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PRESS RELEASE
REGULATED INFORMATION – INSIDE INFORMATION
8 February 2024, 07:00 am CET

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SEQUANA MEDICAL ANNOUNCES EUR 3.0 MILLION CONVERTIBLE FINANCING FROM MAJOR SHAREHOLDERS AND AGREEMENT WITH LENDERS ON DEFERRAL OF DEBT SERVICE PAYMENTS

FOCUS ON OBTAINING ALFAPUMP PMA APPROVAL REDUCES FORECAST CASH NEED FOR 2024 TO ADDITIONAL EUR 13.0 MILLION

- **Momentum building towards planned alfapump PMA approval before year end – US FDA started substantive review of alfapump PMA application earlier than anticipated**
- **Continued support from two major shareholders – EUR 3.0 million convertible financing committed by Partners in Equity and Rosetta Capital**
- **Foundation to fund Company for total of EUR 16.0 million through to planned US FDA approval of alfapump PMA, a key value inflection point**
- **Support from lenders – agreement to defer all payments until after alfapump PMA application decision (subject to certain conditions) further reduces cash need for 2024**
- **Randomized phase of DSR MOJAVE study to commence after alfapump PMA approval**

Ghent, Belgium, 8 February 2024 – Sequana Medical NV (Euronext Brussels: SEQUA) (the "Company" or "Sequana Medical"), a pioneer in the treatment of fluid overload in liver disease, heart failure and cancer, announce today the granting of an unsecured subordinated convertible loan of EUR 3.0 million (the "**Convertible Loan**") by two of its major shareholders, Partners in Equity V B.V. ("**Partners in Equity**") and Rosetta Capital VII, LP ("**Rosetta Capital**"), and the agreement from its lenders to defer the debt service payments.

The board of directors strongly believes that pre-market approval ("**PMA**") approval of the **alfa**pump is a key value inflection point for the Company and has decided to prioritize its resources on reaching this important milestone, expected in the second half of 2024. As a result, the Company will significantly reduce its cash burn and halt all European commercial activities whilst maintaining the CE mark. In addition, the randomized phase of the DSR MOJAVE study will start after **alfa**pump PMA approval. These actions are forecast to significantly reduce the cash requirements through to the end of 2024 by approximately EUR 9.0 million.

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

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With this commitment from its shareholders and lenders, Sequana Medical has laid a strong foundation and is initiating a process to raise at least EUR 13.0 million more to support its operations through to US FDA approval of the PMA for the **alfa**pump.

Ian Crosbie, CEO of Sequana Medical, commented: *"FDA approval of the **alfa**pump will be a key milestone for the Company and we believe it will be fundamental in securing the financial resources necessary to support our US commercial rollout. We are grateful for the continued support from two of our key shareholders as well as our lenders, demonstrating their commitment to the Company and their belief in the significant value creation FDA approval of **alfa**pump will bring. Through focusing on those activities needed for **alfa**pump FDA approval, we optimize Sequana's ability to deliver on our goals and generate substantial value to all our shareholders. We remain committed to our DSR heart failure program, especially following the positive results from the first three MOJAVE patients and the positive DSMB review, and look forward to starting the randomized phase in due course."*

2024 Financial Calendar Sequana Medical

28 March 2024	Publication of Full Year Results 2023
23 April 2024	Online publication of Annual Report 2023
23 May 2024	Annual General Meeting 2024

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About the secured investor financing of EUR 3.0 million

The Convertible Loan provided by Partners in Equity and Rosetta Capital (each a "**Lender**") 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 het 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.

About the amendments to the existing loan agreements

In addition to the Convertible Loan, the Company also entered into a letter of intent in relation to the amendment of certain repayment and other terms of the EUR 10,000,000 loan with Kreos Capital VII (UK) Limited (together with its affiliates "**Kreos**", and the "**Kreos Loan**").[1] Subject to finalization of definitive agreements, the main amendments to the Kreos Loan can be summarized as follows:

- *Payment holiday*: Suspension of the repayment of any principal or interest amounts under the Kreos Loan until the earlier of (i) three months following the date on which the Company has obtained a PMA decision for the **alfa**pump 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 **alfa**pump 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

[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.

by the board at the time of such equity raise, and (ii) receives a PMA approval for **alfa**pump 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 letter of intent with Kreos are conditional upon, among other things, the Company's plans to focus on the **alfa**pump business and to pause the DSR product.

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.

Disclosures in accordance with Article 7:97, §4/1 of the Belgian Companies and Associations Code

The following information is provided pursuant to Article 7:97, §4/1 of the Belgian Companies and Associations Code in connection with the Convertible Loan granted by Partners in Equity and Rosetta Capital to the Company.

Partners in Equity and Rosetta Capital are both shareholders of the Company and are represented on the board of directors of the Company. As a result, each of them could be considered as a "related party" within the meaning of the International Financial Reporting Standards, as adopted by the European Union (IFRS), as referred to in Article 7:97 of the Belgian Companies and Associations Code. In view hereof, the board of directors of the Company applied the procedure of Article 7:97 of the Belgian Companies and Associations Code in connection with the approval of the Convertible Loan. Ids van der Weij (a director, representing Partners in Equity) and Kenneth Macleod (a director, representing Rosetta Capital) did not participate in the deliberation and voting by the board of directors in relation to the approval of the entering into of the relevant loan agreements.

Within the context of the aforementioned procedure, prior to this announcement and the signing of the Convertible Loan documentation, a committee of three independent directors of the Company (the "**Committee**") issued an advice to the board of directors in which the Committee assessed the entering into of the Convertible Loan. In its advice to the board of directors, the Committee concluded the following:

"*The Committee believes that, under the current circumstances and considering the current immediate working capital needs of the Company, the Convertible Loan is in the interest of the Company, its shareholders, and other stakeholders. While subjecting the Company to increased debt, while entailing greater interest costs for the Company than the current financial indebtedness of the Company, and while entailing additional and important potential dilution for the holders of shares and share options of the Company in case of conversion of the loans, ultimately the terms do not seem unreasonable and seem commensurate to the risks of investing in the Company taking into account the refinancing difficulties of the Company. If the Company is not able to raise further funding in order to address its short term funding requirements, the Company's going concern can no longer be guaranteed.*

As far as needed and applicable, the Committee has also taken into account the implementation of the Cost-Saving Measures and the Debt Restructuring that will be announced together with the entering into

of the Convertible Loan. While certain details regarding the Cost-Saving Measures and Debt Restructuring are to be further finalised, the Committee believes that the different remedial measures will allow the Company to strategically focus efforts and resources for now on the further development of the alfapump business (and in particular obtaining PMA approval by the FDA), which can be a good basis for attracting further funding of the Company's activities, strengthening its balance sheet and broadening its investor base.

On balance, therefore, the Committee is of the opinion that the expected advantages of the entering into the Convertible Loan currently exceed the expected risks and disadvantages thereof. Hence, the Committee believes that the Convertible Loan is in the interest of the Company, and in any event not manifestly abusive.

In view hereof, the Committee issues a favourable and unqualified opinion to the board of directors of the Company."

The Company's board of directors did not deviate from the Committee's favourable and unqualified conclusion. The Company's statutory auditor's assessment of the Committee's opinion and the minutes of the Company's meeting of the board of directors relating to the granting of the loans, is as follows: " "*Based on our assessment, nothing has come to our attention that leads us to believe that the financial and accounting information mentioned in the advice of the Ad Hoc Committee of independent directors dated 7 February 2024, and in the minutes of the board meeting dated 7 February 2024, which justify the intended transaction in writing and substantially, are not, in all material respects, fair and sufficient with the information available to us within the scope of our engagement. Our engagement was solely conducted within the framework of Article 7:97 of the Belgian Companies and Associations Code, and therefore our report cannot be used in any other context.*"

About Sequana Medical

Sequana Medical NV is a pioneer in treating fluid overload, a serious and frequent clinical complication in patients with liver disease, heart failure and cancer. This causes major medical issues including increased mortality, repeated hospitalizations, severe pain, difficulty breathing and restricted mobility. Although diuretics are standard of care, they become ineffective, untolerable or exacerbate the problem in many patients. There are limited effective treatment options, resulting in poor clinical outcomes, high costs and a major impact on their quality of life. Sequana Medical is seeking to provide innovative treatment options for this large and growing "diuretic-resistant" patient population. **alfa**pump® and DSR® are Sequana Medical's proprietary platforms that work with the body to treat diuretic-resistant fluid overload, delivering major clinical and quality of life benefits for patients and reducing costs for healthcare systems.

The Company's Premarket Approval (PMA) application for the **alfa**pump was submitted to the US FDA in

December 2023 and accepted for substantive review in January 2024, having reported positive primary and secondary endpoint data from the North American pivotal POSEIDON study in recurrent or refractory ascites due to liver cirrhosis. US market approval of the **alfa**pump is anticipated in the second half of 2024.

Results of the Company's RED DESERT and SAHARA proof-of-concept studies in heart failure support DSR's mechanism of action as breaking the vicious cycle of cardiorenal syndrome. MOJAVE, a US randomized controlled multi-center Phase 1/2a DSR clinical study is seeking to confirm the strong efficacy seen in the RED DESERT and SAHARA studies. All three patients from the MOJAVE non-randomized cohort have been successfully treated with DSR and the DSMB approved the start of the randomized cohort of up to a further 30 patients, planned after **alfa**pump PMA approval.

Sequana Medical is listed on Euronext Brussels (Ticker: SEQUA.BR) and headquartered in Ghent, Belgium. For further information, please visit www.sequanamedical.com.

Important Regulatory Disclaimers

*The **alfa**pump® system is currently not approved in the United States or Canada. In the United States and Canada, the **alfa**pump system is currently under clinical investigation (POSEIDON Trial) and is being studied in adult patients with refractory or recurrent ascites due to liver cirrhosis. DSR® therapy is still in development and it should be noted that any statements regarding safety and efficacy arise from ongoing pre-clinical and clinical investigations which have yet to be completed. There is no link between DSR therapy and ongoing investigations with the **alfa**pump system in Europe, the United States or Canada.*

*Note: **alfa**pump® and DSR® are registered trademarks.*

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Furthermore, the securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Canada, Japan or South Africa and may not (subject to certain exceptions) be offered or sold to or within, or on behalf of a person or for the benefit of a person who is registered, resident or located in, these countries.

The Company has not made and will not to make an offer of its securities to the public in Switzerland except that it may make an offer of securities to professional investors in Switzerland in accordance with and under the exemption of article 36(1)(a) of the Swiss Financial Services Act ("FinSA"). No application has been or will be made to admit the securities of the Company to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this press release nor any of the other materials relating to the securities of the Company constitute a prospectus or a similar communication as such terms are understood pursuant to articles 35 et seqq. and article 69 of the FinSA.

This communication is not a prospectus for the purposes of Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, Regulation (EU) 2017/1129 and the delegated acts, implementing acts and technical standards thereunder as such legislation forms part of retained EU law as defined in the EU (Withdrawal) Act 2018, or the FinSa. This communication cannot be used as basis for any investment agreement or decision. Acquiring investments to which this press release relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This press release does not constitute a recommendation concerning the securities referred to herein.

No announcement or information regarding an offering, listing or securities of the Company may be disseminated to the public in jurisdictions where a prior registration or approval is required for such purpose. No steps have been taken, or will be taken, for an offering or listing of securities of the Company in any jurisdiction where such steps would be required. The issue, exercise, or sale of, and the subscription for or purchase of, securities of the Company are subject to special legal or statutory restrictions in certain jurisdictions. The Company is not liable if the aforementioned restrictions are not complied with by any person.

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Any investment decision in connection with securities of the Company must be made on the basis of all publicly available information relating to the Company and its shares.

Forward-looking statements

This press release may contain predictions, estimates or other information that might be considered forward-looking statements.
Such forward-looking statements are not guarantees of future performance. These forward-looking statements represent the current judgment of Sequana Medical on what the future holds, and are subject to risks and uncertainties that could cause actual results to differ materially. Sequana Medical expressly disclaims any obligation or undertaking to release any updates or revisions to any forward-looking statements in this press release, except if specifically required to do so by law or regulation. You should not place undue reliance on forward-looking statements, which reflect the opinions of Sequana Medical only as of the date of this press release.