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**ANNUAL ACCOUNTS AND OTHER DOCUMENTS TO BE FILED UNDER
BELGIAN COMPANY LAW**

IDENTIFICATION DETAILS (on date of deposit)

NAME: *Sequana Medical*

Legal form: *Public limited company*

Address: *Technologiepark-Zwijnaarde* Nr.: *122* Box:

Postal code: *9052* Municipality: *Zwijnaarde*

Country: *Belgium*

Register of legal persons – Business court of: *Gent, Division Gent*

Website address¹:

Company identification number *BE 0707.821.866*

DATE *22 / 09 / 2006* of filing the memorandum of association OR of the most recent document mentioning the date of publication of the memorandum of association and of the act amending the articles of association.

ANNUAL ACCOUNTS **ANNUAL ACCOUNTS IN EUROS**

approved by the general meeting of *23 / 05 / 2019*

Regarding the financial year from *01 / 01 / 2018* to *31 / 12 / 2018*

Preceding financial year from *01 / 01 / 2017* to *31 / 12 / 2017*

The amounts for the preceding period ~~are~~ ~~are not~~² identical to the ones previously published.

Total number of pages filed:*110*..... Numbers of sections of the standard form not filed because they serve no useful purpose:*6.1, 6.2.1, 6.2.2, 6.2.3, 6.2.4, 6.2.5, 6.3.1, 6.3.4, 6.3.5, 6.4.2, 6.5.2, 6.6, 6.8, 6.17, 9, 11, 12, 13, 14, 15, 16*.....

Signature
(name and position)

Signature
(name and position)

¹ Optional information.
² Strike out what is not applicable.

**LIST OF DIRECTORS, BUSINESS MANAGERS AND AUDITORS
AND DECLARATION REGARDING A COMPLIMENTARY REVIEW
OR CORRECTION ASSIGNMENT**

LIST OF THE DIRECTORS, BUSINESS MANAGERS AND AUDITORS

COMPLETE LIST with surname, first names, profession, place of residence (address, number, postal code and municipality) and position within the company

Pierre Chauvineau
Chemin de Coulet 82, 1162 ST Prex, Switzerland

Chairman of the board of directors
12/02/2019 - 26/05/2022

Ian Crosbie
Portland Road 5, W114LH Londen, United Kingdom

Administrator - manager
12/02/2019 - 26/05/2022

Dekeyser Rudy
Klein Nazareth 12, 9840 De Pinte, Belgium

Director
12/02/2019 - 26/05/2022

Erik Amble
Villaveien 4, 0371 Oslo, Belgium

Director
12/02/2019 - 26/05/2022

WIOT
Nr.: BE 0708.895.596
Ursulinenstraat 4 box 101, 9000 Gent, Belgium

Director
12/02/2019 - 26/05/2022

Represented by:

Wim Ottevaere
Ursulinenstraat 4 box 101, 9000 Gent, Belgium

PwC Bedrijfsrevisoren cvba
Nr.: BE 0429.501.944
Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium
Membership nr.: B009

Registered auditor
01/10/2018 - 27/05/2021

Represented by:

Peter D'hondt

DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

The managing board declares that no audit or correction assignment has been given to a person who was not authorised to do so by law, pursuant to art. 34 and 37 of the law of 22th April 1999 concerning accounting and tax professions.

The annual accounts ~~were~~ / **were not*** audited or corrected by an external accountant or by a company auditor who is not the statutory auditor.

If affirmative, mention hereafter: surname, first names, profession and address of each external accountant or company auditor and his membership number with his Institute as well as the nature of his assignment:

- A. Bookkeeping of the enterprise **,
- B. Preparing the annual accounts **,
- C. Auditing the annual accounts and/or
- D. Correcting the annual accounts.

If the tasks mentioned under A. or B. are executed by certified accountants or certified bookkeepers - tax specialists, you can mention hereafter: surname, first names, profession and address of each certified accountant or certified bookkeeper - tax specialist and his/her affiliation number with the Institute of Accounting Professional and Tax Experts and the nature of his/her assignment.

Surname, first names, profession and address	Affiliation number	Nature of the assignment (A, B, C and/or D)

* Strike out what is not applicable.

** Optional information.

ANNUAL ACCOUNTS

BALANCE SHEET AFTER APPROPRIATION

	Discl.	Codes	Period	Preceding period
ASSETS				
Formation expenses	6.1	20	.....	.....
FIXED ASSETS		21/28	270.905	275.283
Intangible fixed assets	6.2	21	.....	.....
Tangible fixed assets	6.3	22/27	183.697	205.426
Land and buildings		22	.....	.....
Plant, machinery and equipment		23	13.189	19.596
Furniture and vehicles		24	138.234	185.830
Leasing and similar rights		25	.....	.....
Other tangible fixed assets		26	.....	.....
Assets under construction and advance payments		27	32.274	.....
Financial fixed assets	6.4/6.5.1	28	87.208	69.857
Affiliated enterprises	6.15	280/1	29.450	28.362
Participating interests		280	29.450	28.362
Amounts receivable		281	.....	.....
Enterprises linked by participating interests	6.15	282/3	.....	.....
Participating interests		282	.....	.....
Amounts receivable		283	.....	.....
Other financial assets		284/8	57.758	41.495
Shares		284	.....	.....
Amounts receivable and cash guarantees		285/8	57.758	41.495

	Discl.	Codes	Period	Preceding period
CURRENT ASSETS		29/58	3.273.473	3.702.223
Amounts receivable after more than one year		29	.....	.....
Trade debtors		290	.....	.....
Other amounts receivable		291	.....	.....
Stocks and contracts in progress		3	1.235.426	1.270.803
Stocks		30/36	1.235.426	1.270.803
Raw materials and consumables		30/31	939.260	1.046.052
Work in progress		32	.....	.....
Finished goods		33	296.166	224.751
Goods purchased for resale		34	.....	.....
Immovable property intended for sale		35	.....	.....
Advance payments		36	.....	.....
Contracts in progress		37	.....	.....
Amounts receivable within one year		40/41	697.136	724.203
Trade debtors		40	96.608	154.578
Other amounts receivable		41	600.528	569.625
Current investments 6.5.1/6.6		50/53	.....	193.275
Own shares		50	.....	193.275
Other investments		51/53	.....	.....
Cash at bank and in hand		54/58	1.224.539	1.500.585
Deferred charges and accrued income 6.6		490/1	116.372	13.357
TOTAL ASSETS		20/58	3.544.378	3.977.506

	Discl.	Codes	Period	Preceding period
EQUITY AND LIABILITIES				
EQUITY		10/15	-18.588.252	-4.061.490
Capital	6.7.1	10	887.977	954.577
Issued capital		100	887.977	954.577
Uncalled capital		101	.....	.....
Share premium account		11	64.963.284	64.954.597
Revaluation surpluses		12	.....	.....
Reserves		13	449.182	574.581
Legal reserve		130	.....	.....
Reserves not available		131	449.182	574.581
In respect of own shares held		1310	.....	193.275
Other		1311	449.182	381.306
Untaxed reserves		132	.....	.....
Available reserves		133	.....	.....
Accumulated profits (losses)(+)/(-)		14	-84.888.695	-70.545.245
Investment grants		15	.....	.....
Advance to associates on the sharing out of the assets		19	.....	.....
PROVISIONS AND DEFERRED TAXES		16	792.225	818.583
Provisions for liabilities and charges		160/5	792.225	818.583
Pensions and similar obligations		160	792.225	818.583
Taxation		161	.....	.....
Major repairs and maintenance		162	.....	.....
Environmental obligations		163	.....	.....
Other liabilities and charges	6.8	164/5	.....	.....
Deferred taxes		168	.....	.....

	Discl.	Codes	Period	Preceding period
AMOUNTS PAYABLE		17/49	21.340.405	7.220.413
Amounts payable after more than one year	6.9	17	2.582.087	4.577.761
Financial debts		170/4	2.582.087	4.577.761
Subordinated loans		170	.....	.....
Unsubordinated debentures		171	.....	.....
Leasing and other similar obligations		172	.....	.....
Credit institutions		173	.....	.....
Other loans		174	2.582.087	4.577.761
Trade debts		175	.....	.....
Suppliers		1750	.....	.....
Bills of exchange payable		1751	.....	.....
Advances received on contracts in progress		176	.....	.....
Other amounts payable		178/9	.....	.....
Amounts payable within one year	6.9	42/48	15.973.467	2.240.620
Current portion of amounts payable after more than one year falling due within one year		42	2.622.971	.....
Financial debts		43	9.634.078	.....
Credit institutions		430/8	.....	.....
Other loans		439	9.634.078	.....
Trade debts		44	1.881.513	898.471
Suppliers		440/4	1.881.513	898.471
Bills of exchange payable		441	.....	.....
Advances received on contracts in progress		46	845.189	1.103.220
Taxes, remuneration and social security	6.9	45	989.716	238.929
Taxes		450/3	17.034	14
Remuneration and social security		454/9	972.682	238.915
Other amounts payable		47/48	.....	.....
Accruals and deferred income	6.9	492/3	2.784.851	402.032
TOTAL LIABILITIES		10/49	3.544.378	3.977.506

INCOME STATEMENT

	Discl.	Codes	Period	Preceding period
Operating income		70/76A	1.173.178	905.537
Turnover	6.10	70	1.029.171	1.303.975
Stocks of finished goods and work and contracts in progress: increase (decrease)		71	71.415	-398.438
Own work capitalised		72	.....	.....
Other operating income	6.10	74	72.592	.....
Non-recurring operating income	6.12	76A	.....	.....
Operating charges		60/66A	14.631.947	7.995.583
Raw materials, consumables		60	264.848	506.825
Purchases		600/8	158.056	212.427
Stocks: decrease (increase)		609	106.792	294.398
Services and other goods		61	6.515.611	3.597.965
Remuneration, social security costs and pensions	6.10	62	4.789.138	3.817.102
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets		630	29.681	72.961
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs)	6.10	631/4	.....	.....
Provisions for liabilities and charges: Appropriations (uses and write-backs)	6.10	635/8	-26.358	.....
Other operating charges	6.10	640/8	1.609	730
Operating charges carried to assets as restructuring costs (-)		649	.....	.....
Non-recurring operating charges	6.12	66A	3.057.418	.....
Operating profit (loss)		9901	-13.458.769	-7.090.046

	Discl.	Codes	Period	Preceding period
Financial income		75/76B	309.200	107.053
Recurring financial income		75	309.200	107.053
Income from financial fixed assets		750	10	11
Income from current assets		751	.....	.....
Other financial income	6.11	752/9	309.190	107.042
Non-recurring financial income	6.12	76B	.....	.....
Financial charges		65/66B	1.190.566	895.613
Recurring financial charges	6.11	65	1.190.566	895.613
Debt charges		650	920.292	635.667
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs)(+)/(-)		651	.....	.....
Other financial charges		652/9	270.274	259.946
Non-recurring financial charges	6.12	66B	.....	.....
Gain (loss) for the period before taxes		9903	-14.340.135	-7.878.606
Transfer from deferred taxes		780	.....	.....
Transfer to deferred taxes		680	.....	.....
Income taxes		67/77	3.315	3.508
Taxes	6.13	670/3	3.315	3.508
Adjustment of income taxes and write-back of tax provisions		77	.....	.....
Gain (loss) of the period		9904	-14.343.450	-7.882.114
Transfer from untaxed reserves		789	.....	.....
Transfer to untaxed reserves		689	.....	.....
Gain (loss) of the period available for appropriation ..(+)/(-)		9905	-14.343.450	-7.882.114

APPROPRIATION ACCOUNT

	Codes	Period	Preceding period
Profit (loss) to be appropriated(+)/(-)	9906	-84.888.695	-70.545.245
Gain (loss) of the period available for appropriation(+)/(-)	(9905)	-14.343.450	-7.882.114
Profit (loss) brought forward(+)/(-)	14P	-70.545.245	-62.663.131
Withdrawals from capital and reserves	791/2	193.275	193.275
from capital and share premium account	791	.....	193.275
from reserves	792	193.275	.....
Transfer to capital and reserves	691/2	193.275	193.275
to capital and share premium account	691	193.275	.....
to legal reserve	6920	.....	.....
to other reserves	6921	.....	193.275
Accumulated profits (losses)(+)/(-)	(14)	-84.888.695	-70.545.245
Owners' contribution in respect of losses	794	.....	.....
Profit to be distributed	694/7	.....	.....
Dividends	694	.....	.....
Directors' or managers' entitlements	695	.....	.....
Employees	696	.....	.....
Other beneficiaries	697	.....	.....

	Codes	Period	Preceding period
PLANT, MACHINERY AND EQUIPMENT			
Acquisition value at the end of the period	8192P	xxxxxxxxxxxxxxxx	39.427
Movements during the period			
Acquisitions, including produced fixed assets	8162	9.146	
Sales and disposals	8172	.....
Transfers from one heading to another(+)/(-)	8182	.....
Acquisition value at the end of the period	8192	48.573	
Revaluation surpluses at the end of the period	8252P	xxxxxxxxxxxxxxxx	.....
Movements during the period			
Recorded	8212	.....
Acquisitions from third parties	8222	.....
Cancelled	8232	.....
Transferred from one heading to another(+)/(-)	8242	.....
Revaluation surpluses at the end of the period	8252	.....
Depreciations and amounts written down at the end of the period	8322P	xxxxxxxxxxxxxxxx	19.831
Movements during the period			
Recorded	8272	15.553	
Written back	8282	.....
Acquisitions from third parties	8292	.....
Cancelled owing to sales and disposals	8302	.....
Transferred from one heading to another(+)/(-)	8312	.....
Depreciations and amounts written down at the end of the period	8322	35.384	
NET BOOK VALUE AT THE END OF THE PERIOD	(23)	13.189	

	Codes	Period	Preceding period
FURNITURE AND VEHICLES			
Acquisition value at the end of the period	8193P	xxxxxxxxxxxxxxxx	356.819
Movements during the period			
Acquisitions, including produced fixed assets	8163	.....
Sales and disposals	8173	33.468	
Transfers from one heading to another(+)/(-)	8183	.....
Acquisition value at the end of the period	8193	323.351	
Revaluation surpluses at the end of the period	8253P	xxxxxxxxxxxxxxxx	.....
Movements during the period			
Recorded	8213	.....
Acquisitions from third parties	8223	.....
Cancelled	8233	.....
Transferred from one heading to another(+)/(-)	8243	.....
Revaluation surpluses at the end of the period	8253	.....
Depreciations and amounts written down at the end of the period	8323P	xxxxxxxxxxxxxxxx	170.989
Movements during the period			
Recorded	8273	14.128	
Written back	8283	.....
Acquisitions from third parties	8293	.....
Cancelled owing to sales and disposals	8303	.....
Transferred from one heading to another(+)/(-)	8313	.....
Depreciations and amounts written down at the end of the period	8323	185.117	
NET BOOK VALUE AT THE END OF THE PERIOD	(24)	138.234	

	Codes	Period	Preceding period
ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS			
Acquisition value at the end of the period	8196P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Acquisitions, including produced fixed assets	8166	32.274	
Sales and disposals	8176	.....
Transfers from one heading to another(+)/(-)	8186	.....
Acquisition value at the end of the period	8196	32.274	
Revaluation surpluses at the end of the period	8256P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Recorded	8216	.....
Acquisitions from third parties	8226	.....
Cancelled	8236	.....
Transferred from one heading to another(+)/(-)	8246	.....
Revaluation surpluses at the end of the period	8256	.....
Depreciations and amounts written down at the end of the period	8326P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Recorded	8276	.....
Written back	8286	.....
Acquisitions from third parties	8296	.....
Cancelled owing to sales and disposals	8306	.....
Transferred from one heading to another(+)/(-)	8316	.....
Depreciations and amounts written down at the end of the period	8326	.....
NET BOOK VALUE AT THE END OF THE PERIOD	(27)	32.274	

STATEMENT OF FINANCIAL FIXED ASSETS

	Codes	Period	Preceding period
AFFILIATED ENTERPRISES - PARTICIPATING INTERESTS AND SHARES			
Acquisition value at the end of the period	8391P	XXXXXXXXXXXXXXXXXX	28.362
Movements during the period			
Acquisitions	8361	1.088	
Sales and disposals	8371	.....
Transfers from one heading to another(+)/(-)	8381	.....
Acquisition value at the end of the period	8391	29.450	
Revaluation surpluses at the end of the period	8451P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Recorded	8411	.....
Acquisitions from third parties	8421	.....
Cancelled	8431	.....
Transferred from one heading to another(+)/(-)	8441	.....
Revaluation surpluses at the end of the period	8451	.....
Amounts written down at the end of the period	8521P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Recorded	8471	.....
Written back	8481	.....
Acquisitions from third parties	8491	.....
Cancelled owing to sales and disposals	8501	.....
Transferred from one heading to another(+)/(-)	8511	.....
Amounts written down at the end of the period	8521	.....
Uncalled amounts at the end of the period	8551P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period(+)/(-)			
Uncalled amounts at the end of the period	8551	.....
NET BOOK VALUE AT THE END OF THE PERIOD	(280)	29.450	
AFFILIATED ENTERPRISES - AMOUNTS RECEIVABLE			
NET BOOK VALUE AT THE END OF THE PERIOD	281P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Additions	8581	.....
Repayments	8591	.....
Amounts written down	8601	.....
Amounts written back	8611	.....
Exchange differences(+)/(-)	8621	.....
Other movements(+)/(-)	8631	.....
NET BOOK VALUE AT THE END OF THE PERIOD	(281)	.....
ACCUMULATED AMOUNTS WRITTEN OFF AMOUNTS RECEIVABLE AT END OF THE PERIOD	8651	.....

	Codes	Period	Preceding period
OTHER ENTERPRISES - PARTICIPATING INTERESTS AND SHARES			
Acquisition value at the end of the period	8393P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Acquisitions	8363	.....
Sales and disposals	8373	.....
Transfers from one heading to another(+)/(-)	8383	.....
Acquisition value at the end of the period	8393	.....
Revaluation surpluses at the end of the period	8453P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Recorded	8413	.....
Acquisitions from third parties	8423	.....
Cancelled	8433	.....
Transferred from one heading to another(+)/(-)	8443	.....
Revaluation surpluses at the end of the period	8453	.....
Amounts written down at the end of the period	8523P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period			
Recorded	8473	.....
Written back	8483	.....
Acquisitions from third parties	8493	.....
Cancelled owing to sales and disposals	8503	.....
Transferred from one heading to another(+)/(-)	8513	.....
Amounts written down at the end of the period	8523	.....
Uncalled amounts at the end of the period	8553P	XXXXXXXXXXXXXXXXXX	.....
Movements during the period(+)/(-)			
Uncalled amounts at the end of the period	8553	.....
NET BOOK VALUE AT THE END OF THE PERIOD	(284)	.....
OTHERS ENTERPRISES - AMOUNTS RECEIVABLE			
NET BOOK VALUE AT THE END OF THE PERIOD	285/8P	XXXXXXXXXXXXXXXXXX	41.495
Movements during the period			
Additions	8583	16.263	
Repayments	8593	.....
Amounts written down	8603	.....
Amounts written back	8613	.....
Exchange differences(+)/(-)	8623	.....
Other movements(+)/(-)	8633	.....
NET BOOK VALUE AT THE END OF THE PERIOD	(285/8)	57.758	
ACCUMULATED AMOUNTS WRITTEN OFF AMOUNTS RECEIVABLE AT END OF THE PERIOD	8653	.....

PARTICIPATING INTERESTS INFORMATION

PARTICIPATING INTERESTS AND SHARES IN OTHER ENTERPRISES

List of the enterprises in which the enterprise holds a participating interest, (recorded in heading 280 and 282 of assets) and the other enterprises in which the enterprise holds rights (recorded in headings 284 and 51/53 of assets) for an amount of at least 10 % of the capital issued.

NAME, full address of the REGISTERED OFFICE and for an enterprise governed by Belgian law, the COMPANY IDENTIFICATION NUMBER	Rights held			Data extracted from the most recent annual accounts				
	Nature	directly		subsidiaries	Annual accounts as per	Currency code	Capita land reserves	Net result
		Number	%				%	(+ or (-) (in units)
<i>Sequana Medical GmbH</i> <i>HRB 198277</i> <i>Private company with limited liability</i> <i>Rundfunkplatz 2</i> <i>80335 Munchen</i> <i>Germany</i>	Shares	25.000	100,0	0,0	31/12/2018	EUR	331.908	42.728
<i>Sequana Medical Inc</i> <i>Public limited company</i> <i>Crowley Drive, Suite 216</i> <i>MA 01752 Marlborough</i> <i>United States</i>	Shares	1	100,0	0,0	31/12/2018	USD	753.870	-12.034

STATEMENT OF CAPITAL AND SHAREHOLDING STRUCTURE

STATEMENT OF CAPITAL

Social capital

Issued capital at the end of the period
 Issued capital at the end of the period

Codes	Period	Preceding period
100P	xxxxxxxxxxxxxxxx	954.577
(100)	887.977	

Changes during the period
Capital increase due to execution of share options
Conversion of capital from CHF to EURO

Codes	Value	Number of shares
	1.591	18.468
	-68.191	0

	887.977	9.930.784

8702	xxxxxxxxxxxxxxxx	9.930.784
8703	xxxxxxxxxxxxxxxx	.....

Structure of the capital
 Different categories of shares
Fully paid up shares without nominal value

Registered shares
 Shares dematerialized

Capital not paid

Uncalled capital
 Called up capital, unpaid
 Shareholders having yet to pay up in full

Codes	Uncalled amount	Capital called but not paid
(101)	xxxxxxxxxxxxxxxx
8712	xxxxxxxxxxxxxxxx	.....

Own shares

Held by the company itself
 Amount of capital held
 Corresponding number of shares
 Held by the subsidiaries
 Amount of capital held
 Corresponding number of shares

Codes	Period
8721
8722
8731
8732
8740
8741
8742
8745
8746
8747
8751

Commitments to issue shares

Owing to the exercise of conversion rights
 Amount of outstanding convertible loans
 Amount of capital to be subscribed
 Corresponding maximum number of shares to be issued
 Owing to the exercise of subscription rights
 Number of outstanding subscription rights
 Amount of capital to be subscribed
 Corresponding maximum number of shares to be issued

Authorized capital not issued

Shares issued, non representing capital

Distribution

Number of shares
 Number of voting rights attached thereto

Allocation by shareholder

Number of shares held by the company itself
 Number of shares held by its subsidiaries

Codes	Period
8761
8762
8771
8781

SHAREHOLDER STRUCTURE OF THE ENTERPRISE AT THE DATE OF END-OF-YEAR PROCEDURE

according to the notifications that the enterprise has received pursuant to art. 631 §2, last subsection and art. 632 §2 last subsection of the Belgian company law; art. 14 fourth subsection of the law of 2nd May 2007 on the disclosure of major shareholdings; and article 5 of the royal decree of 21st August 2008 laying down further rules on certain multilateral trading facilities.

NAME of the persons who hold the rights of the enterprise, specifying the ADDRESS (of the registered office, when it involves a legal person) and the COMPANY IDENTIFICATION NUMBER, when it involves an enterprise under Belgian law	Rights held			%
	Nature	Number of voting rights		
		Linked to securities	Not linked to securities	
<i>Neomed IV Exension / Innovation V</i>	<i>Shares</i>	<i>0</i>	<i>0</i>	<i>35,93</i>
<i>LSP Health Economics Fund Management</i>	<i>Shares</i>	<i>0</i>	<i>0</i>	<i>10,85</i>
<i>Venture Incubator</i>	<i>Shares</i>	<i>0</i>	<i>0</i>	<i>10,01</i>
<i>Entrepreneurs Fund</i>	<i>Shares</i>	<i>0</i>	<i>0</i>	<i>8,75</i>
<i>BioMedInvest</i>	<i>Shares</i>	<i>0</i>	<i>0</i>	<i>8,22</i>
<i>Capricorn Health-tech Fund</i>	<i>Shares</i>	<i>0</i>	<i>0</i>	<i>8,09</i>

STATEMENT OF AMOUNTS PAYABLE, ACCRUED CHARGES AND DEFERRED INCOME

	Codes	Period
BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL PERIOD TO MATURITY OF MORE THAN ONE YEAR, ACCORDING TO THEIR RESIDUAL TERM		
Current portion of amounts payable after more than one year falling due within one year		
Financial debts	8801	2.622.971
Subordinated loans	8811	.....
Unsubordinated debentures	8821	.....
Leasing and other similar obligations	8831	.....
Credit institutions	8841	.....
Other loans	8851	2.622.971
Trade debts	8861	.....
Suppliers	8871	.....
Bills of exchange payable	8881	.....
Advance payments received on contract in progress	8891	.....
Other amounts payable	8901	.....
Total current portion of amounts payable after more than one year falling due within one year ..	(42)	2.622.971
Amounts payable with a remaining term of more than one but not more than five years		
Financial debts	8802	2.582.087
Subordinated loans	8812	.....
Unsubordinated debentures	8822	.....
Leasing and other similar obligations	8832	.....
Credit institutions	8842	.....
Other loans	8852	2.582.087
Trade debts	8862	.....
Suppliers	8872	.....
Bills of exchange payable	8882	.....
Advance payments received on contracts in progress	8892	.....
Other amounts payable	8902	.....
Total amounts payable with a remaining term of more than one but not more than five years	8912	2.582.087
Amounts payable with a remaining term of more than five years		
Financial debts	8803	.....
Subordinated loans	8813	.....
Unsubordinated debentures	8823	.....
Leasing and other similar obligations	8833	.....
Credit institutions	8843	.....
Other loans	8853	.....
Trade debts	8863	.....
Suppliers	8873	.....
Bills of exchange payable	8883	.....
Advance payments received on contracts in progress	8893	.....
Other amounts payable	8903	.....
Total amounts payable with a remaining term of more than five years	8913	.....

GUARANTEED AMOUNTS PAYABLE (included in headings 17 and 42/48 of the liabilities)

Amounts payable guaranteed by Belgian public authorities

	Codes	Period
Financial debts	8921	.....
Subordinated loans	8931	.....
Unsubordinated debentures	8941	.....
Leasing and similar obligations	8951	.....
Credit institutions	8961	.....
Other loans	8971	.....
Trade debts	8981	.....
Suppliers	8991	.....
Bills of exchange payable	9001	.....
Advance payments received on contracts in progress	9011	.....
Remuneration and social security	9021	.....
Other amounts payable	9051	.....
Total amounts payable guaranteed by Belgian public authorities	9061	.....

Amounts payable guaranteed by real securities or irrevocably promised by the enterprise on its own assets

Financial debts	8922	5.205.058
Subordinated loans	8932	.....
Unsubordinated debentures	8942	.....
Leasing and similar obligations	8952	.....
Credit institutions	8962	.....
Other loans	8972	5.205.058
Trade debts	8982	.....
Suppliers	8992	.....
Bills of exchange payable	9002	.....
Advance payments received on contracts in progress	9012	.....
Taxes, remuneration and social security	9022	.....
Taxes	9032	.....
Remuneration and social security	9042	.....
Other amounts payable	9052	.....
Total amounts payable guaranteed by real securities or irrevocably promised by the enterprise on its own assets	9062	5.205.058

TAXES, REMUNERATION AND SOCIAL SECURITY

Taxes (heading 450/3 of the liabilities)

Outstanding tax debts	9072	.....
Accruing taxes payable	9073	.....
Estimated taxes payable	450	.....

Remuneration and social security (heading 454/9 of the liabilities)

Amounts due to the National Social Security Office	9076	.....
Other amounts payable in respect of remuneration and social security	9077	.....

ACCRUALS AND DEFERRED INCOME

Allocation of heading 492/3 of liabilities if the amount is significant

<i>Provision for warranty obligation</i>	67.090
<i>Provision for attributanle costs</i>	2.717.760
.....
.....

Period
67.090
2.717.760
.....
.....

OPERATING RESULTS

	Codes	Period	Preceding period
OPERATING INCOME			
Net turnover			
Allocation by categories of activity			
.....			
.....			
.....			
Allocation into geographical markets			
.....			
.....			
.....			
Other operating income			
Operating subsidies and compensatory amounts received from public authorities	740		
OPERATING CHARGES			
Employees for whom the enterprise submitted a DIMONA declaration or who are recorded in the general personnel register			
Total number at the closing date	9086	2	
Average number of employees calculated in full-time equivalents	9087	1,5	
Number of actual worked hours	9088	1.264	
Personnel costs			
Remuneration and direct social benefits	620	3.808.099	3.037.409
Employers' contribution for social security	621	609.084	485.816
Employers' premiums for extra statutory insurance	622		
Other personnel costs	623	371.955	293.877
Retirement and survivors' pensions	624		

	Codes	Period	Preceding period
Provisions for pensions and other similar rights			
Appropriations (uses and write-backs)(+)/(-)	635	-26.358	.....
Amounts written off			
Stocks and contracts in progress			
Recorded	9110	.....	.....
Written back	9111	.....	.....
Trade debts			
Recorded	9112	.....	.....
Written back	9113	.....	.....
Provisions for liabilities and charges			
Additions	9115	.....	.....
Uses and write-backs	9116	26.358	.....
Other operating charges			
Taxes related to operation	640	.....	.....
Other costs	641/8	1.609	730
Hired temporary staff and personnel placed at the enterprise's disposal			
Total number at the closing date	9096	.....	.....
Average number calculated in full-time equivalents	9097	.....	.....
Number of actual worked hours	9098	.....	.....
Costs to the enterprise	617	.....	.....

FINANCIAL RESULTS

	Codes	Period	Preceding period
RECURRING FINANCIAL INCOME			
Other financial income			
Subsidies granted by public authorities and recorded as income for the period			
Capital subsidies	9125	.....	.....
Interest subsidies	9126	.....	.....
Allocation of other financial income			
Exchange rate differences		309.190	107.042
.....	
.....	
RECURRING FINANCIAL CHARGES			
Depreciation of loan issue expenses	6501	.....	.....
Capitalized Interests	6503	.....	.....
Amounts written off current assets			
Recorded	6510	.....	.....
Written back	6511	.....	.....
Other financial charges			
Amount of the discount borne by the enterprise, as a result of negotiating amounts receivable	653	.....	.....
Provisions of a financial nature			
Appropriations	6560	.....	.....
Uses and write-backs	6561	.....	.....
Allocation of other financial charges			
Exchange rate differences(+)/(-)		270.274	259.946
.....	
.....	

INCOME AND CHARGE OF EXCEPTIONAL SIZE OR INCIDENCE

	Codes	Period	Preceding period
NON RECURRING INCOME	76	.....	.....
Non-recurring operating income	(76A)	.....	.....
Write-back of depreciation and of amounts written off intangible and tangible fixed assets	760	.....	.....
Write-back of provisions for extraordinary operating liabilities and charges ...	7620	.....	.....
Capital gains on disposal of intangible and tangible fixed asset	7630	.....	.....
Other non-recurring operating income	764/8	.....	.....
Non-recurring financial income	(76B)	.....	.....
Write-back of amounts written down financial fixed assets	761	.....	.....
Write-back of provisions for extraordinary financial liabilities and charges	7621	.....	.....
Capital gains on disposal of financial fixed assets	7631	.....	.....
Other non-recurring financial income	769	.....	.....
NON-RECURRING EXPENSES	66	3.057.418	.....
Non-recurring operating charges	(66A)	3.057.418	.....
Non-recurring depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	660	.....	.....
Provisions for extraordinary operating liabilities and charges: Appropriations (uses)	6620	.....	.....
Capital losses on disposal of intangible and tangible fixed assets	6630	.....	.....
Other non-recurring operating charges	664/7	3.057.418	.....
Non-recurring operating charges carried to assets as restructuring costs .(-)	6690	.....	.....
Non-recurring financial charges	(66B)	.....	.....
Amounts written off financial fixed assets	661	.....	.....
Provisions for extraordinary financial liabilities and charges - Appropriations (uses)	6621	.....	.....
Capital losses on disposal of financial fixed assets	6631	.....	.....
Other non-recurring financial charges	668	.....	.....
Non-recurring financial charges carried to assets as restructuring costs ...(-)	6691	.....	.....

INCOME TAXES AND OTHER TAXES

INCOME TAXES

Income taxes on the result of the period 9134 3.315
 Income taxes paid and withholding taxes due or paid 9135 3.315
 Excess of income tax prepayments and withholding taxes paid recorded under assets 9136
 Estimated additional taxes 9137

Income taxes on the result of prior periods 9138
 Additional income taxes due or paid 9139
 Additional income taxes estimated or provided for 9140

In so far as taxes of the period are materially affected by differences between the profit before taxes as stated in annual accounts and the estimated taxable profit

Codes	Period
9134	3.315
9135	3.315
9136
9137
9138
9139
9140

Impact of non recurring results on the amount of the income taxes relating to the current period

.....

Period
.....
.....
.....
.....

Status of deferred taxes

Deferred taxes representing assets 9141
 Accumulated tax losses deductible from future taxable profits 9142
 Other deferred taxes representing assets

 Deferred taxes representing liabilities 9144
 Allocation of deferred taxes representing liabilities

Codes	Period
9141
9142

9144

VALUE ADDED TAXES AND OTHER TAXES BORNE BY THIRD PARTIES

Value added taxes charged
 To the enterprise (deductible) 9145 3.624.733 1.731.977
 By the enterprise 9146 167.653 413.792

Amounts withheld on behalf of third party
 For payroll withholding taxes 9147 260.256 278.510
 For withholding taxes on investment income 9148

Codes	Period	Preceding period
9145	3.624.733	1.731.977
9146	167.653	413.792
9147	260.256	278.510
9148	.....	.....

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

	Codes	Period
PERSONAL GUARANTEES PROVIDED OR IRREVOCABLY PROMISED BY THE ENTERPRISE AS SECURITY FOR DEBTS AND COMMITMENTS OF THIRD PARTIES	9149	.....
Of which		
Bills of exchange in circulation endorsed by the enterprise	9150	.....
Bills of exchange in circulation drawn or guaranteed by the enterprise	9151	.....
Maximum amount for which other debts or commitments of third parties are guaranteed by the enterprise	9153	.....
REAL GUARANTEES		
Real guarantees provided or irrevocably promised by the enterprise on its own assets as security of debts and commitments of the enterprise		
Mortgages		
Book value of the immovable properties mortgaged	9161	.....
Amount of registration	9171	.....
Pledging of goodwill - Amount of the registration	9181	96.608
Pledging of other assets - Book value of other assets pledged	9191	1.224.539
Guarantees provided on future assets - Amount of assets involved	9201	.....
Real guarantees provided or irrevocably promised by the enterprise on its own assets as security of debts and commitments of third parties		
Mortgages		
Book value of the immovable properties mortgaged	9162	.....
Amount of registration	9172	.....
Pledging of goodwill - Amount of the registration	9182	.....
Pledging of other assets - Book value of other assets pledged	9192	.....
Guarantees provided on future assets - Amount of assets involved	9202	.....

GOODS AND VALUES, NOT DISCLOSED IN THE BALANCE SHEET, HELD BY THIRD PARTIES IN THEIR OWN NAME BUT AT RISK TO AND FOR THE BENEFIT OF THE ENTERPRISE

.....

SUBSTANTIAL COMMITMENTS TO ACQUIRE FIXED ASSETS

.....

SUBSTANTIAL COMMITMENTS TO DISPOSE OF FIXED ASSETS

.....

FORWARD TRANSACTIONS

Goods purchased (to be received)
Goods sold (to be delivered)
Currencies purchased (to be received)
Currencies sold (to be delivered)

Codes	Period

9213
9214
9215
9216

COMMITMENTS RELATING TO TECHNICAL GUARANTEES IN RESPECT OF SALES OR SERVICES

Provision for warranty obligations

Period
67.090
.....
.....
.....

AMOUNT, NATURE AND FORM CONCERNING LITIGATION AND OTHER IMPORTANT COMMITMENTS

.....

Period
.....
.....
.....
.....

SUPPLEMENT RETIREMENTS OR SURVIVORS PENSION PLANS IN FAVOUR OF THE PERSONNEL OR THE EXECUTIVES OF THE ENTERPRISE

Brief description

Measures taken by the enterprise to cover the resulting charges

PENSIONS FUNDED BY THE ENTERPRISE

Estimated amount of the commitments resulting from past services
 Methods of estimation

Codes	Period
9220

NATURE AND FINANCIAL IMPACT OF SIGNIFICANT EVENTS AFTER THE CLOSING DATE NOT INCLUDED IN THE BALANCE SHEET OR THE INCOME STATEMENT

.....

Period
.....
.....
.....
.....

COMMITMENTS TO PURCHASE OR SALE AVAILABLE TO THE COMPANY AS ISSUER OF OPTIONS FOR SALE OR PURCHASE

.....
.....
.....
.....

Period
.....
.....
.....
.....

NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET

Provided that the risks or advantages coming from these transactions are significant and if the disclosure of the risks or advantages is necessary to appreciate the financial situation of the company

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.....
.....

Period
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.....

OTHER RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET (including those which can not be quantified)

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.....
.....
.....

Period
.....
.....
.....
.....

RELATIONSHIPS WITH AFFILIATED ENTERPRISES, ASSOCIATED ENTERPRISES AND OTHERS ENTERPRISES LINKED BY PARTICIPATING INTERESTS

	Codes	Period	Preceding period
AFFILIATED ENTERPRISES			
Financial fixed assets	(280/1)	29.450	28.362
Participating interests	(280)	29.450	28.362
Subordinated amounts receivable	9271	.....	.....
Other amounts receivable	9281	.....	.....
Amounts receivable	9291	329.858	478.408
Over one year	9301	.....	.....
Within one year	9311	329.858	478.408
Current investments	9321	.....	.....
Shares	9331	.....	.....
Amounts receivable	9341	.....	.....
Amounts payable	9351	.....	.....
Over one year	9361	.....	.....
Within one year	9371	.....	.....
Personal and real guarantees			
Provided or irrevocably promised by the enterprise as security for debts or commitments of affiliated enterprises	9381	.....	.....
Provided or irrevocably promised by affiliated enterprises as security for debts or commitments of the enterprise	9391	.....	.....
Other significant financial commitments	9401	.....	.....
Financial results			
Income from financial fixed assets	9421	.....	.....
Income from current assets	9431	.....	.....
Other financial income	9441	.....	.....
Debt charges	9461	.....	.....
Other financial charges	9471	.....	.....
Disposal of fixed assets			
Capital gains obtained	9481	.....	.....
Capital losses suffered	9491	.....	.....

	Codes	Period	Preceding period
ASSOCIATED ENTERPRISES			
Financial fixed assets	9253	.....	.....
Participating interests	9263	.....	.....
Subordinated amounts receivable	9273	.....	.....
Other amounts receivable	9283	.....	.....
Amounts receivable	9293	.....	.....
Over one year	9303	.....	.....
Within one year	9313	.....	.....
Amounts payable	9353	.....	.....
Over one year	9363	.....	.....
Within one year	9373	.....	.....
Personal and real guarantees			
Provided or irrevocably promised by the enterprise as security for debts or commitments of associated enterprises	9383	.....	.....
Provided or irrevocably promised by associated enterprises as security for debts or commitments of the enterprise	9393	.....	.....
Other significant financial commitments	9403	.....	.....
OTHER ENTERPRISES LINKED BY PARTICIPATING INTERESTS			
Financial fixed assets	9252	.....	.....
Participating interests	9262	.....	.....
Subordinated amounts receivable	9272	.....	.....
Other amounts receivable	9282	.....	.....
Amounts receivable	9292	.....	.....
Over one year	9302	.....	.....
Within one year	9312	.....	.....
Amounts payable	9352	.....	.....
Over one year	9362	.....	.....
Within one year	9372	.....	.....

TRANSACTIONS WITH ENTERPRISES LINKED BY PARTICIPATING INTERESTS OUT OF MARKET CONDITIONS

Mention of these transactions if they are significant, including the amount of the transactions, the nature of the link, and all information about the transactions which should be necessary to get a better understanding of the situation of the company

Nil

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Period
0
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.....
.....

FINANCIAL RELATIONSHIPS WITH

DIRECTORS, MANAGERS, INDIVIDUALS OR BODIES CORPORATE WHO CONTROL THE ENTERPRISE WITHOUT BEING ASSOCIATED THEREWITH OR OTHER ENTERPRISES CONTROLLED BY THESE PERSONS

	Codes	Period
Amounts receivable from these persons	9500	.....
Conditions on amounts receivable, rate, duration, possibly reimbursed amounts, canceled amounts or renounced amounts		
.....		
Guarantees provided in their favour	9501	.....
Other significant commitments undertaken in their favour	9502	.....
Amount of direct and indirect remunerations and pensions, included in the income statement, as long as this disclosure does not concern exclusively or mainly, the situation of a single identifiable person		
To directors and managers	9503	.....
To former directors and former managers	9504	.....

AUDITORS OR PEOPLE THEY ARE LINKED TO

	Codes	Period
Auditor's fees	9505	50.000
Fees for exceptional services or special missions executed in the company by the auditor		
Other attestation missions	95061	65.600
Tax consultancy	95062	.....
Other missions external to the audit	95063	.....
Fees for exceptional services or special missions executed in the company by people they are linked to		
Other attestation missions	95081	.....
Tax consultancy	95082	.....
Other missions external to the audit	95083	.....

Mentions related to article 134 from the Companies Code

INFORMATION RELATING TO CONSOLIDATED ACCOUNTS

INFORMATION TO DISCLOSE BY EACH ENTERPRISE THAT IS SUBJECT TO COMPANY LAW ON THE CONSOLIDATED ACCOUNTS OF ENTERPRISES

The enterprise has prepared and published consolidated accounts and a consolidated report

FINANCIAL RELATIONSHIPS OF THE GROUP LED BY THE ENTERPRISE IN BELGIUM WITH AUDITORS OR WITH PEOPLE THEY ARE LINKED TO

Mentions related to article 134, §4 and §5 from the Companies Code

Auditor's fees according to a mandate at the group level led by the company publishing the information

Codes	Period
9507	50.000
95071
95072
95073
9509
95091
95092
95093

Fees for exceptional services or special missions executed in these group by the auditor

Other attestation missions

Tax consultancy

Other missions external to the audit

Fees to people auditors are linked to according to the mandate at the group level led by the company publishing the information

Fees for exceptional services or special missions executed in the group by people they are linked to

Other attestation missions

Tax consultancy

Other missions external to the audit

Mentions related to article 134 from the Companies Code

VALUATION RULES

Waarderingsregels

De waarderingsregels werden opgesteld in overeenstemming met de voorzieningen van Hoofdstuk II van het Belgisch Koninklijk Besluit van 30 januari 2001 tot uitvoering van het Wetboek van vennootschappen. Alle waardeverminderingen en afschrijvingen gebeuren pro rata in het jaar van aanschaf.

1) Oprichtingskosten en kosten gerelateerd aan de kapitaalverhogingen
Deze kosten worden onmiddellijk in resultaat genomen.

2) Immateriële vaste activa

Kosten voor onderzoek en ontwikkeling

Kosten voor onderzoek kunnen worden geactiveerd en vervolgens voor 100% afgeschreven. Ontwikkelingskosten worden geactiveerd als immateriële vaste activa voor zover de waarschijnlijkheid bestaat dat uit deze ontwikkelde activa toekomstige winsten zullen voortvloeien en voor zover de ontwikkelingskosten op precieze wijze kunnen worden toegewezen. De ontwikkelingskosten worden lineair afgeschreven over de verwachte levensduur vanaf het moment dat deze beschikbaar zijn voor gebruik. Wanneer de recuperatie van deze ontwikkelingskosten niet langer verantwoord blijkt uit verwachte economische opbrengsten, zal een bijzondere waardevermindering geboekt worden. Bijzondere waardeverminderingen op immateriële vaste activa worden geboekt onder de rubriek "uitzonderlijke kosten".

Patenten, licenties en soortgelijke rechten

De kosten gerelateerd aan de aanvraag van deze rechten worden rechtstreeks opgenomen in de resultatenrekening. Kosten gerelateerd aan het in stand houden van deze activa worden geactiveerd tegen aanschaffingswaarde of aan hun gebruikswaarde indien die lager is. Software-rechten worden lineair afgeschreven over een periode van 3 jaar.

3) Materiële vaste activa

Deze activa worden geactiveerd en lineair afgeschreven:

IT uitrusting: over een periode van 3-10 jaar

Installaties en uitrusting: over een periode van 5-10 jaar

Meubilair: over een periode van 5 jaar

Labo-uitrustingen: over een periode van 5-10 jaar

Verbeteringen aangebracht aan gehuurd bezit: over de duur van de huurovereenkomst

Leasing: over de duur van de lease overeenkomsten

Indien de boekwaarde de gebruikswaarde overtreft (of de gerealiseerde waarde in het geval van activa die niet langer worden gebruikt), dient de vennootschap bijkomende of uitzonderlijke waardeverminderingen te boeken.

4) Financiële vaste activa

Deze activa worden geactiveerd tegen aanschaffingswaarde behoudens alle diverse kosten.

De waarde van aandelen en participaties wordt verminderd in geval van een afschrijving of een blijvende waardevermindering als gevolg van de situatie, de winstgevendheid of de vooruitzichten van de vennootschap waarin de aandelen of participaties worden gehouden.

Op de vorderingen die in de financiële vaste activa zijn opgenomen, worden waardeverminderingen toegepast, zo er voor het geheel of een gedeelte van de vordering onzekerheid bestaat over de betaling hiervan op de vervaldag.

5) Vorderingen (na een jaar - binnen een jaar)

De vorderingen dragen geen interesten en worden in de balans opgenomen tegen hun nominale waarde. Aanpassingen voor dubieuze vorderingen zijn enkel toegestaan als er verlies verwacht wordt in de toekomst of individueel vast te stellen is. Elk verlies veroorzaakt door afschrijving van vorderingen wordt geboekt in de winst- en verliesrekening.

6) Voorraden en bestellingen in uitvoering

Voorraden worden berekend tegen initiële kostprijs of, indien lager, de opbrengstwaarde. De kosten van voorraden zullen bestaan uit alle aankoopkosten (gebaseerd op 'first-in, first-out'), conversiekosten en andere kosten aangegaan om de voorraden naar hun huidige locatie en toestand te brengen.

De opbrengstwaarde is de geschatte verkoopprijs in het kader van de normale bedrijfsvoering min de geschatte kosten van voltooiing en de geschatte kosten die nodig zijn om de verkoop te realiseren.

7) Geldbeleggingen

Geldbeleggingen worden gewaardeerd tegen hun aanschaffingswaarde. De bijkomende kosten met betrekking tot het aanschaffen van deze activa worden onmiddellijk ten laste genomen.

Op de geldbeleggingen worden waardeverminderingen toegepast wanneer de realisatiewaarde op de datum van de jaarafsluiting lager is dan de aanschaffingswaarde.

8) Voorzieningen voor risico's en kosten

Bij het afsluiten van elk boekjaar onderzoekt de Raad van Bestuur met voorzichtigheid, oprechtheid en goede trouw, de voorzieningen welke aan te leggen zijn ter dekking van voorziene risico's of gebeurlijke verliezen die zijn ontstaan tijdens het boekjaar of tijdens de voorgaande boekjaren.

9) Schulden (na een jaar-binnen een jaar)

Alle schulden worden in de balans opgenomen voor hun nominale waarde op de afsluitdatum van het boekjaar.

Op de afsluitdatum van het boekjaar worden alle betaalbare lasten met betrekking tot het bewuste boekjaar en de vorige boekjaren in beschouwing genomen.

10) Overlopende rekeningen

10a) aan de actiefzijde

Deze rekeningen omvatten:

- De pro rata delen van de lasten die gedurende het boekjaar of gedurende een vorig boekjaar werden opgelopen maar die betrekking hebben op een of meerdere opeenvolgende boekjaren.
- De pro rata delen van de inkomsten die pas ontvangen zullen worden gedurende een later boekjaar maar die verband houden met een vorig boekjaar.

10b) aan de passiefzijde

Deze rekeningen omvatten:

- De pro rata delen van de lasten die pas betaald zullen worden in een later boekjaar maar die verband houden met een vorig boekjaar
- De pro rata delen van de inkomsten die gedurende het boekjaar of gedurende een vorig boekjaar werden ontvangen maar die betrekking hebben op één of meerdere opeenvolgende boekjaren

11) Valuta

De vorderingen en schulden in andere valuta's worden omgerekend tegen de toepasselijke wisselkoers op de afsluitdatum van het boekjaar. Wisselkoersverliezen worden opgenomen in de resultatenrekening.

Niet-gerealiseerde wisselkoerswinsten worden opgenomen in de resultatenrekening als opbrengsten

OTHER INFORMATIONS TO DISCLOSE*Toelichting veronderstelling van continuïteit*

De Vennootschap bevindt zich nog steeds in haar opstartfase en is onderhevig aan allerlei risico's en onzekerheden, waaronder, maar niet beperkt tot, de timing waarop winstgevendheid wordt bereikt en de substantiële onzekerheid over het ontwikkelingsproces. Het vermogen van de Vennootschap om de activiteiten voort te zetten hangt ook af van haar vermogen om bijkomend kapitaal op te halen om de activiteiten te financieren en de solvabiliteit van de Vennootschap te waarborgen totdat de opbrengsten een niveau bereiken waarop ze positieve kasstromen kunnen ondersteunen. Dit wijst op het bestaan van materiële onzekerheden en kan ook aanzienlijke twijfel zaaien over het vermogen van de Vennootschap om haar bedrijfsactiviteiten voort te zetten.

De balans op 31 december 2018 toont een negatief eigen vermogen van EUR 18,6 miljoen. De Vennootschap sloot in februari 2018 een converteerbare leningovereenkomst met bestaande aandeelhouders, die liquide middelen van € 1,7 miljoen (CHF 2 miljoen) in het totaal waarborgt. Er werden drie bijkomende converteerbare leningovereenkomsten gesloten in juni 2018 (EUR 1,7 miljoen), juli 2018 (EUR 2 miljoen) en augustus 2018 (EUR 0,5 miljoen) met nieuwe investeerders. In oktober en december werd bijkomend kapitaal tot een bedrag van EUR 2,6 miljoen en EUR 1,0 miljoen opgehaald.

Ondertussen heeft de Vennootschap haar IPO succesvol afgerond waardoor de raad van bestuur er alle vertrouwen in heeft dat de liquiditeitsvereisten voor 2019, die geraamd worden op EUR 14,8 miljoen kunnen gewaarborgd worden. De Vennootschap blijft de mogelijkheid van eigenvermogensfinanciering onderzoeken, en zal verdere besprekingen met bestaande en/ of nieuwe investeerders voeren. Op basis van bovenstaande blijven het uitvoerend management en de raad van bestuur alle vertrouwen hebben in de strategische richting, waaronder financieringsmaatregelen zoals bijkomende financieringsronden of transacties op de kapitaalmarkt, en beschouwen dan ook het opstellen van de huidige jaarrekening op continuïteitsbasis als gepast.

Voor meer details over de IPO verwijzen we naar ons jaarverslag.

Toelichting rond wijziging van zetel

Op 1 oktober 2018 werd de zetel van de vennootschap overgebracht van Zwitserland naar België, met behoud van rechtspersoonlijkheid (zoals gepubliceerd in de Bijlagen bij het Belgisch Staatsblad van 16 oktober 2018).

Conform de statuten van de vennootschap loopt het boekjaar van 1 januari tot en met 31 december, en derhalve hebben de cijfers voor het huidige boekjaar in deze jaarrekening betrekking op de periode van 1 januari 2018 tot en met 31 december 2018. Conform het CBN-advies 2011/2 betreft de jaarrekening het volledige boekjaar van 1 januari 2018 tot en met 31 december 2018 en werd deze conform de Belgische Boekhoudwet opgesteld. Daarbij hebben we vastgesteld dat er geen belangrijke verschillen zijn tussen de Zwitserse boekhoudkundige principes en deze van toepassing in België voor de periode van 1 januari 2018 tot en met 30 september 2018 (d.i. de periode voor de overbrenging van de zetel van vennootschap). Eveneens conform het CBN-advies 2011/2 werden de vergelijkende cijfers opgenomen voor het boekjaar dat werd afgesloten op 31 december 2017. Deze cijfers hebben betrekking op de periode van voor de overbrenging van de zetel van vennootschap, zonder dat daarbij enige aanpassingen waren vereist (uitgezonderd presentatie en classificatie conform het schema van de Belgische jaarrekening). Deze cijfers hebben evenwel niet het voorwerp uitgemaakt van een revisorale controle. Het resultaat voor het boekjaar afgesloten op 31 december 2018 bestaat de facto uit een resultaat gerealiseerd in de periode voor de overbrenging van de zetel (d.i. EUR -8,9 miljoen voor belastingen, en EUR -8,9 miljoen na belastingen) en een resultaat gerealiseerd in de periode na de overbrenging van de zetel (d.i. EUR -5,5 miljoen voor belastingen, en EUR -5,5 miljoen na belastingen).

Toelichting rond zakelijke zekerheden

In 2016 sloot Sequana Medical een gewaarborgde leningovereenkomst met Bootstrap voor een bedrag van maximaal CHF 10 miljoen waarvan per 31 december 2018 een bedrag opgenomen is van EUR 2,6 miljoen op lange termijn en EUR 2,6 miljoen op korte termijn. Daarnaast, als een stimulans voor Bootstrap om de gewaarborgde leningovereenkomst aan te gaan, zijn de Emitter en Bootstrap de Bootstrap Warrantovereenkomst aangegaan (als beschreven in de prospectus Afdeling 12 – (Maatschappelijk kapitaal en statuten), sectie 12.5 (Uitstaande Aandelenopties), subsectie (b) (Bootstrap Warrant)). Sequana Medical heeft aan Bootstrap haar intellectuele eigendom in pand gegeven alsook de verwante activa als zekerheid voor de Bootstraplening.

Toelichting rond inkoop eigen aandelen

Op datum van 31 december 2018, bezit de Vennootschap geen enkele eigen Aandelen meer. Voor de Belgische Zeteloverdracht op 1 oktober 2018 hield de Vennootschap 117.569 eigen Aandelen aan, ter waarde van EUR 193.275. Deze Aandelen werden verworven in 2017 uit de boedel van de voormalige chief executive officer. Deze transactie was niet gebonden door Belgisch recht.

Alle treasury-aandelen werden geannuleerd op 1 oktober 2018 onmiddellijk na de Belgische Zeteloverdracht, door een onttrekking aan de uitgiftepremies, om de kapitaalstructuur van de Vennootschap te vereenvoudigen.

Toelichting rond gebeurtenissen na jaareinde

1. IPO

Op 31 januari 2019 lanceerde de Groep haar beursintroductie (Initial Public Offering of IPO) op Euronext Brussels.

De Aanbieding is een aanbieding van maximaal 3.235.294 nieuwe aandelen van de Vennootschap (de "Nieuwe Aandelen, en elk bestaand aandeel of Nieuw Aandeel ter vertegenwoordiging van het maatschappelijk kapitaal van de Vennootschap een "Aandeel").

Op 8 februari 2019 kondigde de Groep de resultaten aan van haar eerste publieke aanbieding van nieuwe aandelen, met toelating van al haar aandelen tot de verhandeling op de gereguleerde markt Euronext Brussels, onder het symbool "SEQUA", die gelanceerd werd op 31 januari 2019 (de "Aanbieding"). De uiteindelijke aanbiedingsprijs voor de Aanbieding werd vastgesteld op EUR 8,50, wat de Vennootschap een initiële marktkapitalisatie opleverde van EUR 107,2 miljoen. De brutowinst voor de Vennootschap uit de Aanbieding bedroeg EUR 27,5 miljoen.

Er werd een overtoewijzingsoptie om in te schrijven op 25.577 bijkomende nieuwe aandelen tegen de aanbiedingsprijs toegekend aan KBC Securities NV/SA, als stabilisatiemanager (de "Stabilisatiemanager"), welke optreedt namens KBC Securities NV/SA, Kempen & Co N.V. en Mirabaud Securities Limited, om eventuele overtoewijzingen of korte posities te dekken in verband met de Aanbieding (naar de "Overtoewijzingsoptie", en (i) de Nieuwe Aandelen, en (ii) de bijkomende nieuwe aandelen uitgegeven krachtens de Overtoewijzingsoptie wordt gezamenlijk verwezen als de "Aangeboden Aandelen"). De Overtoewijzingsoptie zal kunnen worden uitgeoefend gedurende een periode van 30 kalenderdagen volgend op de Noteringsdatum (zoals hieronder gedefinieerd). De Vennootschap zal aankondigen of en wanneer de Overtoewijzingsoptie is uitgeoefend.

327.092 Aandelen, die ongeveer 10% vertegenwoordigen van de Aangeboden Aandelen, werden geplaatst bij particuliere beleggers in België. Aan particuliere beleggers zal 100% van de aandelen waarop ze hebben ingeschreven worden toegekend.

Aan de bestaande investeerders die zich ertoe verbonden om, onder voorbehoud van afsluiting van de Aanbieding, in te schrijven op de Aanbieding tegen de Aanbiedingsprijs voor een totaal bedrag van EUR 20,5 miljoen (de "Inschrijvingsverbintenissen"), werden in het totaal 2.413.909 Nieuwe Aandelen in de Aanbieding toegewezen op basis van hun Inschrijvingsverbintenissen.

Op 18 maart 2019 kondigde de Groep het einde aan van de stabilisatieperiode in het kader van de eerste openbare aanbieding van nieuwe aandelen van de Vennootschap met toelating van al haar aandelen tot de verhandeling op de gereguleerde markt Euronext Brussels, onder het symbool "SEQUA" (de "Aanbieding"). In het kader van de Aanbieding werd KBC Securities NV/SA ("KBC Securities") door de Vennootschap aangesteld als stabilisatiemanager (de "Stabilisatiemanager").

Een overtoewijzingswarrant om in te schrijven op 25.656 bijkomende nieuwe aandelen tegen de uiteindelijke aanbiedingsprijs van EUR 8,50 per aandeel werd toegekend aan de stabilisatiemanager, welke optreedt namens de Underwriters (zoals hierna gedefinieerd), om eventuele overtoewijzingen of korte posities met betrekking tot de Aanbieding te dekken (de "Overtoewijzingswarrant"). De Overtoewijzingswarrant werd niet uitgeoefend en de 25.656 aandelen die door NeoMed IV Extension L.P. ("NeoMed") en LSP Health Economics Fund Management B.V. ("LSP") werden uitgeleend aan KBC Securities als Stabilisatiemanager voor de duur van de stabilisatieperiode zullen uiterlijk op 19 maart 2019 worden teruggegeven aan NeoMed en LSP.

Bijgevolg bedraagt het totaal aantal nieuwe aandelen dat werd uitgegeven door de Vennootschap in de Aanbieding 3.235.294 aandelen. Verder is het maximumaantal aandelenopties, de zogenaamde "2018 Aandelenopties", die door de Vennootschap werden gecreëerd voor bestuurders, werknemers en andere personeelsleden van de Vennootschap uiteindelijk vastgesteld op 1.261.190, of 10% van het aantal uitstaande aandelen na voltooiing van de Aanbieding.

Bootstrapovereenkomst

Op 1 oktober 2018 werd de overeenkomst voor de Bootstrapplening verder gewijzigd om vast te stellen dat 5% van de opbrengsten van een IPO gebruikt moet worden voor een gedeeltelijke terugbetaling van de uitstaande hoofdsom onder de faciliteit, wat zou leiden tot een maximale gedeeltelijke terugbetaling van de Bootstrapplening van EUR 1,5 miljoen. Het uiteindelijke terugbetaalde bedrag op basis van de bruto opbrengsten van EUR 27.500.089 bedroeg EUR 1.375.004 (CHF 1.560.768).

Op 34.409 Nieuwe Aandelen in de Aanbieding werd ingeschreven door een inbreng in natura door Bootstrap van 50% van het bedrag verschuldigd door de Emittent na voltooiing van de Aanbieding als "Uitstapkosten" krachtens de Bootstrapplening. Het resterend deel van de Uitstapkosten zal worden terugbetaald in contanten door de Emittent na de closing van de Aanbieding. Zoals bepaald in de Bootstrapplening, zullen de Uitstapkosten maximaal niet meer bedragen dan CHF 750.000. De uiteindelijke uitstapkosten bedragen CHF 663.997. Dit is niet hoger dan het overeengekomen maximumbedrag van CHF 750.000.

50% gelijk aan CHF 331.998 werd omgezet in EUR 292.483. Het gedeelte van de Uitstapkosten dat zo zal worden bijgedragen, maar niet kan worden gebruikt voor de inschrijving op een geheel aantal Nieuwe Aandelen tegen de Aanbiedingsprijs zal niet worden bijgedragen in natura, maar blijft betaalbaar in contanten (onder voorwaarden van de Bootstrapplening).

2. Nieuw Aandelenoptieplan ingevoerd in februari 2019

Ingevolge de voltooiing van de Aanbieding heeft de Vennootschap nieuwe Aandelenopties gecreëerd voor voor bestuurders, werknemers en andere personeelsleden van Sequana Medical (de "2018 Aandelenopties"). De houders van de 2011 Aandelenopties en de Executive Aandelenopties waren niet verplicht de Aandelenopties uit te oefenen vóór de voltooiing van de Aanbieding. Het aantal opties zal gelijk zijn aan 10% van het totaal aantal uitstaande Nieuwe Aandelen na de voltooiing van de Aanbieding en na de toewijzing van de overtoewijzingsoptie.

Toelichting rond converteerbare leningen

1. Converteerbare leningen uitgedrukt in CHF

De Vennootschap sloot in februari 2018 een converteerbareleningovereenkomst met bestaande aandeelhouders, die liquide middelen van € 1,7 miljoen (CHF 2 miljoen) in het totaal waarborgde.

De volgende conversieopties zijn vastgesteld in de overeenkomst:

- **Verplichte conversie** in geval van een IPO: de volledige uitstaande bedragen onder de converteerbare lening zullen automatisch worden omgezet in aandelen van de Vennootschap in geval van, en tegelijkertijd met de initiële closing van, de volgende verhoging van het maatschappelijk kapitaal van de Vennootschap ("volgende financieringsronde"). Het aantal uit te geven aandelen bij dergelijke conversie zal gelijk zijn aan de volledige uitstaande bedragen onder de converteerbare lening gedeeld door de prijs per aandeel betaald door de investeerders ter gelegenheid van dergelijke volgende financieringsronde. Anders zal de uitgifte van de aandelen gebeuren onder de voorwaarden van toepassing op dergelijke volgende financieringsronde. De "fixed-for-fixed"-criteria zijn niet voldaan voor deze optie en dus vertegenwoordigt deze component van het instrument samen met de lening zelf een schuld.
- **Vrijwillige conversie** De meeste kredietverstrekkers kunnen te allen tijde vóór de vervaldag (waaronder, zonder beperking, vóór een IPO, liquiditeitsgebeurtenis of volgende financieringsronde) besluiten om de volledige uitstaande bedragen onder de converteerbare lening om te zetten in de hoogste categorie van preferente aandelen tegen CHF 10,48 per aandeel. Deze conversieoptie wordt gekwalificeerd als "fixed-for-fixed" en vertegenwoordigt dus een eigenvermogenscomponent.

De converteerbare leningen uitgedrukt in CHF worden initieel opgenomen tegen reële waarde. De impact van de waardering tegen reële waarde is een daling van de reële waarde van de converteerbare leningen met EUR 184.478. De verplichting wordt vervolgens opgenomen op basis van geamortiseerde kostprijs totdat ze uitgedoofd is bij conversie of op de vervaldag van de obligaties. De overblijvende opbrengsten worden toegewezen aan de conversieoptie, opgenomen in het eigen vermogen en niet meer geherwaardeerd na de eerste opname. De verplichte conversieoptie is niet materieel en werd daarom niet apart geboekt. De initiële beoordeling gebeurde per 30 september 2018 en de leningen werden vervolgens niet geherwaardeerd. De leningen werden aanvankelijk toegekend tot 31 december. Op 20 december 2018 werden ze, als onderdeel van de gewijzigde en herziene Pre-IPO Investeringsverbintenisovereenkomst van 2 november 2018, verlengd tot 15 februari 2019. De wisselkoers voor conversie is vastgesteld op 1,1399 CHF voor 1 EUR. Deze wijzigingen aan de initiële leningovereenkomsten worden als niet significant beschouwd. Er werd dan ook geen navolgende herwaardering uitgevoerd.

- De Groep is drie bijkomende converteerbareleningovereenkomsten aangegaan met twee individuele investeerders en met BioMedInvest II LP op respectievelijk 25 oktober 2018, 30 oktober 2018 en 2 november 2018, volgens dewelke BioMedInvest II LP een lening toekende aan de Vennootschap voor een bedrag in hoofdsom van CHF 198.000 en de twee individuele investeerders een lening toekenden aan de Vennootschap voor een bedrag in hoofdsom van respectievelijk CHF 100.000 en CHF 52.400. De leningen werden aanvankelijk toegekend tot 31 december 2018. De leningen zijn renteloos. De leningen kunnen te allen tijde vóór de vervaldag en op vrijwillige basis, ook vóór de Aanbieding, worden omgezet in ruil voor nieuwe serie E preferente aandelen tegen CHF 10,48 per Aandeel. In geval van een kapitaalverhoging, zoals de Aanbieding, moeten de leningen ook verplicht worden omgezet in maatschappelijk kapitaal van de Emittent. Het aantal uit te geven aandelen bij dergelijke conversie zal gelijk zijn aan de volledige uitstaande bedragen onder de converteerbare lening gedeeld door de prijs per aandeel betaald door de investeerders ter gelegenheid van dergelijke volgende financieringsronde. Anders zal de uitgifte van de aandelen gebeuren onder de voorwaarden van toepassing op dergelijke volgende financieringsronde. De "fixed-for-fixed"-criteria zijn niet voldaan voor deze optie en dus vertegenwoordigt deze component van het instrument samen met de lening zelf een schuld.

Op 20 december 2018 werden ze, als onderdeel van de gewijzigde en herziene Pre-IPO Investeringsverbintenisovereenkomst van 2 november 2018, verlengd tot 15 februari 2019.

Deze drie nieuwe converteerbare leningen zijn in het totaal genomen niet significant. Er werd dan ook geen bijkomende evaluatie uitgevoerd. Ze worden aanvankelijk erkend als reële waarde via winst- en verliesrekening, op dezelfde wijze als de andere converteerbare leningen uitgedrukt in CHF.

De transactiekosten zijn niet materieel en worden dus als gemaakte kosten geboekt.

2. Converteerbare leningen uitgedrukt in EUR

Een bijkomende converteerbareleningovereenkomst met een kapitaal van EUR 1,7 miljoen werd in juni 2018 gesloten met een nieuwe belegger, Participatiemaatschappij Vlaanderen NV ("PMV").

De volgende conversieopties zijn vastgesteld in de PMV Overeenkomst:

PMV mag de lening en de opgelopen interesten te allen tijde vóór de vervaldag, ook vóór de Aanbieding, vrijwillig omzetten in nieuwe serie E preferente Aandelen tegen CHF 10,48 per Aandeel.

In augustus en september 2018 werden twee bijkomende converteerbareleningovereenkomsten voor een bedrag van EUR 2,5 miljoen gesloten met twee nieuwe investeerders, Federale Participatie- en Investeringsmaatschappij NV ("FPIM") en Cofipalux Invest SA ("Vlerick").

De volgende conversieopties zijn vastgesteld in zowel de FPIM als de Vlerick Overeenkomst:

- **Verplichte conversie** in geval van een IPO: de volledige uitstaande bedragen onder de converteerbare lening zullen automatisch worden omgezet in aandelen van de Vennootschap in geval van, en tegelijkertijd met de initiële closing van, de volgende verhoging van het maatschappelijk kapitaal van de Vennootschap ("volgende financieringsronde"). Het aantal uit te geven aandelen bij dergelijke conversie zal gelijk zijn aan de volledige uitstaande bedragen onder de converteerbare lening gedeeld door CHF 10,48 per aandeel.
- **Vrijwillige conversie** De meeste kredietverstrekkers kunnen te allen tijde vóór de vervaldag (waaronder, zonder beperking, vóór een IPO, liquiditeitsgebeurtenis of volgende financieringsronde) besluiten om de volledige uitstaande bedragen onder de converteerbare lening om te zetten in de hoogste categorie van preferente aandelen tegen CHF 10,48 per aandeel.

De PMV, FPIM en Vlerick converteerbare schuldbewijzen uitgedrukt in EUR worden volledig geclassificeerd als schulden daar ze uitgegeven werden in een andere valuta dan de functionele valuta van de Vennootschap. Aangezien het instrument een besloten derivaat inhoudt, wordt het volledige instrument bij de initiële opname gewaardeerd tegen reële waarde via winst- en verliesrekening en daarom werd het besloten conversierecht of -plicht niet afgezonderd.

De Vennootschap en Newton Biocapital I Pricav Privée ("Newton") zijn op 11 oktober 2018 een converteerbareleningovereenkomst aangegaan volgens dewelke Newton een lening toekende aan de Emittent voor een bedrag in hoofdsom van €2.000.000. De lening werd toegekend tot 31 december 2018. De lening draagt een interest van 2% per jaar, betaalbaar op de vervaldag of bij vervroegde aflossing.

De Newton Converteerbare Lening bevat verder een negatieve zekerheidsverklaring op de Emittent en zijn dochtervennootschappen.

Bovendien stemde PMV er op 23 oktober 2018, via een addendum aan de oorspronkelijke overeenkomst van 6 juni 2018, mee in hun maximumbedrag op te trekken van EUR 1,68 miljoen tot EUR 2 miljoen, met geen verdere wijzigingen aan de initiële voorwaarden.

De volgende conversieopties zijn vastgesteld in zowel de "Newton" als de "PMV Addendum" Overeenkomsten:

- **Verplichte conversie** in geval van een IPO: de volledige uitstaande bedragen onder de converteerbare lening zullen automatisch worden omgezet in aandelen van de Vennootschap in geval van, en tegelijkertijd met de initiële closing van, de volgende verhoging van het maatschappelijk kapitaal van de Vennootschap ("volgende financieringsronde"). Het aantal uit te geven aandelen bij dergelijke conversie zal gelijk zijn aan de volledige uitstaande bedragen onder de converteerbare lening gedeeld door CHF 10,48 per aandeel.
- **Vrijwillige conversie** De meeste kredietverstrekkers kunnen te allen tijde vóór de vervaldag (waaronder, zonder beperking, vóór een IPO, liquiditeitsgebeurtenis of volgende financieringsronde) besluiten om de volledige uitstaande bedragen onder de converteerbare lening om te zetten in de hoogste categorie van preferente aandelen tegen CHF 10,48 per aandeel.

De converteerbare obligaties in de Newton en PMV addendum uitgedrukt in ER en uitgegeven in de valuta die gelijk is aan de functionele valuta van de Vennootschap, worden volledig geclassificeerd als schulden. Aangezien het instrument een besloten derivaat inhoudt, wordt het volledige instrument bij de initiële opname gewaardeerd tegen reële waarde via winst- en verliesrekening en daarom werd het besloten conversierecht of -plicht niet afgezonderd.

Op 2 november 2018 gingen alle investerende partijen een Pre-IPO Investeringsverbintenisovereenkomst aan waarbij alle partijen ermee instemden om bij de lancering van de Aanbieding EUR 20.500.000 te investeren.

Op 20 december 2018 werd een gewijzigde en herziene pre-IPO inschrijvingsverbintenisovereenkomst ondertekend waarbij de bestaande converteerbare leningen werden uitgebreid tot 15 februari 2019.

Bovendien werd met de meeste bestaande investeerders een nieuwe set nieuwe converteerbare overbruggingsleningen gesloten ten belope van 1.024.238 EUR. De leningen vertegenwoordigen 5% van het bedrag van de pre-IPO Investeringsverbintenis en dragen een interest van 8% per jaar. De nieuwe converteerbare overbruggingsleningen moeten worden afgetrokken van de totale Pre-IPO Investeringsverbintenis, zoals op 2 november 2018 overeengekomen in de Pre-IPO Investeringsverbintenisovereenkomst. Krachtens de Pre-IPO Investeringsverbintenisovereenkomsten zijn de betrokken Deelnemende Investeerders overeengekomen om de hoofdsom en de opgelopen interesten van de Overbruggingsleningen om te zetten in Nieuwe Aandelen tegen de Aanbiedingsprijs bij de voltooiing van de Aanbieding. De conversie zal worden uitgevoerd door middel van een bijdrage in natura

van de uitstaande verschuldigde bedragen krachtens de Overbruggingsleningen. Op het resterende deel van de Inschrijvingsverbintenissen (met uitzondering van de bedragen die verschuldigd zijn krachtens de Overbruggingsleningen en de verschuldigde bedragen krachtens de Februari 2018 Converteerbare Lening voor een totaalbedrag in hoofdsom van € 6.340,91 zal worden ingeschreven in contanten bij voltooiing van de Aanbieding. Deze wijzigingen aan de contractvoorwaarden waren niet substantieel en zijn dan ook niet uitgemond in de uitdoving van de financiële schuld. De hierboven beschreven wijzigingen aan de PMV-, FPIM- en Vlerickovereenkomsten, alsook deze aan het Newton- en PMV-addendum, hebben de wisselkoers vastgesteld die wordt gebruikt om de opties om te zetten. De besloten conversieoptie moet dan ook worden beschouwd als een eigenvermogenscomponent. Daar de reële waarde van deze conversieoptie als niet-significant werd beschouwd, werd dit niet aangepast.

De converteerbare overbruggingsleningen uitgedrukt in ER en uitgegeven in de valuta die gelijk is aan de functionele valuta van de Vennootschap, worden volledig geclassificeerd als schulden. Aangezien het instrument een besloten derivaat inhoudt, wordt het volledige instrument bij de initiële opname gewaardeerd tegen reële waarde via winst- en verliesrekening en daarom werd het besloten conversierecht of -plicht niet afgezonderd.

De transactiekosten zijn niet materieel en worden dus als gemaakte kosten geboekt.

Toelichting tot transacties met verbonden partijen

Als onderdeel van onze activiteiten is Sequana Medical verschillende transacties aangegaan met verbonden partijen. Verbonden partijen bestaan hoofdzakelijk uit geconsolideerde vennootschappen, belangrijke aandeelhouders en leden van de raad van bestuur.

1. Geconsolideerde vennootschappen

De geconsolideerde jaarrekening van Sequana Groep omvat:

Vennootschap Doel Maatschappelijk kapitaal Investering 2018 Investering 2017
 Sequana Medical NV Holding/Verkoop EUR 887.977 N.v.t. N.v.t.
 Sequana Medical branch Productie en onderzoek N.v.t. N.v.t. N.v.t.
 Sequana Medical GmbH Distributie EUR 29.450 100% 100%
 Sequana Medical Inc. Administratie USD 0 100% 100%

Er zijn geen minderheidsbelangen, noch gestructureerde entiteiten. Alle entiteiten werden nieuw opgericht door de Groep en opgenomen in de geconsolideerde jaarrekening vanaf hun respectievelijke datum van oprichting.

2. Relatie met de aandeelhouders

Momenteel hebben de meeste bestaande aandeelhouders de Aandeelhoudersovereenkomst gesloten met, onder andere, bepalingen met betrekking tot de activiteiten en het bestuur van de Emittent, alsook de rechten van voorkoop en andere overdrachtsbeperkingen in verband met de Aandelen. De Aandeelhoudersovereenkomst werd aangegaan op 1 oktober 2018 en is een wijziging en herformulering van een voorgaande aandeelhoudersovereenkomst die werd aangegaan vóór de Belgische Zeteloverdracht. De Aandeelhoudersovereenkomst zal worden beëindigd vanaf de voltooiing van de Aanbieding.

De Vennootschap en enkele van haar aandeelhouders zijn op 16 februari 2018 een converteerbareleningovereenkomst aangegaan volgens dewelke die aandeelhouders een renteloze lening toekenden aan de Emittent voor een bedrag in hoofdsom van CHF 2 miljoen (de "Februari 2018 Converteerbare Lening"). De lening werd toegekend tot 31 december 2018 maar kan worden verlengd als de kredietverstrekkers die meer dan 50% vertegenwoordigen van de hoofdsom van de lening, instemmen met de verlenging. De lening moet in een bepaald aantal omstandigheden worden omgezet, zoals op het ogenblik van een IPO. De lening kan te allen tijde vóór de vervaldag, ook vóór de Aanbieding, vrijwillig worden omgezet in nieuwe serie E preferente Aandelen tegen CHF 10,48 per Aandeel wanneer de kredietverstrekkers die meer dan 50% vertegenwoordigen van de hoofdsom van de lening, instemmen met de conversie.

De Vennootschap en Participatiemaatschappij Vlaanderen NV ("PMV"), Federale Participatie- en Investeringsmaatschappij NV ("FPIM"), Cofipalux Invest SA ("Vlerick"), Newton Biocapital I Pricav Privée SA ("Newton") zijn op respectievelijk 6 juni 2018, 27 juli 2018, 30 augustus 2018, 11 oktober 2018 een converteerbareleningovereenkomst aangegaan, krachtens welke PMV, FPIM, Vlerick en Newton een lening toekenden aan de Groep voor een bedrag in hoofdsom van respectievelijk EUR 1.680.000 (de "PMV Converteerbare Lening"), EUR 2.000.000 (de "FPIM Converteerbare Lening"), EUR 500.000 (de "Vlerick Converteerbare Lening") en EUR 2.000.000 (de "Newton Converteerbare Lening"). De lening werd toegekend tot 31 december 2018. De lening draagt een interest van 2% per jaar, verschuldigd op de vervaldag of bij vervroegde aflossing. PMV, FPIM, Vlerick en Newton hebben het recht om, te allen tijde vóór de vervaldag en op vrijwillige basis, ook vóór de Aanbieding, de lening en de opgelopen interesten om te zetten in ruil voor nieuwe serie E preferente aandelen tegen CHF 10,48 per Aandeel. De PMV, FPIM, Vlerick en Newton

Converteerbare Leningen bevatten verder een negatieve zekerheid op de Vennootschap en haar dochtervennootschappen.

De Groep is op respectievelijk 25 oktober 2018, 30 oktober 2018 en 2 november 2018 drie bijkomende converteerbareleningovereenkomsten aangegaan met twee individuele investeerders en met BioMedInvest II LP, volgens dewelke BioMedInvest II LP een lening toekende aan de Vennootschap voor een bedrag in hoofdsom van CHF 198.000 en de twee individuele investeerders een lening toekenden aan de Vennootschap voor een bedrag in hoofdsom van respectievelijk CHF 100.000 en CHF 52.400 (respectievelijk de "BioMed Converteerbare Lening" en de "Individuele Converteerbare Leningen", en samen met de Februari 2018 Converteerbare Lening, de PMV Converteerbare Lening, de FPIM Converteerbare Lening, de Cofipalux Converteerbare Lening en de Newton Converteerbare Lening, de "Converteerbare Leningen"). De leningen werden toegekend tot 31 december 2018. De leningen zijn renteloos. De leningen kunnen te allen tijde vóór de vervaldag en op vrijwillige basis, ook vóór de Aanbieding, worden omgezet in ruil voor nieuwe serie E preferente aandelen tegen CHF 10,48 per Aandeel. In geval van een kapitaalverhoging, zoals de Aanbieding, moeten de leningen ook verplicht worden omgezet in maatschappelijk kapitaal van de Vennootschap.

Op 2 november 2018 gingen alle investerende partijen een Pre-IPO Investeringsverbintenisovereenkomst aan waarbij alle partijen ermee instemden om bij de lancering van de Aanbieding EUR 20.500.000 te investeren.

Op 20 december 2018 werd een gewijzigde en herziene pre-IPO inschrijvingsverbintenisovereenkomst ondertekend waarbij de actuele converteerbare leningen werden uitgebreid tot 15 februari 2019. Bovendien werd met de meeste bestaande investeerders een nieuwe set nieuwe converteerbare overbruggingsleningen gesloten ten belope van 1.024.238 EUR. De leningen vertegenwoordigen 5% van het bedrag van de pre-IPO Investeringsverbintenis en dragen een interest van 8% per jaar. De nieuwe converteerbare overbruggingsleningen moeten worden afgetrokken van de totale Pre-IPO Investeringsverbintenis, zoals op 2 november 2018 overeengekomen in de Pre-IPO Investeringsverbintenisovereenkomst. Krachtens de Pre-IPO Investeringsverbintenisovereenkomsten zijn de betrokken Deelnemende Investeerders overeengekomen om de hoofdsom en de opgelopen interesten van de Overbruggingsleningen om te zetten in Nieuwe Aandelen tegen de Aanbiedingsprijs bij de voltooiing van de Aanbieding. De conversie zal worden uitgevoerd door middel van een bijdrage in natura van de uitstaande verschuldigde bedragen krachtens de Overbruggingsleningen. Het resterende deel van de Inschrijvingsverbintenissen (met uitzondering van de bedragen die verschuldigd zijn krachtens de Overbruggingsleningen en de verschuldigde bedragen krachtens de Februari 2018 Converteerbare Lening voor een totaalbedrag in hoofdsom van €6.340,91 zal worden ingeschreven in contanten bij voltooiing van de Aanbieding.

3. Relaties met niet-uitvoerende leden van de raad van bestuur

In 2018 en 2017 werd geen enkele vergoeding of bezoldiging betaald aan de niet-uitvoerende bestuurders, met uitzondering (i) EUR 70.883 betaald aan Rolf Classon, en (ii) de terugbetaling van de reis- en hotelkosten die de bestuurders maakten om aanwezig te zijn op de vergaderingen van de raad van bestuur.

<p style="text-align: center;">OTHER DOCUMENTS TO BE FILED UNDER BELGIAN COMPANY LAW</p>

See next page.

**SEQUANA MEDICAL
Limited Liability**

Registered office: "AA Tower", Technologiepark 122, 9052 Ghent, Belgium
VAT BE 0707.821.866 legal entitites register Ghent, division Gent

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE STATUTORY FINANCIAL STATEMENTS PER 31 DECEMBER 2018

Dear shareholders,

We are pleased to present to you the statutory financial statements for the fiscal year ended December 31, 2018.

1. Overview

Sequana Medical is a commercial stage medical device company focused on innovative treatment solutions for the management of liver disease, heart failure, malignant ascites and other fluid imbalance disorders.

Sequana Medical's technology is based on its proprietary **alfapump** platform, a fully implantable, programmable, wirelessly-charged, battery-powered system for automatic and continuous removal of fluid from the abdomen, which is applicable across multiple life-threatening disorders. The **alfapump** is being commercialised in Europe for the management of refractory ascites (chronic fluid build-up in the abdomen) due to liver cirrhosis and malignant ascites. The number of patients with refractory liver ascites is forecast to increase dramatically due to the growing prevalence of NASH (Non-alcoholic Steatohepatitis).

Over 700 **alfapump** systems have been implanted to date and since April 2018, the **alfapump** has been included in the EASL (European Association for the Study of the Liver) clinical practice guidelines for decompensated cirrhosis. In January 2019, the FDA has granted Breakthrough Device designation for the **alfapump** for the treatment of recurrent or refractory liver ascites. The **alfapump** has not yet received regulatory approval in the U.S. and Canada and the Company expects to start POSEIDON, the North American pivotal study in the second half of 2019 to support approval of the **alfapump** in recurrent or refractory liver ascites.

The **alfapump** is one of the first safe and effective, long-term alternatives to large-volume paracentesis (LVP) for the management of ascites, offering major advantages to patients, clinicians and healthcare systems. By automatically and continuously moving ascites to the bladder, where the body eliminates it naturally through urination, the **alfapump** prevents fluid build-up and its possible complications, improving patient quality of life and nutrition, and potentially reducing hospital visits and healthcare costs. The **alfapump** DirectLink technology allows clinicians to receive pump performance information and more effectively manage patients treated by the **alfapump**.

Sequana Medical is developing the **alfapump** DSR, built upon the proven **alfapump** platform, to deliver a convenient and fully implanted system for Direct Sodium Removal (DSR) therapy, a novel and proprietary approach for the management of volume overload in heart failure. A first-in-human study for DSR therapy is ongoing. Treatment of volume overload in diuretic-resistant heart failure patients is a major clinical challenge. There are an estimated one million hospitalisations due to heart failure in the U.S. each year, of which 90% are due to symptoms of volume overload. The estimated cost of heart failure-related hospitalisations in the U.S. is \$13 billion a year.

2. Discussion and analysis of the statutory financial statements

The annual accounts cover the accounting period from January 1, 2018 to December 31, 2018.

The annual accounts give a true and fair view of the course of affairs of the Company during the past fiscal year.

Balance sheet – assets

- The cash at bank and in hand amounts to 1,224,539 euro per 31 december 2018.
- The non-current assets represent an amount of 270,905 euro, representing mainly elements with respect of the IT equipment, as well as laboratory – and production equipment. The remaining non-current assets mainly relate to the rent guarantees for the offices in Belgium and Switzerland and the participation in Sequana Medical GmbH.
- The current assets, excluding the cash at bank and in hand, amount to 2,048,934 euro. They mainly consist of inventories, trade and other receivables within one year, deferred charges and accrued income.

Balance sheet – liabilities

- The issued capital of the Company amounts to 887,977 euro and the share premium accounts amounts to 64,963,284 euro;
- Accumulated losses reached 84,888,695 euro per 31 december 2018.
- The liabilities of 21,340,405 euro consist mainly of short and long term financial debts from convertible loans and other loans (14,839,136 euro); trade payables (1,881,513 euro), customer advances (845,189 euro), liabilities in respect of remuneration and social security obligations (989,716 euro) and accrued charges (2,784,851 euro).

Results of the fiscal year

The operating income amounts to 1,173,178 euro and relates to revenues generated from the sale of the alfapump for an amount of 1,029,171 euro, the inventory movement of finished products (71,415 euro) and other revenues for 72,592 euro.

The operating charges of 14,631,947 euro mainly consist of:

- Cost of goods sold for an amount of 264,848 euro, lower (241,977 euro) than in 2017 in line with the decrease in revenue in 2018.
- Services and other goods for an amount of 6,515,611 euro, significantly higher than in 2017 (2,917,646 euro) mainly as a result of increased marketing activities, external advice regarding the POSEIDON (North American pivotal) study and the preparation for the new Medical Device Regulation as well as the further development of the alfapump.
- Total personnel costs of 4,789,138 euro, higher than in 2017 (972,036 euro) as a result of the expansion of the commercial team, the implementation of the new ESOP plan and the introduction of the new Corporate functions.

The non-recurring operational charges amount to 3,057,418 euro in 2018 and represent the expenses related to the IPO launch.

The financial charges of 1,190,566 euro relate mainly to the interests due on the different loans.

The operating losses before taxes amount in 2018 to 13,458,769 euro.

The Company has closed its annual accounts with respect to the financial year 2018 with a loss of 14,340,135 euro.

Statutory and non-distributable reserves

The Company has a share capital of 887,977 euro. The Company has 449,182 euro of non-distributable reserves. As the Company has closed its annual accounts with respect to the past financial year with a loss, the Company is not legally obliged to reserve additional amounts.

Result allocation

The Board of Directors proposes to carry forward the loss for the financial year to the next financial year.

3. Principles of financial reporting and going concern

The annual accounts of Sequana Medical NV have been prepared assuming that the Company will continue as a going concern, implying that the Company can continue to satisfy all obligations when they become due in the near future.

The Company is still in its start-up phase and subject to various risks and uncertainties, including but not limited to the timing of achieving profitability and the substantial uncertainty of the development process. The Company's ability to continue operations also depends on its ability to raise additional capital in order to fund operations and assure the solvency of the Company until revenues reach a level to sustain positive cash flows.

These 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 consolidated balance sheet as at 31 December 2018 shows a negative equity in the amount of EUR 18.8 million. The Company signed a Convertible Loan Agreement with existing Shareholders in February 2018, which guarantees liquid funds of EUR 1.7 million (CHF 2 million) in total. Three additional convertible loan agreements have been signed in June 2018 (EUR 1.7 million), July 2018 (EUR 2 million) and August 2018 (EUR 0.5 million) with new investors. In October and December, additional funds amounting to EUR 2.6 million and EUR 1.0 million have been raised.

In the meantime, the Company successfully launched its Initial Public Offering (IPO) and as a result of that, the board of directors remains confident that the liquidity requirements for 2019, estimated to be EUR 14.8 million (CHF 17.1 million) can be secured. The Company continues to evaluate equity financing options, including discussions with existing and/or new investors. Based on the above, the executive management and the board of directors remain confident about the strategic direction, comprising financing measures such as additional financing rounds or capital market transactions, and therefore consider the preparation of the present financial statements on a going concern basis as appropriate.

4. Significant events after the reporting period

4.1 IPO

On January 31, 2019, the Group launched its Initial Public Offering (IPO) on Euronext Brussels.

The Offering is an offering of up to 3,235,294 new shares of the Company (the "New Shares", and each existing share or New Share representing the Company's share capital a "Share").

On February 8, 2019, the Group announced the results of its initial public offering of new shares, with the admission of all of its shares to trading on the regulated market of Euronext Brussels under the symbol "SEQUA", launched on 31 January 2019 (the "Offering"). The final offer price for the Offering has been set at EUR 8.50, giving the Company an initial market capitalisation of EUR 107.2 million. Gross proceeds for the Company from the Offering amounted to EUR 27.5 million.

An over-allotment option to subscribe for 25,577 additional new Shares at the Offer Price, has been granted to KBC Securities NV/SA, as stabilisation manager (the "Stabilisation Manager"), acting on behalf of KBC Securities NV/SA, Kempen & Co N.V. and Mirabaud Securities Limited, to cover over-allotments or short positions, if any, in connection with the Offering (the "Over-allotment Option", and (i) the New Shares, and (ii) the additional new Shares issued pursuant to the Over-allotment Option collectively being referred to as the "Offered Shares"). The Over-allotment Option will be exercisable for a period of 30 calendar days following the Listing Date (as defined below). The Company will announce if and when the Over-allotment Option is exercised.

327,092 Shares, representing approximately 10% of the Offered Shares in the Offering, have been placed with retail investors in Belgium. To retail investors, 100% of the shares for which they have subscribed will be allocated.

The existing investors that committed to subscribe for an aggregate amount of €20.5 million in the Offering at the Offer Price, subject to the closing of the Offering (the "Subscription Commitments") were allocated an aggregate of 2,413,909 New Shares in the Offering on the basis of their Subscription Commitments.

The Group announced on March 18, 2019 the end of the stabilisation period in the framework of the initial public offering of new shares of the Company with the admission of all of its shares to trading on the regulated market of Euronext Brussels under the symbol "SEQUA" (the "Offering"). Within the framework of the Offering, KBC Securities NV/SA ("KBC Securities") was appointed by the Company as stabilisation manager (the "Stabilisation Manager").

An over-allotment warrant to subscribe for 25,656 additional new shares at the final offering price of EUR 8.50 per share was granted to the Stabilisation Manager, acting on behalf of the Underwriters (as defined below), to cover any over-allotments or short positions in relation to the Offering (the "Over-allotment Warrant"). The Over-allotment Warrant was not exercised and the 25,656 shares that were borrowed by NeoMed IV Extension L.P. ("NeoMed") and LSP Health Economics Fund Management B.V. ("LSP") to KBC Securities as Stabilisation Manager for the duration of the stabilisation period will be returned to NeoMed and LSP at the latest on 19 March 2019.

As a result, the total number of new shares that was issued by the Company in the Offering amounts to 3,235,294 shares. Furthermore, the maximum number of share options, named the "2018 Share Options", that were created by the Company for directors, employees and other staff members of the Company, is finally set at 1,261,190, being 10% of the number of outstanding shares after the completion of the Offering.

Bootstrap agreement

On October 1, 2018, the agreement for the Bootstrap Loan was amended to provide that 5% of the proceeds of an Initial Public Offering must be used for a partial repayment of the principal outstanding under the facility, which would lead to a maximum partial repayment of the Bootstrap loan of EUR 1.5 million. The final amount repaid based on the gross proceeds of EUR 27,500,089 was EUR 1,375,004 (CHF 1,560,768).

34,409 New Shares in the Offering have been subscribed for through a contribution in kind by Bootstrap of 50% of the payable due by the Issuer upon the closing of the Offering as an "Exit Fee" pursuant to the Bootstrap Loan. The remaining portion of the Exit Fee shall be repaid in cash by the Issuer following the closing of the Offering. As provided for by the Bootstrap Loan, the Exit Fee shall not exceed a maximum of CHF 750,000. The final exit fee amounts to CHF 663,997 which is not higher than the agreed maximum of CHF 750,000.

50% equals to CHF 331,998 which has been converted into EUR 292,483. The portion of the Exit Fee payable that shall be so contributed, but that cannot be used for the subscription for a whole number of New Shares at the Offer Price shall not be contributed in kind, but remains payable in cash (subject to the terms of the Bootstrap Loan).

4.2 New Share Option plan implemented in February 2019

As a result of the closing of the Offering, the Company has created new Share options for directors, employees and other staff members of Sequana Medical (the "2018 Share Options"). There was no obligation for the holders of the 2011 Share Options and Executive Share Options to exercise the Share options prior to the closing of the Offering. The number of options will be equal to 10% of the total number of New Shares outstanding after the closing of the Offering and after the allocation of the over-allotment option.

5. Circumstances that could impact the Company's further development

On 23 June 2016, the U.K. held a referendum pursuant to which voters approved an exit from the E.U., commonly referred to as "Brexit." As a result of the referendum, the British government is negotiating the terms of the U.K.'s future relationship with the E.U. The long-term effects of Brexit will depend on any agreements (or lack thereof) between the U.K. and the E.U. and, in particular, any arrangements for the U.K. to retain access to E.U. markets either during a transitional period or more permanently. Brexit has created additional uncertainties that may ultimately result in new regulatory costs and challenges for medical device companies in the U.K., which will be one of Sequana Medical's focus markets.

6. Research and Development

The following R&D programs have been undertaken in the course of 2018 with the objective to further develop the alfapump:

- Presentation of the North American MOSAIC **alfapump** feasibility study demonstrating a significant reduction in large volume paracentesis (LVP) as well as improved nutritional status and QoL of the patient during at least one year follow-up.
- Presentation of the retrospective Malignant Ascites study demonstrating that the **alfapump** was effective in treating palliative patients and improving their QoL.
- Enrolled first patient in TOPMOST European registry study in cirrhosis patients implanted with the **alfapump** for the management of refractory liver ascites.
- Presentation of the pre-clinical proof-of-concept data for Direct Sodium Removal (DSR) therapy in the management of volume overload due to heart failure demonstrating the removal of clinically relevant amounts of sodium and fluid.
- First-in-human single dose DSR study commenced at Yale University, U.S.

7. Number of shares and share capital

The share capital per 31 December 2017 is represented by 6,746,244 preferred shares of nominal CHF 0.10 per share and 3,283,641 common shares of nominal CHF 0.10 per share, all fully paid-in.

	Shares	Nominal value in CHF	Share capital in CHF	Share capital in EUR
31 December 2016	8,980,267	0.10	898,027	859,985
Capital increase of preference shares	1,049,618	0.10	104,962	94,592
31 December 2017	10,029,885	0.10	1,002,989	954,577
Capital increase through the exercise of options	18,468	0.10	1,847	1,591
Liquidation own shares	(117,569)	-	-	-
Conversion share capital in EUR	0	-	-	(68,191)
31 December 2018	9,930,784	-	1,004,835	887,977

In 2017, due to the passing of the former CEO, the Company signed a settlement agreement with the wife of the former CEO, in relation to among others the outstanding payment of wages, severance and bonuses for a total amount of USD 308,446. In addition, the Company signed a stock option and share purchase agreement with the

wife of the former CEO to acquire his 117,569 common Shares and 90,845 Share options by offsetting outstanding payables by the Group in the amount of CHF 226,161.

As of 31 December 2018, the Group does not hold any Treasury Shares. Prior to the Belgian Seat Transfer, the Group held 117,569 of its own Shares as treasury stock, consisting of 107,196 common Shares, 4,773 series B preferred Shares, 1,600 series C preferred Shares and 4,000 series D Preferred Shares. These Shares were acquired in 2017 from the estate of the former chief executive officer, as indicated above. All of the treasury shares were cancelled on 1 October 2018, immediately following the Belgian Seat Transfer, in order to simplify the Group's capital structure with no impact on the share capital amount.

On 1 October 2018, the shareholders' meeting decided to convert the share capital from CHF 1,004,835.30 into EUR 887,977.47. This conversion resulted in a loss amounting to EUR 68,191 due to the applied foreign currency rate at that moment.

	Common shares	Preference A shares	Preference B shares	Preference C shares	Preference D shares	Preference E shares	Total
31 December 2016	3,283,641	543,682	2,176,662	2,195,850	780,432	-	8,980,267
Capital increase of preference shares			(4,774)	-469,913	-574,931	2,099,236	1,049,618
31 December 2017	3,283,641	543,682	2,171,888	1,725,937	205,501	2,099,236	10,029,885
Capital increase through the exercise of options	18,468						18,468
Liquidation treasury shares	(107,196)		(4,773)	(1,600)	(4,000)	-	(117,569)
31 December 2018	3,194,913	543,682	2,167,115	1,724,337	201,501	2,099,236	9,930,784

The share capital of the Company is EUR 887,977.

It is divided into 543,682 registered preferred A-shares, 2,167,115 registered preferred B-shares, 1,724,337 registered preferred C-shares, 205,501 registered preferred D-shares, 2,099,236 registered preferred E-shares and 3,194,913 registered common shares of EUR 0.096 nominal value each. The share capital is fully paid-in.

In addition, there are a number of outstanding Convertible Loans that are convertible into series E preferred Shares, a number of Bridge Loans that will be converted into New Shares upon the closing of the Initial Public Offering (IPO), and a number of outstanding Share options that are exercisable for common Shares and series E preferred Shares

The preferred shares are not redeemable and there is no mandatory dividend attached to the preferred shares. Each common and preferred share shall entitle one vote.

Certain of the currently outstanding preferred Shares benefit from special governance rights (such as in relation to the appointment of candidate directors and special majorities for decisions by the board of directors and the general shareholders' meeting). In addition, all of the preferred Shares benefit from a specific priority in case of Share transfers and in case of certain liquidity events such as a bankruptcy, liquidation or winding-up of the Company, a sale of the Group, a sale or divestment of all or substantially all of the assets of the Company, or a merger or consolidation of the Company. The preference will also be triggered upon closing of the Offering (IPO) and will result in a conversion and consolidation of the outstanding Shares into a new number of outstanding Shares reflecting the priority among the current shareholders of the Company as a result of the Offering (IPO) (not including the Offered Shares to be issued upon the closing of the Offering (including pursuant to the conversion of the Bridge Loans) and the exercise of the Over-allotment Option).

In the event of (each a "Liquidity Event")

- a) voluntary or involuntary liquidation, dissolution, winding up or bankruptcy of the Company;
- b) any sale, lease, transfer license or other disposition of all or substantially all of the Company's assets;
- c) any transformation of the Company, including separation and merger of the Company, except when the shareholders will hold more than 50% of the surviving/acquiring company and their rights provided for hereunder

are maintained;

d) a subscription of shares in the frame-work of an initial public offering ;

the liquidation, sale and transformation proceeds shall be distributed as follows:

- a) firstly, the series E preferred Shares will have a priority for a value of up to three times CHF 10.48 per series E preferred Share, then:
- b) secondly, the series D preferred Shares will have a priority for a value of up to the aggregate subscription price paid for the series D preferred Shares; then
- c) thirdly, the series C preferred Shares will have a priority for a value of up to the aggregate subscription price paid for the series C preferred Shares; then
- d) fourthly, the series B preferred Shares will have a priority for a value of up to half of the aggregate subscription price paid for the series B preferred Shares; then
- e) fifthly, the series A preferred Shares will have a priority for a value of up to half of the aggregate subscription price paid for the series A preferred Shares; and
- f) finally, any remaining value would accrue to the common Shares and preferred Shares on a pro rata basis.

Dividends, if any, shall be distributed in accordance with the distribution water-fall set out above until the aggregate distributions to holders of a class of shares is equal to the amount they would receive in case of a Liquidity Event. Distributions to the next junior ranking class of shares shall be made only thereafter.

In case of an initial public offering in the sense of a "Liquidity Event" as described above, the liquidation preferences will be achieved through a transfer of shares between the existing shareholders considering the dilution principle as described before and upon an IPO each preference share would be converted into one common share.

The right of the Board of Directors to increase the share capital has expired by 24 April 2018.

8. Conflicts of interest (article 523 Belgian Companies Code)

In relation to the Company's initial public offering with admission to trading of the Company's shares on the regulated market of Euronext Brussels ("**IPO**"), a meeting of the board of directors was held on 20 November 2019 in which it approved the launch of the IPO and related aspects. Due to an administrative delay in completing the move of the Company's business from Switzerland to Belgium, the timelines for launching the IPO were moved to January 2019.

On 28 January 2019, a new meeting of the Company's board of directors was held in which it finally approved the launch of the IPO and related aspects.

The conflicts of interests procedure of Article 523 of the Belgian Companies Code was applied during both of the aforementioned board meetings. Please find below, in accordance with the Articles 523 and 95 of the Belgian Companies Code, relevant extracts of the aforementioned board meetings.

Extract of the Minutes of the Meeting of the Board of Directors of 20 November 2018

"3. PRIOR DECLARATIONS BY INDIVIDUAL DIRECTORS

Prior to the deliberation and resolutions by the board of directors, Rudy Dekeyser, Erik Amble and Diego Braguglia, each director of the Company, made the following declarations as far as needed and applicable in accordance with Article 523 of the Belgian Companies Code:

The meeting of the board of directors will deliberate and resolve in relation to the contemplated IPO Capital Increase by the Company with the issuance of new shares of the Company, with a view to an IPO with admission of the Company's shares to listing and trading on the regulated market of Euronext Brussels. The resolution to increase the Company's share capital and a number of additional resolutions in connection therewith were approved by the EGM of the Company held on 20 November 2018, prior to the meeting of the board of directors.

The meeting of the board of directors will also deliberate and resolve in relation to the ratification, as far as needed, of a number of Pre-IPO Investment Commitment Agreements. Notably, in the context of the IPO a number of existing shareholders of the Company and other investors (the "Participating Investors") have entered into a commitment pursuant to the respective Pre-IPO Investment Commitment Agreements to (a) contribute their Payables under the outstanding Convertible Loan Agreements to the share capital of the Company and (b) subscribe for new shares of the Company for an aggregate amount (including issue premium) of EUR 20,507,236.43.

Declaration by Rudy Dekeyser

- Rudy Dekeyser informed the board of directors that LSP Health Economics Fund Management BV ("LSP"), in its capacity as managing partner of LSP HEF Holding CV, is a Participating Investor. Rudy Dekeyser has (indirectly) an important interest in LSP HEF Holding CV, which company has nominated him (via LSP) as a director of the Company. This Participating Investor shall on the basis of the Shareholders PIICA, which was entered into by LSP (among others) with the Company, commit to, on the occasion of the IPO, (x) contribute the outstanding Payable of EUR 298,008.60 that LSP has pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, and (y) subscribe for new shares of the Company within the framework of the IPO for an amount of EUR 1,192,034.39. LSP will also commit not to transfer its shares in the Company during a certain period after the IPO. The same commitment will also be entered into by other shareholders of the Company.*
- Rudy Dekeyser also informed the board of directors that LSP will commit to lend certain of its shares in the Company to KBC Securities NV/SA within the framework of the IPO in order to allow over-allotments of shares in the IPO and this in accordance with the provisions of the Stock Lending Agreement.*
- As a result, Rudy Dekeyser may have a financial interest that is in conflict with the resolutions that will be passed by the board of directors. Rudy Dekeyser is, however, of the opinion that the contemplated resolutions in connection with the IPO and the Shareholders PIICA are in the interest of the Company, as the resolutions will allow the Company to (i) further enlarge its shareholder base, which is in the interest of the further stability of the Company and its shareholder structure; (ii) to attract additional institutional financial and strategic investors, which could possibly contribute to the further development and growth of the Company's business; (iii) to attract additional international investors, which could improve the international profile of the Company,*

which could possibly contribute to the further development and growth of the Company's business; and (iv) as the subscription commitment provided for in the Shareholders PIICA may allow the Company to increase the chances of success of the IPO. Rudy Dekeyser also notes that by providing for a mechanism pursuant to which LSP can contribute its Payable as provided in the Shareholders PIICA and the EGM Resolutions, the Company will be able to satisfy its obligation to settle this Payable without having to use existing funds or new funds, which is in the interest of the Company. For more information on the justification of the contemplated transactions in relation to the IPO, reference is made to the report of the board of directors of 2 November 2018 in accordance with articles 596, 598 and 602 of the Belgian Companies Code

Declaration by Erik Amble

- Erik Amble informed the board of directors that NeoMed IV Extension L.P. ("Neomed IV X") and NeoMed Innovation V L.P. ("Neomed V"), two companies in which Erik Amble has an important interest and which have nominated him as a director of the Company, are Participating Investors. These Participating Investors shall on the basis of the Shareholders PIICA, which was entered into by Neomed IV X and Neomed V (among others) with the Company, commit to, on the occasion of the IPO, (x) contribute the outstanding Payables of respectively EUR 593,052.02 and EUR 266,871.66 that Neomed IV X and Neomed V have pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, and (y) subscribe for new shares of the Company within the framework of the IPO for an amount of respectively EUR 2,372,208.09 and EUR 1,067,486.62. Neomed IV X and Neomed V will also commit not to transfer their shares in the Company during a certain period after the IPO. The same commitment will also be entered into by other shareholders of the Company.
- Erik Amble also informed the board of directors that Neomed IV X will commit to lend certain of its shares in the Company to KBC Securities NV/SA within the framework of the IPO in order to allow over-allotments of shares in the IPO and this in accordance with the provisions of the Stock Lending Agreement.
- As a result, Erik Amble may have a financial interest that is in conflict with the resolutions that will be passed by the board of directors. Erik Amble is, however, of the opinion that the contemplated resolutions in connection with the IPO and the Shareholders PIICA are in the interest of the Company, as the resolutions will allow the Company to (i) further enlarge its shareholder base, which is in the interest of the further stability of the Company and its shareholder structure; (ii) to attract additional institutional financial and strategic investors, which could possibly contribute to the further development and growth of the Company's business; (iii) to attract additional international investors, which could improve the international profile of the Company, which could possibly contribute to the further development and growth of the Company's business; and (iv) as the subscription commitment provided for in the Shareholders PIICA may allow the Company to increase the chances of success of the IPO. Erik Amble also notes that by providing for a mechanism pursuant to which Neomed IV X and Neomed V can contribute their Payables as provided in the Shareholders PIICA and the EGM Resolutions, the Company will be able to satisfy their obligation to settle these Payables without having to use existing funds or new funds, which is in the interest of the Company. For more information on the justification of the contemplated transactions in relation to the IPO, reference is made to the report of the board of directors of 2 November 2018 in accordance with articles 596, 598 and 602 of the Belgian Companies Code.

Declaration by Diego Braguglia

- Diego Braguglia informed the board of directors that Venture Incubator AG ("VI AG") and VI Partners ("VI Partners"), two companies in which Diego Braguglia has an important interest and

which have nominated him as a director of the Company, are Participating Investors. These Participating Investors shall on the basis of the Shareholders PIICA, which was entered into by VI AG and VI Partners (among others) with the Company, commit to, on the occasion of the IPO, (x) contribute the outstanding Payables of respectively EUR 217,641.87 and EUR 5,007.93 which VI AG and VI Partners have pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, and (y) subscribe for new shares of the Company within the framework of the IPO for an amount of respectively EUR 872,925.70 and EUR 20,085.97. VI AG and VI Partners will also commit not to transfer their shares in the Company during a certain period after the IPO. The same commitment will also be entered into by other shareholders of the Company.

- As a result, Diego Braguglia may have a financial interest that is in conflict with the resolutions that will be passed by the board of directors. Diego Braguglia is, however, of the opinion that the contemplated resolutions in connection with the IPO and the Shareholders PIICA are in the interest of the Company, as the resolutions will allow the Company to (i) further enlarge its shareholder base, which is in the interest of the further stability of the Company and its shareholder structure; (ii) to attract additional institutional financial and strategic investors, which could possibly contribute to the further development and growth of the Company's business; (iii) to attract additional international investors, which could improve the international profile of the Company, which could possibly contribute to the further development and growth of the Company's business; and (iv) as the subscription commitment provided for in the Shareholders PIICA may allow the Company to increase the chances of success of the IPO. Diego Braguglia also notes that by providing for a mechanism pursuant to which VI AG can contribute its Payable as provided in the Shareholders PIICA and the EGM Resolutions, the Company will be able to satisfy its obligation to settle this Payable without having to use existing funds or new funds, which is in the interest of the Company. For more information on the justification of the contemplated transactions in relation to the IPO, reference is made to the report of the board of directors of 2 November 2018 in accordance with articles 596, 598 and 602 of the Belgian Companies Code."

Extract of the Minutes of the Meeting of the Board of Directors of 28 January 2019

"3. PRIOR DECLARATIONS BY INDIVIDUAL DIRECTORS

Prior to the deliberation and resolutions by the board of directors, Rudy Dekeyser, Erik Amble and Diego Braguglia, each director of the Company, made the following declarations as far as needed and applicable in accordance with Article 523 of the Belgian Companies Code:

The meeting of the board of directors will deliberate and resolve in relation to the contemplated IPO Capital Increase by the Company with the issuance of new shares of the Company, with a view to an IPO with admission of the Company's shares to listing and trading on the regulated market of Euronext Brussels. The resolution to increase the Company's share capital and a number of additional resolutions in connection therewith were approved by the EGM of the Company held on 18 January 2019, prior to the meeting of the board of directors.

The meeting of the board of directors will also deliberate and resolve in relation to the ratification, as far as needed, of a number of Amended and Restated Pre-IPO Investment Commitment Agreements. Notably, in the context of the IPO a number of existing shareholders of the Company and other investors (the "Participating Investors") have entered into a commitment pursuant to the respective Amended and Restated Pre-IPO Investment Commitment Agreements to, among others, (a) contribute their Payables under the outstanding Convertible Loan Agreements to the share capital of the Company in the context of the Loan Conversion Capital Increase, (b) subscribe for new shares of the Company for an aggregate

amount (including issue premium) of EUR 20,507,236.43 (which amount can be reduced by the amount of the outstanding principal amounts due by the Company pursuant to the respective Convertible Bridge Loans provided by several of such Participating Investors), and (c) contribute the payables due by the Company to the Participating Investors pursuant to the Convertible Bridge Loans in kind in the context of the IPO Capital Increase.

Declaration by Rudy Dekeyser

- Rudy Dekeyser informed the board of directors that LSP Health Economics Fund Management BV ("LSP"), in its capacity as managing partner of LSP HEF Holding CV, is a Participating Investor. Rudy Dekeyser has (indirectly) an important interest in LSP HEF Holding CV, which company has nominated him (via LSP) as a director of the Company. This Participating Investor has on the basis of the Amended and Restated Shareholders PIICA, which was entered into by LSP (among others) with the Company, committed to, on the occasion of the IPO, (x) contribute the outstanding Payable of EUR 298,008.60 that LSP has pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, (y) subscribe for new shares of the Company within the framework of the IPO for an amount of EUR 1,132,432.67, and (z) contribute the outstanding Bridge Loan Payable (as defined in the EGM Resolutions) of EUR 59,601.72 that LSP has pursuant to the Convertible Bridge Loan entered into with the Company. LSP has also committed not to transfer its shares in the Company during a certain period after the IPO. The same commitment has also been entered into by other shareholders of the Company.
- Rudy Dekeyser also informed the board of directors that LSP will commit to lend certain of its shares in the Company to KBC Securities NV/SA within the framework of the IPO in order to allow over-allotments of shares in the IPO and this in accordance with the provisions of the Stock Lending Agreement.
- As a result, Rudy Dekeyser may have a financial interest that is in conflict with the resolutions that will be passed by the board of directors. Rudy Dekeyser is, however, of the opinion that the contemplated resolutions in connection with the IPO and the Amended and Restated Shareholders PIICA are in the interest of the Company, as the resolutions will allow the Company to (i) further enlarge its shareholder base, which is in the interest of the further stability of the Company and its shareholder structure; (ii) to attract additional institutional financial and strategic investors, which could possibly contribute to the further development and growth of the Company's business; (iii) to attract additional international investors, which could improve the international profile of the Company, which could possibly contribute to the further development and growth of the Company's business; and (iv) allow the Company to increase the chances of success of the IPO taking into account the subscription commitment provided for in the Amended and Restated Shareholders PIICA. Rudy Dekeyser also notes that by providing for a mechanism pursuant to which LSP can contribute its Payable and Bridge Loan Payable as provided in the Amended and Restated Shareholders PIICA and the EGM Resolutions, the Company will be able to satisfy its obligation to settle these payables without having to use existing funds or new funds, which is in the interest of the Company. For more information on the justification of the contemplated transactions in relation to the IPO, reference is made to the report of the board of directors of 21 December 2018 in accordance with articles 596, 598 and 602 of the Belgian Companies Code which was submitted to the EGM.

Declaration by Erik Amble

- Erik Amble informed the board of directors that NeoMed IV Extension L.P. ("Neomed IV X") and NeoMed Innovation V L.P. ("Neomed V"), two companies in which Erik Amble has an important interest and which have nominated him as a director of the Company, are Participating Investors.

These Participating Investors have on the basis of the Amended and Restated Shareholders PIICA, which was entered into by Neomed IV X and Neomed V (among others) with the Company, committed to, on the occasion of the IPO, (x) contribute the outstanding Payables of respectively EUR 593,052.02 and EUR 266,871.66 that Neomed IV X and Neomed V have pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, (y) subscribe for new shares of the Company within the framework of the IPO for an amount of respectively EUR 2,372,208.09 and EUR 1,067,486.62, and (z) contribute the outstanding Bridge Loan Payables of respectively EUR 118,610.40 and EUR 53,374.33 that Neomed IV X and Neomed V have pursuant to the Convertible Bridge Loan entered into with the Company. Neomed IV X and Neomed V have also committed not to transfer their shares in the Company during a certain period after the IPO. The same commitment has also been entered into by other shareholders of the Company.

- *Erik Amble also informed the board of directors that Neomed IV X will commit to lend certain of its shares in the Company to KBC Securities NV/SA within the framework of the IPO in order to allow over-allotments of shares in the IPO and this in accordance with the provisions of the Stock Lending Agreement.*
- *As a result, Erik Amble may have a financial interest that is in conflict with the resolutions that will be passed by the board of directors. Erik Amble is, however, of the opinion that the contemplated resolutions in connection with the IPO and the Amended and Restated Shareholders PIICA are in the interest of the Company, as the resolutions will allow the Company to (i) further enlarge its shareholder base, which is in the interest of the further stability of the Company and its shareholder structure; (ii) to attract additional institutional financial and strategic investors, which could possibly contribute to the further development and growth of the Company's business; (iii) to attract additional international investors, which could improve the international profile of the Company, which could possibly contribute to the further development and growth of the Company's business; and (iv) allow the Company to increase the chances of success of the IPO taking into account the subscription commitment provided for in the Amended and Restated Shareholders PIICA. Erik Amble also notes that by providing for a mechanism pursuant to which Neomed IV X and Neomed V can contribute their Payables and Bridge Loan Payables as provided in the Amended and Restated Shareholders PIICA and the EGM Resolutions, the Company will be able to satisfy their obligation to settle these payables without having to use existing funds or new funds, which is in the interest of the Company. For more information on the justification of the contemplated transactions in relation to the IPO, reference is made to the report of the board of directors of 21 December 2018 in accordance with articles 596, 598 and 602 of the Belgian Companies Code which was submitted to the EGM.*

Declaration by Diego Braguglia

- *Diego Braguglia informed the board of directors that Venture Incubator AG ("VI AG") and VI Partners ("VI Partners"), two companies in which Diego Braguglia has an important interest and which have nominated him as a director of the Company, are Participating Investors. These Participating Investors have on the basis of the Amended and Restated Shareholders PIICA, which was entered into by VI AG and VI Partners (among others) with the Company, committed to, on the occasion of the IPO, (x) contribute the outstanding Payables of respectively EUR 218,231.42 and EUR 5,021.49 which VI AG and VI Partners have pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, (y) subscribe for new shares of the Company within the framework of the IPO for an amount of respectively EUR 828,414.60 and EUR 18,897.82, and (z) contribute the outstanding Bridge Loan Payables of respectively EUR 43,600.77 and EUR 994.62 that VI AG and VI Partners have pursuant to the Convertible Bridge Loan*

entered into with the Company. VI AG and VI Partners have also committed not to transfer their shares in the Company during a certain period after the IPO. The same commitment has also been entered into by other shareholders of the Company.

- *As a result, Diego Braguglia may have a financial interest that is in conflict with the resolutions that will be passed by the board of directors. Diego Braguglia is, however, of the opinion that the contemplated resolutions in connection with the IPO and the Amended and Restated Shareholders PIICA are in the interest of the Company, as the resolutions will allow the Company to (i) further enlarge its shareholder base, which is in the interest of the further stability of the Company and its shareholder structure; (ii) to attract additional institutional financial and strategic investors, which could possibly contribute to the further development and growth of the Company's business; (iii) to attract additional international investors, which could improve the international profile of the Company, which could possibly contribute to the further development and growth of the Company's business; and (iv) allow the Company to increase the chances of success of the IPO taking into account the subscription commitment provided for in the Amended and Restated Shareholders PIICA. Diego Braguglia also notes that by providing for a mechanism pursuant to which VI AG can contribute its Payables and Bridge Loan Payables as provided in the Amended and Restated Shareholders PIICA and the EGM Resolutions, the Company will be able to satisfy its obligation to settle these payables without having to use existing funds or new funds, which is in the interest of the Company. For more information on the justification of the contemplated transactions in relation to the IPO, reference is made to the report of the board of directors of 2 November 2018 in accordance with articles 596, 598 and 602 of the Belgian Companies Code which was submitted to the EGM."*

9. Financial risk management (at group level)

9.1 Introduction

The Company and its subsidiaries (the "Sequana Medical Group" or the "Group") operate a risk management and control framework in accordance with the Belgian Companies Code and the Corporate Governance Code. The Sequana Medical Group is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the board of directors (including the audit committee), the executive management and senior management and all other employees with managerial responsibilities.

The risk management and control system has been set up to reach the following goals:

- achievement of the Sequana Medical objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting; and
- compliance with all applicable laws and regulations.

9.2. Control Environment

Three lines of defence

The Sequana Medical Group applies the 'three lines of defence model' to clarify roles, responsibilities and

accountabilities, and to enhance communication within the area of risk and control.

Within this model, the lines of defence to respond to risks are:

- First line of defence: line management is responsible for assessing risks on a day-to-day basis and implementing controls in response to these risks.
- Second line of defence: the oversight functions like Finance and Controlling and Quality and Regulatory oversee and challenge risk management as executed by the first line of defence. The second line of defence functions provide guidance and direction and develop a risk management framework.
- Third line of defence: independent assurance providers such as external accounting and external audit challenge the risk management processes as executed by the first and second line of defence.

Policies, procedures and processes

Sequana Medical fosters an environment in which its business objectives and strategy are pursued in a controlled manner. This environment is created through the implementation of different Companywide policies, procedures and processes such as the Quality Management System and the Delegation of Authorities rule set. The executive and senior management fully endorses these initiatives.

Group-wide financial system

The Sequana Medical entities operate the same group-wide financial system which are managed centrally. This system embeds the roles and responsibilities defined at the Sequana Medical Group level. Through these systems, the main flows are standardised and key controls are enforced. The systems also allow detailed monitoring of activities and direct access to data

9.3. Risk management

Sound risk management starts with identifying and assessing the risks associated with the Company's business and external factors. Once the relevant risks are identified, the Company strives to prudently manage and minimise such risks, acknowledging that certain calculated risks are necessary to ensure that the Sequana Medical Group achieves its objectives and continues to create value for its stakeholders. The employees of the Sequana Medical Group are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

9.4. Controle activities

Control measures are in place to minimise the effect of risk on Sequana Medical Group's ability to achieve its objectives. These control activities are embedded in the Sequana Medical Group's key processes and systems to assure that the risk responses and the Sequana Medical Group's overall objectives are carried out as designed.

Control activities are conducted throughout the organisation, at all levels and within all departments. Key compliance areas are monitored for the entire Sequana Medical Group by the Quality and Regulatory department and the Finance and Controlling department. In addition to these control activities, an insurance program is being implemented for selected risk categories that cannot be absorbed without material effect on the Company's balance sheet

9.5. Information and communication

The Sequana Medical Group recognises the importance of timely, complete and accurate communication and information both top-down as well as bottom-up. The Sequana Medical Group therefore put several measures in place to assure amongst others:

- security of confidential information;
- clear communication about roles and responsibilities; and
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility

9.6. Monitoring of control mechanisms

Monitoring helps to ensure that internal control systems operate effectively.

The quality of the Sequana Medical Group's risk management and control framework is assessed by the following functions:

- Quality and Regulatory: Within the Quality Management System according to ISO 13485:2016, Sequana Medical has a systematic process for identifying hazards and hazardous situations associated with Sequana Medical devices and their use, estimating and evaluating the associated risks, controlling and documenting the risks, and monitoring the effectiveness of controls. This risk management process is based on the standard EN ISO 14971:2012
- External Audit: In Sequana Medical's review of the annual accounts, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements. The outcome of the audits, including work on internal controls, is reported to executive management and the audit committee.
- Audit committee: the board of directors and the audit committee have the ultimate responsibility with respect to internal control and risk management. For more detailed information on the composition and functioning of the audit committee, see above in this Corporate Governance Statement.

9.7. Risk management and internal control with regard to the process of financial reporting

The accurate and consistent application of accounting rules throughout the Sequana Medical Group is assured by means of set of control procedures. On an annual basis, a bottom-up risk analysis is conducted to identify risk factors. Action plans are defined for all key risks. Specific identification procedures for financial risks are in place to assure the completeness of financial accruals.

The accounting team is responsible for producing the accounting figures, whereas the controlling team checks the validity of these figures. These checks include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities.

Uniform reporting of financial information throughout the Sequana Medical Group ensures a consistent flow of information, which allows the detection of potential anomalies. The Group's financial systems and management information tools allow the central controlling team direct access to integrated financial information.

An external financial calendar is planned in consultation with the board of directors and the executive management, and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Sequana Medical stakeholders with the information necessary for making sound business decisions. The financial calendar can be consulted on <https://www.sequanamedical.com/investors/financial-information>.

The nature of Sequana's business and its global presence exposes the Group to market risks and liquidity risks. The Board of Directors is responsible for overseeing the Group's internal control system, which addresses risks to which the Group is exposed. These systems provide appropriate security against significant inaccuracies and material losses. Management is responsible for identifying and assessing risks that are of significance for the respective country.

A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The market risks consist primarily of foreign currency risks and, to a lesser degree, interest rate risks. Main currency exposures are the Swiss franc and the Euro. The Group is not hedging any of these risks.

A1) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The group identifies two main types of foreign currency risk: foreign currency transaction risk and foreign currency translation risk

The Group incurs foreign currency transaction risk on accounts receivable, accounts payable and other monetary items that are denominated in a currency other than the Company's functional currency. Foreign currency transaction risk in the Group's operations also arises from the variability of cash flows in respect of forecasted transactions. The foreign currency transaction risk is not significant.

Foreign operations which do not have the Euro as their functional currency give rise to a translation risk. The Group operates internationally and is exposed to foreign exchange risks arising from currency exposures, primarily with respect to the Swiss Franc (CHF) in relation to procurement and financing.

The carrying amounts of the Group's main foreign currency denominated monetary assets and monetary liabilities in CHF at the end of the reporting period are as follows:

	31.12.2018
	CHF
Assets	
Inventory	1,394,631
Cash and cash equivalents	48,203
Liabilities	
Long term debt	2,757,788
Short term debt	3,103,879

The Group has exposures to the Swiss Franc (CHF) and the US dollar (USD) due to their net investments in foreign operations.

Foreign exchange exposures are currently not hedged.

The following table shows the sensitivity to foreign exchange rate changes (CHF / EUR and USD / EUR), with all other variables held constant, of the Group's income statement and equity:

As at 31 December 2018	
(EUR)	Impact on income statement and equity
5% decrease of average foreign exchange rate	-302,431
5% increase of average foreign exchange rate	+302,424
As at 31 December 2017	
(EUR)	Impact on income statement and equity
5% decrease of average foreign exchange rate	-395,000
5% increase of average foreign exchange rate	380,000

As of 31 December 2018, if the EUR had weakened 5% against the CHF and against the USD with all other variables held constant, the loss for the period would have been 302,431 EUR higher (2017: 395,000 EUR). Conversely, if the EUR had strengthened 5% against the CHF and the USD with all other variables held constant, the loss of the period would have been 302,424 EUR lower (2017: 380,000 EUR).

A2) Interest rate risks

Interest rate risks arise from changes in interest rates, which have negative repercussions on the Group's asset and earnings situation. Interest rate fluctuations lead to changes in interest income and interest expense on interest-bearing assets and liabilities.

The following table shows the sensitivity to interest rate changes, with all other variables held constant, of the Group's income statement and equity:

As at 31 December 2018	
(EUR)	Impact on income statement and equity
50 basis points increase / decrease	-/+ 33,866
As at 31 December 2017	
(EUR)	Impact on income statement and equity
50 basis points increase / decrease	-/+ 21,500

B) Liquidity risk

The Group's objective is to maintain sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Sequana defines Liquidity risk, a risk of being unable to raise funds to meet payment obligations when they fall due.

C) Capital management

Management presently monitors its capital structure based on its legal, statutory requirements for stand-alone entities and, in particular, for the holding company. The Group's policy is to maintain sufficient capital to continue as a going concern, and sustain the future development of the business (see note **Error! Reference source not found.** regarding the assessment of the going concern).

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows for the next 6 months. This is carried out in accordance with practice and limits set by management and in accordance with the statutory capital requirements of the holding company. In addition, the Group's liquidity management policy involves projecting cash flows in EUR, CHF and GBP and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements and maintaining debt-financing plans.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 2017.

10. Corporate Governance

1. Corporate Governance Statement

Sequana Medical NV (the "**Company**") has prepared this Corporate Governance Statement in accordance with the Belgian Code on Corporate Governance of 12 March 2009. This Corporate Governance Statement is included in the Company's report of board of directors on the statutory accounts for the financial year ended on 31 December 2018 (dated 17 april 2019) in accordance with article 96 of the Belgian Companies Code.

On 27 February 2019, the new Belgian Code on Companies and Associations was approved by the Belgian Chamber of Representatives. These new rules were published in the Belgian Official Gazette on 4 April 2019 and will in principle become applicable to the Company on 1 January 2020. The contents of this Corporate Governance Statement and this report have been prepared in accordance with the Belgian Companies Code of 7 May 1999 (as amended), which is still in force on the date of this report, and references herein to the Belgian Companies Code are to the Belgian Companies Code of 7 May 1999 (as amended), unless indicated otherwise herein.

The Company applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance, except in relation to the situations set out below. The Company complies with the provisions set forth in the Belgian Code on Corporate Governance.

1.1 Corporate governance charter

The Company has adopted a corporate governance charter that is in line with the Belgian Code on Corporate Governance of 12 March 2009 and that entered into force on 12 February 2019, being the date of the completion of the Company's initial public offering with admission to trading of the Company's shares on the regulated market of Euronext Brussels (the "IPO"). The Company's board of directors approved the charter on 28 January 2019 subject to and with effect as of the closing of the IPO. The corporate governance charter describes the main aspects of the corporate governance of the Company, including its governance structure, the terms of reference of the board of directors and its committees and other important topics. The corporate governance charter must be read together with the Company's articles of association.

The Company applies the nine corporate governance principles contained in the Belgian Code on Corporate Governance and complies with the corporate governance provisions set forth in the Belgian Code on Corporate Governance, except in relation to the following:

- At the date of this report, share options have been granted to non-executive directors
- The Company intends to continue to award share-based incentives to the non-executive directors, upon advice of the remuneration and nomination committee. This is contrary to provision 7.7 of the Belgian Code on Corporate Governance that provides that non-executive directors should not be entitled to performance-related remuneration such as, amongst others, share-related long-term incentive schemes. The Company believes that this provision of the Belgian Code on Corporate Governance is not appropriate and adapted to take into account the realities of companies in the life sciences industry that are still in a development phase. Notably, the ability to remunerate non-executive directors with share options allows Sequana Medical to limit the portion of remuneration in cash that the Company would otherwise need to pay to attract or retain renowned experts with the most relevant skills, knowledge and expertise. The Company is of the opinion that granting non-executive directors the opportunity to be remunerated in part in share-based incentives rather than all in cash enables the non-executive directors to link their effective remuneration to the performance of Sequana Medical and to strengthen the alignment of their interests with the interests of the Company's shareholders. This is in the interest of the Company and its stakeholders.
Furthermore, this is customary for directors active in companies in the life sciences industry. In any event, the Company intends that the portion of the remuneration payable in share options will be limited.
- Pursuant to article 520ter of the Belgian Companies Code and the guideline to provision 7.13 of the Belgian Code on Corporate Governance, shares should not vest and share options should not be exercisable within three years as of their granting. The Company's board of directors has been explicitly

authorised in the Company's articles of association to deviate from this rule in connection with stock based incentive plans, compensations, awards and issuances to employees, directors and service providers of the Company and/or its subsidiaries (from time to time). The Company is of the opinion that this allows for more flexibility when structuring share-based awards.

For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice.

- At the date of this report, there are only two independent directors on the Company's board of directors. This is contrary to provision 2.3 of the Belgian Code on Corporate Governance which provides that at least one half of the board should comprise non-executive directors and at least three of the non-executive directors should be independent directors. The board of directors proposed to appoint a third independent director, namely Jason Hannon. Please see his biography under the section "Board of Directors" below. The proposed appointment of Mr Hannon will be submitted to the annual general shareholders' meeting of the Company to be held on 23 May 2019

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally, and must be tailored to meet those changing circumstances. The board of directors intends to update the corporate governance charter as often as required to reflect changes to the Company's corporate governance.

The articles of association and the corporate governance charter are available on the Company's website (www.sequanamedical.com) and can be obtained free of charge at the Company's registered office.

1.2 Board of Directors, Executive Management and Senior Management

Board of Directors

The table below gives an overview of the current members of the Company's Board of Directors and their terms of office:

Name	Age	Position	Start of Current Term	End of Current Term
Mr Pierre Chauvineau	55	Chair, Independent Non-Executive Director	2019	2022
Mr Ian Crosbie	51	CEO, Executive Director	2019	2022
Mr Rudy Dekeyser	57	Non-Executive Director	2019	2022
Mr Erik Amble	67	Non-Executive Director	2019	2022
Mr Wim Ottevaere ⁽¹⁾	62	Independent Non-Executive Director	2019	2022

Notes:

- (1) Acting as permanent representative of WIOT BVBA.
- (2) Subject to approval of Mr Hannon's appointment by the Company's annual general meeting of shareholders to be held on Thursday 23 May 2019

Mr Pierre Chauvineau is an independent non-executive director and the chairperson of the Company's board of directors. Mr Chauvineau has over 26 years of international business leadership in corporate and start-up companies within the medical technology industry. He started his career with Medtronic where he spent 20 years living in Belgium, France, Switzerland, the U.K. and Ireland consistently demonstrating leadership in developing high performance teams and growing the business faster than the market. In 2010, Mr Chauvineau joined Cameron Health, a VC-funded medical device company based in California where he was responsible for commercialising their innovative implantable defibrillator across international markets. Cameron Health was acquired by Boston Scientific two years later in June 2012, after which Mr Chauvineau went on to lead Boston Scientific's largest European Business Unit for 5 years. Today, Mr Chauvineau continues to work for Boston Scientific as an executive advisor on a part-time basis. He is also an executive board member with U.K. based Creavo Medical Technologies. Pierre Chauvineau holds an MBA degree in International Management from the Monterey Institute of International Studies (Monterey, California, U.S.A.) and a BA degree from IPAG (Paris, France).

Mr Ian Crosbie is an executive director of the Company and the Company's chief executive officer. Mr Crosbie has over 25 years of experience in the healthcare sector, both in-house at medical device and pharmaceutical companies, and as an investment banker at leading global firms. He has extensive expertise and a strong track record in capital markets, licensing and strategic transactions. Prior to joining Sequana Medical, Mr Crosbie was Chief Financial Officer of GC Aesthetics Ltd. Before that, he was Senior Vice President, Corporate Development at Circassia Pharmaceuticals plc, a late-stage biopharmaceutical company focused on allergy immunotherapy where he led the execution of the company's £210 million IPO, as well as the M&A and licensing activities. Prior to Circassia, Mr Crosbie enjoyed a 20-year career in corporate finance, including Managing Director, Healthcare Investment Banking at Jefferies International Limited and Director, Healthcare Investment Banking at Deutsche Bank. He has a degree in Engineering, Economics and Management from Oxford University.

Dr Rudy Dekeyser is a non-executive director of the Company. He is managing partner of the LSP Health Economics Fund II, a €280 million fund investing in medical device, diagnostic and digital health companies in Europe and the US. Besides serving on the Company's board of directors, Dr Dekeyser currently also serves on the board of directors of Curetis, reMYND, Celyad and EMBLEM and has served on many other biotech boards such as Ablynx (acquired by Sanofi), Devgen (acquired by Syngenta), CropDesign (acquired by BASF), Actogenix (acquired by Intrexon) and Multiplicom (acquired by Agilent). Prior to joining LSP, he was one of the co-founders of VIB and co-managing director of this leading life sciences research institute for 17 years, during which he was also responsible for the business development. Under his leadership VIB has built a patent portfolio exceeding 200 patent families, signed 800 R&D and license agreements, spun out twelve companies and laid the foundation for bio-incubators, bio-accelerators and the biotech association FlandersBio. Dr Dekeyser holds a Ph.D in molecular biology from the University of Ghent where he was also professor innovation management until 2012.

Dr Erik Amble is a non-executive director of the Company. Dr Amble is the chairman and founder of NeoMed Management in 1997. Prior to that, he has been Chairman and controlling shareholder of NeoMed AS, providing investment advisory services, specializing in small and medium sized companies in the pharmaceutical, medical

device and diagnostic industries. From 1993 to 1997, NeoMed AS co-managed two private equity investment companies, KS Nordic Healthcare Partners and Viking Medical Ventures Limited. Dr Amble has served as a board member of Clavis Pharma AS, GenoVision AS/Qiagen AS, Thommen Medical AG, Vessix Vascular Inc. and Sonendo Inc., and currently serves on the board of directors of JenaValve Technology Inc., CorFlow Therapeutics AG and Axonics Modulation Technologies Inc. He is a founder and former Chairman of the Norwegian Venture Capital Association. He holds a Dr. scient. degree in organic chemistry from the University of Oslo and a Master of Science degree in Management from the Graduate School of Business, Stanford University, U.S.A.

Mr Wim Ottevaere is an independent non-executive director of the Company. Mr Ottevaere was the chief financial officer of Ablynx until September 2018, a Belgian biopharmaceutical company engaged in the development of proprietary therapeutic proteins based on single-domain antibody fragments. Ablynx was listed on Euronext Brussels and Nasdaq and acquired by Sanofi in June 2018. From 1992 until joining Ablynx in 2006, Mr Ottevaere was Chief Financial Officer of Innogenetics (now Fujirebio Europe), a biotech company that was listed on Euronext Brussels at the time. From 1990 until 1992, he served as Finance Director of Vanhout, a subsidiary of the Besix group, a large construction enterprise in Belgium. From 1978 until 1989, Mr Ottevaere held various positions in finance and administration within the Dossche group. Wim Ottevaere holds a Master's degree in Business Economics from the University of Antwerp, Belgium.

Subject to approval of his appointment by the Company's annual general meeting of shareholders to be held on Thursday 23 May 2019, **Mr Jason Hannon** will be an independent non-executive director of the Company. Mr. Hannon has extensive experience in the medical devices industry and is currently also Chief Executive Officer at Mainstay Medical International plc, a global medical device company focused on the development and commercialisation of an innovative implantable neurostimulation system designed to treat chronic low back pain. Mr. Hannon previously served as President and Chief Operating Officer of NuVasive (NASDAQ:NUVA), a leading medical device company focused on transforming spine surgery with minimally disruptive, procedurally-integrated solutions. He helped grow NuVasive from a small U.S.-centric business with a handful of products into the third largest spine company in the world. During his 12 years at NuVasive, Mr. Hannon led the international business, was responsible for business development and strategy, and also served as general counsel. During his tenure, the NuVasive's commercial presence was expanded globally to more than 40 countries, revenue grew from \$61 million to almost \$1 billion, and the product portfolio expanded to over 100 products. Mr. Hannon has a JD degree from Stanford University Law School and a BA degree from the University of California, Berkeley.

The business address of each of the directors for the purpose of their mandate is the address of the Company's registered office: AA Tower, Technologiepark 122, 9052 Ghent, Belgium.

Executive Management and Senior Management

The executive management of the Company consists of the following members:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Mr Ian Crosbie	51	Chief Executive Officer
Mrs Kirsten Van Bockstaele ⁽¹⁾	44	Chief Financial Officer

Notes:

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

Mr Ian Crosbie is the chief executive officer and a director of the Company. Please see his biography under the section "Board of Directors" above.

Mrs Kirsten Van Bockstaele is the chief financial officer of Sequana Medical. She is a seasoned finance executive with extensive international experience in the healthcare industry. Mrs Van Bockstaele joined Sequana Medical from Fagron (formerly Arseus), an international pharmaceutical compounding company. Within Fagron, she held a number of senior financial roles, most recently as Vice President of Finance, North America. In this role, Mrs Van Bockstaele was responsible for creating and overseeing the company's financial strategy and policy, positioning Fagron's North American companies for growth. She also played a pivotal role in building out the North American headquarters, supporting the financial integration of acquisitions and assisting in redirecting the company's strategy. Mrs Van Bockstaele previously served as Chief Financial Officer for Arseus Dental & Medical Solutions, where she was instrumental in the coordination, support and control of financial activities in key European countries. Her previous roles include Financial Controller at Omega Pharma and Audit Manager at PwC. Kirsten Van Bockstaele has a degree in Business Economics from EHSAL and a degree in Financial and Fiscal Sciences from the University of Antwerp, Belgium.

The senior management team of the Company consists of the members of the executive management, together with the following members:

Name	Age	Position
Dr Gijs Klarenbeek	42	Chief Medical Officer
Mr Martijn Blom	45	Chief Commercial Officer
Mr Timur Resch	37	Global Vice President Quality Management and Regulatory Affairs
Mr Dirk Fengels	47	Global Vice President Engineering and Manufacturing

Notes:

- (1) Mr Timur Resch will be Global Vice President Quality Management and Regulatory Affairs with effect as of 1 May 2019. On the date of this report, this position is held by Mr Orlando Antunes

Dr Gijs Klarenbeek is the Chief Medical Officer of the Company. Dr Klarenbeek has over 14 years academic and healthcare industry experience. After his training in abdominal surgery at the University of Leuven, he held multiple positions in Medical Affairs, Clinical and Marketing at large pharmaceutical (Sanofi, AstraZeneca) and medical device companies. These include roles as Director of Medical Affairs Europe at Boston Scientific, providing leadership to the medical support for the portfolio of products in the Structural Heart and Medical / Surgical divisions, and as Worldwide Medical Director Clinical Research at Johnson & Johnson's medical device division (Cordis and Cardiovascular Care Franchise), supporting the clinical development of different products through regulatory submission (CE mark & IDE), post-market commitments and development. Dr Klarenbeek holds an MD from the University of Leuven, Belgium and a degree in Business Administration from the Institute for Pharmaceutical Business Administration (IFB).

Mr Martijn Blom is the Chief Commercial Officer of the Company. Mr Blom has over 15 years' experience in the life sciences industry. Most recently he was the Director of International Marketing at Myriad Genetics, responsible for the marketing development of genetic testing in the international markets. Previous to Myriad, he worked as Director of Marketing and Market Development at PulmonX, a start up from Redwood City focusing on developing and marketing minimally-invasive medical devices and technologies to expand and improve treatment options for

emphysema patients. Prior to this he was Director International Marketing at Alere where he spent more than 7 years leading the marketing, training and marketing communications teams, for all of their business units: Cardiology, Women's Health, Oncology, Infectious Diseases, Blood Borne Pathogens, Toxicology and Health Management. Mr Blom studied economics at the MEAO in Breda and specialised at de Rooi Pannen in Marketing and Sales management.

Mr Timur Resch is the Global Vice President Quality Management and Regulatory Affairs of Sequana Medical. Mr Resch has 10 years of experience within quality management and regulatory affairs in the regulated medical device industry. In 2010, Mr Resch graduated as an engineer in medical technology from the University of Applied Sciences in Lübeck, Germany and began his professional career as a process and management consultant at Synspace AG. Thereafter, Mr Resch continued as Head of Quality Management & Regulatory Affairs at Schaerer Medical AG and prior to joining Sequana Medical held the position of Manager & Team Leader Regulatory Affairs at Medela AG. His experience includes the establishment of quality management systems, auditing, international product registrations for Class I to Class III medical devices, ensuring compliance with applicable regulatory requirements as well as being the liaison to Notified Bodies and health authorities. Mr Resch serves as member of quality and regulatory task forces and expert groups within Germany and Switzerland.

Mr Dirk Fengels is the Global Vice President Engineering and Manufacturing of the Company. He has over 15 years experience in research and development and spent the majority of his career in a multidisciplinary high-tech environment. Mr Fengels has extensive expertise in developing innovative solutions for the medical device industry. Prior to joining the Company, he led the Sensors & Systems group at the Swiss Center for Electronics and Microtechnology (CSEM) for 10 years, where his team specialised in developing innovative sensors, mechatronic systems and automated fluid handling solutions to create unique selling propositions on behalf of various industry partners. In his role, Mr Fengels was also responsible for aligning the research strategy in the automation field with industry needs and he mentored research and industry projects. Prior to CSEM, he was responsible for the development of next generation products in two medical start-up companies, one in Switzerland and one in Silicon Valley. Mr Fengels holds a Master's degree in Electrical Engineering from the Swiss Federal Institute of Technology, Zürich (ETH).

The business address of each of the members of the executive management for the purpose of their mandate is the address of the Company's registered office: AA Tower, Technologiepark 122, 9052 Ghent, Belgium.

1.3 Board of Director's role

The Company has a "one tier" governance structure whereby the board of directors is the ultimate decision making body, with the overall responsibility for the management and control of the Company, and is authorised to carry out all actions that are considered necessary or useful to achieve the Company's purpose. The board of directors has all powers except for those reserved to the general shareholders' meeting by law or the Company's articles of association. The board of directors acts as a collegiate body.

Pursuant to the Company's corporate governance charter, the role of the board of directors is to pursue the long term success of the Company by providing entrepreneurial leadership and enabling risks to be assessed and managed. The board of directors decides on the Company's values and strategy, its risk appetite and key policies.

The board of directors is assisted by a number of committees in relation to specific matters. The committees advise the board of directors on these matters, but the decision making remains with the board of directors as a whole.

The board of directors has the power to appoint and remove the chief executive officer. The role of the chief executive officer is to implement the mission, strategy and targets set by the board of directors and to assume responsibility for the day-to-day management of the Company. The chief executive officer reports directly to the board of directors.

Pursuant to the Belgian Companies Code and the Company's articles of association, the board of directors must consist of at least three directors. The Company's corporate governance charter provides that the composition of the board of directors should ensure that decisions are made in the corporate interest. It should be determined on the basis of diversity, as well as complementary skills, experience and knowledge. Pursuant to the Belgian Code on Corporate Governance, at least half of the directors must be non-executive and at least three directors must be independent in accordance with the criteria set out in the Belgian Companies Code and in the Belgian Code on Corporate Governance. As stated in "Corporate Governance Charter", there will only be two independent directors on the Company's board of directors. By 1 January 2024, at least one third of the members of the board of directors must be of the opposite gender.

The directors are elected by the Company's general shareholders' meeting. The term of the directors' mandates cannot exceed four (4) years. Resigning directors can be re-elected for a new term. Proposals by the board of directors for the appointment or re-election of any director must be based on a recommendation by the remuneration and nomination committee. In the event the office of a director becomes vacant, the remaining directors can appoint a successor temporarily filling the vacancy until the next general shareholders' meeting.

The general shareholders' meeting can dismiss the directors at any time.

The board of directors elects a chairperson from among its non-executive members on the basis of his knowledge, skills, experience and mediation strength. The chairperson is responsible for the leadership and the proper and efficient functioning of the board of directors. On the date of this report, Dr Pierre Chauvineau is chairperson of the board of directors and Mr Ian Crosbie is the chief executive officer. If the board of directors envisages appointing a former chief executive officer as chairperson, it should carefully consider the positive and negative aspects of such a decision and disclose why such appointment is in the best interest of the Company.

The board of directors should meet as frequently as the interest of the Company requires, or at the request of one or more directors. In principle, the board of directors will meet sufficiently regularly and at least five (5) times per year. The decisions of the board of directors are made by a simple majority of the votes cast. The chairperson of the board of directors will have a casting vote.

During 2018, 12 meetings of the board of directors were held

1.4 Committees of the Board of Directors

The board of directors has established two board committees with effect as of the closing of the IPO in 2019, which are responsible for assisting the board of directors and making recommendations in specific fields: the audit committee (in accordance with article 526*bis* of the Belgian Companies Code and provision 5.2 of the Belgian Code on Corporate Governance) and the remuneration and nomination committee (in accordance with article 526*quater* of the Belgian Companies Code and provision 5.3 and 5.4 of the Belgian Code on Corporate Governance). The terms of reference of these board committees are primarily set out in the corporate governance charter.

Audit Committee

The audit committee of the Company consists of three directors. According to the Belgian Companies Code, all members of the audit committee must be non-executive directors, and at least one member must be independent within the meaning of article 526^{ter} of the Belgian Companies Code. The chairperson of the audit committee is to be appointed by the members of the audit committee. The following directors are the members of the audit committee: Mr Wim Ottevaere, Mr Pierre Chauvineau and Dr Erik Amble. The composition of the audit committee complies with the Belgian Code on Corporate Governance, which requires that a majority of the members of the audit committee are independent.

The members of the audit committee must have a collective competence in the business activities of the Company as well as in accounting, auditing and finance, and at least one member of the audit committee must have the necessary competence in accounting and auditing. According to the board of directors, the members of the audit committee satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold.

The role of the audit committee is to:

- inform the board of directors of the result of the audit of the financial statements and the manner in which the audit has contributed to the integrity of the financial reporting and the role that the audit committee has played in that process;
- monitor the financial reporting process, and to make recommendations or proposals to ensure the integrity of the process,
- monitor the effectiveness of the internal control and risk management systems, and the Company's internal audit process and its effectiveness;
- monitor the audit of the financial statements, including the follow-up questions and recommendations by the statutory auditor;
- assess and monitor the independence of the statutory auditor, in particular with respect to the appropriateness of the provision of additional services to the Company. More specifically, the audit committee analyses, together with the statutory auditor, the threats for the statutory auditor's independence and the security measures taken to limit these threats, when the total amount of fees exceeds the criteria specified in article 4 §3 of Regulation (EU) No 537/2014; and
- make recommendations to the board of directors on the selection, appointment and remuneration of the statutory auditor of the Company in accordance with article 16 § 2 of Regulation (EU) No 537/2014.

The audit committee should have at least four regularly scheduled meetings each year. The audit committee regularly reports to the board of directors on the exercise of its missions, and at least when the board of directors approves the financial statements and the condensed or short form financial information that will be published. The members of the audit committee have full access to the executive management and to any other employee to whom they may require access in order to carry out their responsibilities.

Without prejudice to the statutory provisions which determine that the statutory auditor must address reports or warnings to the corporate bodies of the Company, the statutory auditor must discuss, at the request of the statutory

auditor, or at the request of the audit committee or of the board of directors, with the audit committee or with the board of directors, essential issues which are brought to light in the exercise of the statutory audit of the financial statements, which are included in the additional statement to the audit committee, as well as any meaningful shortcomings discovered in the internal financial control system of the Company.

In 2018, the audit committee was not yet established.

Remuneration and Nomination Committee

The remuneration and nomination committee consists of at least three directors. In line with the Belgian Companies Code and the Belgian Code on Corporate Governance (i) all members of the remuneration and nomination committee are non-executive directors, (ii) the remuneration and nomination committee consists of a majority of independent directors and (iii) the remuneration and nomination committee is chaired by the chairperson of the board of directors or another non-executive director appointed by the committee. The following directors are the members of the remuneration and nomination committee: Dr Rudy Dekeyser, Mr Wim Ottevaere and Mr Pierre Chauvineau.

Subject to the appointment of Mr Hannon as Director by the Company's annual general shareholders' meeting to be held on Thursday 23 May 2019, Mr Jason Hannon will replace Mr Pierre Chauvineau as member of the remuneration and nomination committee .

Pursuant to the Belgian Companies Code, the remuneration and nomination committee must have the necessary expertise in terms of remuneration policy, which is evidenced by the experience and previous roles of its current members.

Pursuant to the Belgian Code on Corporate Governance, the chief executive officer participates in the meetings of the remuneration and nomination committee in an advisory capacity each time the remuneration of another member of the executive management is being discussed.

The role of the remuneration and nomination committee is to make recommendations to the board of directors with regard to the appointment and remuneration of directors and members of the executive management and, in particular, to:

- identify, recommend and nominate, for the approval of the board of directors, candidates to fill vacancies in the board of directors and executive management positions as they arise. In this respect, the remuneration and nomination committee must consider and advise on proposals made by relevant parties, including management and shareholders;
- advise the board of directors on any proposal for the appointment of the chief executive officer and on the chief executive officer's proposals for the appointment of other members of the executive management;
- draft appointment procedures for members of the board of directors and the chief executive officer;
- ensure that the appointment and re-election process is organised objectively and professionally;
- periodically assess the size and composition of the board of directors and make recommendations to the board of directors with regard to any changes;
- consider issues related to succession planning;

- make proposals to the board of directors on the remuneration policy for directors and members of the executive management and the persons responsible for the day-to-day management of the Company, as well as, where appropriate, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- make proposals to the board of directors on the individual remuneration of directors and members of the executive management, and the persons responsible for the day-to-day management of the Company, including variable remuneration and long-term incentives, whether or not share-related, in the form of share options or other financial instruments, and arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the board of directors to the shareholders' meeting;
- prepare a remuneration report to be included by the board of directors in the annual corporate governance statement;
- present and provide explanations in relation to the remuneration report at the annual shareholders' meeting; and
- report regularly to the board of directors on the exercise of its duties.

In principle, the remuneration and nomination committee meets as frequently as necessary for carrying out its duties, but at least two times a year.

In 2018, the remuneration and nomination committee was not yet established.

1.5 Activity Report and Attendance at Board and Committee Meetings during 2018

The table summarises the attendance of meetings of the board of directors and the respective committees of the board of directors by their members in person or by conference call. It does not take into account attendance via representation by proxy.

Name	Board Meeting	Audit	Nomination and remuneration
Mr Pierre Chauvineau ⁽¹⁾	N/A	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Mr Ian Crosbie ⁽¹⁾	N/A	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Mr Rudy Dekeyser	12 out of 12 meetings	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Mr Erik Amble	12 out of 12 meetings	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Mr Wim Ottevaere ^{(1) (2)}	N/A	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Mr Diego Braguglia ⁽³⁾	12 out of 12 meetings	N/A ⁽⁴⁾	N/A ⁽⁴⁾

Notes:

- (1) Only in function as director of the Company since 12 February 2019.
- (2) Acting as permanent representative of WIOT BVBA.
- (3) Resigned as director of the Company on 12 February 2019.
- (4) The committees of the board of directors of the Company were not yet established in 2018.

1.6 Independent Directors

A director will only qualify as an independent director if he or she meets at least the criteria set out in article 526ter of the Belgian Companies Code, which can be summarised as follows:

- Not being an executive member of the board of directors, exercising a function as a member of the executive management or as a person entrusted with the daily management of the Company or a company or person affiliated with the Company, and not having been in such a position during the previous five years before his or her nomination.
- Not having served for more than three terms as a non-executive director of the board of directors, without exceeding a total term of more than twelve years.
- Not being an employee of the senior management (as defined in article 19, 2° of the Belgian Act of 20 September 1948 regarding the organisation of the business industry) of the Company or a company or person affiliated with the Company and not having been in such a position for the previous three years before his or her nomination.
- Not receiving, or having received, any significant remuneration or other significant advantage of a financial nature from the Company or a company or person affiliated with the Company, other than any bonus or fee (tantièmes) he or she receives or has received as a non-executive member of the board of directors.
- Not holding (directly or via one or more companies under his or her control) any shareholder rights representing 10% or more of the shares or of a class of the shares (as the case may be), and not representing a shareholder meeting this condition.
- If the shareholder rights held by the director (directly or via one or more companies under his or her control) represent less than 10%, the disposal of such shares or the exercise of the rights attached thereto may not be subject to contracts or unilateral undertakings entered into by the director. The director may also not represent a shareholder meeting this condition.
- Not having, or having had within the previous financial year, a significant business relationship with the Company or a company or person affiliated with the Company, either directly or as partner, shareholder, member of the board of directors, member of the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of a company or person who maintains such a relationship.
- Not being or having been within the last three years, a partner or employee of the current or former statutory auditor of the Company or a company or person affiliated with the current or former statutory auditor of the Company.
- Not being an executive director of another company in which an executive director of the Company is a non-executive member of the board, and not having other significant links with executive directors of the Company through involvement in other companies or bodies.
- Not being a spouse, legal partner or close family member (by marriage or birth) to the second degree of a member of the board of directors, a member of the executive management, a person charged with the daily

management, or a member of the senior management (as defined in article 19, 2° of the aforementioned Belgian Act of 20 September 1948) of the Company or a company or person affiliated with the Company, or of a person who finds him or herself in one or more of the circumstances described in the previous bullets.

The resolution appointing the director must mention the reasons on the basis of which the capacity of independent director is granted.

Mr Pierre Chauvineau and Mr Wim Ottevaere are the Company's current independent directors.

Subject to Mr Hannon's appointment by the Company's annual general shareholders' meeting, Mr Hannon will be the third independent director.

In the absence of guidance in the law or case law, the board of directors has not further quantified or specified the aforementioned criteria set out in article 526ter of the Belgian Companies Code. The Company is of the view that the independent directors comply with each of the criteria of the Belgian Companies Code and Belgian Code on Corporate Governance. An independent director who ceases to satisfy the requirements of independence must immediately inform the board of directors thereof.

1.7 Performance Review of the Board of Directors

The board of directors evaluates its own size, composition, performance and interaction with executive management and that of its committees on a continuous basis.

The evaluation assesses how the board of directors and its committees operate, checks that important issues are effectively prepared and discussed, evaluates each director's contribution and constructive involvement, and assesses the composition of the board of directors and its committees against the desired composition. This evaluation takes into account the members' general role as director, and specific roles as chairperson or member of a committee of the board of directors, as well as their relevant responsibilities and time commitment.

Non-executive directors assess their interaction with the executive management on a continuous basis.

1.8 Executive Management

The executive management is composed of two members and is led by the chief executive officer. Its members are appointed by the board of directors on the basis of a recommendation by the remuneration and nomination committee. The Company's executive management does not constitute a *directiecomité/comité de direction* within the meaning of article 524bis of the Belgian Companies Code. The executive management is responsible and accountable to the board of directors for the discharge of its responsibilities.

The executive management is responsible for:

- operating the Company;

- implementing the policy and plans of the Company as defined by the board of directors and in accordance with its instructions;
- executing the decisions made by the board of directors;
- assessing the achievement of the targets for the business of the Company and its subsidiary;
- preparing corporate policies, strategies and strategic plans for the attention of and approval by the board of directors or its committees;
- promoting an active internal and external communications policy;
- ensuring that management capacity, financial and other resources are provided and used efficiently;
- submitting to the board of directors or to one of its committees for approval or advice in accordance with such regulations and standards as are promulgated by the board of directors from time to time: (a) capital investment, financial measures and acquisition or divestiture of companies, participations and businesses of material significance, and (b) material agreements with third parties and engagement in new business activities;
- preparing the Company's yearly business plan and yearly budget to be submitted to the board of directors;
- establishing an independent internal audit function with resources and skills adapted to the company's nature, size and complexity. If the Company does not have an internal audit function, the need for one shall be reviewed at least annually by the audit committee;
- setting up the Company's internal control and risk management systems and submit them for approval to the board of directors;
- promulgating guidelines, including guidelines for planning, controlling, reporting, finance, personnel, information and other technologies; and
- dealing with such other matters as are delegated by the board of directors from time to time.

Chief Executive Officer

The chief executive officer is responsible for the day-to-day management of the Company. He may be granted additional well-defined powers by the board of directors. He has direct operational responsibility for the Company and oversees the organisation and day-to-day management of subsidiaries, affiliates and joint ventures. The chief executive officer is responsible for the execution and management of the outcome of all decisions of the board of directors.

The chief executive officer leads the executive management within the framework established by the board of directors and under its ultimate supervision. The chief executive officer is appointed and removed by the board of directors and reports directly to it.

1.9 Scientific Advisory Board

In connection with a convertible loan entered into between the Company and Newton Biocapital I Pricav Privée SA ("NBC"), the Company agreed to establish a scientific advisory board that will advise the Company within the framework of its DSR program. The scientific advisory board will be composed of at least three members who will be selected on the basis of their international proven track record in the field. As long as the payment under this convertible loan is due, or NBC is a shareholder of the Company, NBC will have the right to appoint one of its representatives as a member of the scientific advisory board. The Company agreed that, upon establishment of the scientific advisory board, Guy Heynen, senior clinical and regulatory partner at NBC shall be a member of the scientific advisory board. The scientific advisory board will convene at least two times per year to discuss amongst others the clinical and regulatory progress and plans of the DSR program. The members of the scientific advisory board and the terms of reference of the scientific advisory board will be determined in the second half of 2019. The scientific advisory board will be an informal body that will provide advice to the Company. It will not be a part of the board of directors.

1.10 Conflicts of Interest

Directors are expected to arrange their personal and business affairs so as to avoid conflicts of interest with the Company. Any director with a conflicting financial interest (as contemplated by article 523 of the Belgian Companies Code) on any matter before the board of directors must bring it to the attention of both the statutory auditor and fellow directors, and take no part in any deliberation or voting related thereto. The corporate governance charter contains the procedure for transactions between the Company and the directors which are not covered by the legal provisions on conflicts of interest. The corporate governance charter contains a similar procedure for transactions between the Company and members of the executive management.

To the knowledge of the Company, there are, on the date of this report, no potential conflicts of interests between any duties to the Company of the members of the board of directors and members of the executive management and their private interests and/or other duties.

On the date of this report, there are no outstanding loans granted by the Company to any of the members of the board of directors and members of the executive management, nor are there any guarantees provided by the Company for the benefit of any of the members of the board of directors and members of the executive management.

None of the members of the board of directors and members of the executive management has a family relationship with any other of the members of the board of directors and members of the executive management.

1.11 Dealing code

With a view to preventing market abuse (insider dealing and market manipulation), the board of directors has established a dealing code. The dealing code describes the declaration and conduct obligations of directors, members of the executive management, certain other employees and certain other persons with respect to transactions in shares and other financial instruments of the Company. The dealing code sets limits on carrying out transactions in shares and other financial instruments of the Company, and allows dealing by the above mentioned persons only during certain windows. The dealing code is attached to the Company's corporate governance charter.

1.12 Interne controle en risicobeheer

1. Introduction

The Sequana Medical Group operates a risk management and control framework in accordance with the Belgian Companies Code and the Corporate Governance Code. The Sequana Medical Group is exposed to a wide variety of risks within the context of its business operations that can result in its objectives being affected or not achieved. Controlling those risks is a core task of the Board of Directors (including the Audit Committee), the Executive Management and Senior Management and all other employees with managerial responsibilities.

The risk management and control system has been set up to reach the following goals:

- achievement of the Sequana Medical objectives;
- achieving operational excellence;
- ensuring correct and timely financial reporting; and
- compliance with all applicable laws and regulations.

2. Control Environment

Three lines of defense

The Sequana Medical Group applies the 'three lines of defense model' to clarify roles, responsibilities and accountabilities, and to enhance communication within the area of risk and control.

Within this model, the lines of defense to respond to risks are:

- First line of defense: line management is responsible for assessing risks on a day-to-day basis and implementing controls in response to these risks.
- Second line of defense: the oversight functions like Finance and Controlling and Quality and Regulatory oversee and challenge risk management as executed by the first line of defense. The second line of defense functions provide guidance and direction and develop a risk management framework.
- Third line of defense: independent assurance providers such as external accounting and external audit challenge the risk management processes as executed by the first and second line of defense.

Policies, procedures and processes

Sequana Medical fosters an environment in which its business objectives and strategy are pursued in a controlled manner. This environment is created through the implementation of different Company-wide policies, procedures and processes such as the Sequana Medical values, the Quality Management System and the Delegation of Authorities rule set. The Executive and Senior Management fully endorses these initiatives.

The employees are regularly informed and trained on these subjects in order to develop sufficient risk management and control at all levels and in all areas of the organization.

Group-wide Financial System

The Sequana Medical entities operate the same group-wide financial system which are managed centrally. This system embeds the roles and responsibilities defined at the Sequana Medical Group level. Through these systems, the main flows are standardized and key controls are enforced. The systems also allow detailed monitoring of activities and direct access to data.

3. Risk management

Sound risk management starts with identifying and assessing the risks associated with the Company's business and external factors. Once the relevant risks are identified, the Company strives to prudently manage and minimize such risks, acknowledging that certain calculated risks are necessary to ensure that the Sequana Medical Group achieves its objectives and continues to create value for its stakeholders. All employees of the Sequana Medical Group are accountable for the timely identification and qualitative assessment of the risks within their area of responsibility.

4. Control activities

Control measures are in place to minimize the effect of risk on Sequana Medical Group's ability to achieve its objectives. These control activities are embedded in the Sequana Medical Group's key processes and systems to assure that the risk responses and the Sequana Medical Group's overall objectives are carried out as designed. Control activities are conducted throughout the organization, at all levels and within all departments.

Key compliance areas are monitored for the entire Sequana Medical Group by the Quality and Regulatory department and the Finance and Controlling department. In addition to these control activities, an insurance program is being implemented for selected risk categories that cannot be absorbed without material effect on the Company's balance sheet.

5. Information and communication

The Sequana Medical Group recognizes the importance of timely, complete and accurate communication and information both top-down as well as bottom-up. The Sequana Medical Group therefore put several measures in place to assure amongst others:

- security of confidential information;
- clear communication about roles and responsibilities; and
- timely communication to all stakeholders about external and internal changes impacting their areas of responsibility.

6. Monitoring of control mechanisms

Monitoring helps to ensure that internal control systems operate effectively.

The quality of the Sequana Medical Group's risk management and control framework is assessed by the following functions:

- Quality and Regulatory. Within the Quality Management System according to ISO 13485:2016, Sequana Medical has a systematic process for identifying hazards and hazardous situations associated with Sequana Medical devices and their use, estimating and evaluating the associated risks, controlling and documenting the risks, and monitoring the effectiveness of controls. This risk management process is based on the standard EN ISO 14971:2012
- External Audit. In Sequana Medical's review of the annual accounts, the statutory auditor focuses on the design and effectiveness of internal controls and systems relevant for the preparation of the financial statements. The outcome of the audits, including work on internal controls, is reported to management and the Audit Committee.
- Audit Committee. The Board of Directors and the Audit Committee have the ultimate responsibility with respect to internal control and risk management. For more detailed information on the composition and functioning of the Audit Committee, see Corporate Governance Statement.

7. Risk management and internal control with regard to the process of financial reporting

The accurate and consistent application of accounting rules throughout the Sequana Medical Group is assured by means of set of control procedures. On an annual basis, a bottom-up risk analysis is conducted to identify risk factors. Action plans are defined for all key risks.

Specific identification procedures for financial risks are in place to assure the completeness of financial accruals. The accounting team is responsible for producing the accounting figures, whereas the controlling team checks the validity of these figures. These checks include coherence tests by comparison with historical and budget figures, as well as sample checks of transactions according to their materiality.

Specific internal control activities with respect to financial reporting are in place, including the use of a periodic closing and reporting checklist. This checklist assures clear communication of timelines, completeness of tasks, and clear assignment of responsibilities.

Uniform reporting of financial information throughout the Sequana Medical Group ensures a consistent flow of information, which allows the detection of potential anomalies. The Group's financial systems and management information tools allow the central controlling team direct access to integrated financial information.

An external financial calendar is planned in consultation with the Board and the Executive Management, and this calendar is announced to the external stakeholders. The objective of this external financial reporting is to provide Sequana Medical stakeholders with the information necessary for making sound business decisions. The financial calendar can be consulted on <https://www.sequanamedical.com/investors/financial-information>.

1.13 Principal Shareholders

The Company has a wide shareholder base, mainly composed of institutional investors in Switzerland, the United States, Belgium and other European countries, but also comprising Belgian retail investors.

The table below provides an overview of the shareholders that notified the Company, since the completion of the IPO, of their shareholding in the Company pursuant to applicable transparency disclosure rules, up to the date of this report. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of the relevant thresholds, it is possible that the information below in relation to a shareholder is no longer up-to-date.

	Date of Notification	Number	% of the voting rights attached to shares before dilution⁽¹⁾	% of the voting rights attached to shares on a fully diluted basis⁽²⁾
NeoMed IV Extension L.P. / NeoMed Innovation V L.P. ⁽³⁾	20 February 2019	4,196,641	33.28	28,94
LSP Health Economics Fund Management B.V. ⁽⁴⁾	19 February 2019	1,539,407	12.21	10,62
Participatiemaatschappij Vlaanderen NV ⁽⁵⁾	18 February 2019	1,223,906	9.70	8,44
Federale Participatie- en Investeringsmaatschappij NV ⁽⁶⁾	18 February 2019	1,105,246	8.76	7,62
Newton Biocapital I Pricav Privée SA ⁽⁷⁾	21 February 2019	1,102,529	8.74	7,60
Venture Incubator AG / VI Partners AG ⁽⁸⁾	21 February 2019	525,501	4.17	3,62
Capricorn Health-tech Fund NV / Quest for Growth NV ⁽⁹⁾	18 February 2019	598,978	4.75	4,13

Notes:

- (1) The percentage of voting rights is calculated on the basis of the 12,611,900 outstanding shares, each share giving right to one vote (being 12,611,900 voting rights in total). The trading of the Company's shares on the regulated market of Euronext Brussels started on an "if-and-when-issued-and/or-delivered" basis on 11 February 2019. The calculation does not take into account the number of shares issuable upon exercise of the 2011 Share Options, the Bootstrap Warrant, the Executive Share Options and the 2018 Share Options. For further information on the number of shares issuable upon exercise of the 2011 Share Options, the Bootstrap Warrant, the Executive Share Options and the 2018 Share Options, see "Share Capital and Shares" below.
- (2) The percentage of voting rights is calculated on the basis of 12,611,900 outstanding shares, assuming that all 2011 Share Options, the Bootstrap Warrant, the Executive Share Options and the 2018 Share Options have been exercised into 1,887,312 new shares. For further information on the number of shares issuable upon exercise of the 2011 Share Options, the Bootstrap Warrant, the Executive Share Options and the 2018 Share Options, see "Share Capital and Shares" below.
- (3) A parent undertaking or a controlling person of NeoMed IV Extension L.P. ("NeoMed IV") and NeoMed Innovation V L.P. ("NeoMed V"), informed the Company, by means of a notification dated 20 February 2019, that, as a result of the completion of the Offering, on 11 February 2019, their joint shareholding crossed the threshold of 30% of the outstanding voting rights of the Company. The joint notification specifies furthermore that both NeoMed IV and NeoMed V are a private limited company incorporated in Jersey and are controlled by their investment manager NeoMed Management (Jersey) Limited (a private limited company incorporated in Jersey). NeoMed Management (Jersey) Limited is controlled by Erik Amble, Claudio Nessi, Dina Chaya and Pål Jensen within the meaning of the articles 5 and 7 of the Belgian Companies Code. The notification also states that (a) NeoMed IV and NeoMed V do not own the securities of the Company but manage the funds that own the voting rights attached to the securities of the Company, and (b) as management companies, NeoMed IV and NeoMed V exercise the voting rights attached to the securities of the Company at their discretion in the absence of specific instructions.
- (4) A parent undertaking or a controlling person of LSP Health Economics Fund Management B.V. ("LSP"), informed the Company, by means of a notification dated 19 February 2019 that, as a result of the completion of the Offering, on 11 February 2019, LSP's shareholding crossed the threshold of 10% of the outstanding voting rights of the Company. The notification specifies furthermore that LSP is controlled by LSP Management Group BV within the meaning of the articles 5 and 7 of the Belgian Companies Code and that LSP Management Group BV is no controlled undertaking. The notification also states that (a) LSP is not an owner of the shares of the Company, but manages the funds that own the shares of the Company, (b) LSP exercises the voting rights of the funds as management company, and (c) LSP can exercise the voting rights of the funds at its own discretion at the general meeting of shareholders of the Company.
- (5) A parent undertaking or a controlling person of Participatiemaatschappij Vlaanderen NV ("PMV"), informed the Company, by means of a notification dated 18 February 2019 that, as a result of the completion of the Offering, on 11 February 2019, PMV's shareholding crossed the threshold of 5% of the outstanding voting rights of the Company. The notification specifies furthermore that PMV is controlled by Het Vlaams Gewest within the meaning of the articles 5 and 7 of the Belgian Companies Code and that Het Vlaams Gewest is not controlled.
- (6) A parent undertaking or a controlling person of Federale Participatie- en Investeringsmaatschappij N.V. ("SFPI-FPIM"), informed the Company, by means of a notification dated 18 February 2019 that, as a result of the completion of the Offering, on 11 February 2019, SFPI-FPIM's shareholding crossed the threshold of 5% of the outstanding voting rights of the Company. The notification specifies furthermore that SFPI-FPIM is controlled by the Belgian State within the meaning of the articles 5 and 7 of the Belgian Companies Code and that SFPI-FPIM acts in its own name, but on behalf of the Belgian State.
- (7) Newton Biocapital I Pricav Privée SA ("NBC"), a person that notifies alone, informed the Company, by means of a notification dated 21 February 2019 that, as a result of the completion of the Offering, on 11 February 2019, NBC's shareholding crossed the threshold of 5% of the outstanding voting rights of the Company. The notification specifies furthermore that NBC is not controlled within the meaning of the articles 5 and 7 of the Belgian Companies Code. The notification also states that (a) NBC acts as discretionary investment manager and holds voting rights attached to shares on behalf of its clients, and (b) NBC can exercise the voting rights at its own discretion without instructions of its clients.
- (8) VI Partners AG, a person that notifies alone, informed the Company, by means of a notification dated 21 February 2019 that, as a result of the completion of the Offering, on 11 February 2019, the joint shareholding of VI Partners AG and Venture Incubator AG crossed the threshold of 3% of the outstanding voting rights of the Company. The joint notification specifies furthermore that VI Partners AG is not a controlled entity within the meaning of article 5 and 7 of the Belgian Companies Code. The notification also states that (a) VI Partners AG is a shareholder and the management company of Venture Incubator AG, a multi-investor investment company, and (b) it is authorised to exercise the voting rights in the shares held by Venture Incubator AG at its free discretion, in the absence of specific instructions.
- (9) Capricorn Venture Partners ("CVP"), a person that notifies alone, informed the Company, by means of a notification dated 18 February 2019 that, as a result of the completion of the Offering, on 11 February 2019, the joint shareholding of its funds Capricorn Health-tech Fund NV and Quest for Growth NV crossed the threshold of 3% of the outstanding voting rights of the Company. The joint notification

specifies furthermore that (a) CVP is in itself no owner of shares in the Company but manages two funds (Capricorn Health-tech Fund NV and Quest for Growth NV) which are owner of shares of the Company, (b) CVP exercises the voting rights of both funds as management company, and (c) CVP is not controlled within the meaning of the articles 5 and 7 of the Belgian Companies Code. The notification also states that (a) the securities giving voting rights are owned by two funds managed by CVP, and (b) CVP can exercise the voting rights of the funds at its own discretion at the general meeting of shareholders of the Company.

No other shareholders, alone or in concert with other shareholders, notified the Company of a participation or an agreement to act in concert in relation to 3% or more of the current total existing voting rights attached to the voting securities of the Company.

1.14 Share Capital and Shares

On the date of this report, the share capital of the Company amounts to EUR 1,306,939.52 and is fully paid-up. It is represented by 12,611,900 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 12,611,900th of the share capital. The Company's shares do not have a nominal value.

In addition to the outstanding shares, the Company has a number of outstanding options that are exercisable into ordinary shares, consisting of:

- 752,500 share options that were granted to employees and consultants of the Company, subject to the terms and conditions that are set out in the Stock Option Plan Regulation 2011, dated 1 September 2011 (the "**2011 Share Options**"). Each holder of 2011 share Options will only be entitled to subscribe for one ordinary share when exercising all of his or her share options.
- one warrant that was granted in 2016 to Bootstrap, subject to the terms and conditions that are set out in the Warrant Agreement, dated 2 September 2016, between the Company and Bootstrap, as amended on 28 April 2017, 1 October 2018, and 20 December 2018 (the "**Bootstrap Warrant**"). Bootstrap will be entitled to subscribe to 320,740 ordinary shares when exercising its Bootstrap Warrant.
- 111,177 share options that were granted in 2018 to members of the staff, as well as consultants of the Company, subject to the terms and conditions that are determined by the board of directors (the "**Executive Share Options**"). Each holder of an Executive Share Option will be entitled to subscribe to ca. 2.88 ordinary shares when exercising one of his or her share options.
- 1,261,190 share options that were granted in 2019 to members of the staff, as well as consultants of the Company, subject to the terms and conditions that are determined by the board of directors (the "**2018 Share Options**"). Each holder of an Executive Share Option will be entitled to subscribe to one ordinary shares when exercising one of his or her share options.

Form and Transferability of the Shares

The shares of the Company can take the form of registered shares and dematerialized shares. All the Company's shares are fully paid-up and are freely transferable, subject to any transactional restrictions in connection with the IPO of the Company.

Currency

The Company's shares do not have a nominal value, but each reflect the same fraction of the Company's share capital, which is denominated in euro.

Voting Rights attached to the Shares

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy, subject to the rules described in the Company's articles of association.

Voting rights can be mainly suspended in relation to shares:

- which are not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, in the event that the relevant shareholder has not notified the Company and the FSMA at least 20 calendar days prior to the date of the general shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Companies Code, the voting rights attached to shares owned by the Company, as the case may be, are suspended.

Dividends and Dividend Policy

All of the shares of the Company entitle the holder thereof to an equal right to participate in dividends declared after the 12 February 2019, in respect of the financial year ending 31 December 2018 and future years. All of the shares participate equally in the Company's profits (if any). Pursuant to the Belgian Companies Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent statutory audited financial statements, prepared in accordance with Belgian GAAP and based on a (non-binding) proposal of the Company's board of directors. The Company's articles of association also authorise the board of directors to declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions.

The Company's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Company's stand-alone statutory accounts prepared in accordance with Belgian GAAP. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (i.e. summarised, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and extension and the non-amortised costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves.

In addition, pursuant to Belgian law and the Company's articles of association, the Company must allocate an amount of 5% of its Belgian GAAP annual net profit (*nettowinst/bénéfices nets*) to a legal reserve in its stand-alone statutory accounts, until the legal reserve amounts to 10% of the Company's share capital. The Company's legal reserve

currently does not meet this requirement. Accordingly, 5% of its Belgian GAAP annual net profit during future years will need to be allocated to the legal reserve, limiting the Company's ability to pay out dividends to its shareholders.

The Bootstrap Loan (as defined below) includes covenants which may limit the Company's ability (or require Bootstrap's prior consent) to make distributions by way of dividends or otherwise.

Additional financial restrictions and other limitations may be contained in future credit agreements.

1.15 Information that have an impact in case of Public Takeover Bids

The Company provides the following information in accordance with Article 34 of the Royal Decree dated 14 November 2007:

- (i) The share capital of the Company amounts to EUR 1,306,939.52 and is fully paid-up. It is represented by 12,611,900 ordinary shares, each representing a fractional value of (rounded) EUR 0.1036 and representing one 12,611,900th of the share capital. The Company's shares do not have a nominal value.
- (ii) Other than the applicable Belgian legislation on the disclosure of significant shareholdings, the Company's articles of association, and any transactional restrictions in connection with the IPO of the Company, there are no restrictions on the transfer of shares.
- (iii) There are no holders of any shares with special control rights.
- (iv) There are no share option plans for employees other than the share option plans disclosed elsewhere in this report. These share option plans contain provisions on accelerated vesting in case of change of control.
- (v) Each shareholder of the Company is entitled to one vote per share. Voting rights may be suspended as provided in the Company's articles of association and the applicable laws and articles.
- (vi) There are no agreements between shareholders which are known by the Company that may result in restrictions on the transfer of securities and/or the exercise of voting rights, other than any transactional restrictions in connection with the IPO of the Company
- (vii) The rules governing appointment and replacement of board members and amendment to articles of association are set out in the Company's articles of association and the Company's Corporate Governance Charter.
- (viii) The powers of the board of directors, more specifically with regard to the power to issue or redeem shares are set out in the Company's articles of association. The board of directors was not granted the authorization to purchase its own shares "*to avoid imminent and serious danger to the Company*" (i.e., to defend against public takeover bids). The Company's articles of association do not provide for any other specific protective mechanisms against public takeover bids.
- (ix) At the date of this report, the Company is a party to the following significant agreements which, upon a change of control of the Company or following a takeover bid can enter into force or, subject to certain conditions, as the case may be, can be amended, be terminated by the other parties thereto or give the other parties thereto (or beneficial holders with respect to bonds) a right to an accelerated repayment of outstanding debt obligations of the Company under such agreements:

- a loan agreement entered into between the Company and Bootstrap Europe S.C.Sp. ("Bootstrap") (the "Bootstrap Loan") provides that Bootstrap may cancel any undrawn part of the facility and declare all outstanding amounts under the Bootstrap Loan immediately due and payable if a change of control occurs, whereby "change of control" is to be understood as the key shareholders collectively ceasing to directly hold or have the power to cast, or control the cast of, at least 50.1% of (i) the issued share capital or (ii) the voting rights relating to the issued share capital, or any sale of (a) any or all assets related to the Company's liver or heart business with a minimum net value of at least CHF 10 million or (b) all or substantially all of the assets or business of the Company;
 - the exclusive distribution agreement between the Company and Gamida Ltd. provides that in case of a more than 50% change of ownership, or direct or indirect control of the Company occurs, both parties to the distribution agreement may terminate this agreement with immediate effect without curing procedures by written notice of termination. The agreement further provides that in such case, the Company shall use commercially reasonable efforts to convince the new owners of Sequana Medical of a new distribution agreement between Sequana Medical and Gamida Ltd. with terms that are similar to the terms of the current agreement.
- (x) The employment agreement with the chief executive officer provides that if within six months after the completion of an "Exit Transaction" the chief executive officer is (i) no longer the chief executive officer of the Company, or (ii) required to change his current work pattern (the events in (i) and (ii) shall be an "Enforced Redundancy"), the chief executive officer shall be entitled to resign and shall no longer be required to work or perform until the end of the four months' notice period. The term "Exit Transaction" has been defined as (i) a transfer of more than 50% of the Company's shares or more than 50% of the voting rights to a third party or a group of persons exercising joint control in one or a series of related transactions to a propose acquirer who wishes to acquire a controlling majority of the shares, voting rights or assets pursuant to a bona fide purchase offer, (ii) the sale, lease, transfer, license or other disposition of all or substantially all of the Company's assets, or (iii) the consolidation or merger of the Company in which the Company is not the surviving entity or any other event pursuant to which the shareholders of the Company will have less than 50% plus one share of the voting power and/or of the shares of the surviving or acquiring company. In the event of an Enforced Redundancy, the chief executive officer will be entitled to a pro rata bonus. In the event of an Enforced Redundancy, the chief executive officer may also, at his sole discretion, elect to terminate the employment agreement with immediate effect and the Company shall then be required to make a payment in lieu of a notice equivalent to the basic salary only (but not the other benefits) to which the chief executive officer would have been entitled.

Furthermore, the agreements concluded between the Company and a few of its employees provide for compensation in the event of a change of control.

Finally, the warrant agreement entered into between the Company and Bootstrap also contain take-over protection provisions.

No takeover bid has been instigated by third parties in respect of the Company's equity during the current financial year.

1.16 Diversity & Inclusiveness

Due to the fact that the Company has only been listed for two months, no diversity policy has been introduced yet.

The board of directors is currently composed of only men. Although the Company does not have a diversity policy on the date of this report, it intends to put this in place in order to obtain a gender diversity amongst its board members, at least for the timeline set by provision 518*bis* of the Belgian Companies Code.

The Company will also ensure that a diversity policy will exist for the members of the management committee, the other leaders and the individuals responsible for the daily management of the Company.

2. Remuneration report

2.1 Introduction

Sequana Medical NV (the “Company” or “Sequana Medical”) has prepared this remuneration report relating to the remuneration of directors and the executive management of the Company. This remuneration report is part of the Corporate Governance Statement, which is a part of the annual report of the Company. The remuneration report will be submitted to the annual general shareholders’ meeting on 23 May 2019 for approval.

2.2 Remuneration policy

Sequana Medical’s remuneration policy is designed to:

- enable the Company to attract and retain talented employees,
- promote continuous improvement in the business, and
- reward performance in order to motivate employees to deliver increased shareholder value through superior business results.

The Company obtains independent advice from external professionals to ensure the remuneration structure represents industry best practice, and achieves the twin goals of (i) retaining talented employees, and (ii) meeting shareholder expectations.

While there are no plans to amend the remuneration policy and remuneration over the next two years, the remuneration policy and remuneration is reviewed from time to time and monitored to be in line with market practice.

The remuneration policy that has been determined in relation to the directors and the executive management is further described below. This remuneration policy applies as from the Company’s initial public offering with admission to trading of the Company’s shares on the regulated market of Euronext Brussels, which was completed on 12 February 2019 (the “IPO”).

2.3 Directors

General

Upon recommendation and proposal of the remuneration and nomination committee, the board of directors determines the remuneration of the directors to be proposed to the general shareholders' meeting.

Pursuant to Belgian law, the general shareholders' meeting approves the remuneration of the directors, including inter alia, each time as relevant:

- (i) in relation to the remuneration of executive and non-executive directors, the exemption from the rule that share-based awards can only vest after a period of at least three years as of the grant of the awards;
- (ii) in relation to the remuneration of executive directors, the exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years;
- (iii) in relation to the remuneration of non-executive directors, any variable part of the remuneration; and
- (iv) any service agreements to be entered into with executive directors providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen months' remuneration).

Notwithstanding point (i) above, pursuant to the Company's articles of association, the board of directors is explicitly authorised to deviate from the provisions of article 520ter of the Belgian Companies Code in connection with share-based incentive plans, compensation, awards or issues to employees, directors and service providers of the Company and/or its subsidiaries. The Company believes this allows for more flexibility when structuring share-based awards. For example, it is customary for option plans to provide for a vesting in several instalments over a well-defined period of time, instead of vesting after three years only. This seems to be more in line with prevailing practice.

The general shareholders' meeting of the Company has not approved any of the matters referred to in paragraphs (i) to (iv) with respect to the remuneration of the directors of the Company on the date of this report, except for the following matters:

- The general shareholders' meeting approved that share options issued pursuant to the Company's share option plans can, under certain conditions, vest earlier than three years as of their grant, as referred to in paragraph (i) above.
- The general shareholders' meeting approved that the share options under the respective share option plans will not qualify as variable remuneration nor as annual remuneration for the purpose of the application of the rule set out in paragraph (ii) above.
- With respect to the matter in paragraph (iii) above, at the date of this report, share options have been granted to the following non-executive directors.

The Company intends to continue to award stock-based incentives to the non-executive directors, upon advice of the remuneration and nomination committee.

The remuneration and compensation of the non-executive directors for the current financial year, which has been determined by the general shareholders' meeting, is as follows:

Annual fixed fees:

- The chairperson of the board of directors receives an annual fixed fee of €40,000.
- The chairperson of the audit committee receives an annual fixed fee of €15,000.
- The chairperson of the remuneration and nomination committee receives an annual fixed fee of €15,000.
- The other independent non-executive directors receives an annual fixed fee of €25,000.
- The members of the audit committee and the remuneration and nomination committee (other than the chairpersons of such committees) receive an annual fixed fee of €10,000.

Share based awards:

Each independent director will be entitled to receive share options or warrants. Part of the 2018 Share Options will be used for this purpose.

There are currently no plans to change the remuneration policy or remuneration of non-executive directors. However, the Company will continuously review the remuneration of non-executive directors against market practice.

The Company has awarded and intends to continue to award share-based incentives to the non-executive directors, upon advice of the remuneration and nomination committee. This is contrary to provision 7.7 of the Belgian Code on Corporate Governance that provides that non-executive directors should not be entitled to performance-related remuneration such as, amongst others, stock-related long-term incentive schemes. The Company believes that this provision of the Belgian Code on Corporate Governance is not appropriate and adapted to take into account the realities of companies in the biotech and life sciences industry that are still in a development phase.

The Company also reimburses reasonable out of pocket expenses of directors (including travel expenses) incurred in performing the activity of director. Without prejudice to the powers granted by law to the general shareholders' meeting, the board of directors sets and revises the rules for reimbursement of directors' business-related out of pocket expenses.

The directors who are also a member of the executive management are remunerated for the executive management mandate, but not for their director mandate.

Remuneration and compensation in 2018

During 2018, which is prior to the completion of the IPO, no remuneration, compensation or other benefits were paid to the directors of the Company, other than the reimbursement of travel and hotel expenses incurred by the directors in connection with their attendance of meetings of the board of directors.

2.4 Executive Management

General

The remuneration of the chief executive officer and the other member of the executive management is based on recommendations made by the remuneration and nomination committee. The chief executive officer participates in the meetings of the remuneration and nomination committee in an advisory capacity each time the remuneration of another member of the executive management is being discussed.

The remuneration is determined by the board of directors. As an exception to the foregoing rule, Belgian law provides that the general shareholders' meeting must approve, as relevant:

- (i) in relation to the remuneration of members of the executive management and other executives, an exemption from the rule that share-based awards can only vest after a period of at least three years as of the grant of the awards,
- (ii) in relation to the remuneration of members of the executive management and other executives, an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, and
- (iii) any service agreements to be entered into with members of the executive management and other executives (as the case may be) providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen months' remuneration).

Notwithstanding point (i) above, the Company's board of directors has been explicitly authorized in the Company's articles of association to deviate from this rule in connection with share-based incentive plans, compensations, awards and issuances to employees, directors and service providers of the Company and/or its subsidiaries. The Company believes that this allows for more flexibility when structuring share-based awards.

In relation to point (ii) above, the Company takes the view that share options generally do not qualify as variable remuneration nor as annual remuneration for the purpose of the application of the rule set out in point (ii) above. This has been approved by the Company's general shareholders' meeting with respect to share-based awards that are outstanding on the date of this report. The general shareholders' meeting also approved that the variable remuneration of the members of the executive management can deviate from the principle described in point (ii) above.

An appropriate proportion of the remuneration package should be structured so as to link rewards to corporate and individual performance, thereby aligning the interest of the executive management with the interests of the Company and its shareholders. The chief executive officer will determine whether the targets for the variable remuneration of the members of the executive management, as set by the board of directors, are met. In the past, approval by the general shareholders' meeting has been obtained in relation to the share plans.

The remuneration of the executive management currently consists of the following main remuneration components:

- annual base salary/fee (fixed);

- participation in share option plans; and
- a performance bonus

The members of the executive management have a variable remuneration (i.e. remuneration linked to performance criteria) amounting to up to 50% of the base salary/fee for on target performance. The remuneration is closely linked to performance. Bonuses, if any, are linked to identifiable objectives and to special projects and are set and measured on a calendar-year basis. The performance objectives of the executive management members are primarily evaluated with regard to the following criteria: (i) respect of the board-approved annual budget, and (ii) meeting measurable operational targets. The various objectives and their weighting may differ for the individual managers. The nomination and remuneration committee of the board of directors meets annually to review the performance of the managers, to compare the actual measurable results to the objectives that were pre-defined by the committee, and to establish the measurable objectives for the ensuing calendar year.

The chief executive officer is entitled to pension benefits. The contributions by the Company to the pension scheme amount to 5% of the annual salary.

The members of the executive management are also reimbursed for certain costs and expenses made in the performance of their function.

There are currently no plans to change the remuneration policy or remuneration of members of the executive management. However, the Company will continuously review the remuneration of members of the executive management against market practice.

Remuneration and compensation in 2018

In 2018, which is prior to the completion of the IPO, the following remuneration, compensation and other benefits were paid to the two members of the executive management:

	Chief executive officer (€)		Other member of the executive management (€)	
	Amount	%	Amount	%
Annual base salary	284.619,63	69,20	87.750,00	100
Pensionplan ⁽¹⁾	14.230,36	3,46	N/A	N/A
Insurance plan ⁽²⁾	1.144,99	0,28	N/A	N/A
Car lease/transport allowance.....	10.929,36	2,66	N/A	N/A
Medical plan	9.291,73	2,26	N/A	N/A
Bonus plan ⁽³⁾	91.077,98	22,14	N/A	N/A
Total.....	411.294,05	100,0	87.750,00	100,0
		0		0

Notes:

- (10) 5% of the annual base salary
(11) The Company pays a life insurance plan for the CEO.
(12) Bonus has been paid in cash

In 2018, the members of the executive management were also reimbursed for certain costs and expenses made

in the performance of their function, more specifically for an aggregate amount of 92,145 EUR.

Claw-back right relating to variable remuneration

There are no contractual provisions in place between the Company and the chief executive officer or the other member of the executive management that give the Company a contractual right to reclaim from said executives the variable remuneration that would be awarded based on erroneous financial information

Payments upon termination

The employment agreement with the chief executive officer provides that the agreement can be terminated by either the Company or the chief executive officer subject to four months' notice. If within six months after the completion of an "Exit Transaction" the chief executive officer is (i) no longer the chief executive officer of the Company, or (ii) required to change his current work pattern (the events in (i) and (ii) shall be an "Enforced Redundancy"), the chief executive officer shall be entitled to resign and shall no longer be required to work or perform until the end of the four months' notice period. The term "Exit Transaction" has been defined as (i) a transfer of more than 50% of the Company's shares or more than 50% of the voting rights to a third party or a group of persons exercising joint control in one or a series of related transactions to a proposed acquirer who wishes to acquire a controlling majority of the shares, voting rights or assets pursuant to a bona fide purchase offer, (ii) the sale, lease, transfer, license or other disposition of all or substantially all of the Company's assets, or (iii) the consolidation or merger of the Company in which the Company is not the surviving entity or any other event pursuant to which the shareholders of the Company will have less than 50% plus one share of the voting power and/or of the shares of the surviving or acquiring company. In the event of an Enforced Redundancy, the chief executive officer will be entitled to a pro rata bonus. In the event of an Enforced Redundancy, the chief executive officer may also, at his sole discretion, elect to terminate the employment agreement with immediate effect and the Company shall then be required to make a payment in lieu of a notice equivalent to the basic salary only (but not the other benefits) to which the chief executive officer would have been entitled. The employment agreement also provides for a number of instances in which the agreement can be immediately terminated by the Company, including for cause.

The services agreement with the chief financial officer of the Company provides that it has been entered into for an unlimited term, and that it may be terminated in mutual agreement by the Company and the chief executive officer at any time. In case of termination of the agreement by the Company, the chief financial officer is entitled to three months' notice or to the payment of a quarter of the annual compensation in lieu of notice, or the payment of a pro rata part of one quarter of the fixed annual compensation in lieu of part of the notice. The agreement may be terminated by the chief executive officer subject to a notice period of three months. The agreement may be terminated by either the Company or the chief executive officer with immediate effect and without notice period (or, in case of termination by the Company, without notice period or indemnity) in case of wilful or serious breach or violation by a party of any of its covenants, obligations or duties under the agreement, or any wilful or serious neglect of or refusal to perform any of such covenants, obligations or duties.

2.5 Indemnification and Insurance of Directors and Executive Management

As permitted by the Company 's articles of association, the Company has entered into indemnification arrangements with the directors and relevant members of the executive management and has implemented directors' and officers' insurance coverage in order to cover liability they may incur in the exercise of their mandates.

2.6 Description of share option plans

The Company has a number of outstanding options that are exercisable into ordinary shares, consisting of:

- 752,500 share options that were granted to employees and consultants of the Company, subject to the terms and conditions that are set out in the Stock Option Plan Regulation 2011, dated 1 September 2011 (the "**2011 Share Options**"). Each holder of 2011 share Options will only be entitled to subscribe for one ordinary share when exercising all of his or her share options.
- 111,177 share options that were granted in 2018 to members of the staff, as well as consultants of the Company, subject to the terms and conditions that are determined by the board of directors (the "**Executive Share Options**"). Each holder of an Executive Share Option will be entitled to subscribe to ca. 2.88 ordinary shares when exercising one of his or her share option.
- 1,261,190 share options that were granted in 2019 to members of the staff, as well as consultants of the Company, subject to the terms and conditions that are determined by the board of directors (the "**2018 Share Options**"). Each holder of an Executive Share Option will be entitled to subscribe to one ordinary shares when exercising one of his or her share option.

The table below provide an overview of the number of shares which each member of the executive management is entitled to acquire upon exercise of the outstanding and granted 2011 Share Options, the Executive Share Options and 2018 Share Options that are held by him or her on the date of this report.

Name	Number of Shares		
	2011 Share Options	Executive Share Options	2018 Share Options
Ian Crosbie	1	216.442	40.766
Kirsten Van Bockstaele ⁽¹⁾	0	6.226	20.383

Notes:

- (1) Acting through Fin-2K BVBA.

2.7 Terms and conditions of the share option plans

The key features of the 2011 Share Options can be summarised as follows:

- The 2011 Share Options could be granted to the employees, consultants and directors of the Company or its subsidiaries.
- The share options are in registered form.

- Exercisable share options are freely transferable. Share options granted to members of the board of directors, whether or not exercisable, can only be transferred after approval by the plan administrator.
- Each holder of 2011 share Options will only be entitled to subscribe for one ordinary share when exercising all of his or her share options.
- The share options are granted for free, i.e. no consideration is due upon the grant of the share options.
- Unless determined otherwise by the plan administrator, the share options expire 10 years after the date of grant.
- Unless determined otherwise by the plan administrator, 25% of the share options granted vest 12 months from the date of grant, after which the balance of share options will vest in equal parts on the first calendar date of each quarter over the subsequent three years, such that 100% of the share options are vested on the fourth anniversary of the date of grant. However, there is an accelerated vesting of the share options in the event of (i) a transfer of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities to a person or persons (other than purely financial investors) that are different from the persons holding those securities immediately prior to such transfer without such person(s) having at least 50% of the total combined voting power prior to such transaction; and (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets (together with (i), and for the purposes of this paragraph, a "Change of Control Transaction"). Notwithstanding the above, there is no accelerated vesting if (i) the share options, in connection with the Change of Control Transaction, are either to be assumed by the successor corporation or parent thereof, or to be replaced with a similar option to purchase equity of the successor corporation or parent thereof, (ii) the share options as to be replaced with a cash incentive program of the successor corporation which preserves the economic value applicable to the share options under the 2011 SOP, or (iii) the share options are repurchased by the Company or a third party designated by the Company for a cash consideration equivalent to the economic value applicable to the share options under the 2011 SOP. Furthermore, the board of directors may decide upon an acceleration of the vesting in the event of an initial public offering of the Company, or in the event of any transaction that would result in a Change of Control Transaction. On the date of this report, the board of directors of the Company did not yet resolve upon an acceleration of the vesting of the 2011 Share Options.
- The share options of beneficiaries that are no longer employed by or in function with the Company can lapse.
- The terms of the share options are governed by the laws of Switzerland.

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

- The Executive Share Options could be granted to the employees, consultants and directors of the Company or its subsidiaries.
- The share options are in registered form.
- The Executive Share Options are in principle non-transferable, and the holders of the Executive Share Options are not permitted to transfer the Executive Share Options nor the underlying Shares issuable upon exercise of the Executive Share Options for a period of two years as from the initial public offering of the Company's shares, except as provided otherwise in the grant agreement or by the board of directors, and

except in case of death of the beneficiary and in the context of inheritance planning by the beneficiary. In case of death, only Executive Share Options that have vested prior to the time of death can be transferred.

- Each holder of an Executive Share Option will be entitled to subscribe to ca. 2.88 ordinary shares when exercising one of his or her share option. The exercise price of the Executive Share Options shall be determined by the board of directors of the Company, taking into account applicable laws.
- Pursuant to Belgian company law, the Executive Share Options have a maximum term of 10 years as of their issuance.
- Unless determined otherwise in a separate sub-plan or share option agreement with the beneficiary, 50% of the Share options granted vest upon the closing of the Offering, after which the balance of Share options will vest in equal parts on the last calendar date of each of the thirty-six months following the month in which the closing of the Offering falls, it being understood that any Share options that have not vested on the third anniversary of the date of grant shall immediately vest on that date. However, unless determined otherwise in the grant agreement or by the board of directors, there is accelerated vesting of the 2018 Share Options in the event of a sale or other transfer of at least 50% of all of the then outstanding Shares of the Company, whereby an (internal) reorganisation in which the Shares of the Company would be transferred to a person in which the then existing shareholders of the Company were to hold shares or other interest in a similar proportion as the proportion held by each of them in the Company will not result in accelerated vesting. Notwithstanding the foregoing, the board of directors can at all times decide to accelerate the vesting of (all or part of) the 2018 Share Options and determine the conditions of such accelerated vesting.
- The Executive Share Options, whether vested or not, of beneficiaries of whom the employment agreement, consultancy agreement or directorship with the Company is terminated for serious cause, breach of contract or breach of director responsibilities, shall automatically and immediately lapse and become null and void.
- The terms of the Share options are governed by the laws of Belgium.

The key features of the 2018 Share Options can be summarised as follows:

- The 2018 Share Options are warrants in registered form.
- The 2018 Share Options are in principle non-transferable, except as provided otherwise in the grant agreement or by the board of directors, and except in case of death of the beneficiary and in the context of inheritance planning by the beneficiary. In case of death, only 2018 Share Options that have vested prior to the time of death can be transferred.
- Each 2018 Share Option can be exercised for one new share.
- The exercise price of the 2018 Share Options shall be determined by the board of directors of the Company, taking into account applicable laws.
- The 2018 Share Options are granted for free, i.e. no consideration is due upon the grant of the 2018 Share Options, unless the grant agreement provides otherwise.

- Pursuant to Belgian company law, the 2018 Share Options have a maximum term of 10 years as of their issuance.
- Unless stipulated otherwise in the grant agreement, one third of the 2018 Share Options granted to a beneficiary shall vest one year after the date of grant, the remaining two thirds will vest in 8 equal instalments, whereby on each first calendar day of the 8 quarters following first anniversary of the date of grant falls, 1/8 of the total number of unvested 2018 Share Options granted to a beneficiary shall vest. However, unless determined otherwise in the grant agreement or by the board of directors, there is accelerated vesting of the 2018 Share Options in the event of a sale or other transfer of at least 50% of all of the then outstanding shares of the Company, whereby an (internal) reorganisation in which the Shares of the Company would be transferred to a person in which the then existing shareholders of the Company were to hold shares or other interest in a similar proportion as the proportion held by each of them in the Company will not result in accelerated vesting. Notwithstanding the foregoing, the board of directors can at all times decide to accelerate the vesting of (all or part of) the 2018 Share Options and determine the conditions of such accelerated vesting.
- The 2018 Share Options, whether vested or not, of beneficiaries of whom the employment agreement, consultancy agreement or directorship with the Company is terminated for serious cause, breach of contract or breach of director responsibilities, shall automatically and immediately lapse and become null and void.
- The 2018 Share Option Plan is governed by the laws of Belgium.

2.8 Shareholding and Share Options

With the exception of Mr Wim Ottevaere, who holds 7,000 shares of the Company, none of the directors of the Company hold shares. However, 2018 Share Options have been granted to non-executive directors Mr Wim Ottevaere (10,192) and Mr Pierre Chauvineau (10,192). Furthermore, none of the members of the executive management of the Company hold shares. However, Share Options have been granted to both members of the executive management. Please see above in the section "Description of share option plans" .

11. Yearly information

In accordance with the Law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments for trading on the regulated market (the "Prospectus Act") follows below the synthesis of the "annual information" as referred to in Title X of the Prospectus Act. All this information can be consulted on the corporate website (www.sequanamedical.com) under the Investors heading. Part of this information may have become obsolete in the meantime.

Prospectus

Sequana Medical NV issued on 30 January 2019 its prospectus for the IPO on Euronext Brussels.

Information to the shareholders

Is part of the prospectus dated 30 January 2019

12. Discharge board of directors

In accordance with the law and the articles of association, the shareholders' meeting shall be requested to approve the statutory financial statements as submitted and to release the directors from liability for the performance of their duties in the course of the financial year ended December 31, 2018.

13. Discharge auditor

In accordance with the law and the articles of association, the shareholders' meeting shall be requested to approve the statutory financial statements as submitted and to release the auditor from liability for the performance of their duties in the course of the financial year ended December 31, 2018.

14. Branches

The Company has a branch located in Switzerland, 8005 Zürich, Technoparkstrasse 1.

15. Article 633 and 634 of the Belgian Companies Code

In accordance with article 633 of the Belgian Companies Code, a general shareholders' meeting of the Company must be convened if as a result of incurred losses the net equity of the Company has fallen below 50% of the share capital of the Company in order to deliberate and resolve upon the dissolution of the Company or any other measures announced in the agenda of such general shareholders' meeting. The same requirement applies when the net equity has fallen below an amount equal to 25% of the share capital of the Company. Article 634 of the Belgian Companies Code provides that when the equity has fallen below the amount of EUR 61,500, each interested party or the Belgian public prosecutor's office (openbaar ministerie) may request the dissolution of the Company before a court of law. Where appropriate, the court of law can grant the Company a binding period in which it has to regularise its situation.

At the occasion of the preparation of the statutory (non-consolidated) financial statements of the Company for the financial year ended 31 December 2018, the board of directors of the Company has determined that, based on these statutory (non-consolidated) financial statements, the Company's (non-consolidated) accounting net equity as at 31 December 2018 was negative, being -EUR 18,588,252. This was due to losses incurred by the Company. The amount of the share capital on 31 December 2018 amounted to EUR 887,977. Consequently, based on the aforementioned statutory financial statements, it appears that on 31 December 2018 the Company's (non-consolidated) accounting net equity had fallen below the thresholds of the articles 633 and 634 of the Belgian Companies Code.

The aforementioned statutory (non-consolidated) financial statements for the financial year ended 31 December 2018 have been prepared in accordance with generally accepted accounting principles in Belgium and will be submitted to the annual general meeting of shareholders of the Company to be held on 23 May 2019 (the "AGM"). For more information on this financial statement, reference is made to the documentation submitted to the AGM. Since 31 December 2018, the Company has incurred further losses. These and the aforementioned past losses are the result of the costs related to the development and commercialisation of the alfapump® technology, as well as general and administrative costs related to the Company's operations and the increase in production scale, as well as the costs related to the launch of the initial public offering of the Company's shares listed on the regulated market of Euronext Brussels (the "initial public offering" or "IPO").

Notwithstanding the aforementioned losses, the net equity of the Company has substantially increased on 12 February 2019, and this as a result of the following capital increases:

- a capital increase at the occasion of the conversion of a number of convertible loans entered into in 2018, as a result of which the Company's net equity was increased by an amount of EUR 8,616,522.87, whereby an amount of EUR 83,785.59 was booked as share capital and an amount of EUR 8,532,737.28 was booked as share premium, and

- a capital increase at the occasion of the completion by the Company of the IPO, as a result of which the Company's net equity was increased by an amount of EUR 27,499,999.00, whereby an amount of EUR 335,176.46 was booked as share capital and an amount of EUR 27,164,822.54 was booked as share premium.

The aforementioned capital increases have been approved by the general meetings of shareholders held on 20 November 2018 and 18 January 2019.

As a reminder, in November 2018 it was also already established that the Company's accounting net equity had fallen below the thresholds of articles 633 and 634 of the Belgian Company Code. The general meeting held on 20 November 2018 nevertheless decided not to dissolve the Company, but to continue the activities of the Company, taking into account the aforementioned transactions.

The capital increases of 12 February 2019 resulted in an increase of the (non-consolidated) accounting net equity of the Company after 31 December 2018 with a total amount of EUR 36,116,521.87, and had as consequence that the share capital currently amounts to EUR 1,306,939.52.


The amount of EUR 36,116,521.87 which has strengthened the Company's (non-consolidated) accounting net equity after 31 December 2018 is substantially higher than the amount of additional losses incurred after 31 December 2018 and the negative amount of net equity at 31 December 2018. Consequently, the Company's (non-consolidated) accounting net equity is currently again well above the thresholds provided for in Articles 633 and 634 of the Belgian Company Code.

This report will be deposited according to the legal requirements and can be consulted at the Company's address.

The shareholders' meeting shall be requested to approve the statutory financial statements as submitted and to release the directors and auditor from liability for the performance of their duties in the course of the financial year ended December 31, 2018 and to determine the result allocation as disclosed in the statutory annual accounts for the year ended 31 December 2018.

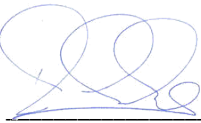
On behalf of the board of directors,

By:



Rudy Dekeyser
Director

By:



Ian Crosbie
Director



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SEQUANA MEDICAL NV

Statutory auditor's report to the general shareholders'
meeting on the annual accounts for the year ended
December 31, 2018

April 18, 2019



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STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF THE COMPANY SEQUANA MEDICAL NV ON THE ANNUAL ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2018

We present to you our statutory auditor's report in the context of our statutory audit of the annual accounts of Sequana Medical NV (the "Company"). This report includes our report on the annual accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. October 1, 2018, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended December 31, 2020. We have performed the statutory audit of the annual accounts of Sequana Medical NV for the first year.

Report on the annual accounts

Unqualified opinion

We have performed the statutory audit of the annual accounts of the Company, which comprise the balance sheet as at December 31, 2018, and the profit and loss account for the year then ended, and the notes to the annual accounts, characterised by a balance sheet total of EUR 3.544.378 and a profit and loss account showing a loss for the year of EUR 14.343.450.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at December 31, 2018, and of its results for the year then ended, in accordance with the financial-reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing (ISAs) as approved by the IAASB for the years ending as from December 31, 2018, which are not yet approved at the national level. Our responsibilities under those standards are further described in the "*Statutory auditor's responsibilities for the audit of the annual accounts*" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Material Uncertainty Related to Going Concern

We draw attention to VOL 10 in the annual accounts, which indicates that the Company is still in its start-up phase and subject to various risks and uncertainties, including but not limited to the timing of achieving profitability and the substantial uncertainty of the development process. The Company's ability to continue operations also depends on its ability to raise additional capital in order to fund operations and assure the solvency of the Company until revenues reach a level to sustain positive cash flows. The consolidated balance sheet as at December 31, 2018 shows a negative equity in the amount of EUR 18.8 million. These events or conditions as set forth in VOL 10 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined there were no other matters to be considered as key audit matters to be communicated in our report, in addition to the matter described in the "Material Uncertainty Related to Going Concern" section

Other matter

The annual accounts of the prior year, and therefore the corresponding figures included in the annual accounts of the year under audit, have not been audited by a statutory auditor.

Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial-reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the annual accounts in Belgium.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.



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Other legal and regulatory requirements***Responsibilities of the board of directors***

The board of directors is responsible for the preparation and the content of the director's report and the other information included in the annual report, of the documents required to be deposited by virtue of the legal and regulatory requirements as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Companies' Code and with the Company's articles of association.

Statutory auditor's responsibilities

In the context of our mandate and in accordance with the Belgian standard (Revised in 2018) which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report and the other information included in the annual report, certain documents required to be deposited by virtue of legal and regulatory requirements, as well as compliance with the articles of association and certain requirements of the Companies' Code and to report on these matters.

Aspects related to the directors' report

In our opinion, after having performed specific procedures in relation to the directors' report and to the other information included in the annual report, this report is consistent with the annual accounts for the year under audit, and it is prepared in accordance with the articles 95 and 96 of the Companies' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to the social balance sheet

The social balance sheet, to be deposited in accordance with article 100, § 1, 6°/2 of the Companies' Code, includes, both in terms of form and content, the information required by virtue of the Companies' Code and does not present any material inconsistencies with the information we have at our disposition in our engagement.

Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the annual accounts and our registered audit firm remained independent of the Company in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the annual accounts referred to in article 134 of the Companies' Code are correctly disclosed and itemized in the notes to the annual accounts.



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Other statements

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- There are no transactions undertaken or decisions taken in breach of the Company's articles of association or the Companies' Code that we have to report to you.
- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.
- The net assets are reduced to an amount that is less than a quarter of the share capital. We draw your attention to the fact that the board of directors consequently submitted, within the legal timeframe, to the general shareholders' meeting the question of a possible liquidation of the company in accordance with article 633 of the Companies' Code and has justified his proposals of continuity in a special report. Moreover, we inform you that the decision to eventually liquidate the company can be validly taken by means of (at least) a quarter of the votes used during the general meeting.
- In view of the fact that the net assets have fallen to less than EUR 61.500, any interested party can claim the dissolution of the company before court. Under certain circumstances, the court can allow for a regularisation period.

The decisions of the administrative body of November 20, 2018 and January 28, 2019 regarding the intended IPO Capital increase by the Company with the issue of new shares of the Company, and the related conflicts of interest as explained by the board of directors in their annual report, have the following property consequences:

LSP HEF Holding CV will commit to, on the occasion of the IPO, (x) contribute the outstanding Payable of EUR 298.008,60, that LSP has pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, and (y) subscribe for new shares of the Company within the framework of the IPO for an amount of EUR 1.192.034,39. LSP will also commit not to transfer its shares in the Company during a certain period after the IPO. The same commitment will also be entered into by other shareholders of the Company.

LSP will commit to lend certain of its shares in the Company to KBC Securities NV/SA within the framework of the IPO in order to allow over-allotments of shares in the IPO and this in accordance with the provisions of the Stock Lending Agreement.

Neomed IV X en Neomed V will commit to, on the occasion of the IPO, (x) contribute the outstanding Payables of respectively EUR 593.052,02 and EUR 266.871,66 that Neomed IV X and Neomed V have pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, and (y) subscribe for new shares of the Company within the framework of the IPO for an amount of respectively EUR 2.372.208,09 and EUR 1.067.486,62. Neomed IV X and Neomed V will also commit not to transfer their shares in the Company during a certain period after the IPO. The same commitment will also be entered into by other shareholders of the Company. Neomed IV X will commit to lend certain of its shares in the Company to KBC Securities NV/SA within the framework of the IPO in order to allow over-allotments of shares in the IPO and this in accordance with the provisions of the Stock Lending Agreement.



FREE TRANSLATION

VI AG and VI Partners will commit to, on the occasion of the IPO, (x) contribute the outstanding Payables of respectively EUR 217.641,87 and EUR 5.007,93 which VI AG and VI Partners have pursuant to the 2018 Convertible Loan Agreement entered into with the Company to the share capital of the Company, and (y) subscribe for new shares of the Company within the framework of the IPO for an amount of respectively EUR 872.925,70 and EUR 20.085,97. VIAG and VI Partners will also commit not to transfer their shares in the Company during a certain period after the IPO. The same commitment will also be entered into by other shareholders of the Company.

Antwerp, April 18, 2019

The statutory auditor
PwC Bedrijfsrevisoren CVBA
Represented by

Peter D'hondt
Réviseur d'Entreprises / Bedrijfsrevisor

SOCIAL BALANCE SHEET

Number of joint industrial committee:

STATEMENT OF THE PERSONS EMPLOYED

EMPLOYEES FOR WHOM THE ENTERPRISE SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER

During the current period

Average number of employees

Full-time
 Part-time
 Total in full-time equivalents

Number of hours actually worked

Full-time
 Part-time
 Total

Personnel costs

Full-time
 Part-time
 Total

Advantages in addition to wages

Codes	Total	1. Men	2. Women
1001	1,5	0,5	1,0
1002	.....	.....	.....
1003	1,5	0,5	1,0
Number of hours actually worked			
1011	1.264	376	888
1012	.....	.....	.....
1013	1.264	376	888
Personnel costs			
1021	4.177.759	3.337.112	840.647
1022	611.379	178.319	433.060
1023	4.789.138	3.515.431	1.273.707
1033	1.092	325	767

During the preceding period

Average number of employees in FTE
 Number of hours actually worked
 Personnel costs
 Advantages in addition to wages

Codes	P. Total	1P. Men	2P. Women
1003
1013
1023
1033

EMPLOYEES FOR WHOM THE ENTERPRISE SUBMITTED A DIMONA DECLARATION OR WHO ARE RECORDED IN THE GENERAL PERSONNEL REGISTER (continued)

At the closing date of the period			
Codes	1. Full-time	2. Part-time	3. Total full-time equivalents
Number of employees	105	2	2,0
By nature of the employment contract			
Contract for an indefinite period	110	2	2,0
Contract for a definite period	111		
Contract for the execution of a specifically assigned work	112		
Replacement contract	113		
According to gender and study level			
Men	120	1	1,0
primary education	1200		
secondary education	1201		
higher non-university education	1202		
university education	1203	1	1,0
Women	121	1	1,0
primary education	1210		
secondary education	1211		
higher non-university education	1212		
university education	1213	1	1,0
By professional category			
Management staff	130		
Employees	134	2	2,0
Workers	132		
Others	133		

HIRED TEMPORARY STAFF AND PERSONNEL PLACED AT THE ENTERPRISE'S DISPOSAL

During the period		
Codes	1. Hired temporary staff	2. Persons placed at the enterprise's disposal
Average number of persons employed	150	
Number of hours actually worked	151	
Costs for the enterprise	152	

LIST OF PERSONNEL MOVEMENTS DURING THE PERIOD

ENTRIES

Number of employees for whom the enterprise submitted a DIMONA declaration or who have been recorded in the general personnel register during the financial year

By nature of employment contract

- Contract for an indefinite period
- Contract for a definite period
- Contract for the execution of a specifically assigned work
- Replacement contract

Codes	1. Full-time	2. Part-time	3. Total full-time equivalents
205	2	.....	2,0
210	2	.....	2,0
211	.....	.....	.....
212	.....	.....	.....
213	.....	.....	.....

DEPARTURES

Number of employees whose contract-termination date has been entered in DIMONA declaration or in the general personnel register during the financial year

By nature of employment contract

- Contract for an indefinite period
- Contract for a definite period
- Contract for the execution of a specifically assigned work
- Replacement contract

By reason of termination of contract

- Retirement
- Unemployment with extra allowance from enterprise
- Dismissal
- Other reason
- the number of persons who continue to render services to the enterprise at least half-time on a self-employed basis ..

Codes	1. Full-time	2. Part-time	3. Total full-time equivalents
305
310
311
312
313
340
341
342
343
350

INFORMATION ON TRAINING PROVIDED TO EMPLOYEES DURING THE PERIOD

	Codes	Men	Codes	Women
Total of initiatives of formal professional training at the expense of the employer				
Number of employees involved	5801	.....	5811	.....
Number of actual training hours	5802	.....	5812	.....
Net costs for the enterprise	5803	.....	5813	.....
of which gross costs directly linked to training	58031	.....	58131	.....
of which fees paid and payments to collective funds	58032	.....	58132	.....
of which grants and other financial advantages received (to deduct)	58033	.....	58133	.....
Total of initiatives of less formal or informal professional training at the expense of the employer				
Number of employees involved	5821	.....	5831	.....
Number of actual training hours	5822	.....	5832	.....
Net costs for the enterprise	5823	.....	5833	.....
Total of initiatives of initial professional training at the expense of the employer				
Number of employees involved	5841	.....	5851	.....
Number of actual training hours	5842	.....	5852	.....
Net costs for the enterprise	5843	.....	5853	.....