest calculation, the contribution in kind is effected on 19 November 2024 (but see note (1) below); and
- (iii) the Convertible Bridge Loan Payable will be contributed to the share capital of the Company at a hypothetical subscription price per share equal to the issue price issued to the benefit of Belfius Insurance NV on 13 November 2024 (being EUR 0.665), *minus* a discount of 25%.

This above would result in the following amounts for the Convertible Bridge Loan Payable to be contributed in kind:

	<b>Principal amount (in EUR)</b>	<b>Accrued interests (in EUR) <sup>(1)</sup></b>	<b>Amount to be contributed (in EUR) <sup>(2)</sup></b>	<b>New shares to be issued upon contribution at a subscription price of EUR 0.500 <sup>(3)</sup></b>
Lenders	7,100,000.00	710,000.00	7,810,000.00	15,620,000

Notes:

- (1) Bears an interest of 15% per annum (period of 360 days) from 30 September 2024 and until 19 November 2024. If, at the time of the contribution in kind of the Convertible Bridge Loan Payable, the aggregate amount of accumulated and accrued interests is less than 10% of the aggregate initial principal amount of the loan provided by the relevant Lender, the aggregate amount of outstanding accumulated and accrued interests payable to that Lender is deemed to be 10% of the aggregate initial principal amount of the loan provided by that Lender. Therefore, for the purpose of calculating the full-dilution scenario, accrued interests are assumed to be EUR 710,000.00.
  - (2) Sum of the principal amount of the relevant Convertible Bridge Loan Payable and the accrued interests.
  - (3) Assuming a subscription price of EUR 0.500, representing a 25% discount to the share issued to the benefit of Belfius Insurance NV on 13 November 2024 (i.e. EUR 0.665 per share).
- (g) As mentioned in section 2.2 above, in July 2024, the Company agreed in an amendment agreement, inter alia, that 30% of the principal amount outstanding as at 31 January 2024 under the EUR 10,000,000.00 loan agreement entered into between the Company and Kreos Capital VII (UK) Limited (the "**Kreos Loan**"), being an amount of 30% of EUR 8,938,712.71 (being rounded EUR 2,681,613.81), at the option of Kreos Capital VII (UK) Limited may be converted into new ordinary shares of the Company (and subject to approval by an extraordinary general meeting of shareholders). The conversion can be made by means of a contribution in kind of the respective convertible payables due by the Company under the loan (the "**Kreos Convertible Loan Payable**") to the share capital of the Company. The price per share at which the Kreos Convertible Loan Payable can be converted by means of a contribution in kind at the option of Kreos Capital VII (UK) Limited will be equal to the lower of (i) EUR 0.825, and (ii) the issue price in any other future share capital or share capital-related investment in the Company completed prior to the conversion of the Kreos Loan. For the purpose of calculating the full-dilution scenario below, the following is assumed:

- (i) the Kreos Convertible Loan Payable is contributed in full to the share capital of the Company (taking into account, however, that Kreos Capital VII (UK) Limited is not required to contribute its Kreos Convertible Loan Payable); and
- (ii) the Kreos Convertible Loan Payable is contributed to the share capital of the Company at a hypothetical subscription price per share equal to the issue price issued to the benefit of Belfius Insurance NV on 13 November 2024 (being EUR 0.665), *minus* a discount of 25% (i.e., the conversion price at which the aforementioned Convertible Bridge Loan Payable is contributed).

The above would result in the following amounts for the Kreos Convertible Loan Payable to be contributed in kind:

	<b>Convertible principal amount (in EUR)</b>	<b>Amount to be contributed (in EUR) <sup>(1)</sup></b>	<b>New shares to be issued on contribution at issue price of EUR 0.500 <sup>(2)</sup></b>
Kreos Capital VII (UK) Limited	2.681.613,81	2.681.613,81	5,363,227

Notes:

- (1) Equal to the convertible principal amount of the relevant Kreos Convertible Loan Payable.
- (2) Assuming an issue price of EUR 0.500.

- (h) It is assumed that the New Kreos Subscription Rights are validly issued by the EGM, have become fully exercisable, and have been validly exercised by Kreos in accordance with the Conditions.

As set out in section 3.1(c), the 875,000 New Kreos Subscription Rights entitle Kreos to subscribe to new shares of the Company for an aggregate maximum issue price of EUR 875,000.00 at an exercise price per underlying new share equal to the lowest subscription price paid or agreed to be paid for a share in the share capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Kreos Subscription Rights, and subject to certain exempted events that shall not be taken into account when determining the applicable exercise price per underlying new share. The aforementioned exercise mechanism is referred to hereinafter as the "**Cash Exercise**".

For the illustrative purposes, it is also assumed that Kreos has decided to make use of the Net Issuance Exercise mechanism (set out in Condition 6.3.3. and described in section 3.1(c)). If the 875,000 New Kreos Subscription Rights were fully exercised in accordance with this Net Issuance Exercise mechanism on the date of this report, 364,702 new shares would need to be issued by the Company against an issue price of EUR 0.1036 per new share (i.e., the fractional value of the shares of the Company) (assuming that the reference fair market value of the Company's share on the regulated market of Euronext Brussels used to determine the number of shares to be issued in accordance with the applicable formula set out in Condition 6.3.3 (and described in section 3.1(c)) is equal to EUR 0.920 per share (i.e., the arithmetic average of the daily volume weighted average price per share of the Company's shares traded on Euronext Brussels during the period of five consecutive days ending on (and including) the third day before 11 November 2024)).

Whether the New Kreos Subscription Rights will be effectively exercised will ultimately depend on the decision of Kreos. Such decision will likely be in function of the market price of the shares of the Company at the moment of exercise compared to the exercise price of the New Kreos Subscription Rights. Kreos could amongst other things realise a capital gain at the time of exercise of the New Kreos Subscription Rights if the market price of the shares of the Company at that moment is higher than the exercise price of the New Kreos Subscription Rights, and if the shares can be sold at such price on the market. As a result Kreos will likely not exercise New Kreos Subscription Rights if the market price of the shares of the Company is less than the lowest subscription price paid or agreed to be paid for a share in the capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company prior to the exercise of the New Kreos Subscription Rights; i.e., EUR 0.665 on the date of this report) (please note that the market price of the shares of the Company on the regulated market of Euronext Brussels on 11 November 2024 is higher than the aforementioned exercise price per underlying share (i.e. EUR 0.902)). The aforementioned also applies to the exercise of the Share Options.

### **7.3. Evolution of the share capital, voting power, participation in the results and other shareholder rights**

Each share in the Company currently represents an equal part of the share capital of the Company and provides for one vote in function of the part of the capital it represents. The issuance of the new shares pursuant to the exercise of the New Kreos Subscription Rights will lead to a dilution of the existing shareholders of the Company and of the relative voting power of each share in the Company.

The dilution relating to the voting right also applies, *mutatis mutandis*, to the participation of each share in the profit and liquidation proceeds and other rights attached to the shares of the Company, such as the statutory preferential subscription right in case of a capital increase in cash through the issuance of new shares or in case of the issuance of new subscription rights or convertible bonds.

Specifically, prior to the exercise of the New Kreos Subscription Rights (and the issuance of new shares pursuant to the outstanding Share Options, the settlement of the 2024-2025 RSUs, and the issuance of new shares pursuant to the contribution in kind of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable), each share of the Company participates equally in the profit and liquidation proceeds of the Company and each shareholder has a statutory preferential subscription right in case of a capital increase in cash or in case of the issuance of new subscription rights or convertible bonds. Upon the issuance of the new shares within the framework of the exercise of the New Kreos Subscription Rights, the new shares to be issued at the occasion of the exercise of the New Kreos Subscription Rights shall be issued as fully paid up, shall have the same rights and benefits as, and rank *pari passu* in all respects, including as to entitlements to dividends and other distributions, with, the existing and outstanding ordinary shares at the moment of their issuance, and will be 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 shares. As a result (and to the extent the new shares will be issued and subscribed for), the participation by the existing shareholders in the profit and liquidation proceeds of the Company and their holder's statutory preferential subscription right in case of a capital increase in cash, shall be diluted accordingly.

Subject to the methodological reservations noted in paragraph 7.1, the evolution of the share capital and the number of shares, with voting rights attached thereto, of the Company as a result of the exercise of the New Kreos Subscription Rights is simulated below and this in a scenario

before exercise of outstanding Share Options, as well as in a scenario in which all Share Options are exercised.

Subject to the methodological reservations noted in paragraph 7.1, the table below reflects the evolution of the number of outstanding shares, assuming a number of new shares to be issued to the benefit of Kreos equal to 1,315,789 new shares in total (in the event of a Cash Exercise), and 364,702 new shares (in the event of a Net Issuance Exercise). For more information about the number of new shares to be issued to the benefit of Kreos in the framework of the exercise of the New Kreos Subscription Rights, see paragraph 7.1.

### Evolution of the number of outstanding shares

	<u>Cash Exercise</u>	<u>Net Issuance Exercise</u>
<b>Before exercise of outstanding Share Options, the settlement of the 2024-2025 RSUs, the contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable and after the exercise of the New Kreos Subscription Rights</b>		
Outstanding shares.....	44,436,192	44,436,192
New shares to be issued upon exercise of the New Kreos Subscription Rights.....	1,315,789	364,702
Total shares outstanding .....	45,751,981	44,800,894
Dilution.....	2.88%	0.81%
<b>After exercise of outstanding Share Options, the settlement of the 2024-2025 RSUs, the contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable but prior to the exercise of the New Kreos Subscription Rights<sup>(1)</sup></b>		
Outstanding shares.....	44,436,192	44,436,192
New shares to be issued upon exercise of the Executive Share Options.....	261,895	261,895
New shares to be issued upon exercise of the 2018 Share Options .....	687,784	687,784
New shares to be issued upon exercise of the 2021 Share Options .....	805,723	805,723
New shares to be issued upon exercise of the 2023 Share Options .....	1,000,000	1,000,000
New shares to be issued upon exercise of the Bootstrap Warrants .....	302,804	302,804
New shares to be issued upon exercise of the 2023 Investor Warrants.....	1,111,294	1,111,294
New shares to be issued after settlement of the 2024-2025 RSUs .....	197,368	197,368
New shares to be issued upon contribution of the PMV/z Convertible Loan Payable.....	1,561,764	1,561,764
New shares to be issued upon contribution of the Sensinnovat Convertible Loan Payable.....	806,568	806,568

	<b>Cash Exercise</b>	<b>Net Issuance Exercise</b>
New shares to be issued upon contribution of the Convertible Bridge Loan Payable.....	15,620,000	15,620,000
New shares to be issued after contribution of the Convertible Kreos Loan Payable .....	5,363,227	5,363,227
Total number of shares after exercise of existing Share Options, settlement of the 2024-2025 RSUs and contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable.....	72,154,619	72,154,619
Dilution.....	38.42%	38.42%
<b>After exercise of outstanding Share Options, settlement of the 2024-2025 RSUs and after contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable and after the exercise of the New Kreos Subscription Rights</b>		
Outstanding shares.....	44,436,192	44,436,192
Total number of shares after exercise of outstanding Share Options, settlement of the 2024-2025 RSUs and contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable.....	72,154,619	72,154,619
New shares to be issued upon exercise of the New Kreos Subscription Rights.....	1,315,789	364,702
Total number of shares outstanding, after exercise of outstanding Share Options, settlement of the 2024-2025 RSUs and contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable, and after exercise of the New Kreos Subscription Rights.....	73,470,408	72,519,321
Dilution.....	1.79%	0.50%

Notes:

- (1) For the purpose of this simulation, it is assumed that all 3,695,591 existing Share Options (i.e., outstanding and yet to be granted) have been granted, have vested, are immediately exercisable (irrespective of their terms and conditions), and have been fully exercised before the completion of the exercise of the New Kreos Subscription Rights. For the number of shares issuable upon exercise of the outstanding Share Options, see paragraph 7.2(b).

Subject to the methodological reservations noted in paragraph 7.1, the table below reflects the evolution of the share capital, assuming a number of new shares to be issued to the benefit of Kreos equal to 1,315,789 new shares in total (in the event of a Cash Exercise), and 364,702 new shares (in the event of a Net Issuance Exercise). The maximum amount of share capital increase (excluding issue premium) is computed by multiplying the relevant number of new shares to be issued to Kreos with the fractional value of the shares of the Company, i.e., currently rounded EUR 0.1036 per share.

**Evolution of the share capital<sup>(1)</sup>**

	<u>Cash Exercise</u>	<u>Net Issuance Exercise</u>
<b>Before the exercise of the New Kreos Subscription Rights</b>		
Share capital (in EUR) .....	4,603,936.18	4,603,936.18
Outstanding shares .....	44,436,192	44,436,192
Fractional value (in EUR) (rounded) .....	0.1036	0.1036
<b>Exercise of the New Kreos Subscription Rights</b>		
Increase of share capital (in EUR) <sup>(2)</sup> .....	136,315.74	37,783.13
Number of new shares issued .....	1,315,789	364,702
<b>After the exercise of the New Kreos Subscription Rights</b>		
Share capital (in EUR) .....	4,740,251.92	4,641,719.31
Outstanding shares, after exercise of the New Kreos Subscription Rights .....	45,751,981	44,800,894
Fractional value (in EUR) (rounded) .....	0.1036	0.1036

## Notes:

- (1) This simulation does not take into account the exercise of the outstanding Share Options, nor the settlement of the 2024-2025 RSUs or the contribution of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable.
- (2) A portion of the issue price that is equal to the fractional value of the existing shares of the Company (being rounded EUR 0.1036 per share) shall be booked as share capital. The portion of the issue price in excess of the fractional value shall be booked as issue premium.

**7.4. Participation in the consolidated accounting net equity**

The evolution of the consolidated accounting net equity of the Company as a result of the exercise of the New Kreos Subscription Rights is simulated below. The simulation is based on the following elements:

- (a) The audited consolidated annual financial statements of the Company for the financial year ended 31 December 2023 (which have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS")) and which have been approved by the annual general shareholders' meeting of on 23 May 2024. The consolidated accounting net equity of the Company as at 31 December 2023 amounted to EUR -19,465,174 (rounded) or EUR -0.69 (rounded) per share (based on the 28,242,753 shares outstanding as at 31 December 2023). The simulation does not take into account changes in consolidated accounting net equity since 31 December 2023, except, however, that for the purpose of the simulation, the impact of the private placement completed on 25 March 2024, the settlement of the 2023-2024 RSUs on 5 July 2024 the issuance of retention shares on 5 July 2024, the settlement of the conversion of the payables under the PiE-Rosetta Convertible Loan Agreement (the "**PiE-Rosetta Convertible Loan Payable**") on 10 July 2024, the issuance of retention shares on 21 October 2024 and the settlement of the conversion of certain payables due to Belfius Insurance NV (the "**Belfius Convertible Loan Payable**") on 13 November 2024 will be taken into account on consolidated equity (per share).

Following the above completion of the private placement on 25 March 2024, the settlement of the 2023-2024 RSUs on 5 July 2024, the issuance of retention shares on

5 July 2024, the conversion of the PiE-Rosetta Convertible Loan Payable on 10 July 2024, the issuance of retention shares on 21 October 2024 and the conversion of the Belfius Convertible Loan Payable on 13 November 2024 will be taken into account on consolidated equity (per share) (without taking into account possible effects of accounting items other than share capital and issue premium (e.g. the cost of the said private placement, conversion and settlement)), it is assumed that:

- (i) the share capital of the Company was increased as a result of which the Company's equity was increased by an amount of EUR 17,597,820.00, with an amount of EUR 1,677,640.28 booked as share capital and an amount of EUR 15,920,179.72 booked as share premium; and
- (ii) the number of outstanding shares of the Company after the private placement on 25 March 2024, the settlement of the 2023-2024 RSUs on 5 July 2024, the issuance of retention shares on 5 July 2024, the conversion of the PiE-Rosetta Convertible Loan Payable on 10 July 2024, the issuance of retention shares on 21 October 2024 and the conversion of the Belfius Convertible Loan Payable on 13 November 2024, is 44,436,192 shares (as it is assumed that 16,193,439.00 new shares were issued).

Consequently, for the purposes of the simulations below, the adjusted consolidated accounting net equity as at 31 December 2023 will be assumed to be EUR -1,867,354.00.

- (b) The non-audited consolidated interim financial statements of the Company for six months ended on 30 June 2024 (which have been prepared in accordance with the IAS 34 (Interim Financial Reporting), as adopted by the European Union ("**IAS 34**")). The Company's consolidated accounting net equity as at 30 June 2024 amounted to EUR -19,561,469. The simulation does not take into account any changes in consolidated accounting net equity since 30 June 2024, except, however, that for the purpose of the simulation, the impact of the settlement of the 2023-2024 RSUs on 5 July 2024, the issuance of retention shares on 5 July 2024, the conversion of the PiE-Rosetta Convertible Loan Payable on 10 July 2024, the issuance of retention shares on 21 October 2024 and the conversion of the Belfius Convertible Loan Payable on 13 November 2024 will be taken into account on consolidated net equity (per share).

As a result of the aforementioned settlement of the 2023-2024 RSUs on 5 July 2024, the issuance of retention shares on 5 July 2024, the conversion of the PiE-Rosetta Convertible Loan Payable on 10 July 2024, the issuance of retention shares on 21 October 2024 and the conversion of the Belfius Convertible Loan Payable on 13 November 2024 (without taking into account possible effects of accounting items other than share capital and the share premium (e.g. the costs of the said private placement, conversion and settlement)), it is assumed that:

- (i) the share capital of the Company was increased as a result of which the Company's equity was increased by an amount of EUR 6,097,819.50, with an amount of EUR 883,373.58 being recorded as share capital and an amount of EUR 5,214,445.92 being recorded as share premium; and
- (ii) the number of outstanding shares of the Company after the settlement of the 2023-2024 RSUs on 5 July 2024, the issuance of retention shares on 5 July 2024, the conversion of the PiE-Rosetta Convertible Loan Payable on 10 July 2024, the issuance of retention shares on 21 October 2024 and the conversion of the Belfius Convertible Loan Payable on 13 November 2024, is 44,436,192 shares (as it is assumed that 8,526,772 new shares were issued).



Consequently, for the simulations below, the adjusted consolidated accounting net equity as at 30 June 2024 will be assumed to be EUR -13,463,649.50.

For further information regarding the Company's net equity position on 31 December 2023 and 30 June 2024, reference is made to the financial statements and interim financial statements of the Company, which are available on the Company's website.

Based on the assumptions set out above, as a result of the exercise of the New Kreos Subscription Rights, the Company's accounting net equity on a consolidated basis, without taking into account any effects following the exercise of the outstanding Share Options, the settlement of the 2024-2025 RSUs or the contribution in kind of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable, would be increased as indicated below:

### Evolution of the consolidated accounting net equity

	<u>Cash Exercise</u>	<u>Net Issuance Exercise</u>
<b>Consolidated net equity for FY 2023 (adjusted)</b>		
<u>Before the exercise of the New Kreos Subscription Rights</u>		
Net equity (in EUR) (rounded) .....	-1,867,354.00	-1,867,354.00
Outstanding shares .....	44,436,192	44,436,192
Net equity per share (in EUR) (rounded) .....	-0.0420	-0.0420
<u>Exercise of the New Kreos Subscription Rights</u>		
Increase/decrease of net equity (in EUR) <sup>(1)</sup> .....	875,000.00	37,783.13
Number of new shares to be issued .....	1,315,789	364,702
<u>After the exercise of the New Kreos Subscription Rights</u>		
Net equity (in EUR) (rounded) <sup>(2)</sup> .....	-992,354.00	-1,829,570.87
Outstanding shares, after exercise of the New Kreos Subscription Rights .....	45,751,981	44,800,894
Net equity per share (in EUR) (rounded) <sup>(2)</sup> .....	-0.0217	-0.0408
<b>Consolidated net equity for H1 2024 (adjusted)</b>		
<u>Before the exercise of the New Kreos Subscription Rights</u>		
Net equity (in EUR) (rounded) .....	-13,463,649.50	-13,463,649.50
Outstanding shares .....	44,436,192	44,436,192
Net equity per share (in EUR) (rounded) .....	-0.3030	-0.3030
<u>Exercise of the New Kreos Subscription Rights</u>		
Increase/decrease of net equity (in EUR) <sup>(1)</sup> .....	875,000.00	37,783.13
Number of new shares issued .....	1,315,789	364,702
<u>After the exercise of the New Kreos Subscription Rights</u>		
Net equity (in EUR) (rounded) <sup>(2)</sup> .....	-12,588,649.50	-13,425,866.37
Outstanding shares, after exercise of the New Kreos Subscription Rights .....	45,751,981	44,800,894

	<u>Cash Exercise</u>	<u>Net Issuance Exercise</u>
Net equity per share (in EUR) (rounded) <sup>(2)</sup> .....	-0.2751	-0.2997

Note:

- (1) Consisting of the amount of the capital increase and the amount of the increase of issue premium, as the case may be, but not reflecting that the accounting of this amount may be subject to further adjustments pursuant to IFRS or IAS 34.
- (2) Without taking into account changes in consolidated equity after 31 December 2023 and 30 June 2024, respectively, other than as a result of the completion of the private placement on 25 March 2024, the settlement of the 2023-2024 RSUs on 5 July 2024, the issuance of retention shares on 5 July 2024, the conversion of the PiE-Rosetta Convertible Loan Payable on 10 July 2024, the issuance of retention shares on 21 October 2024, the conversion of the Belfius Convertible Loan Payable on 13 November 2024, the exercise of the New Kreos Subscription Rights. The number does not take into account changes in consolidated equity as a result of the possible issue of new shares upon exercise of outstanding Share Options, the settlement of the 2024-2025 RSUs or the contribution in kind of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable.

The table above shows that, from a pure accounting perspective, the exercise of the New Kreos Subscription Rights will result in an increase in the amount represented by each share in the Company's consolidated accounting net equity.

## 7.5. Financial dilution

The evolution of the market capitalisation as a result of the exercise of the New Kreos Subscription Rights is simulated below.

Subject to the methodological reservations noted in paragraph 7.1, the table below reflects the impact of the exercise of the New Kreos Subscription Rights on the market capitalisation and the resulting financial dilution, assuming a number of new shares to be issued to the benefit of Kreos equal to 1,315,789 new shares (in the event of a Cash Exercise), and 364,702 new shares (in the event of a Net Issuance Exercise).

After close of trading on 11 November 2024, the Company's market capitalisation was EUR 40,081,445.18, on the basis of a closing price of EUR 0.902 per share. Assuming that, following the exercise of the New Kreos Subscription Rights, the market capitalisation increases exclusively with the funds raised (*i.e.*, EUR 875,000.00 funds raised in the event of a Cash Exercise and EUR 37,783.13 funds raised in the event of a Net Issuance Exercise), the new market capitalisation would be (rounded) EUR 0.8952 per share (in case of a Cash Exercise) and EUR 0.8955 per share (in case of Net Issuance Exercise). This would represent a (theoretical) financial dilution of (rounded) 0.75% per share (in case of a Cash Exercise) and (rounded) 0.72% (in case of Net Issuance Exercise). This also shows that the effect of the different forms of exercise (Cash Exercise and Net Issuance Exercise) from a financial dilution perspective is conceptually similar.

**Evolution of the market capitalisation and financial dilution**

	<b>Exercise of the New Kreos Subscription Rights</b>	
	<b>Cash Exercise</b>	<b>Net Issuance Exercise</b>
<b>Before the exercise of the New Kreos Subscription Rights<sup>(1)</sup></b>		
Market capitalisation (in EUR) .....	40,081,445.18	40,081,445.18
Outstanding shares .....	44,436,192	44,436,192
Market capitalisation per share (in EUR).....	0.9020	0.9020
<b>Exercise of the New Kreos Subscription Rights</b>		
Funds raised (in EUR).....	875,000.00	37,783.13
Number of new shares issued.....	1,315,789	364,702
<b>After the exercise of the New Kreos Subscription Rights<sup>(1)</sup></b>		
Market capitalisation (in EUR) .....	40,956,445.18	40,119,228.31
Outstanding shares, after exercise of the New Kreos Subscription Rights .....	45,751,981	44,800,894
Market capitalisation per share (in EUR) (rounded).....	0.8952	0.8955
<b>Dilution</b> .....	0.75%	0.72%

Note:

- (1) At the date of this report and not taking into account the potential issuance of new shares upon exercise of outstanding Share Options, the settlement of the 2024-2025 RSUs or the contribution in kind of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable.

**7.6. Other financial consequences**

It is expected that within the framework of the Company's consolidated financial statements in accordance with IFRS (as defined above), the New Kreos Subscription Rights will be accounted for in accordance with (amongst others) International Accounting Standard 32 ("*Financial Instruments: Presentation*"), as adopted by the European Union. The actual application of the reporting standard, the initial recognition moment, and the valuation of the New Kreos Subscription Rights is still to be determined and assessed. The accounting impact of the New Kreos Subscription Rights, if any, will be reported in the FY24 consolidated financial statements of the Company. At the date of this report, the financial impact of the New Kreos Subscription Rights is not expected to be material.

**8. EFFECT OF THE EXERCISE OF THE NEW KREOS SUBSCRIPTION RIGHTS ON THE SHAREHOLDING OF KREOS**

Following the issuance of new shares pursuant to the exercise of the New Kreos Subscription Rights, subject to the assumptions set out below, Kreos will hold the number of shares in the Company as illustrated below.

	<b>Exercise of the New Kreos Subscription Rights</b>	
	<b>Cash Exercise</b>	<b>Net Issuance Exercise</b>
<b>Before exercise of the New Kreos Subscription Rights</b>		
Number of shares held of the Company .....	0	0
Percentage on a non-diluted basis .....	0.00%	0.00%
Percentage on a fully-diluted basis .....	0.00%	0.00%
<b>After exercise of the New Kreos Subscription Rights</b>		
Number of shares held of the Company <sup>(1)</sup> ...	1,315,789	364,702
Percentage on a non-diluted basis <sup>(2)</sup> .....	2.88%	0.81%
Percentage on a fully-diluted basis <sup>(3)</sup> .....	1.79%	0.50%

Notes:

- (1) Assuming a number of new shares to be issued to the benefit of Kreos upon exercise of the New Kreos Subscription Rights equal to 1,315,789 new shares (in the event of a Cash Exercise) and 364,702 new shares (in the event of a Net Issuance Exercise). For further information on the elements used to calculate these numbers, reference is made to paragraph 7.1 of this report.
- (2) Based on a total number of shares equal to the sum of the 0 existing shares of the Company and the relevant number of new shares to be issued to the benefit of Kreos as set out in note (1) above.
- (3) Based on a total number of shares equal to the sum of the 0 existing shares of the Company, the relevant number of new shares to be issued to the benefit of Kreos as set out in note (1) above, the 4,169,500 new shares to be issued upon exercise of the outstanding Share Options, and the 23,548,927 new shares to be issued upon settlement of the 2024-2025 RSUs or the contribution in kind of the PMV/z Convertible Loan Payable, the Sensinnovat Convertible Loan Payable, the Convertible Bridge Loan Payable, and the Kreos Convertible Loan Payable. For further information on the elements used to calculate these numbers, reference is made to paragraph 7.1 of this report.

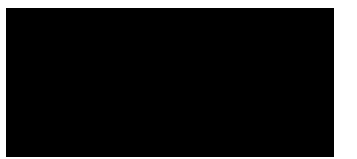
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[signature page follows]

Done on 19 November 2024.

On behalf of the board of directors,

By:



\_\_\_\_\_  
Director

## **Annex A**

### **New Conditions of the New Kreos Subscription Rights**

**Note:** The New Conditions below reflect the new proposed terms and conditions of the New Kreos Subscription Rights. The New Conditions have been prepared in English with a Dutch translation. In case of discrepancies between the English and the Dutch version, the Dutch version of the New Conditions must be construed in accordance with the English version of the New Conditions.

## SEQUANA MEDICAL NV

Public Limited Liability Company under Belgian law  
Kortrijksesteenweg 1112, box 102, 9051 Ghent, Belgium,  
Register of Legal Persons VAT BE 0707.821.866 (RLE Ghent, division Ghent)

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### NEW KREOS SUBSCRIPTION RIGHTS

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On 8 July 2024, Sequana Medical NV (further defined as the "**Company**") entered into the Agreement (as defined below) with Kreos (as defined below) pursuant to which the Company agreed to issue and allocate to Kreos, subscription rights for new shares to be issued by the Company, named the "Kreos Subscription Rights". The present terms and conditions contain the issue and exercise conditions of the subscription rights to be issued by the Company to Kreos as contemplated by the aforementioned contractual arrangements.

#### 1. DEFINITIONS AND INTERPRETATION

1.1 In these New Conditions, the following words and expressions shall (unless the context requires otherwise) have the following meanings:

"**Adjustment Event**" means any or all of the following, at any time, or by reference to any record date, when any New Subscription Rights remain unexercised: any sub-division (or stock split) or consolidation (or reverse stock split) of Shares;

"**Affiliates**" has the meaning attributed thereto in article 1:20, 1° and 2° of the Companies and Associations Code;

"**Agreement**" means the Amended and Restated Subscription Rights Agreement, dated 8 July 2024, by and between the Company and Kreos;

"**Articles**" means the articles of association of the Company as may be amended or replaced from time to time for the time being;

"**Business Day**" means a day (which for these purposes ends at 5.30 p.m.) on which banks are open for commercial business in Belgium and the United Kingdom other than a Saturday or Sunday;

"**Certificate**" means a certificate stating that a Subscription Rights Holder has been registered in the Register as the owner of New Subscription Rights, in the form set out in Schedule 1 (*Form of Certificate*) to these New Conditions;

"**Civil Code**" means the Belgian Civil Code (*Burgerlijk Wetboek / Code Civil*) as amended from time to time;

"**Companies and Associations Code**" means the Belgian Companies and Associations Code as adopted by the law of 23 March 2019, as amended from time to time, including its implementing royal decrees;

"**Company**" means Sequana Medical NV, a public limited liability company under Belgian law, having its seat at Kortrijksesteenweg 1112, box 102, 9051 Ghent, Belgium, registered with the Crossroads Banks of Enterprises under number VAT BE 0707.821.866 (RLE Ghent, division Ghent);

"**Consent**" means the consent in writing of the Subscription Rights Holder(s);

"**Euronext Brussels**" means the regulated market of Euronext Brussels SA/NV;

**"Exempted Financial Institution"** means a bank, trust, fund or investment firm (including venture capital and private equity funds) and Affiliates of any such person, in each case who is regularly engaged in, or established for the purpose of making, purchasing or investing in loans, securities and other financial assets;

**"Exercise Account"** has the meaning ascribed thereto in clause 6.2.2.1;

**"Exit Event"** means a Share Sale;

**"Exit Notification"** means a notice from the Company to each of the Subscription Rights Holders, informing them of an Exit Event, or an anticipated Exit Event, and containing (to the extent permitted by applicable rules and regulations, and taking into account the provisions of clause 10.4):

- a) details of the nature of the Exit Event, or anticipated Exit Event;
- b) the anticipated earliest date on which such Exit Event could occur;
- c) the anticipated number of Shares to be issued in relation to the relevant Subscription Rights Holder if the New Subscription Rights are exercised, and the anticipated aggregate Subscription Price payable by such Subscription Rights Holder to exercise such rights; and
- d) all other information available to the Company which is or would reasonably be considered to be material to the Subscription Right Holder(s) for the purposes of deciding whether or not (and if so when) to exercise their New Subscription Rights;

**"Expert"** means an independent audit firm of international repute that is a member of the Belgian Institute of Auditors (*Instituut van de Bedrijfsrevisoren*) to be agreed between the Parties or, in the absence of such agreement, by the President of the Enterprise Court of Ghent (division Ghent), upon the request of the most diligent Party;

**"Extraordinary General Meeting"** means an extraordinary general meeting of the Company held or to be held before a Belgian notary public;

**"Fair Market Value"** means, at any given time this is to be determined, a price per Share that is equal to the arithmetic average of the daily volume weighted average price per Share of the Company's Shares traded on Euronext Brussels during the period of five (5) consecutive days ending on (and including) the third day before the date on which such price is to be determined;

**"Final Date"** means 19 July 2027;

**"Group"** means the Company and its subsidiaries (if any) from time to time, and **"Group Company"** means any member of the Group;

**"Kreos"** means Kreos Capital VII Aggregator SCSp, a special limited partnership under the laws of Luxembourg with registered number B264706 and having its registered office at 33, Avenue J. F. Kennedy L – 1855 Luxembourg, Grand-Duchy of Luxembourg;

**"Loan Agreement"** means the loan agreement for the provision of loan facilities of up to €10,000,000 originally dated 19 July 2022 (as amended, restated, supplemented and varied from time to time) and as amended and restated pursuant to an amendment and restatement agreement dated on or about the date of the Agreement, between the Company as borrower and Kreos Capital VII (UK) Limited as lender;

**"Net Issuance"** has the meaning given in clause 6.3.3;

**"New Conditions"** means the present issuance and exercise conditions, replacing the Original Conditions, of the New Subscription Rights;



**"New Holding Company"** has the meaning given in clause 12.1;

**"New Shares"** has the meaning given in clause 12.1.1;

**"New Subscription Rights"** means the 875,000 subscription rights, replacing the Original Subscription Rights, named "Kreos Subscription Rights", issued by the Company in accordance with the Agreement and these New Conditions to Kreos, and all rights conferred by them;

**"Notice of Subscription"** means the notice addressed to the Company's board of directors by a Subscription Rights Holder exercising its New Subscription Rights in the form, or substantially in the form, set out in the Schedule 2 (*Notice of exercise of Subscription Rights*) to these New Conditions;

**"Old Shares"** has the meaning given in clause 12.1.1;

**"Original Conditions"** means the issuance and exercise conditions of the Original Subscription Rights agreed on 19 July 2022 and approved by the Extraordinary General Meeting on 10 February 2023;

**"Original Subscription Rights"** means the 875,000 subscription rights, named "Kreos Subscription Rights", issued by the Company at its Extraordinary General Meeting of 10 February 2023 in accordance with the Original Subscription Rights Agreement and Original Conditions to Kreos, and all rights conferred by them;

**"Register"** has the meaning given in clause 2.4;

**"Share Sale"** means (i) the completion of a public takeover bid in respect of the Company's Shares and other outstanding voting securities (*effecten met stemrecht*) or securities granting access to voting rights (*effecten die toegang geven tot stemrecht*), or (ii) the sale of the entire issued share capital of the Company to a bona fide third party on arm's length terms for cash consideration;

**"Shareholder"** means a holder of Shares;

**"Shares"** means any and all shares in the capital of the Company, from time to time;

**"Subscription Price"** means the Euro price equal to the lowest subscription price paid or agreed to be paid for a share in the capital of the Company pursuant to any round of equity financing (or other financing convertible or exchangeable into equity) by the Company (taking into account any discounts including those arising on conversion or cancellation or indebtedness and/or interest thereon, but not taking into account any further anti-dilution adjustment mechanisms included in such rights or securities) prior to the exercise of the New Subscription Rights, provided, however, that any subscription or issue price paid, or agreed to be paid, in the framework of the following transactions shall not be considered when determining the Subscription Price:

- a) the issuance of new Shares or other securities that, directly or indirectly, can be exercised, converted or exchanged for Shares (and the issuance of Shares pursuant to such exercise, conversion or exchange) within the framework of a share based incentive plan for members of the personnel as defined in article 1:27 of the Belgian Companies and Associations Code, whether created or put in place before or after the date of this Agreement; or
- b) the issuance of new Shares pursuant any of the other warrants or subscription rights issued by the Company prior to the date of this Agreement.

**"Subscription Rights Holder"** means, in relation to a New Subscription Right, the person whose name appears in the Register as the holder of the New Subscription Right being, at the date of the issuance of the New Subscription Rights, Kreos; and

**"Total Loan Economics"** means all amounts due and payable under (including the End of Loan Payment (as defined in the Loan Agreement)) by any Group Company under the Finance Documents.

1.2 In these New Conditions, unless the context otherwise requires:

1.2.1 words and expressions defined in the Companies and Associations Code or the Articles shall have the same meanings in these New Conditions (unless otherwise expressly defined in these Conditions);

1.2.2 headings are used for convenience only and shall be ignored in interpreting these New Conditions;

1.2.3 reference to a clause or Schedule is a reference to a clause of, or Schedule to, these New Conditions;

1.2.4 reference to (or to any specific provision of) these New Conditions or any other document or instrument shall be construed as a reference to these New Conditions, that provision or that document or instrument as in force for the time being and as amended from time to time in accordance with its terms and the prior sanction of a Consent (where consent is required by the terms of these New Conditions as a condition to such amendment being made);

1.2.5 reference to any gender includes all genders, references to the singular includes the plural (and vice versa) and reference to persons includes bodies corporate, unincorporated associations and partnerships (whether or not any of the same have a separate legal personality);

1.2.6 when using the expressions "shall use its best efforts" or "shall use its best endeavours" (or any similar expression or any derivation thereof), these New Conditions intend to refer to the Belgian legal concept of "*middelenverbintenis*" / "*obligation de moyens*";

1.2.7 when using the words "shall cause" or "shall procure that" (or any similar expression or any derivation thereof), these New Conditions intend to refer to the Belgian legal concept of "*sterkmaking*" / "*porte-fort*";

1.2.8 reference to a statutory provision includes reference to:

1.2.8.1 the statute or statutory provision as modified or re-enacted from time to time; and

1.2.8.2 any subordinate legislation made under the statutory provision (as modified or re-enacted as set out in clause 1.2.8.1 above),

except to the extent that any modification or re-enactment or subordinate legislation coming into force after the date of the Agreement would increase or extend the liability of either the Company or the Subscription Rights Holder to each other;

1.2.9 any words following the terms "including", "include", "in particular", "for example" or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;

1.2.10 the original version of these New Conditions has been drafted in English. In case of a translation of these New Conditions into any other language, the English version shall prevail, provided, however that English terms to which another language translation has been added in italics shall be interpreted in accordance with such other language translation, disregarding the English term to which such other language translation relates; and

- 1.2.11 unless expressly indicated otherwise, or except when applicable law provides otherwise in a mandatory manner, any period of time or term referred to herein shall be calculated or determined as follows:
- 1.2.11.1 any reference to a day shall be a reference to a calendar day, running from midnight to midnight local time in Brussels, Belgium;
  - 1.2.11.2 any reference to a time of the day is to that time in Brussels, Belgium; and
  - 1.2.11.3 any term shall start on the subsequent day after the day on which the event triggering such period of time has occurred. The expiry day of a term shall be included in the term. If such expiry day is not a Business Day, then the term shall be extended to the first next Business Day following such day.
- 1.3 Unless otherwise specifically provided, where any notice, resolution or document is required by these New Conditions to be signed by any person, the reproduction of the signature of such person by e-mail shall suffice, provided that confirmation by registered letter is despatched by close of business on the next following Business Day, in which case the effective notice, resolution or document shall be that sent by e-mail (served in accordance with paragraphs 10 and 11 of Schedule 3 (*Register of Subscription Rights*) to these New Conditions), not the confirmatory letter.
- 1.4 These New Conditions incorporate the Schedules to them.
- 1.5 References to "euro", "€" or "EUR" are to the lawful currency on the date of the Agreement of the member states of the European Union who have adopted and retain the euro as their lawful currency in accordance with the legislation of the European Union relating to Economic and Monetary Union and for the avoidance of doubt this definition shall not extend to any new currency of any member state which ceases to use the euro as its only lawful currency.
- 1.6 For the purpose of these New Conditions, the par value (*fractiewaarde / pair comptable*) of the Company's shares from time to time shall be determined as a fraction, (a) the numerator of which is the amount of the Company's share capital at that time, and (b) the denominator of which is the aggregate number of actually issued and outstanding Shares of the Company at that time.
- 2. CANCELLATION, CONSTITUTION AND FORM OF SUBSCRIPTION RIGHTS**
- 2.1 Subject to a valid decision of the Extraordinary General Meeting, (i) all of the New Subscription Rights are issued and (ii) all of the Original Subscription Rights are cancelled, on the date of such Extraordinary General Meeting.
- 2.2 All of the New Subscription Rights shall be allocated to Kreos, free of charge, on the date of the Extraordinary General Meeting.
- 2.3 The New Subscription Rights in aggregate give the Subscription Rights Holder(s) the right, upon the terms and subject to the conditions set forth in these New Conditions, to subscribe in cash (subject to clause 6.3) at a price per Share equal to the Subscription Price for such number of Shares calculated in accordance with clause 3.
- 2.4 The New Subscription Rights shall be in registered form, shall be recorded in a subscription right register book that will be kept at the registered office of the Company (the "**Register**"), and cannot be converted into a bearer instrument or in dematerialized form.
- 2.5 Subject to the New Subscription Rights having been issued and allocated to Kreos, the Original Subscription Rights registered in the name of Kreos shall be removed from the Register.

2.6 The New Subscription Rights are issued subject to the Articles and otherwise on the terms of these New Conditions.

2.7 The terms of these New Conditions shall be binding upon the Company and each Subscription Rights Holder and all persons claiming through or under either of them.

### 3. **CALCULATION OF NUMBER OF SHARES**

The New Subscription Rights entitle the Subscription Rights Holder(s) in aggregate to a maximum number of Shares as is calculated by dividing EUR 875,000 by the Subscription Price (subject to adjustment as set forth in these New Conditions).

### 4. **CERTIFICATES**

4.1 The Company shall issue to each relevant Subscription Rights Holder, a Certificate in respect of that number of New Subscription Rights to which it is entitled as soon as reasonably practicable following a Subscription Rights Holder becoming entitled to such New Subscription Rights in accordance with these New Conditions.

4.2 If a Certificate is mutilated, defaced, lost, stolen or destroyed, the Company will replace it on such terms as to evidence an indemnity as the Company may reasonably require and subject to the Subscription Rights Holder who is seeking the replacement, paying the Company's reasonable costs (if any) in connection with the issue of the replacement.

4.3 Mutilated or defaced Certificates must be surrendered before replacements will be issued.

4.4 Subject to Certificates in respect of the New Subscription Rights having been issued to the Subscription Rights Holder, the Subscription Rights Holder shall surrender the Certificates in respect of the Original Subscription Rights to the Company.

### 5. **TIMING FOR EXERCISE OF NEW SUBSCRIPTION RIGHTS**

5.1 The New Subscription Rights may be exercised at any time without condition (but subject to compliance with the New Conditions) prior to the earlier of the Final Date or an Exit Event and shall be exercised in accordance with clause 6 (*Exercise of Subscription Rights*).

5.2 Subject to, and to the extent permitted by, applicable rules and regulations, and taking into account the provisions of clause 10.4, the Company undertakes to send to each Subscription Rights Holder an Exit Notification not less than thirty (30) days prior to the expected date of an Exit Event which takes place prior to the Final Date, or, if the Company does not become aware of such an Exit Event, until a time which is less than thirty (30) days prior to the expected date of such Exit Event, as soon as reasonably practicable after becoming aware of the same but in any event no later than twenty (20) days prior to the expected date of such Exit Event.

5.3 Subject to, and to the extent permitted by, applicable rules and regulations, and taking into account the provisions of clause 10.4, the Company undertakes to send as soon as reasonably practicable to the Subscription Rights Holder(s) such further information which it reasonably considers material relating to the progress of an Exit Event including, but not limited to, information relating to the increased or decreased likelihood of the same occurring, any change in the anticipated terms of or timetable and/or the failure or lapse (whether temporary or permanent) of the same, it being understood that the Subscription Rights Holder(s) shall be kept informed at all times of any changes or other circumstances material to the Exit Event.

### 6. **EXERCISE OF NEW SUBSCRIPTION RIGHTS**

6.1 The New Subscription Rights may be exercised in whole or in part, it being understood that no fractions of New Subscription Rights may be exercised, and New Subscription Rights cannot be exercised with respect to fractions of Shares. In the event a fraction of a Share were to be issued upon the exercise of one or more New Subscription Rights, the relevant number of Shares issuable upon such exercise shall be rounded down to the nearest whole number of

Shares, without further compensation for the fraction of a Share that cannot be so issued. New Subscription Rights that cannot be exercised for a whole number of Shares shall not be exercisable.

- 6.2 In order to exercise its New Subscription Rights validly, a Subscription Rights Holder must:
- 6.2.1 provide to the Company at its registered office a Notice of Subscription that has been duly completed and signed on behalf of the relevant Subscription Rights Holder;
  - 6.2.2 if payment is satisfied in accordance with:
    - 6.2.2.1 clause 6.3.1, wire the relevant Subscription Price for each of the Shares issuable upon exercise of the relevant New Subscription Rights (as determined by these New Conditions) to the blocked account in the Company's name (as provided for in the Companies and Associations Code) (the "**Exercise Account**") in immediately available funds in euro, the details of which account shall be provided in writing by the Company at the latest three (3) Business Days following receipt by the Company of the Notice of Subscription; and
    - 6.2.2.2 clause 6.3.2, (a) provide a signed payment direction letter between the Subscription Rights Holder and the purchaser pursuant to the Exit Event for the relevant Subscription Price for each of the Shares issuable upon exercise of the relevant New Subscription Rights (as determined by these New Conditions) and (b) deliver evidence that the purchaser pursuant to the Exit Event has wired, on behalf of the Subscription Rights Holders, the relevant Subscription Price for each of the Shares issuable upon exercise of the relevant New Subscription Rights (as determined by these New Conditions) to the Exercise Account in immediately available funds in euros, the details of which account shall be provided in writing by the Company at the latest three (3) Business Days following receipt by the Company of the Notice of Subscription,provided, in any event, that the Company shall not be obliged to issue any of the Shares if the relevant Subscription Price shall not have been wired onto the Exercise Account; and
  - 6.2.3 provide the Company with the name and address of the person to whom the Shares to be issued on exercise of New Subscription Rights are to be delivered (being the Subscription Rights Holder).
- 6.3 The relevant Subscription Price for each of the Shares issuable upon exercise of the New Subscription Rights shall, at the absolute discretion of the Subscription Rights Holder, be satisfied by any of the following:
- 6.3.1 the payment in cash of the relevant aggregate Subscription Price for each of the relevant Shares issuable; or
  - 6.3.2 only in circumstances where the exercise of the New Subscription Right and Notice of Subscription is specifically in anticipation of, and conditional upon, the occurrence of an Exit Event, the payment in cash by the purchaser pursuant to the Exit Event on behalf of the Subscription Rights Holder of the relevant aggregate Subscription Price for each of the relevant Shares issuable (provided, in any event, that the Company shall not have any responsibility for the payment of such amount in cash by the purchaser, and that the relevant Shares shall only be issued to the extent that the relevant Subscription Price has been received onto the Exercise Account as set out in clause 6.2.2.2); or
  - 6.3.3 in lieu of the payment in cash of the relevant aggregate Subscription Price for each of the relevant Shares issuable, the Subscription Rights Holder may on one occasion

only in respect of all of the Shares that would otherwise be issuable elect to receive a reduced number of Shares, to be issued to the Subscription Rights Holder as fully paid up, which reduced number of Shares shall be determined as follows (such exercise being the "**Net Issuance**"):

$$X = Y (A-B)/A$$

where:

X = the reduced number of Shares to be issued to the Subscription Rights Holder

Y = the number of Shares with respect to which the New Subscription Rights are being exercised by the Subscription Rights Holder

A = the Fair Market Value of one Share

B = the relevant Subscription Price of the relevant Shares with respect to which the New Subscription Rights are exercised, as the case may be

provided always that the Subscription Rights Holders shall nevertheless be required to pay in cash the applicable par value of each of the Shares issuable following such Net Issuance (which par value shall then be the relevant Subscription Price for such reduced number of Shares).

- 6.4 The Notice of Subscription delivered pursuant to clause 6.2.1 can, at the election of the Subscription Rights Holder, be conditional upon the consummation of an Exit Event. If no such election is made, the Notice of Subscription shall automatically be deemed unconditional.
- 6.5 In the case of a conditional Notice of Subscription:
- 6.5.1 if the Exit Event does not occur within the time period upon which the Notice of Subscription is expressed to be conditional, such Notice of Subscription may be cancelled by the Subscription Rights Holder;
  - 6.5.2 if the Exit Event does not occur within sixty (60) days after the date of the Notice of Subscription, such Notice of Subscription may be cancelled by the Subscription Rights Holder; and
  - 6.5.3 if the Exit Event does not occur before the Final Date, the Notice of Subscription shall be deemed cancelled and the relevant New Subscription Rights shall be deemed not exercised.
- 6.6 The cancellation of a Notice of Subscription in accordance with clause 6.5 shall be without prejudice to the relevant Subscription Rights Holder's New Subscription Rights, which will remain in full force and will be available for subsequent exercise by the Subscription Rights Holder in accordance with the provisions of these New Conditions.
- 6.7 If a Notice of Subscription is cancelled, no issuance of Shares as is referred to in clause 7.1 shall take place and the Company will immediately return to the relevant Subscription Rights Holder any payment of Subscription Price originally paid. A subsequent unconditional exercise of the New Subscription Rights shall be deemed to override and supersede any such conditional exercise.
- 6.8 Upon the occurrence of the earlier of the Final Date or an Exit Event, any New Subscription Rights which have not been exercised shall lapse and such New Subscription Rights will be cancelled.

## 7. COMPLETION OF EXERCISE

- 7.1 Following a valid exercise of New Subscription Rights by a Subscription Rights Holder in accordance with the terms of these New Conditions, the Company shall in accordance with clause 7.2:
- 7.1.1 issue to the Subscription Rights Holder the relevant number of Shares to which the Subscription Rights Holder is entitled by exercising the New Subscription Rights ("**Allotted Shares**"), at a meeting before a Belgian notary public;
  - 7.1.2 immediately following the issue of the Allotted Shares in accordance with clause 7.1.1, enter, or procure the entry of, the Allotted Shares in the Subscription Rights Holder's name in the share register of the Company as the holder of the Allotted Shares (provided that as long as the Allotted Shares have not been admitted to trading on the regulated market operated by Euronext Brussels the Allotted Shares cannot be converted into dematerialised form); and
  - 7.1.3 apply to Euronext Brussels for the admission to trading on the regulated market operated by Euronext Brussels of the Allotted Shares and use all reasonable endeavours to procure that admission occurs as soon as possible but in any case within sixty (60) Business Days following the issue of the Allotted Shares.
- 7.2 The obligations of the Company under clause 7.1.1 shall be fulfilled on the following date (unless agreed otherwise between the Company and the relevant Subscription Rights Holder):
- 7.2.1 in the case of New Subscription Rights expressed to be conditional on the occurrence of an Exit Event, on the Business Day prior to the occurrence of the Exit Event; and
  - 7.2.2 in any other case, on a date determined by the Company on or prior to the later of (i) the tenth (10) Business Days after the Notice of Subscription is received at the seat of the Company, and (ii) one (1) Business Day after the relevant Subscription Price for the Shares issuable has been received on the Exercise Account in accordance with the provisions of clause 6.2.2.
- 7.3 The Allotted Shares shall:
- 7.3.1 be issued as fully paid up;
  - 7.3.2 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 ordinary shares at the moment of their issue and will be entitled to dividends and other distributions in respect of which the relevant record date or due date falls on or after the date of their issue; and
  - 7.3.3 provided the Allotted Shares are issued in accordance with the terms of these New Conditions, be free from all claims, liens, charges, encumbrances, equities and third party rights including pre-emption rights (other than third party rights, including pre-emption rights, applying to all Shares which arise by virtue of the provisions of the Articles, and other than any claims, liens, charges, encumbrances, equities and third party rights that find their origin with the relevant Subscription Rights Holder).
- 7.4 If following allotment of Shares pursuant to the exercise of some of the New Subscription Rights, some New Subscription Rights remain, the Company shall issue a Certificate to the Subscription Rights Holder for the balance of the Subscription Rights Holder's New Subscription Rights.
- 7.5 Each time upon an exercise of the New Subscription Rights and the issue of Shares pursuant to these New Conditions, the applicable aggregate Subscription Price of the Shares shall be allocated to the share capital of the Company. If the applicable Subscription Price per Share issued is greater than the fractional value of the existing Shares immediately prior to the capital

increase, then the applicable aggregate Subscription Price shall be allocated in such a manner that per Share issued (i) a part of the applicable aggregate Subscription Price equal to the fractional value of the existing Shares immediately prior to the capital increase shall be booked as share capital, and (ii) the balance of the applicable aggregate Subscription Price shall be booked as issue premium. Such issue premium shall be accounted for on the liabilities side of the Company's balance sheet as net equity. The account on which the issue premium shall be booked shall, like the share capital, serve as the guarantee for third parties and, save for the possibility of a capitalisation of those reserves, can only be reduced on the basis of a valid resolution of the general shareholders' meeting passed in the manner required for an amendment to the Company's Articles. Following the issue of new Shares and the capital increase resulting therefrom, each of the Shares (existing and new) shall represent the same fraction of the Company's share capital.

- 7.6 The Company shall only be obliged to issue Shares upon an exercise of the New Subscription Rights provided that (i) the relevant Notice of Subscription has been received by the Company, (ii) the relevant Notice of Subscription is, is deemed, or has become unconditional and has not been cancelled, and (iii) the applicable subscription price for the Shares has been paid, in each case in accordance with the provisions of these New Conditions.

## 8. TRANSFER OF NEW SUBSCRIPTION RIGHTS

- 8.1 The New Subscription Rights may be transferred in whole or in part by any Subscription Rights Holder to any of its Affiliates or to an Exempted Financial Institution provided that in either case the transferee is not a customer, competitor or supplier of the Company or any Group Company, or holds 20% or more of the issued share capital of any such customer, competitor or supplier.
- 8.2 The provisions of Schedule 3 (*Register of Subscription Rights*) to these New Conditions shall regulate the transfer of New Subscription Rights.

## 9. ADJUSTMENT OF NEW SUBSCRIPTION RIGHTS

- 9.1 The number of the Shares to be issued upon exercise of New Subscription Rights and/or the Subscription Price, as the case may be, shall be adjusted to take into account any Adjustment Event on the terms set out in this clause 9 (*Adjustment of Subscription Rights*), but without double-counting.
- 9.2 In the event of an Adjustment Event,
- 9.2.1 the relevant Subscription Price of the New Subscription Rights (on a per Share basis) shall be multiplied by a fraction (i) the numerator of which is equal to the number of the outstanding Shares of the Company immediately before to the Adjustment Event, and (ii) the denominator of which is equal to the number of the outstanding Shares of the Company immediately after the Adjustment Event (the "**Adjustment Fraction**");
- 9.2.2 the number of shares issuable upon exercise of the New Subscription Rights shall be divided by the Adjustment Fraction; and
- 9.2.3 (subject to the provisions of clause 9.3.2) the aforementioned adjustment shall become effective immediately after the effective date of the relevant Adjustment Event that gives rise to such adjustment.
- 9.3 The Company shall:
- 9.3.1 notify each Subscription Rights Holder in writing as soon as reasonably practicable after the relevant board of directors of the Company or general meeting of Shareholders (whichever is the earliest) has resolved to consider or implement an Adjustment Event and, in any event, at least ten (10) Business Days prior to the date on which an Adjustment Event is to occur ("**Adjustment Notification Date**")



specifying the prospective or actual date of the Adjustment Event and the proposed or actual terms of it;

9.3.2 if within five (5) Business Days of the Adjustment Notification Date, the Company and the Subscription Rights Holders cannot agree such adjustment then, upon request in writing from a Subscription Rights Holder, the Company shall instruct as soon as practicable the Expert to determine the appropriate adjustment (*bindende derdenbeslissing*). The Company shall procure that an adjustment in accordance with clause 9.1 shall be effected as soon as reasonably practicable after the Company has either agreed the adjustment with the Subscription Rights Holders or received the certification from the Expert and then send notice of any such adjustments to each Subscription Rights Holder as soon as practicable (and in any event within ten (10) Business Days) following the later of the Adjustment Event and receipt of the certification together with a copy of the Expert's certificate (if applicable), together with a replacement Certificate referring to such Subscription Rights Holders' adjusted New Subscription Rights against the Subscription Rights Holder delivering to the Company the previous Certificate for cancellation.

9.4 Notwithstanding Article 7:71, §1 of the Companies and Associations Code, the Company may proceed with all actions that it deems appropriate in relation to its capital, its articles of association, its financial condition, even if such actions lead to a reduction of the benefits allocated to the New Subscription Rights, including but not limited to, mergers or acquisitions, capital increases or reductions (including those subject to conditions precedent), the incorporation of reserves into the capital with or without the issue of new Shares, the issue of dividends or other distributions, the issue of other equity securities and the amendment of arrangements or provisions relating to the distribution of profits or liquidation proceeds, provided, however, that the Shares issued or issuable under the New Subscription Rights shall not be treated differently (had they already been issued at that time) than other Shares already issued. If the rights of a Subscription Rights Holder are affected by an action or transaction permitted by the immediately preceding sentence, the Subscription Rights Holder will not be entitled to a change of the terms and conditions of the New Subscription Rights or any other form of compensation (financial or otherwise) unless (i) specifically provided for in clauses 9.1 to 9.3, and/or (ii) such action or transaction was undertaken with the purpose of adversely affecting the rights or value of the New Subscription Rights.

## 10. **INFORMATION AND RIGHTS OF NEW SUBSCRIPTION RIGHTS(S)**

10.1 Unless such information is made available at the same time to the public on the Company's website, in which case the Company shall immediately inform the Subscription Rights Holder(s) thereof, the Company shall:

10.1.1 send to each Subscription Rights Holder a copy of its annual reports and accounts (including, where applicable, audited accounts) together with all documents required by law to be annexed to that report at the same time as they are sent to any other investor in the Company;

10.1.2 send to each Subscription Rights Holder copies of any statements, notices or circulars sent to the holders of the Shares at the same time as they are sent to any other investor in the Company; and

10.1.3 give to each Subscription Rights Holder not less than fifteen (15) days' prior written notice of its intention to declare or pay a dividend or other distribution on the Shares.

10.2 To the extent permitted by applicable law, the Subscription Rights Holder(s) may attend all general meetings of holders of Shares but may not, except as permitted by applicable law, vote at those meetings by virtue of or in respect of their holdings of New Subscription Rights.

10.3 Each Subscription Rights Holder shall keep confidential and not divulge or use any information received by it in its capacity as a Subscription Rights Holder which is of a confidential nature except:

- 10.3.1 as required by law or any applicable regulations;
  - 10.3.2 to the extent the information is in the public domain through no default of the Subscription Rights Holder; and
  - 10.3.3 each Subscription Rights Holder will be entitled to divulge such information to any other Subscription Rights Holder, to its limited partners, management company or shareholders and to any proposed transferee of New Subscription Rights on the same terms as to confidentiality as contained in this clause 10.3.
- 10.4 Notwithstanding any other provision of these New Conditions, the Company shall not be required to provide any information to a Subscription Rights Holder, to the extent that (a) doing so would constitute a breach of any applicable law, including Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 and its delegating and implementing regulations, each as amended or replaced from time to time, or (b) absent a legal obligation to provide the same information to all or other holders of securities issued by the Company, providing such information to a Subscription Rights Holder would nevertheless require the Company to provide the same information also to such other holders of securities issued by the Company.

## 11. LIQUIDATION

- 11.1 If an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected, then the provisions of clause 11.2 shall apply.
- 11.2 The Company shall immediately notify the Subscription Rights Holder(s) in writing that such an order has been made or resolution has been passed or other dissolution is to be effected.
- 11.3 Subject to the provisions of this clause 11 (*Liquidation*), any New Subscription Rights which have not been exercised when the order has been made or resolution passed or other dissolution is effected shall lapse absolutely.

## 12. COMPANY REORGANISATIONS AND EXCHANGE OF NEW SUBSCRIPTION RIGHTS

- 12.1 A company reorganisation occurs if there is a qualifying exchange of Shares so that a company (the "**New Holding Company**") acquires all the Shares of the Company and the following conditions are met:
- 12.1.1 consideration for all the Shares in the Company (the "**Old Shares**") consists wholly of shares ("**New Shares**") in the New Holding Company;
  - 12.1.2 consideration for Old Shares is of New Shares of the same class and carrying the same rights; and
  - 12.1.3 New Shares are issued to the holders of Old Shares in proportion to their holding.
- 12.2 Where there is a company reorganisation and the Company requires the Subscription Rights Holders to release the New Subscription Rights and the Company from all liabilities and obligations in respect of the New Subscription Rights in consideration of, and subject at all times to, the grant to the Subscription Rights Holders of new subscription rights with equivalent rights over the share capital of the New Holding Company and on terms applying in these New Conditions *mutatis mutandis*, the Subscription Rights Holders shall execute such release.

## 13. NOTICES

Any notice to the Subscription Rights Holder(s) required for the purpose of any provision of these New Conditions shall be given in accordance with the provisions of paragraphs 12 to 14 (inclusive) of Schedule 3 (*Register of Subscription Rights*) to these New Conditions.

**14. COSTS AND EXPENSES**

- 14.1 Each Subscription Rights Holder shall pay any stamp, issue, registration, documentary or any taxes and duties, including interest and penalties, payable on or in connection with the exercise, issue or delivery of the relevant Shares upon each exercise of the relevant New Subscription Rights.
- 14.2 Any other costs and expenses related with the issuance or exercise of the New Subscription Rights or with the issuance, delivery and listing of the Shares shall be borne by the Company.

**15. GOVERNING LAW AND JURISDICTION**

The provisions of the New Conditions and any dispute or claim arising out of or in connection with them (including any dispute or claim relating to non-contractual obligations) shall be subject to and governed by Belgian law and the Company and the Subscription Rights Holder(s) submit to the exclusive jurisdiction of the courts of Antwerp (Belgium), in relation to any such dispute or claim.

**16. BINDING EFFECT ON SUCCESSORS**

These New Conditions shall be binding upon any entity succeeding the Company by merger, consolidation or otherwise. All of the obligations of the Company relating to the Shares issuable upon the exercise of the New Subscription Rights shall survive the exercise and termination of these New Conditions. All of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the Subscription Rights Holder(s).

## SCHEDULE 1: FORM OF CERTIFICATE

### Sequana Medical NV ("COMPANY")

Public Limited Liability Company under Belgian law  
Kortrijksesteenweg 1112, box 102, 9051 Ghent, Belgium,  
Register of Legal Persons VAT BE 0707.821.866 (RLE Ghent, division Ghent)

### SUBSCRIPTION RIGHT CERTIFICATE

This certificate is issued pursuant to the terms and conditions of the subscription rights issued by the Company on [*issue date*] (the "**Conditions**"). Words and expressions used in this certificate which are defined in the Conditions have the meanings given to them in the Conditions.

Certificate number: [●]

Date of issue of the certificate: [●], 202[●]

This is to certify that the Subscription Rights Holder named below is the registered holder of the New Subscription Rights referred to below to subscribe in cash for Shares at the subscription price set out below subject to the Articles and otherwise on the terms and conditions set out in the Conditions (a copy of which is available for inspection at the seat of the Company):

- Name and address of Subscription Rights Holder: [●]
- Number of New Subscription Rights: [●]
- Number of Shares for which the Subscription Rights Holder may subscribe: Such number as is calculated in accordance with clause 3 of the Conditions (as may be adjusted in accordance with terms of the Conditions, if appropriate).
- Subscription Price per Share payable on an exercise: As specified in the Amended and Restated Subscription Rights Agreement.

On behalf of the Company:

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[Name]  
[Title]

**SCHEDULE 2: NOTICE OF EXERCISE OF SUBSCRIPTION RIGHTS**

To: The board of directors of

**Sequana Medical NV ("Company")**

This notice is sent to the board of directors of the Company on behalf of the undersigned (the "**Undersigned**").

This notice is issued pursuant to the terms and conditions of the subscription rights issued by the Company on [*issue date*] (the "**Conditions**"). Words and expressions used in this certificate which are defined in the Conditions have the meanings given to them in the Conditions.

By this notice, the Undersigned exercises [all]/[*insert number*] of the New Subscription Rights referred to in the attached Certificate [conditional only on the occurrence of the Exit Event specified in the Exit Notification which the Company sent us dated [●]].

The Undersigned wishes to satisfy the aggregate Subscription Price for the Shares in respect of the New Subscription Rights which are to be exercised as follows [*delete options as necessary*]:

1. [by payment in cash of the relevant aggregate Subscription Price for each of the relevant Shares; with respect to which the New Subscription Rights are issued (other than through a Net Issuance); or]
2. [by payment in cash of the relevant aggregate Subscription Price for each of the relevant Shares; with respect to which the New Subscription Rights are issued through a Net Issuance.]

The Undersigned directs the Company to deliver the [*number*] of Shares to be issued pursuant to this exercise in the following numbers to the following proposed parties, each of which is either a Subscription Rights Holder, or a transferee of one of a Subscription Rights Holder approved in accordance with clause 8.1 of the Conditions:

Number/percentage of shares	Name of proposed allottee	Address of proposed allottee
1.		
2.		

The Undersigned agrees that such Shares are issued and accepted subject to the articles of association of the Company and the Conditions.

Full name and legal form (as relevant) of Undersigned: .....

Address of the Undersigned: .....

Date: .....

Signature of the Undersigned .....

### SCHEDULE 3: REGISTER OF SUBSCRIPTION RIGHTS

1. An accurate register of entitlement to the New Subscription Rights ("**Register**") will be kept and maintained at all times by the Company at its seat and there shall be entered in the Register:
  - 1.1 the names and addresses of the persons for the time being entitled to be registered as the holders of the New Subscription Rights;
  - 1.2 the number of New Subscription Rights held for the time being by every registered holder; and
  - 1.3 the date on which the name of every registered holder is entered in the Register in respect of the New Subscription Rights in its name.
2. Any change in the name or address of any Subscription Rights Holder shall promptly be notified to the Company which shall cause the Register to be altered accordingly. The Subscription Rights Holders or any of them and any person authorised by any Subscription Rights Holder shall be at liberty at all reasonable times during office hours to inspect the Register and to take copies of or extracts from it or any part of it.
3. The Company shall be entitled to treat each Subscription Rights Holder that is registered in the Register as the absolute owner of a New Subscription Right and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in a New Subscription Right on the part of any other person, whether or not it shall have express or other notice of such a claim.
4. Each transfer of a New Subscription Right shall be made by an instrument of transfer in the usual or common form or in any other form which may be approved for the time being by the Company.
5. The transferor shall be deemed to remain the holder of the New Subscription Right until the name of the transferee is entered in the Register in respect of the New Subscription Right being transferred.
6. The Company's board of directors may decline to recognise any instrument of transfer of a New Subscription Right unless the instrument is deposited at the seat of the Company accompanied by the Certificate for the New Subscription Right to which it relates, and such other evidence as the Company may reasonably require to show the right of the transferor to make the transfer. The Company may waive production of any Certificate upon production to them of satisfactory evidence of the loss or destruction of the Certificate together with such indemnity as they may require.
7. No fee shall be charged for any registration in the Register of a transfer of a New Subscription Right or for the registration of any other documents which in the opinion of the Company require registration in the Register.
8. The registration of a transfer in the Register shall be conclusive evidence of the approval by the Company of such a transfer.
9. Each Subscription Rights Holder shall register with the Company an address in Belgium to which notices can be sent. If any Subscription Rights Holder fails to register an address with the Company, notice may be given to that Subscription Rights Holder by sending it by any of the methods referred to in paragraph 10 of this Schedule 3 (*Register of Subscription Rights*) to that Subscription Rights Holder's last known place of business or residence or, if none, by exhibiting it for three days at the seat for the time being of the Company.
10. Notices and other communications to Subscription Rights Holders may be given by personal delivery, by registered mail or, subject to clause 1.3 of the New Conditions, e-mail. In proving service of any notice or other communication sent by post, it shall be sufficient to prove that the envelope containing the notice or other communication was properly addressed and stamped and was deposited in a post box or at the post office.

11. A notice or other communication given pursuant to the provisions of paragraph 10 of this Schedule 3 (*Register of Subscription Rights*) shall be deemed to have been served:
  - 11.1 at the time of delivery, if delivered personally to the registered address;
  - 11.2 on the second Business Day following its posting, if sent by prepaid letter by first class post to an address in Belgium; and
  - 11.3 at 09:00 hours on the Business Day following the despatch of the fax, if sent by email.
12. All notices and other communications with respect to New Subscription Rights standing in the names of joint registered holders shall be given to whichever of such persons is named first in the Register and such notice so given shall be sufficient notice to all the registered holders of such New Subscription Rights.
13. Any person who, whether by operation of law, transfer or other means whatsoever, shall become entitled to any New Subscription Right, shall be bound by every notice in respect of such New Subscription Right which, prior to its name and address being entered on the Register, shall have been duly given to the person from which it derives its title to such New Subscription Right.
14. The signature to any notice to be given by the Company may be written or printed.

The Company may accept the receipt of the registered holder for the time being of any New Subscription Rights as a good discharge to the Company notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other person to or in such New Subscription Rights.