sequanamedical

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2024

Contents

1. Statement of the Board of Directors

The Board of Directors of Sequana Medical NV certifies in the name and on behalf of Sequana Medical NV, that to the best of their knowledge the Condensed Consolidated Financial Statements, for the six-month period ended 30 June 2024, which has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union, (a) give a true and fair view of the assets, liabilities, financial position and results of Sequana Medical NV and of the entities included in the consolidation, (b) include a fair view of the important events that have occurred during the first six months of the financial year, (c) as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

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

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

2. Condensed consolidated interim financial statements as of June 30, 2024

The condensed consolidated financial statements for the six months ended 30 June 2024 as well as the related explanatory notes have not been subject to an audit or review by PWC auditors.

3. Condensed Consolidated Income Statement

EUR	Notes	H1 2024	H1 2023
Revenue	**8.4**	**105,500**	**384,173**
Costs of goods sold		(26,088)	(88,471)
Gross Margin		**79,412**	**295,702**
Sales & Marketing		(370,029)	(1,100,233)
Clinical		(1,628,373)	(3,713,593)
Quality & Regulatory		(1,771,467)	(3,186,260)
Supply Chain		(1,625,627)	(2,372,247)
Engineering		(982,388)	(2,095,194)
General & administration	8.5.1	(3,438,404)	(3,454,532)
Total Operating Expenses		**(9,816,288)**	**(15,922,059)**
Other income		142,341	209,818
Earnings before interests and taxes (EBIT)		**(9,594,536)**	**(15,416,540)**
Finance income		3,172,234	1,316,050
Finance cost		(4,512,004)	(2,108,195)
Net Finance Cost		**(1,339,770)**	**(792,145)**
Income Tax Expense		(145,614)	(255,180)
Net loss for the period		**(11,079,919)**	**(16,463,865)**
Attributable to Sequana Medical shareholders		(11,079,919)	(16,463,865)
Basic loss per share	8.5.2	(0.34)	(0.65)
shares		32,351,409	25,308,197

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

4. Condensed Consolidated Statement of Comprehensive Income

Statement of comprehensive income			
EUR	**Notes**	**H1 2024**	**H1 2023**
Net loss for the period		**(11,079,919)**	**(16,463,865)**
Components of other comprehensive income (OCI) items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		-	-
Items that may be reclassified subsequently to profit or loss			
Currency translation adjustments		13,984	95,404
Total other comprehensive income/(loss)-net of tax		**13,984**	**95,404**
Total comprehensive income		**(11,065,936)**	**(16,368,461)**
Attributable to Sequana Medical shareholders		(11,065,936)	(16,368,461)

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

5. Condensed Consolidated Statement of Financial Position

EUR	Notes		30 June 2024		31 December 2023
Property, Plant and Equipment			1,990,825		2,316,290
Financial assets			97,713		100,440
Other non-current assets			1,552,003		1,387,979
Total non-current assets			**3,640,541**		**3,804,708**
Trade Receivables			-		43,075
Other receivables and prepaid expenses			958,957		1,373,450
Other Receivables		323,588		312,871	
Prepaid expenses		635,369		1,060,578	
Inventory			2,036,016		2,295,673
Cash and cash equivalents	9.1		4,153,397		2,584,128
Total current assets			**7,148,369**		**6,296,326**
TOTAL ASSETS			**10,788,910**		**10,101,034**

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

Condensed Consolidated Statement of Financial Position (continued)

EUR	Notes		30 June 2024		31 December 2023
Total Equity			(19,561,469)		(19,465,174)
Share Capital	9.2	3,720,563		2,926,296	
Share premium	9.2	196,350,154		185,644,420	
Reserves		(3,398,571)		(2,896,178)	
Loss brought forward		(217,101,877)		(206,021,958)	
Cumulative Translation Adjustment		868,263		882,246	
Total equity			**(19,561,469)**		**(19,465,174)**
Long term financial debts	9.3		11,868,649		8,968,649
Long term lease debts			386,200		464,231
Retirement benefit obligation			641,874		667,797
Total non-current liabilities			**12,896,723**		**10,100,677**
Short term financial debts	9.3		9,903,292		7,818,288
Short term lease debts			174,793		268,604
Other current financial liabilities	9.4		2,120,446		2,767,350
Trade payables and contract liabilities			1,985,921		2,906,877
Trade payables	9.5	1,819,418		2,736,617	
Contract liabilities		166,504		170,260	
Other payables	9.5		1,060,021		2,256,685
Accrued liabilities			2,209,183		3,447,728
Provision warranty	9.5	80,217		79,988	
Accrued liabilities	9.5	2,128,966		3,367,740	
Total current liabilities			**17,453,656**		**19,465,531**
TOTAL EQUITY AND LIABILITIES			**10,788,910**		**10,101,034**

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

6. Condensed Consolidated Statement of Changes in Equity

EUR	Notes	Share capital	Share premium	Reserves	Loss brought forward	Cumulative Translation Adjustment	Total equity
1 January 2023		**2,460,487**	**170,324,139**	**(2,425,934)**	**(173,458,384)**	**946,440**	**(2,153,252)**
Net loss for the period					(16,463,865)		**(16,463,865)**
Other comprehensive income						(95,404)	**(95,404)**
April 2023 Equity Placement	9.2	460,523	15,319,955				**15,780,478**
Capital increase Share Options							-
Capital increase convertible loan to shares							-
Transaction costs for equity instruments				(678,215)			**(678,215)**
Share-based compensation				(170)			**(170)**
30 June 2023		**2,921,010**	**185,644,094**	**(3,104,319)**	**(189,922,249)**	**851,036**	**(3,610,428)**
1 January 2024		**2,926,296**	**185,644,420**	**(2,896,178)**	**(206,021,958)**	**882,246**	**(19,465,174)**
Net loss for the period					(11,079,919)		**(11,079,919)**
Other comprehensive income						(13,984)	**(13,984)**
March 2024 Equity Placement	9.2	794,267	10,705,734				**11,500,001**
Transaction costs for equity instruments				(392,959)			**(392,959)**
Share-based compensation				(109,434)			**(109,434)**
30 June 2024		**3,720,563**	**196,350,154**	**(3,398,571)**	**(217,101,877)**	**868,263**	**(19,561,469)**

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

7. Condensed Consolidated Statement of Cash Flows

EUR	Notes	H1 2024	H1 2023
Net loss for the period		**(11,079,919)**	**(16,463,865)**
Income tax expense		145,614	255,180
Financial result		1,310,324	67,204
Depreciation		140,991	143,747
Change in defined benefit plan		(0)	156,314
Share-based compensation		(109,434)	(170)
Changes in trade and other receivables		293,544	(406,824)
Changes in inventories		143,100	(156,370)
Changes in trade and other payables / accrued liabilities		(3,044,228)	172,769
Taxes paid		(155,068)	(129,999)
Cash flow from operating activities		**(12,355,076)**	**(16,362,014)**
Investments in tangible fixed assets		(28,911)	(80,965)
Investments in financial assets		-	-
Cash flow used for investing activities		**(28,911)**	**(80,965)**
Proceeds from capital increase	9.2	11,500,001	15,780,478
(Repayments) from leasing debts		(232,896)	(221,646)
(Repayments)/Proceeds from financial debts	9.3	2,883,767	(522,367)
Interest paid	9.3	(188,457)	(318,323)
Cash flow from financing activities		**13,962,415**	**14,718,142**
Net change in cash and cash equivalents		**1,578,428**	**(1,724,838)**
Cash and cash equivalents at the beginning of the period		**2,584,128**	**18,874,959**
Net effect of currency translation on cash and cash equivalents		(9,159)	(28,140)
Cash and cash equivalents at the end of the period		**4,153,397**	**17,121,981**

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

8. Notes to the Condensed Consolidated Financial Statements

8.1. Corporate Information

The Condensed Consolidated Financial Statements of Sequana Medical NV ("Sequana Medical" or "Sequana Medical Group" or "Group" of the "Company") for the first six months ended 30 June 2024 were authorized for issue in accordance with a resolution of the Board on 27 September 2024.

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

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

8.2. Basis of preparation of the Condensed Consolidated Financial Statements

8.2.1. Basis of preparation

The Condensed Consolidated Financial Statements of Sequana Medical Group for the half year ended 30 June 2024 have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. They do not include all the information required for the preparation of the Annual Consolidated Financial Statements and should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2023 of Sequana Medical Group, that can be found on the website: http://www.sequanamedical.com

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

A summary of the significant accounting policies can be found in the audited Consolidated Financial Statements for the year ended 31 December 2023 of Sequana Medical NV that can be found in the Annual Report 2023 on the website (www.sequanamedical.com), from page 114 through page 130.

The accounting policies used to prepare the Condensed Consolidated Financial Statements for the period from 1 January 2024 to 30 June 2024 are consistent with those applied in the audited Consolidated Financial Statement for the year ended 31 December 2023 of Sequana Medical NV.

8.2.2. New and amended standards adopted by the Group

New standards or interpretations applicable from 1 January 2024 do not have any significant impact on the Condensed Consolidated Financial Statements.

8.2.3. Significant accounting judgments, estimates and assumptions

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

In preparing these Condensed Consolidated Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2023.

8.2.4. Issued standards, amendments or interpretations not yet adopted

We refer to note 2.3.3 under the 'Notes to the Consolidated Financial Statements' in the financial report section of the Annual Report 2023.
There are no issues standards, amendments or interpretations that are not yet adopted by the Group.

8.2.5. Information regarding major risks and uncertainties

We refer to the risk factors described in note 3 under the 'Notes to the Consolidated Financial Statements' in the financial report section of the Annual Report 2023.
The most recent update of the risk factors is included in the Prospectus relating to the March 2024 Equity placement available on the company website (https://www.sequanamedical.com/2024-financing/our-offering-page/).

8.3. Going concern

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

The impact of macroeconomic conditions and the geopolitical situation in Ukraine and the Middle East on the Company's ability to secure additional financing rounds or undertake capital market transactions remains unclear at this point in time and will remain under review by the Executive Management and the Board of Directors.

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

The Condensed Consolidated Statement of Financial Position as at 30 June 2024 shows a negative equity in the amount of EUR 19.6 million and a cash balance of EUR 4.2 million.

The Company executed a EUR 3.0 million Investor Loan Agreement in February 2024 with Partners in Equity and Rosetta Capital which has been converted into equity in July 2024 disclosed in note 12 "Events after the reporting period in the Notes to Consolidated Financial Statements".

In February 2024, the Company also entered into amendments in relation to (i) the EUR 4,300,000 partially convertible loan with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) (the "PMV Loan"), (ii) the EUR 2,000,000 loan with Belfius Insurance NV (the "Belfius Loan"), and (iii) the EUR 400,000 loan with Sensinnovat BV (the "Sensinnovat Loan"). In February 2024, the Company also entered into an agreement in relation to the amendment of certain repayment and other terms of the EUR 10,000,000 loan with Kreos Capital VII (UK) Limited (together with its affiliates "Kreos", and the "Kreos Loan"). We refer to note 9.3 Financial Debts for more details regarding these amendments.

The Company also raised EUR 11.5 million gross proceeds in March 2024 in a private equity placement via an accelerated book-build offering disclosed in the note 9.2 *Share capital and Share Premium.*

The Company will continue to require additional financing in the near future and in that respect already executed a EUR 6.1 million Investor Loan Agreement in September 2024 with existing shareholders, with an initial tranche of EUR 3.05 million (with the second tranche at the discretion of each lender). We refer to note 12 "Events after the reporting period in the Notes to the Condensed Consolidated Financial Statements" for more details.

Together with existing cash resources, the net proceeds from these financing activities are expected to extend the current cash runway of the Company into Q1 2025 if the full EUR 6.1 million is received.

Based on the above conditions, the Executive Management and the Board of Directors made an assessment of the Company's ability to continue as a going concern. Several measures have already been carried out in order to reduce expenditures, including:

- alfapump program:

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

- Heart Failure/DSR:

Delaying the randomized phase of the MOJAVE clinical study until after the alfapump pre-market approval ("PMA") approval.

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

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

The Executive Management and the Board of Directors remain confident about the strategic plan, which comprises additional financing measures including equity and/or other financing sources, potentially including funding into the DSR and alfapump activities separately, and therefore consider the preparation of the present Condensed Consolidated Financial Statements on a going concern basis as appropriate.

We refer for more details about the additional financing to note 12 "Events after the reporting period in the Notes to Consolidated Financial Statements".

8.4. Segment information

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

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

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

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

EUR	H1 2024	H1 2023
Germany	86,500	244,500
France	19,000	76,000
Switzerland	-	43,673
Rest of the world	-	20,000
Total revenue	**105,500**	**384,173**

Revenue decreased from €0.38 million in H1 2023 to €0.11 million in H1 2024 due to the decision to terminate all European commercial activities in 2024.

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

8.5. Detailed information on profit or loss items

8.5.1. Operating Expenses – general and administration

Expenses (EUR)	H1 2024	H1 2023
Capital increase related expenses	297,787	365,397

The total amount of known and accrued capital raise related expenditure for the first half year of 2024 is EUR 690,746, of which EUR 297,787 has been recognized in the Condensed Consolidated Income Statement as G&A expenses and EUR 392,959 has been reported under equity. The capital raise expenditure accounted for in equity relate to the issuance of equity instruments and represent the incremental costs attributed to new shares.

The total amount of known and accrued capital raise related expenditure for the first half year of 2023 were EUR 1,043,612 , of which EUR 365,397 had been recognized in the Condensed Consolidated Income Statement as G&A expenses and EUR 678,215 had been reported under equity.

8.5.2. Loss per share

EUR, except number of shares	H1 2024	H1 2023
Net loss attributable to shareholders	(11.079.919)	(16.463.865)
Weighted average number of shares	32.351.409	25.308.197
Basic loss per share	**(0,34)**	**(0,65)**

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

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

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

9. Detailed information on balance sheet items

9.1. Cash and cash equivalents

The Group held cash and cash equivalents of EUR 4.2 million at 30 June 2024 (31 December 2023: EUR 2.6 million). The relatively stable cash amount is mainly due to the March 2024 Equity Placement (cf. 9.2 *Share capital and Share Premium*).

9.2. Share capital and Share Premium

EUR, except number of shares	Shares	Share capital	Share premium	Total
1 January 2023	**23,746,528**	**2,460,487**	**170,324,139**	**172,784,626**
April 2023 Equity Placement dd 27 April 2023	4,304,360	445,932	14,834,546	**15,280,478**
April 2023 Equity Placement dd 10 May 2023	140,845	14,592	485,408	**500,000**
30 June 2023	**28,191,733**	**2,921,010**	**185,644,093**	**188,565,104**
1 January 2024	**28,242,753**	**2,926,296**	**185,644,420**	**188,570,716**
March 2024 Equity Placement	7,666,667	794,267	10,705,734	**11,500,001**
30 June 2024	**35,909,420**	**3,720,563**	**196,350,154**	**200,070,717**

The share capital of the Company is EUR 3,720,563 and is represented by 35,909,420 ordinary shares. The share capital is fully paid-in. During H1 2024, one capital increase took place.

At 26 March 2024, the Company announced that in the context of the private placement of new shares that was announced and priced on 20 March 2024, with pricing of EUR 1.50 per new share announced on 21 March 2024, by means of a private placement through an accelerated bookbuilding procedure of new shares, the Company's share capital has increased on 25 March 2024 from EUR 2,926,295.90 to EUR 3,720,562.60 and the number of issued and outstanding shares has increased from 28,242,753 to 35,909,420 shares, through the issuance of a total of 7,666,667 new shares.

2,000,789 of the new shares (representing ca. 7.08% of the currently outstanding shares of the Company were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance (on the basis of applicable listing prospectus exemptions), while the remaining shares have been admitted to trading and listing on the regulated market of Euronext Brussels after the approval of a listing prospectus by the FSMA.

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

As of 30 June 2024 the Company does not hold any Treasury shares.

During H1 2023, several capital increases took place.

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

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

9.3. Financial debts

EUR	30 June 2024	31 December 2023
Fair value of convertible loans issued at recognition date	7,173,157	800,000
PMV convertible loan	*800,000*	800,000
Kreos convertible loan	*3,331,649*	-
Partners in equity convertible loan	*2,250,000*	-
Rosetta Capital VII, LP convertible loan	*791,508*	-
Conversion convertible loan to shares	-	-
Cumulative interest expenses accrued on convertible loans (amortized cost)	190,887	-
Cumulative remeasurement at FVTPL on convertible loans	508,447	179,453
Total convertible loans	**7,872,492**	**979,453**
Fair value of non-convertible loans	12,328,761	15,133,363
Subordinated loan agreements	*5,900,000*	*5,900,000*
Kreos loan agreement	*6,428,761*	*9,233,363*
Cumulative interest expenses accrued on non-convertible loans (amortized cost)	1,730,639	2,291,466
(Repayments)/Proceeds from financial debts (cumulative)	(78,870)	-
Paid interest Kreos Loan agreement (cumulative)	(81,081)	(1,243,430)
Advance payment Kreos loan agreement (cumulative)		(373,915)
Total non-convertible loans	**13,899,449**	**15,807,484**
Total short term and long term financial debt	**21,771,941**	**16,786,937**

The Company considers no material changes have occurred in its own credit risk that would significantly impact the fair value of the convertible loans as at 30 June 2024.

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

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

In March 2023, the Company had obtained an amendment to its subordinated debts with PMV/z loans, Belfius Insurance and Sensinnovat BV whereby the repayment of the outstanding amount would not take place in 8 quarterly payments starting on 30 September 2023. Under the amended agreement, the outstanding amount had to be repaid in 4 quarterly payments starting on 30 September 2024. The nominal interest rate was retroactively increased by 0.5%. The result of this amended agreement was that in 2023 the repayment of this subordinated debt had decreased by EUR 1.7 million. The impact of the modification has been recognized in the Condensed Consolidated Income Statement for the 6 months ending 30 June 2023 and was considered as not material.

In February 2024, The Company also entered into amendments in relation to (i) the EUR 4,300,000 partially convertible loan with PMV Standaardleningen NV (formerly known as PMV/z Leningen NV) (the "PMV Loan"), (ii) the EUR 2,000,000 loan with Belfius Insurance NV (the "Belfius Loan"), and (iii) the EUR 400,000 loan with Sensinnovat BV (the "Sensinnovat Loan"). The main amendments to the PMV Loans, the Belfius Loan and the Sensinnovat Loan consist of (a) an extension of the final maturity date to 31 December 2025, (b) a rescheduling of the principal repayments under the relevant loan agreements so that the principal amount outstanding under the loans thereunder will be repaid in four equal monthly instalments starting on 30 September 2025, and (c) an increase of the applicable interest rates under each of the relevant loan agreements with 0.5% per annum (counting as of 1 February 2024).

Senior debt agreements with Kreos Capital VII (UK) Limited

In April 2023, the Company had obtained an amendment to its debt financing with Kreos Capital VII (UK) Limited. The amended agreement was subject to a number of conditions. If the Company succeeded in securing equity financing, of at least EUR 15,000,000 and no later than 30 June 2023, capital repayments would be reduced by 75% until 31 December 2023. The end date of the reduced capital repayments might be extended to 31 March 2024 if the company succeeded in starting up the first clinical site of its MOJAVE study no later than 31 December 2023. If the Company succeeded in completing an additional equity financing (additional to the previously described equity financing no later than 30 June 2023) of at least EUR 20,000,000 no later than 31 December 2023, the capital repayments would be reduced by 50% for an additional period of 6 months.

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

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

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

The main amendments to the Kreos Loan can be summarized as follows:

- Payment holiday: Suspension of the repayment of any principal or interest amounts under the Kreos Loan until the earlier of (i) three months following the date on which the Company has obtained a PMA decision for the alfapump by the US FDA (irrespective whether such decision is positive or otherwise), (ii) date on which the Company has obtained a PMA approval for the alfapump by the US FDA and has completed an equity raise of at least EUR 20.0 million, and (iii) 31 December 2024.
- Maturity date extension: If the Company (i) completes an equity raise resulting in additional cash proceeds of the higher of: (x) EUR 30.0 million, and; (y) such amount as required to provide the Company with cash runway until 31 March 2026 determined by reference to a budget approved by the

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

board at the time of such equity raise, and (ii) receives a PMA approval for alfapump before the payment resumption date, the maturity date of the Kreos Loan would be extended from 30 September 2025 to March 2026.

- Interest rate increase: The applicable interest rate of the Kreos Loan would increase from 9.75% per annum to 11.5% per annum (counting as of 1 February 2024).
- New restructuring fee: Kreos will be entitled to a certain restructuring fee equal to 1.5% of the principal amount outstanding as at 1 February 2024 and accrued interest outstanding as at 31 January 2024, which shall accrue interest of 11.5% per annum until payment.
- Increase of the end of loan fee: The applicable end of loan fee due at expiration of the Kreos Loan would increase from 1.75% to 2.25% of the total principal amount of the Kreos Loan or, if earlier, on prepayment in full of the relevant amount.
- Convertibility feature: 30% of the principal amounts outstanding under the Kreos Loan as at 31 January 2024 will be convertible into new shares of the Company (through a contribution in kind of receivables) at the option of Kreos against a conversion price equal to the lower of (i) the applicable loan conversion price under the Convertible Loan agreement with Partners in Equity and Rosetta Capital, and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the conversion of the Kreos Loan.
- Kreos warrants amendment: The Company agreed to submit a proposal to amend the exercise price of the subscription rights (warrants) issued by the Company's extraordinary shareholders' meeting to the benefit of Kreos on 10 February 2023. The amended exercise price would be equal to the lower of (i) the applicable loan conversion price under the Convertible Loan agreement with Partners in Equity and Rosetta Capital, and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the exercise of the relevant warrants.
- Contractual restrictions: The amendments set out in the agreement with Kreos are conditional upon, among other things, the Company's plans to focus on the alfapump business and to pause the DSR product.

Under IFRS 9, the February 2024 amendments to the Kreos loan are considered to be substantially different from the original terms and therefore, the substantial modifications have been accounted for as an extinguishment of the original liability and a recognition of a new non-convertible liability and a convertible liability. The discounted present value of the cash flows of the modified debt (including any fees paid net of any fees received and discounted by using the original effective interest rate) is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. In addition, the convertibility feature where 30% of the principal amounts outstanding under the Kreos Loan as at 31 January 2024 will be convertible into new shares of the Company (through a contribution in kind of receivables) at the option of Kreos against a conversion price equal to the lower of (i) the applicable loan conversion price under the Convertible Loan agreement with Partners in Equity and Rosetta Capital, and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the conversion of the Kreos Loan, resulted in the recognition of a new convertible liability.

At initial recognition, the non-convertible liability has been measured at its fair value using the effective interest method.

At initial recognition, the convertible liability has been measured at its fair value using the Monte Carlo valuation model and has been determined at EUR 3,331,649. The fair value of the convertible liability has been subsequent measured at fair value at 30 June 2024 using the Monte Carlo valuation model and has been determined at EUR 3,736,428. The fair value adjustment has been reported as ‘Finance cost’ in the Condensed Consolidated Statement Income Statement.

Additional secured investor financing of EUR 3.0 million

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

As a consequence of the equity placement on 25 March 2024 (cf. 9.2 *Share capital and Share Premium*), the aggregate principal amounts and interests under this loan agreement will be mandatorily converted at the date of the annual shareholders' meeting into new shares (through a contribution in kind of payables) at a conversion price per share equal to the issue price in said equity financing transaction, minus a discount of 45%. We refer to section 12 *Events after the reporting period*.

9.4. Other current financial liabilities

	Investor Warrants	Bootstrap Warrants	Kreos 2023 subscription rights
Number of subscription rights granted	1,111,294	10	replaced by 2024 subscription rights
Fair value / subscription right (€)	0.49	0.44	replaced by 2024 subscription rights
Share price (€)	1.40	1.50	replaced by 2024 subscription rights
Exercise price (€)	5.10	3.21	replaced by 2024 subscription rights
Expected volatility	86%	86%	replaced by 2024 subscription rights
Lifetime (years)	4	2	replaced by 2024 subscription rights
Risk-free interest rate	2.83%	3.14%	replaced by 2024 subscription rights
Expected dividends	0%	0%	replaced by 2024 subscription rights

Investor Warrants

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

The Investor Warrants are accounted for in accordance with 'IAS 32 - Financial Instruments: Presentation' (measurement category: derivative financial instruments at FVTPL) and are classified in the Condensed Consolidated Statement of Financial Position as 'Other current financial liabilities'.

The fair value of the Investor Warrants has been calculated using the Black & Scholes model. The fair value of the Investor Warrants as at 30 June 2024 has been determined at EUR 546,603. The relating fair value measurement has been reported as '*Finance income*' in the Condensed Consolidated Statement Income Statement.

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

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

Bootstrap Warrants

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

The Bootstrap Warrants are accounted for in accordance with 'IAS 32 - *Financial Instruments: Presentation*' and are classified in the Condensed Consolidated Statement of Financial Position as '*Other current financial liabilities*'. The fair value of the Bootstrap Warrants as at 30 June 2024 has been determined at EUR 133,278. The relating fair value measurement has been reported as '*Finance income*' in the Condensed Consolidated Statement Income Statement.

The fair value of the Bootstrap Warrants as at 30 June 2024 has been calculated using the Black & Scholes model.

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

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

Kreos 2024 subscription rights

Kreos 2024 subscription rights	
Share price (€)	1.40
Exercise price (€)	N/A
Term (expected life of option)	N/A
Volatility	86%
Annual Rate of Dividends	-
Discount Rate	2.91%
Nominal (€)	875,000
# of subscription rights	N/A

As mentioned in 9.3 *Financial Debts*, the Company agreed in February 2024 to submit a proposal to amend the exercise price of the subscription rights (warrants) issued by the Company's extraordinary shareholders' meeting to the benefit of Kreos on 10 February 2023. The amended exercise price would be equal to the lower of (i) the applicable loan conversion price under the Convertible Loan agreement with Partners in Equity and Rosetta Capital, and (ii) the issue price in any other future equity or equity linked investment in the Company completed prior to the exercise of the relevant warrants.

The Kreos 2024 subscription rights are accounted for in accordance with 'IAS 32 - Financial Instruments: Presentation' (measurement category: derivative financial instruments at FVTPL) and are classified in the

Condensed Consolidated Statement of Financial Position as ‘Other current financial liabilities’. The fair value of the Kreos 2024 subscription rights has been calculated using the Monte Carlo model. The fair value of the Kreos 2024 subscription rights at inception has been determined at EUR 1,440,566. Subsequent measurement at 30 June 2024 resulted in no substantial change. The fair value adjustment has been reported as ‘Finance cost’ in the Condensed Consolidated Statement Income Statement.

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

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

9.5. Trade payables, other payables and accrued liabilities

EUR	30 June 2024	31 December 2023
Trade payables	**1,819,418**	**2,736,617**
Other payables	**1,060,021**	**2,256,685**
Accrued liabilities and provisions	**2,209,183**	**3,447,728**
Provision warranty	80,217	79,988
Accrued liabilities	2,128,966	3,367,740

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

10. Commitments

10.1. Capital commitments

The Group has no material contracted expenditures for the acquisition of property, plant and equipment at 30 June 2024.

10.2. Asset pledges

The Kreos secured loan facility is secured by the Company’s bank accounts, receivables and movable assets, including IP rights. The Company has no other meaningful pledges as per 30 June 2024.

11. Transactions with related parties

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

The remuneration of the members of the Board of Directors and key management is determined on an annual basis, therefore no further details are included in this interim report. For more details, we refer to the corporate governance section of the Annual Report 2023.

12. Events after the reporting period

RSU plan and Retention Shares

On 5 July 2024, the Company announced that in the context of (i) a subscription to new shares by certain non-executive independent directors pursuant to the "restricted share unit" or "RSU" plan as approved by the Company's extraordinary shareholders' meeting of 10 February 2023, and (ii) a subscription to new shares by certain members of the Company's management team upon recommendation of the Company's nomination and remuneration committee (including the subscription by the Company’s executive management team of EUR 110.409,00 for 73,606 new shares at an issue price per share of EUR 1.50), the Company's share capital has increased on 5 July 2024 from EUR 3,720,562.60 to EUR 3,752,904.03 and the number of issued and outstanding shares has further increased from 35,909,420 to 36,221,596 ordinary shares, through the issuance of a total of 312,176 new shares.

Contribution in kind

On 10 July 2024, the Company announced that in the context of the confirmation of the contribution in kind of the receivables outstanding under the unsecured and subordinated convertible loan agreement entered into on 7 February 2024 between the Company and existing shareholders Partners in Equity and Rosetta Capital (and as approved in principle by the general shareholders' meeting on 23 May 2024), the Company's share capital has increased on 10 July 2024 from EUR 3,752,904.03 to EUR 4,169,575.15 and the number of issued and outstanding shares has further increased from 36,221,596 to 40,243,518 ordinary shares, through the issuance of a total of 4,021,922 new shares at an issue price per share of EUR 0.825.

September 2024 Financing

On 30 September 2024, the Company announced the granting of an unsecured subordinated convertible bridge loan of EUR 3.05 million, with an additional tranche of EUR 3.05 million on an uncommitted basis (the "**Convertible Bridge Loan**") by five of its major shareholders, namely Partners in Equity V B.V. ("**Partners in Equity**"), EQT Health Economics 3 Coöperatief U.A. ("**EQT**"), GRAC Société Simple ("**GRAC**"), Rosetta Capital VII, LP ("**Rosetta Capital**") and Sensinnovat BV ("**Sensinnovat**").

The Convertible Bridge Loan will extend the Company's cash runway and allow it to continue its search for funding and assessment of potential other options. While on the date hereof there are no concrete proposals, the Company is investigating to what extent it could obtain separate funding for the Company's **alfa**pump® business and the Company's DSR® business, or separate entities to be set up by the Company into which the respective **alfa**pump® and DSR® business could be hived-down in order to facilitate such direct funding (the "**Hive-Downs**", and such entities respectively "**LiverCo**" and "**DSRCo**").

In addition, the Company agreed with its existing debt providers to restructure several features of the Company's debt, subject to certain conditions.

We refer for more details to the relevant press release.