

## Sequana Medical secures EUR 10 million loan facility with Kreos Capital

### *Company's cash runway extended into Q3 2023*

Ghent, Belgium – 20 July 2022 – Sequana Medical NV (Euronext Brussels: SEQUA) (the "Company" or "Sequana Medical"), a pioneer in the treatment of drug-resistant fluid overload in liver disease and heart failure, today announces it has entered into a secured loan facility agreement of EUR 10 million with Kreos Capital VI (UK) Limited ("Kreos"). Proceeds from the loan will be used to finance general working capital requirements. The loan facility agreement allows the Company to request on an uncommitted basis additional loans of up to EUR 10 million at a later date.

**Ian Crosbie, CEO of Sequana Medical, said:** "We are delighted to execute this loan facility that extends our cash runway into Q3 2023 and will help us reach key milestones for both **alfapump**<sup>®</sup> and **DSR**<sup>®</sup>, our innovative therapies for drug-resistant fluid overload in liver disease and heart failure respectively. Our mission is to dramatically improve the treatment options of these large and growing patient populations who have limited treatment options today. We are very pleased to have the support of Kreos Capital, a leading growth debt provider for life sciences and healthcare companies."

**Maurizio Petitbon, General Partner at Kreos Capital, added:** "We have been impressed by Sequana Medical's innovative approach to developing effective treatments for the large potential markets of drug-resistant fluid overload and we are proud to provide this capital to help them continue with the development and commercialization of these important therapies."

### **About the Kreos loan facility agreement**

The loan facility, which is available for drawdown until 30 September 2022 in minimum amounts of EUR 1,500,000, matures on 30 September 2025. During the first period of 6 months from the first drawdown (extendable by mutual agreement), the Company shall only pay interest, with the loans amortising thereafter in principal and interest in equal monthly instalments until maturity. The loans under the facility accrue interest at a fixed rate of 9.75% per annum. A number of fees will be payable to Kreos, consisting notably of a transaction fee equal to 1.25% of the total loan facility amount, and an end of loan payment, payable upon final repayment of the relevant loan, equal to 1.25% of the amount drawn. Kreos will be entitled to appoint a board observer to attend meetings of the Company's board of directors in a non-voting capacity.

Subject to approval by the Company's extraordinary general shareholders' meeting, Kreos shall also receive, free of charge, subscription rights for new shares, with a term of seven years, for an (i) aggregate issue price of EUR 650,000, at an issue price per share of EUR 5.31, based on the volume weighted average price of the Company's shares during a 30 trading day period prior to signing of the loan facility, and (ii) an aggregate issue price of up to EUR 225,000 (pro rata to the drawings made under the facility) at an issue price per share based on the volume weighted average price of the Company's shares during a 30 trading day period prior to the relevant drawings. If the shareholders do not approve the subscription rights, a fee will be payable to Kreos to ensure Kreos of an aggregate cash return of at least 1.35x on the total amount of the loan facilities.

The loans are secured on the Company's bank accounts, receivables and movable assets, including IP rights. The loan agreement contains a change of control clause and requires such clause to be approved by the Company's general shareholders' meeting. The loan agreement does not contain financial covenants, but it does contain other customary restrictions on the business of the Company and its subsidiaries (such as limitations on future disposals, (additional) financial indebtedness, security and acquisitions subject to certain carve-outs and limitations) and on the ability of the Company to distribute dividends as long as the loans are outstanding.

**For more information, please contact:**

**Sequana Medical**

**For EU investors:**

Lies Vanneste  
Director Investor Relations  
Email: [IR@sequanamedical.com](mailto:IR@sequanamedical.com)  
Tel: +32 498 05 35 79

**For US investors:**

Amy Sullivan  
Consultant to Sequana Medical  
Email: [amy.sullivan@sequanamedical.com](mailto:amy.sullivan@sequanamedical.com)

**Optimum Strategic Communications**

**For media:**

Nick Bastin, Rebecca Noonan  
Tel: +44 (0) 20 3922 0900  
Email: [Sequana@optimumcomms.com](mailto:Sequana@optimumcomms.com)

**About Kreos Capital**

Kreos Capital is the leading growth debt provider in Europe and Israel, backing high-growth companies through every stage of their life cycle. Kreos targets investments in all areas of the Technology and Healthcare sectors and, to date, has committed in excess of €3.9 billion in more than 690 portfolio company transactions, across 17 countries.

**About Sequana Medical**

Sequana Medical NV is a pioneer in treating drug-resistant fluid overload, a serious and frequent clinical complication in patients with liver disease and heart failure. Fluid overload is a well-recognized problem in these growing diseases, causing severe problems for the large number of patients for whom current medicines are no longer effective. These patients can have up to 15 liters of extra fluid in their bodies, causing major medical issues including increased mortality, repeated hospitalizations, severe pain, difficult breathing and restricted mobility that severely impacts daily life.

**alfapump**<sup>®</sup> and **DSR**<sup>®</sup> are Sequana Medical's proprietary approaches that work with the body to remove this excess fluid, delivering major clinical and quality of life benefits for patients and reducing costs for healthcare systems. Sequana Medical is listed on Euronext Brussels (Ticker: SEQUA.BR) and headquartered in Ghent, Belgium. For further information, please visit [www.sequanamedical.com](http://www.sequanamedical.com).

### **Important Regulatory Disclaimers**

*The **alfapump**<sup>®</sup> system is not currently approved in the United States or Canada. In the United States and Canada, the **alfapump** system is currently under clinical investigation (POSEIDON Study) and is being studied in adult patients with refractory or recurrent ascites due to cirrhosis. For more information regarding the POSEIDON clinical study see [www.poseidonstudy.com](http://www.poseidonstudy.com). The **DSR**<sup>®</sup> therapy is still in development and it should be noted that any statements regarding safety and efficacy arise from ongoing pre-clinical and clinical investigations which have yet to be completed. The **DSR** therapy is not currently approved for clinical research in the United States or Canada. There is no link between the **DSR** therapy and ongoing investigations with the **alfapump** system in Europe, the United States or Canada.*

**Note:** **alfapump**<sup>®</sup> is a registered trademark. **DSR**<sup>®</sup> and **alfapump DSR**<sup>®</sup> are registered trademarks in the Benelux, China, the EU, United Kingdom, and Hong Kong.

### **Forward-looking statements**

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