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You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Important regulatory disclaimers about the alfa**pump® and the** alfa**pump® DSR**: The **alfa**pump has not yet received regulatory approval in the U.S. and Canada. Any statement in the document (and the documents incorporated therein) about safety and efficacy of the **alfa**pump does not apply to the U.S. and Canada because the device is currently undergoing clinical investigation in these territories. DSR therapy and **alfa**pump DSR are still in development and it should be noted that any statements in the document (and the documents incorporated therein) regarding safety and efficacy arise from pre-clinical studies and ongoing clinical investigations which have yet to be completed. There is no link between DSR therapy, and ongoing investigations with the **alfa**pump system in Europe, the U.S. and Canada.

Sequana Medical NV

LISTING AND ADMISSION TO TRADING ON EURONEXT BRUSSELS OF 644,287 NEW SHARES

This prospectus (the "**Prospectus**") relates to the admission to listing and trading (the "**Listing**") of 644,287 shares not yet admitted to listing and trading on the regulated market of Euronext Brussels (the "**New Shares**") of Sequana Medical NV (the "**Company**" and, together with its consolidated subsidiaries, "**Sequana Medical**"), a limited liability company organised under the laws of Belgium, registered with the legal entities register (Ghent, division Ghent) under enterprise number 0707.821.866, with LEI number 8755009AN12Y4PEOII07, and with its registered office located at AA Tower, Technologiepark 122, 9052 Ghent, Belgium.

The New Shares were issued by the Company on 27 January 2020 as part of an aggregate of 3,166,666 new shares that were placed with institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable securities law exemptions, via a private placement through an accelerated bookbuilding procedure (the "**Private Placement**"). The 3,166,666 new shares (including the New Shares) were issued pursuant to a capital increase in cash that was decided by the Company's board of directors within the framework of the authorised capital with dis-application of preferential subscription rights of existing shareholders of the Company and, in so far as required, of existing holders of subscription rights (stock options) of the Company. All of the new shares were issued at a (gross) issue price of EUR 6.00 per share. Of the 3,166,666 new shares, 2,522,379 were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance, while 644,287 new shares, being the New Shares, were not immediately admitted to listing trading on the regulated market of Euronext Brussels upon their issuance.

The New Shares have not been or will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The New Shares were offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the Securities Act and, unless the New Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, may not be offered, sold or delivered within the United States (as that term is defined in Regulation S).

The Company has not authorised any offer of the New Shares to the public in any Member State of the European Economic Area ("**EEA**") or elsewhere.

An investment in the New Shares involves substantial risks and uncertainties. Prospective investors should read the entire Prospectus, and, in particular, should refer to the chapter "Risk Factors" beginning on page 7 for a discussion of certain factors that should be considered in connection with an investment in the New Shares, including the risks that Sequana Medical has incurred operating losses, negative operating cash flows and an accumulated deficit since inception and may not be able to achieve or subsequently maintain profitability, that Sequana Medical's future financial performance will depend on the commercial acceptance of the alfapump®, the alfapump® DSR and/or any future products in target markets, that Sequana Medical does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus and will require additional funds beyond this period in order to meet its capital and expenditure needs, and that the outbreak of the novel coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Sequana Medical's clinical studies and could adversely affect its supply chain and work force, as well as macroeconomic conditions generally, which could have an adverse effect on its ability to commercialise the alfapump® and/or the alfapump® DSR as well as its ability to raise further capital. All of these factors should be considered before investing in the New Shares. Prospective investors must be able to bear the economic risk of an investment in the New Shares and should be able to sustain a partial or total loss of their investment.

An application has been made to admit the New Shares to listing and trading on the regulated market of Euronext Brussels ("**Euronext Brussels**") under the symbol "SEQUA". Listing and trading of the New Shares on Euronext Brussels is expected to commence on or about 26 June 2020 (the "**Listing Date**"). The New Shares are all ordinary shares, are fully paid, and rank *pari passu* in all respects with all other existing and outstanding shares of the Company. The shares of the Company other than the 644,287 New Shares are already admitted to listing and trading on Euronext Brussels under the symbol "SEQUA". The closing price of the Company's shares on Euronext Brussels on 24 June 2020 was EUR 6.36 per Share.

This Prospectus does not constitute, and the Company is not making an offer to sell any of the Company's shares (the "**Shares**"), including the New Shares, or soliciting an offer to purchase any of the Shares to any person in any jurisdiction where such an offer or solicitation is not permitted. The Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other Listing related documents may be distributed or sent to any person or into any jurisdiction, except in circumstances that will result in the compliance with all applicable laws and regulations. Persons into whose possession this Prospectus may come are required to inform themselves about, and to observe all, such restrictions. The Company does not accept any responsibility for any violation by any person, whether or not it is a prospective purchaser of Shares, of any such restriction.

This document constitutes a listing prospectus for purposes of article 3 of Regulation 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") and has been prepared in accordance with the provisions of the Prospectus Regulation and the Belgian Act of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to the trading on a regulated market, as amended (the "**Belgian Prospectus Act**"). The English language version of this Prospectus was approved by the Belgian Financial Services and Markets Authority (the "**FSMA**") on 16 June 2020, as competent authority under the Prospectus Regulation.

Pursuant to article 12(1) of the Prospectus Regulation, this Prospectus will be valid until after the admission of the New Shares to trading on Euronext Brussels, which is expected to occur on or about the Listing Date. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

PROSPECTUS DATED 25 JUNE 2020

TABLE OF CONTENTS

SUMMARY OF THE PROSPECTUS

Introduction and warnings

Disclosure requirement
Name and international securities identification number (ISIN) of the New Shares • The 644,287 New Shares were issued by the Company's board of directors on 27 January 2020. The New Shares are all ordinary Shares, are fully paid, and rank *pari passu* in all respects with the other existing and outstanding Shares of the Company. • The international securities identification number (ISIN) of the New Shares is BE0974340722.
Identity and contact details of the issuer, including its legal entity identifier (LEI) • The issuer is Sequana Medical NV, a limited liability company organized under the laws of Belgium, registered with the legal entities register (Ghent, division Ghent) under enterprise number 0707.821.866, with LEI number 8755009AN12Y4PEOII07, and with registered office located at AA Tower, Technologiepark 122, 9052 Ghent, Belgium. • The Company can be contacted by phone (+32 (0) 498 05 35 79), email (IR@sequanamedical.com) or via the contact form available on Sequana Medical's website (https://www.sequanamedical.com/contacts/).
Identity and contact details of the competent authority that approved this Prospectus • The FSMA is the competent authority under the Prospectus Regulation. • The FSMA can be contacted by phone (+32 (0)2 220 52 11), email (info@fsma.be) or via the contact form available on the FSMA's website (www.fsma.be).
Date of approval of this Prospectus As competent authority under the Prospectus Regulation, the FSMA approved the English language version of the Prospectus on 16 June 2020 in accordance with article 20 of the Prospectus Regulation.
Warnings This summary must be read as an introduction to this Prospectus and is provided to aid investors when considering whether to invest in the New Shares, but is not a substitute for this Prospectus. Any decision to invest in New Shares should be based on consideration of this Prospectus as a whole. In case of bankruptcy or default of payment of the Company, the risk exists that investors in the New Shares do not recover amounts due to them and that they suffer a total or partial loss of their investment. No civil liability will attach to the persons responsible for this summary in any Member State of the EEA solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares. Where a claim relating to this Prospectus is brought before a court in a Member State of the EEA, the plaintiff may, under the national legislation of the Member State of the EEA where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Key information on the Company

Disclosure requirement
Who is the issuer of the New Shares? • The issuer is Sequana Medical NV, a limited liability company organized under the laws of Belgium, registered with the legal entities register (Ghent, division Ghent) under enterprise number 0707.821.866, with LEI number 8755009AN12Y4PEOII07 and with registered office located at AA Tower, Technologiepark 122, 9052 Ghent, Belgium. • The principal activity of Sequana Medical is to develop the **alfa**pump® platform for the management of fluid overload in liver disease, malignant ascites and heart failure. Its two pillars of growth are the commercialisation of the **alfa**pump® in North America, a large market driven by non-alcoholic steatohepatitis (NASH)-related cirrhosis, and the clinical development of **alfa**pump® DSR (Direct Sodium

Removal), a potential chronic therapy for patients suffering from heart failure-induced volume overload. Both markets leverage the **alfa**pump®, a unique, fully implanted wirelessly charged and controlled system that automatically pumps fluid from the abdomen into the bladder, where it is eliminated via urination.

- The Company has a relatively widely held shareholder base, and no single shareholder controls the Company.

  The table below provides an overview of the shareholders that notified the Company pursuant to applicable transparency disclosure rules, up to the date of this Prospectus. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of the relevant thresholds (3%, 5% or a multiple of 5%), it is possible that the information below in relation to a shareholder is no longer up-to-date.

		On a non-diluted basis		On a fully diluted basis	
	Date of Notification	Number of Shares	% of the voting rights attached to Shares	Number of Shares	% of the voting rights attached to Shares
Société Fédérale de Participations et d'Investissement SA – Federale Participatie- en Investeringsmaatschappij NV / Belfius Insurance SA	18 February 2020	2,004,358	12.70%	2,004,358	11.35%
Capricorn Partners NV	14 February 2020	N/A	N/A	N/A	N/A
GRAC Société Simple	30 January 2020	833,333	5.28%	833,333	4.72%
NeoMed IV Extension L.P. / NeoMed Innovation V L.P	30 January 2020	4,270,807	27.07%	4,270,807	24.18%
Newton Biocapital I Pricav Privée SA	21 February 2019	1,102,529	6.99%	1,102,529	6.24%
Venture Incubator AG / VI Partners AG	21 February 2019	525,501	3.33%	525,501	2.97%
LSP Health Economics Fund Management B.V.	19 February 2019	1,539,407	9.76%	1,539,407	8.71%
Participatiemaatschappij Vlaanderen NV	18 February 2019	1,223,906	7.76%	1,223,906	6.93%

- On the date of this Prospectus, the board of directors of the Company is composed of Pierre Chauvineau, Ian Crosbie, Rudy Dekeyser, Erik Amble, Wim Ottevaere (acting through WIOT BV) and Jason Hannon. Pierre Chauvineau is the chairman of the board of directors of the Company and Ian Crosbie is the Chief Executive Officer of the Company. The Company's statutory auditor is PwC Bedrijfsrevisoren CVBA, a cooperative company with limited liability organised and existing under the laws of Belgium, registered with the Belgian Institute of Registered Auditors (*Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*), with office address at Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium, represented by Peter D'hondt, auditor.

What is the key financial information regarding the issuer?

The summarised condensed consolidated financial information as at 31 December 2019, 31 December 2018 and 31 December 2017 set forth below has been extracted without material adjustment from the audited consolidated financial statements of the Company as of and for the years ended 31 December 2019, 31 December 2018 and 31 December 2017 (the Annual Financial Statements). The Annual Financial Statements have been prepared in accordance with IFRS.

The Company's Annual Financial Statements as of and for the years ended 31 December 2019 and 31 December 2018 have been audited by PwC Bedrijfsrevisoren CVBA, a cooperative company with limited liability organised and existing under the laws of Belgium, registered with the Belgian Institute of Registered Auditors (*Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*), with office address at Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium, represented by Mr. Peter D'hondt, auditor.

The Company's Annual Financial Statements as of and for the year ended 31 December 2017 have been audited by PricewaterhouseCoopers AG, with office address at St Jakobs-Strasse 25, CH-4002 Basel,

Switzerland, represented by Mr. Thomas Brüderlin and Ms. Susanne Halimi. PricewaterhouseCoopers AG is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary.

Consolidated income statement

	Period ending at 31 December		
	2019	**2018**	**2017**
Total revenue	970,636	1,029,171	1,303,975
Operating loss	(14,977,445)	(13,983,224)	(8,225,189)
Net loss attributable to equity holders of the Company	(14,977,445)	(13,983,224)	(8,225,189)
Earnings per share	(1.22)	(1.40)	(0.88)

Condensed consolidated balance sheet

	Period ending at 31 December		
	2019	**2018**	**2017**
Total assets	9,350,142	3,341,155	3,519,208
Total equity	925,932	(18,759,747)	(4,610,672)
Net financial debt	2,866,070	(13,336,961)	(2,893,933)

Condensed consolidated cash flow statement

	Period ending at 31 December		
	2019	**2018**	**2017**
Cash flow from operating activities	(18,482,352)	(9,875,346)	(8,377,931)
Cash flow from investing activities	(337,024)	(54,885)	(10,304)
Cash from financing activities	(23,217,926)	(9,469,466)	(9,500,187)

No *pro forma* financial information is provided in the Prospectus.

There are no qualifications to the audit reports on the historical financial information. However, with regard to the consolidated financial statements of the Company as of and for the year ended 31 December 2017, the auditors at that time (PricewaterhouseCoopers AG, represented by Mr. Thomas Brüderlin and Ms. Susanne Halimi - PricewaterhouseCoopers AG is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary) had included in their report a matter of emphasis paragraph on going concern given that the Company's ability to continue operations depended on its ability to raise additional capital in order to fund operations and assure the solvency of the Company until revenues reached a level to sustain positive cash flows. As such, at that time, there was significant doubt about Sequana Medical's ability to continue as a going concern if Sequana Medical would not succeed in raising additional capital.

What are the key risks that are specific to Sequana Medical?

Sequana Medical is subject to the following key risks, in addition to other material risks that are mentioned in the Prospectus in relation to Sequana Medical's business and industry:

Risks relating to the COVID-19 outbreak

- The outbreak of the novel coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Sequana Medical's clinical studies and could adversely affect its supply chain and work force, as well as macroeconomic conditions generally, which could have an adverse effect on demand for the **alfa**pump® and/or the **alfa**pump® DSR.

Risks relating to Sequana Medical's financial situation

- Sequana Medical has incurred operating losses, negative operating cash flows and an accumulated deficit since inception and may not be able to achieve or subsequently maintain profitability.

- Sequana Medical does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus and will require additional funds beyond this period in order to meet its capital and expenditure needs.

- Sequana Medical may not have cash available in an amount sufficient to enable Sequana Medical to make interest or principal payments on its indebtedness when due. The Bootstrap Loan contains covenants that may limit Sequana Medical's ability (or require Bootstrap's prior consent) to take certain actions, including the incurrence of additional indebtedness, and Sequana Medical has pledged its intellectual property and other related assets for security of the Bootstrap Loan.

Risks relating to clinical development

- Sequana Medical is required to conduct clinical studies for regulatory approvals and other purposes. Clinical studies require approvals, carry substantial risks and may be costly and time consuming, with uncertain results.

- If Sequana Medical experiences delays or difficulties in the recruitment of Investigators, obtaining necessary approvals from study sites or the enrolment of subjects in clinical studies, its receipt of necessary regulatory approvals could be delayed or prevented.

Legal and regulatory risks

- Seeking and obtaining regulatory approval for medical devices can be a long, expensive and uncertain process. Strict or changing regulatory regimes, government policies and legislation in any of Sequana Medical's target markets may delay, prohibit or reduce potential sales.

- Sequana Medical is and will be subject to certain post-approval regulatory obligations in relation to the **alfa**pump® and **alfa**pump® DSR.

- Sequana Medical's manufacturing facility and those of its third party suppliers are subject to significant regulations and approvals. If Sequana Medical or its third-party manufacturers or suppliers fail to comply with these regulations or maintain these approvals, Sequana Medical's business will be materially harmed.

Risks relating to the Sequana Medical's dependence on third parties and on key personnel

- Sequana Medical depends on third party suppliers for services and components used in the production and operation of the **alfa**pump® and **alfa**pump® DSR, and some of those services and components are supplied from a single source. Disruption of the supply chain, unavailability of third party services required for the production of the **alfa**pump® and **alfa**pump® DSR, component modifications or failure to achieve economies of scale could have a material adverse effect on Sequana Medical.

- Sequana Medical relies on third parties to conduct its clinical studies, perform data collection and analysis, and provide regulatory advice and other services that are crucial to its business.

Risks relating to commercialization and reimbursement

- Sequana Medical's success is largely contingent on third party payment from government providers, healthcare insurance providers or other public or private sources and it could fail to achieve or maintain reimbursement levels sufficient to support commercialisation on a large scale.

Risks relating to intellectual property

- Any inability to fully protect and exploit Sequana Medical's intellectual property may adversely impact Sequana Medical's financial performance and prospects.

Key information on the New Shares

Disclosure requirement
What are the main features of the New Shares? • The 644,287 New Shares are all ordinary Shares, are fully paid, and rank pari passu in all respects with all other existing and outstanding Shares of the Company. • The New Shares do not have a nominal value, but each reflect the same fraction of the Company's share capital, which is denominated in euro. • All of the New Shares belong to the same class of securities and are in registered or dematerialised form. Holders of New Shares may elect, at any time, to have their registered New Shares converted into dematerialised New Shares, and vice versa, at their own expense. • The New Shares are freely transferable. This is without prejudice to certain restrictions that may apply pursuant to applicable securities laws requirements.
Where will the New Shares be traded? An application has been made for the listing and admission to trading on the regulated market of Euronext Brussels of all New Shares. The New Shares are expected to be listed under the symbol "SEQUA" with ISIN BE0974340722. Trading is expected to commence on or about 26 June 2020.
Is there a guarantee attached to the New Shares? There is no guarantee attached to the New Shares.
What are the key risks that are specific to the New Shares? The New Shares are meant for investors who are able to assess the risks based on their knowledge and financial experience. The New Shares are subject to the following key risks, in addition to other material risks that are mentioned in the Prospectus in relation to the New Shares: • There has been no prior public market for the New Shares and an active market for the Company's shares may not be sustained. • The market price of the Shares may fluctuate widely in response to various factors. • Future sales of substantial amounts of the Shares, or the perception that such sales could occur, could adversely affect the market value of the Shares.

Key information on the admission to trading on Euronext Brussels

Disclosure requirement
Under which conditions and timetable can I invest in the New Shares? The 644,287 New Shares have been issued on 27 January 2020. An application has been made for the listing and admission to trading on the regulated market of Euronext Brussels of all New Shares. The New Shares are expected to be listed under the symbol "SEQUA" with ISIN BE0974340722. Trading is expected to commence on or about 26 June 2020. The aggregate of the administrative, legal, tax and audit expenses as well as the other costs in connection with the Listing (including but not limited to legal publications, printing and translation of the Prospectus and listing related documents) and the remuneration of the FSMA (which is estimated at EUR 20,000.00) and Euronext Brussels, is expected to amount to approximately EUR 0.23 million.
Who is the person asking for admission to trade? The person asking admission to trading of the New Shares is Sequana Medical NV, a limited liability company organized under the laws of Belgium, registered with the legal entities register (Ghent, division Ghent) under enterprise number 0707.821.866, with LEI number 8755009AN12Y4PEOII07, and with registered office located at AA Tower, Technologiepark 122, 9052 Ghent, Belgium.
Why is this Prospectus being produced? This Prospectus constitutes a listing prospectus for purposes of article 3 of the Prospectus Regulation and has been prepared in accordance with the provisions of the Belgian Prospectus Act. It relates to the admission to listing and trading of 644,287 New Shares not yet admitted to listing and trading on the regulated market of Euronext Brussels of the Company. The New Shares were issued by the Company on 27 January 2020 as part of an aggregate of 3,166,666 new Shares that were placed with institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable securities law exemptions, via a private placement through an accelerated bookbuilding procedure. The 3,166,666 new Shares (including the New Shares) were issued pursuant to a capital increase in cash that was decided by the Company's board of directors within the framework of the authorised capital with dis-application of preferential subscription rights of existing shareholders of the Company and, in so far as required, of existing holders of subscription rights (stock options) of the Company. All of the new Shares were issued at a (gross) issue price of EUR 6.00 per Share. Of the 3,166,666 new Shares, 2,522,379 were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance, while the 644,287 New Shares, were not immediately admitted to listing trading on the regulated market of Euronext Brussels upon their issuance. Sequana Medical anticipated using the net proceeds of the Private Placement, equal to EUR 17.85 million, to fund: • the POSEIDON (North American pivotal) Study, which management estimates will cost around EUR 11 million to complete (of which EUR 1.4 million was spent in 2019) and to acquire data to support reimbursement; • the RED DESERT Repeated Dose **alfa**pump® DSR Proof of Concept Study, which management estimates will cost around a total of EUR 1.3 million to complete (of which EUR 0.1 million was spent in 2019); and • the European registry study in cirrhosis patients that have been implanted with the **alfa**pump®, which management estimates will cost around EUR 0.4 million annually and includes the quality of life study in 20 patients to measure the impact of the **alfa**pump® versus standard of care on patient activity. To the knowledge of the Company, there are, on the date of this Prospectus, no potential conflicts of interest between any duties of the members of the board of directors and members of the executive management to the Company and their private interest and/or other duties.

RISK FACTORS

Risks relating to Sequana Medical's business and industry

1. Risks relating to the COVID-19 outbreak

The outbreak of the novel coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Sequana Medical's clinical studies and could adversely affect its supply chain and work force, as well as macroeconomic conditions generally, which could have an adverse effect on demand for the alfapump® and/or the alfapump® DSR.

Since December 2019 and as of the date of this Prospectus, there is an ongoing outbreak of the 2019 novel coronavirus (COVID-19) which was initially primarily concentrated in China, but has affected countries globally. The outbreak has resulted in restrictions on non-essential medical procedures (which may include the implantation of the **alfa**pump®) and hospital visits and on non-essential travel for Sequana Medical's employees and consultants and will result in delays to Sequana Medical's clinical studies, which could entail additional costs and could prevent Sequana Medical from achieving its strategic objectives in the anticipated timeframe or at all. In particular, while Sequana Medical had planned to complete enrolment for the POSEIDON clinical study by mid-2020, the enrolment will now not be completed on this timing due to the impact of COVID-19. Similarly, results for the RED DESERT clinical study had previously been expected in the second and third quarters of 2020, which likewise will now be delayed. Sequana Medical has also elected to defer the ProMAS clinical study (as defined in *" — Malignant Ascites — Planned studies"*), which is estimated to result in approximately EUR 1 million in savings, in order to focus its clinical and financial resources on the POSEIDON and RED DESERT clinical studies, a decision which will be reviewed at a later stage. In addition, the outbreak of COVID-19 has already had an adverse effect on supply chains globally and Sequana Medical's supply chain may be similarly affected, although production is continuing at Sequana Medical's manufacturing facility in Switzerland. Sequana Medical also relies on a relatively small work force and if COVID-19 were to spread across its work force, this could have a disproportionate impact on it compared to other companies with larger work forces and/or greater financial resources. Any supply chain or human resources disruption arising from the COVID-19 outbreak could exacerbate the delays it is already experiencing arising from restrictions on non-essential medical procedures and hospital visits. Its commercialisation activities could also be adversely affected.

Moreover, it is expected that the COVID-19 outbreak will have a severe impact on global macroeconomic conditions, with the IMF forecasting in April 2020 that the global economy would swing from a 2.9% growth rate in 2019 to a contraction of 3% in 2020. This may have a broader impact on Sequana Medical's business, given the impact any decline in growth might have on the resources of government and/or private payers and their willingness to reimburse costs associated with the **alfa**pump®, the **alfa**pump® DSR and/or any future products. There may also be other infectious disease outbreaks or other serious public health issues, any of which could disrupt Sequana Medical's business or adversely affect demand for the **alfa**pump®, the **alfa**pump® DSR and/or any future products.

Finally, the impact of COVID-19 on Sequana Medical's ability to secure additional financing rounds or undertake capital market transactions is unclear at this point in time and will remain under review by the executive management and the board of directors.

If the outbreak of COVID-19 does not abate, this could require Sequana Medical to further delay its clinical studies, which could prevent it from achieving the commercialisation of the **alfa**pump® in North America and the **alfa**pump® DSR in the expected timeframe, which would in turn delay the timing of expected revenues from these products or prevent Sequana Medical from ever earning revenues from the sale of the **alfa**pump® in North America or the **alfa**pump® DSR.

2. Risks relating to Sequana Medical's financial situation

Sequana Medical has incurred operating losses, negative operating cash flows and an accumulated deficit since inception and may not be able to achieve or subsequently maintain profitability.

Sequana Medical has incurred operating losses and negative operating cash flows in each period since it was founded in 2006. As of 31 December 2019, Sequana Medical has a loss brought forward of EUR 99.9 million. These losses have resulted principally from costs incurred in the development and commercialisation of the **alfa**pump® technology, as well as from general and administrative costs associated with Sequana Medical's operations and manufacturing scale-up. Sequana Medical intends to fund the continued development

of the **alfa**pump® and the **alfa**pump® DSR, to expand manufacturing capabilities, to seek further regulatory and marketing approvals for the **alfa**pump®, to secure reimbursement by payers, to maintain, protect and expand Sequana Medical's intellectual property portfolio and to expand sales and marketing activities. In particular, Sequana Medical plans to complete the studies referred to in the Annual Report under the captions *"**alfa**pump® products –**alfa**pump – proven step change for treatment of refractory liver ascites and malignant ascites — Clinical development — Liver cirrhosis and refractory ascites — Ongoing studies"* and *" — **alfa**pump® DSR – potential chronic treatment for heart failure-induced volume overload — Clinical development — Ongoing/planned clinical studies"*. The POSEIDON clinical study, for which management had previously estimated data on the primary endpoint would be reported mid-year 2021 (prior to the onset of the COVID-19 outbreak), will cost around EUR 11 million to complete (of which EUR 1.4 million was spent in 2019). The RED DESERT clinical study, for which results were previously expected in the second and third quarters of 2020 (prior to the onset of the COVID-19 outbreak), will cost around EUR 1.3 million to complete (or which EUR 0.1 million was spent in 2019). On the other hand, the revenues associated with these clinical development activities are not expected to materialise for a significant period of time. For example, Sequana Medical does not expect to receive revenues from the sale of the **alfa**pump® in North America until after its expected launch, which had previously been expected in the first half of 2022 (prior to the onset of the COVID-19 outbreak). Meanwhile, Sequana Medical's revenues from the sale of the **alfa**pump® in Europe, which were EUR 0.87 million in 2019, are not sufficient to compensate for these clinical affairs expenses. For that reason, Sequana Medical will likely continue to incur further losses for at least the next few years. If the revenues associated with the launch of the **alfa**pump® outside North America and the launch of the **alfa**pump® DSR do not materialise at the level expected by management, Sequana Medical's ability to sustain its operations may be impaired.

Sequana Medical does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus and will require additional funds beyond this period in order to meet its capital and expenditure needs.

Sequana Medical announced on 22 January 2020 that it had successfully raised an amount of EUR 19.0 million in gross proceeds by means of a private placement via an accelerated bookbuild offering of 3,166,666 New Shares (being approximately 25.11% of Sequana Medical's outstanding shares) at an issue price of EUR 6.00 per share. The net proceeds of the private placement were EUR 17.85 million. Sequana Medical anticipates using the net proceeds of the private placement to fund the studies referred to in the Annual Report under the captions *"**alfa**pump® products **alfa**pump – proven step change for treatment of refractory liver ascites and malignant ascites — Clinical development — Liver cirrhosis and refractory ascites — Ongoing studies"* and *" — **alfa**pump® DSR – potential chronic treatment for heart failure-induced volume overload — Clinical development — Ongoing/planned clinical studies"*. Notwithstanding these net proceeds, Sequana Medical is of the opinion that, taking into account its available cash and cash equivalents, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus.

Furthermore, over the longer term, Sequana Medical's existing capital resources will be insufficient to fund, among other things, the completion of the clinical development of the **alfa**pump® DSR required to bring it to market in Europe and North America, including the feasibility study of the **alfa**pump® DSR, which Sequana Medical plans to launch before the end of 2020, or ultimately the pivotal study of the **alfa**pump® DSR or to fund the commercial roll-out of the **alfa**pump® in North America. For purposes of designing a pivotal study in the United States on the **alfa**pump® DSR, given that a body of clinical evidence similar to that available for the **alfa**pump® for the management of liver refractory ascites will likely not be available for the treatment of volume overload in heart failure, the FDA is likely to require the **alfa**pump® DSR pivotal study to be larger and therefore the costs of a pivotal study on the **alfa**pump® DSR will likely exceed the estimated costs of the POSEIDON clinical study. Furthermore, it is currently contemplated that, while Sequana Medical will finance the RED DESERT clinical study and the subsequent feasibility study, following the completion of these studies, it will enter into a partnership or alliance for the further development and commercialisation of the **alfa**pump® DSR. In the event such a partner cannot be identified, Sequana Medical may need to incur additional costs.

Equity and/or debt financing might not be available when needed or, if available, might not be available on commercially favourable terms, particularly if the difficult market conditions arising from the outbreak of COVID-19 persist. If the necessary funds are not available, Sequana Medical may seek funds through collaboration and licensing arrangements, at an earlier stage than originally planned, at terms that are less favourable than those it might otherwise have obtained or at terms which may require it to reduce or relinquish significant rights to its programmes.

If Sequana Medical is unable to successfully refinance the Bootstrap Loan or if it is unable to obtain financing or enter into other arrangements to sustain its operations, it may not be able to achieve its strategic objectives, including commercialistion of the **alfa**pump® in North America or the commercialisation of the **alfa**pump® DSR.

The Bootstrap Loan also contains events of default that are customary for facilities of this type, including, but not limited to, non-payment of principal, interest or other amounts when due, failure of any representation or warranty to be true in any material respect when made or deemed made, violation of covenants, cross default, bankruptcy events, invalidity of the loan documents and events or circumstances having a material adverse effect. Upon the occurrence of an event of default, the outstanding obligations under the Bootstrap Loan may be accelerated and become due and payable immediately or Bootstrap could seek to enforce their security interests.

Sequana Medical may not have cash available in an amount sufficient to enable Sequana Medical to make interest or principal payments on its indebtedness when due. The Bootstrap Loan contains covenants that may limit Sequana Medical's ability (or require Bootstrap's prior consent) to take certain actions, including the incurrence of additional indebtedness, and Sequana Medical has pledged its intellectual property and other related assets for security of the Bootstrap Loan.

In 2016, Sequana Medical entered into the Bootstrap Loan for up to an aggregate of CHF 10.0 million. Sequana Medical has pledged to Bootstrap its intellectual property as well as the related assets as security for the Bootstrap Loan. The Bootstrap Loan was amended in 2017, and again in 2018. At the date of this Prospectus, EUR 3.17 million in principal is outstanding. The remaining principal amount will be due in four substantially equal consecutive instalments on each of 31 December 2020, 31 January 2021, 28 February 2021 and 31 March 2021.

Failure of Sequana Medical to satisfy its current and future debt obligations under the Bootstrap Loan could result in an event of default. Sequana Medical has failed to make payments when due on the Bootstrap Loan in the past, and there is a risk that Sequana Medical could fail to make payments when due in the future.

Furthermore, at the date of this Prospectus, the Bootstrap Loan also includes covenants, which may limit Sequana Medical's ability (or require Bootstrap's prior consent) to:

- incur or guarantee financial indebtedness from a lender other than Bootstrap, unless such indebtedness is fully subordinated to the Bootstrap Loan, a finance lease, bank debt, rental agreement or similar instrument or form of loan finance up to an aggregate amount of CHF 5 million (as at 31 December 2019, Sequana Medical had EUR 3.22 million of financial debts (including lease debts), trade credit of 90 days or less or other unsecured non-interest bearing debt arising in the ordinary course of business;
- make certain investments or acquisitions;
- create liens or otherwise grant security on certain assets;
- lend funds from the Company to one of its subsidiaries;
- restructure, consolidate, merge, sell, transfer, lease or otherwise dispose of all or any substantial part of its assets; and
- make distributions by way of dividends or otherwise.

The Bootstrap Loan does not limit the Company's ability to issue additional shares; however, it does prohibit the Company from permitting any of its subsidiaries to issue securities of any kind other than to Bootstrap or employee stock options. If Sequana Medical fails to comply with any of the covenants to take or avoid the actions specified above, this could result in an event of default.

If an event of default occurs, Bootstrap could accelerate all of the amounts due. In the event of an acceleration of amounts due as a result of an event of default, Sequana Medical may not have sufficient funds or may be unable to arrange for additional financing to repay its indebtedness while still pursuing its current business strategy. In addition, Bootstrap could seek to enforce its security interests in the collateral securing

the Bootstrap Loan. Sequana Medical's success depends significantly on its ability to protect and maintain its intellectual property related to the **alfa**pump® and the **alfa**pump® DSR. Enforcement by Bootstrap of its security interests in the pledged collateral securing the Bootstrap Loan could result in Bootstrap taking ownership of Sequana Medical's intellectual property and related assets, which could prevent Sequana Medical from, among other things, marketing the **alfa**pump®, pursuing the further development of the **alfa**pump®, the **alfa**pump® DSR and/or any future products or otherwise using technology that is based on the pledged collateral.

Moreover, 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 (which has been defined as the following shareholders: NeoMed IV Extension L.P., NeoMed Innovation V L.P, Venture Incubator AG, BioMedInvest II L.P., Entrepreneurs Fund L.P., Capricorn Health-tech Fund NV, LSP Health Economics Fund Management BV, and Quest for Growth NV) 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 Sequana Medical's liver or heart business or (b) all or substantially all of the assets or business of Sequana Medical.

If Sequana Medical does not comply with the covenants contained in the Bootstrap Loan or otherwise defaults on the loan, this could result in the acceleration of amounts due under the Bootstrap Loan and/or the loss of Sequana Medical's intellectual property, which would seriously compromise its ability to operate as a going concern.

Changes in currency exchange rates could have a material negative impact on the profitability of Sequana Medical.

Sequana Medical's functional currency is the euro, while the functional currency of certain of its subsidiaries is Swiss francs or U.S. Dollars. In addition, while most of its revenue from the sale of the **alfa**pump®is recorded in euro, Sequana Medical incurs revenues from the sale of the **alfa**pump® in Switzerland in Swiss francs. In relation to its expenses, costs in connection with the manufacturing of the **alfa**pump® are incurred in Swiss francs and a significant portion of clinical affairs expenses and quality and regulatory expenses are incurred in U.S. Dollars as a result of the POSEIDON clinical study and consulting activities in relation to the U.S. regulatory strategy, respectively. As a result, it is and will in the future continue to be, exposed to exchange rate fluctuations, including fluctuations in the euro exchange rate against U.S. Dollars, Swiss francs, and pounds sterling. Fluctuations in exchange rates outside the anticipated range may affect revenues, expenses, or the ability to raise future capital if it is needed, and may materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects. The exchange rates between different currencies may be volatile and vary based on a number of interrelated factors, including the supply and demand for each currency, political, economic, legal, financial, accounting and tax matters and other actions that Sequana Medical cannot control.

3. Risks relating to clinical development

Sequana Medical is required to conduct clinical studies for regulatory approvals and other purposes. Clinical studies require approvals, carry substantial risks and may be costly and time consuming, with uncertain results.

Sequana Medical is required to conduct clinical studies for regulatory approvals and other purposes. For example, approval to market an active implantable medical devices ("**AIMD**") in the United States, the FDA generally requires a prospective clinical study with results that meet pre-specified endpoints for safety and efficacy. Its ongoing studies are described in the Annual Report under the captions *"**alfa**pump® products – **alfa**pump – proven step change for treatment of refractory liver ascites and malignant ascites —Clinical development — Liver cirrhosis and refractory ascites — Ongoing studies"* and *" — **alfa**pump® DSR – potential chronic treatment for heart failure-induced volume overload — Clinical development — Ongoing/planned clinical studies"*.

These and other clinical studies that Sequana Medical may conduct may be long, expensive and unpredictable processes that can be subject to extensive delays. Sequana Medical and the relevant regulatory authority may not agree on a clinical study design or, if a clinical study design is accepted, one or more clinical study endpoints may not be achieved, and that may undermine support for regulatory approval. Clinical studies remain subject to ongoing review and monitoring throughout the duration of the study, and with certain exceptions, changes made to the study protocols after approval is received must also be approved prior to

implementation. Failure to obtain or maintain the approvals required to conduct a clinical study on the **alfa**pump®, the **alfa**pump® DSR and/or any future products could significantly delay or prevent the completion of such study, necessitate additional testing or a re-design of the clinical study, incur significant additional time and costs and/or prevent Sequana Medical from achieving or maintaining profitability.

Furthermore, clinical studies (including registries such as TOPMOST) may not produce the anticipated clinical efficacy outcomes, or may uncover previously unknown safety issues or risks. Interim results of clinical studies do not necessarily predict final results, and success in pre-clinical testing and early clinical studies does not ensure that later clinical studies will be successful. Further studies of the **alfa**pump® or the **alfa**pump® DSR may uncover product design issues not yet discovered by previous pre-clinical or clinical testing, which could lead to delays or suspension of the clinical studies or market approval while unexpected issues are resolved. In particular, the **alfa**pump® DSR has not previously been studied in humans and the ongoing RED DESERT clinical study could uncover issues not previously discovered in pre-clinical animal models or the single dose of DSR therapy (no **alfa**pump®)study. Even if Sequana Medical obtains final approval to market the **alfa**pump®, the **alfa**pump® DSR and/or any future products in target markets, future studies or clinical studies may uncover previously unknown safety issues or risks or suggest that the **alfa**pump®, the **alfa**pump® DSR and/or any future products do not significantly improve clinical outcomes. Such results would slow or possibly stop the adoption of the **alfa**pump®, the **alfa**pump® DSR and/or any future products.

If Sequana Medical's clinical studies are delayed, or if they do not produce the anticipated clinical efficacy outcomes, this could prevent it from achieving the commercialisation of the **alfa**pump® in North America and the **alfa**pump® DSR in the expected timeframe, which would in turn delay the timing of expected revenues from these products or prevent Sequana Medical from ever earning revenues from the sale of the **alfa**pump® in North America or the **alfa**pump® DSR.

If Sequana Medical experiences delays or difficulties in the recruitment of Investigators, obtaining necessary approvals from study sites or the enrolment of subjects in clinical studies, its receipt of necessary regulatory approvals could be delayed or prevented.

Performing clinical studies requires the engagement of many hospitals, clinics, and clinicians. In particular, Sequana Medical must engage a physician at each clinical study centre to maintain overall responsibility for conduct of the clinical study (the "**Investigator**"). Each Investigator may have additional physicians working under his or her direction to conduct a study. Furthermore, Sequana Medical is required to obtain necessary approvals from the study sites where it conducts its clinical studies, including approvals from institutional review boards ("**IRBs**"), which are required for clinical studies conducted in the United States such as the POSEIDON study. For details of the arrangements into which Sequana Medical has entered for the conduct of its clinical studies, see *"Business Overview — Material contracts — Contract research organisations - Consultants"* and *" — Cooperative Research and Development Agreement"*.

Sequana Medical may not be able to attract sufficient qualified Investigators to conduct clinical studies within an adequate timeframe, and those Investigators may not be able to attract or enrol sufficient subjects to meet Sequana Medical's clinical study objectives. This may particularly be the case given the fact that the **alfa**pump® and the **alfa**pump® DSR are implantable devices requiring clinical study subjects to undergo surgery. Any difficulties in enrolling a sufficient number of subjects or obtaining approvals from study sites for any of its clinical studies could result in significant delays and could require Sequana Medical to abandon one or more clinical studies altogether. Any such delays may result in increased development costs that may exceed the resources available to Sequana Medical and in delays to commercially launching the **alfa**pump®, the **alfa**pump® DSR and/or any future products in target markets, if approved.

Adverse events may result in delays to the completion of clinical studies regarding the alfapump® or the alfapump® DSR.

Adverse events, both anticipated and unanticipated, occur in clinical studies. Adverse events may be associated with the **alfa**pump®, the **alfa**pump® DSR and/or any future products, or may be incorrectly ascribed to the **alfa**pump®, the **alfa**pump® DSR and/or any future products. For example, patients with liver refractory ascites generally have significant co-occurring diseases or disorders and due to their ongoing disease progression experience a significant rate of adverse events such as acute kidney injury ("**AKI**") and infections. It can be difficult to determine whether these adverse events are the result of the **alfa**pump® or are instead due to the co-occurring diseases and disorders that are prevalent in liver refractory ascites patients, and as a result adverse events may be incorrectly ascribed to the **alfa**pump®.

Prior clinical studies involving treatment with the **alfa**pump® have resulted in patients experiencing serious adverse events, including renal dysfunction and infection. Although it did not affect overall survival at 6 months, in the European RCT on the **alfa**pump® versus large volume paracentesis ("**LVP**") for the treatment of liver refractory ascites, adverse events and serious adverse events were more common in the **alfa**pump® group versus the LVP standard of care group and there were significantly more AKI events in the **alfa**pump® group versus the LVP standard of care group. In addition, prior clinical studies have also resulted in technical complications with the **alfa**pump®, including blockages. While Sequana Medical has enhanced the design of the **alfa**pump® to improve its technical performance, further technical complications and adverse events may arise in the future. In addition, although Sequana Medical provides training, instructions for use (labelling), and oversight by Sequana Medical's personnel, adverse events resulting from the failure of a physician to follow the instructions for use are out of Sequana Medical's control, have occurred in the past, and may occur again in the future.

Any technical complications and/or adverse events in Sequana Medical's clinical studies that are ascribed to the **alfa**pump®, the **alfa**pump® DSR and/or any future products could result in damage to Sequana Medical's reputation, lawsuits, enrolment difficulties, suspension of clinical studies and/or failure to obtain marketing approval, and/or prevent the **alfa**pump®, the **alfa**pump® DSR and/or any future products from achieving commercial market acceptance. For example, if the rates of serious adverse events such as AKI in the POSEIDON (North American pivotal) Study are significantly higher in patients during treatment with the **alfa**pump® as compared to LVP standard of care, the **alfa**pump® could fail to receive regulatory approval in North America and could fail to gain and/or maintain commercial market acceptance in target markets in Europe, which could have a material adverse effect on Sequana Medical's business, financial condition, results of operations and prospects.

4. Legal and regulatory risks

Seeking and obtaining regulatory approval for medical devices can be a long, expensive and uncertain process. Strict or changing regulatory regimes, government policies and legislation in any of Sequana Medical's target markets may delay, prohibit or reduce potential sales.

Applications for regulatory approval may require extensive pre-clinical, clinical and technical testing, all of which must be undertaken in accordance with the requirements of regulations established by the relevant regulatory agencies. The regulations to which Sequana Medical is subject are complex and have tended to become more stringent over time. Sequana Medical may be adversely affected by changes in government policy or legislation applying to AIMDs. Sequana Medical is obliged to comply with regulatory requirements that include obtaining regulatory approval pursuant to the applicable laws and regulations before it can market or sell its products in each market.

At the date of this Prospectus, the **alfa**pump® is the only product that has been commercialised by Sequana Medical. Furthermore, the **alfa**pump® has only received regulatory approval in Europe (through a CE Mark). The **alfa**pump® DSR for the treatment of fluid overload in heart failure patients is in the early stage of development and will require substantial technical, pre-clinical and clinical development and testing prior to receiving marketing approval. The **alfa**pump® DSR may not be deemed to be safe and efficacious and it may not receive regulatory approval in any market.

For details of the regulatory regime applicable to AIMDs in each of the jurisdictions in which Sequana Medical has commercialised or intends to commercialise **alfa**pump® and the **alfa**pump® DSR, see *"Business Overview— Regulation"*. Sequana Medical received its renewed CE Mark in relation to the **alfa**pump® in April 2020 and will remain valid until 26 May 2024. After this date, it will need to seek approval under Regulation 2017/745 (the "**Medical Devices Regulation**"). The Medical Devices Regulation, which was passed by the European Parliament on 5 April 2017 and will become applicable from 26 May 2021 (previously 26 May 2020 but this was extended in light of the ongoing COVID-19 outbreak), also contains further obligations with which Sequana Medical will be required to comply, which are generally stricter than the requirements previously in place and contain increased evidence requirements for CE Marking. For further detail of these obligations, see *"Business Overview — Regulation — Europe"*. Ensuring compliance with these new regulations is an intensive process requiring substantial human and financial resources. The burden of compliance may become significant relative to revenue from the **alfa**pump® and the **alfa**pump® DSR. If Sequana Medical fails to comply with the Medical Device Regulation, it may be forced to withdraw its products from the market. In addition, it may be exposed to administrative, civil and criminal sanctions and lawsuits.

In addition, on 23 June 2016, the United Kingdom held a referendum pursuant to which voters approved an exit from the European Union, commonly referred to as "**Brexit**." The British Prime Minister formally announced the country's withdrawal in March 2017. Following a general election in December 2019, the British Parliament ratified the withdrawal agreement, and the United Kingdom left the European Union on 31 January 2020. This began a transition period that is set to end on 31 December 2020, during which the United Kingdom and European Union will negotiate the terms of their future relationship. The long-term effects of Brexit will depend on any agreements (or lack thereof) between the United Kingdom and the European Union and, in particular, any arrangements for the United Kingdom 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 particular, following Brexit, the **alfa**pump®, **alfa**pump® DSR and any future products may be subject to a separate regulatory regime with different approval requirements from those contained in the Medical Devices Regulation applicable in the EEA. The United Kingdom will be one of Sequana Medical's focus markets, and the additional uncertainties arising from Brexit could adversely affect the ability of Sequana Medical to conduct and expand its operations in the United Kingdom.

In the United States, regulatory approval for the **alfa**pump® (and potentially the **alfa**pump® DSR and/or any future products) is obtained via pre-market approval ("**PMA**") from the U.S. Food and Drug Administration (the "**FDA**"), as described in further detail under *"Business Overview — Regulation — United States"*. Timing for regulatory approval of the **alfa**pump® via a PMA by the FDA is uncertain, as it depends on the design of the clinical studies to be agreed between Sequana Medical and the FDA, including parameters such as number of subjects and duration of follow-up. The process is expected to take significantly longer than obtaining a CE Mark and there is a risk that the **alfa**pump® may not receive a PMA at all. Once granted, the PMA does not have an expiry date, however regulatory approvals may be withdrawn if, for example, a new and unexpected risk emerges which would make continued marketing of the relevant product no longer acceptable. The Federal Communications Commission must also determine that wireless medical devices, such as the **alfa**pump® and the **alfa**pump® DSR, are compatible with other uses of the spectrum on which the device operates, and that power levels and the frequency spectrum of the wireless energy transfer comply with applicable regulations. In addition, certain policies of the Trump administration in the United States may impact the medical device industry. There have been judicial and Congressional challenges to certain aspects of the Patient Protection and Affordable Care Act (the "**Affordable Care Act**"), as well as recent efforts by the Trump administration to repeal or replace certain aspects of the Affordable Care Act and such challenges and amendments may continue. These actions may adversely affect the healthcare industry in the United States and around the world. Sequana Medical cannot predict the likelihood, nature or extent of government regulation that may arise in the United States as a result of the Trump administration.

For details regarding the regulatory regimes applicable in other countries in which Sequana Medical has commercialised or intends to commercialise the the **alfa**pump® and **alfa**pump® DSR, see *"Business Overview— Regulation — Canada"* and *"Business Overview— Regulation — Israel"*.

Sequana Medical may at some time request that the indications for use of the **alfa**pump®, the **alfa**pump® DSR and/or any future products be expanded, and that expansion of indications is likely to also require regulatory approval. Any change or modification to a device may also require further approvals and must be made in compliance with appropriate regulations, including in relation to quality management system ("**QMS**") requirements. Review of Sequana Medical's regulatory submissions by regulatory agencies may result in requests to perform additional or repeat testing, to redesign one or more aspects of the **alfa**pump®, the **alfa**pump® DSR or any future products, or to change materials. Moreover, regulations and laws regarding the manufacture and sale of AIMDs are subject to future changes, as are administrative interpretation and policies of regulatory agencies, and any such changes could result in longer regulatory approval processes. The regulatory approval process may delay or prevent the launch and/or commercialisation of the **alfa**pump®, the **alfa**pump® DSR or any future products in target markets, which would negatively impact or prevent Sequana Medical's ability to achieve its milestones. If Sequana Medical fails to obtain approval of the **alfa**pump®, the **alfa**pump® DSR or any future products in target markets, on a timely basis or at all, the marketing and sale of the **alfa**pump®, the **alfa**pump® DSR and/or any future products in certain markets may be delayed or may not be achieved, which would in turn delay the timing of expected revenues from these products.

Sequana Medical is and will be subject to certain post-approval regulatory obligations in relation to the alfapump® and alfapump® DSR.

Even though Sequana Medical has obtained regulatory approval in Europe for the **alfa**pump® in liver refractory ascites and malignant ascites, issues with product performance may subsequently be identified once a product is in the market. In the EEA, Sequana Medical must comply with the E.U. Medical Device Vigilance System. Under this system, incidents must be reported to the relevant authorities of the Member States of the EEA, and manufacturers may be required to take Field Safety Corrective Actions ("**FSCAs**") to reduce the risk of death or serious deterioration in the state of health associated with the use of a medical device that is already placed on the market. An incident is defined as any malfunction or deterioration in the characteristics and/or performance of a device, as well as any inadequacy in the labelling or the instructions for use which, directly or indirectly, might lead to, or might have led to, the death of a patient, user or other persons or to a serious deterioration in their state of health. An FSCA may include the recall, modification, exchange, destruction or retrofitting of the device. FSCAs must be communicated by the manufacturer or its legal representative to its customers and/or to the end users of the device through Field Safety Notices.

Once the **alfa**pump® is commercially launched in the United States, Sequana Medical will be subject to FDA requirements applicable to medical device manufacturers to monitor and report adverse events as part of the medical device reporting ("**MDR**") regulations so that safety issues can be identified and addressed quickly. When such issues are identified, the FDA may require corrective actions – such as modifying labelling or instructions for use, improving training, or removing the device from the market – to ensure proper use or patient safety. Any of these could result in significant time and expense to correct and may harm the reputation of Sequana Medical. Such issues may result in the need for the **alfa**pump® to be suspended from sale or withdrawn from the market. In these circumstances, the **alfa**pump® may require substantial redesign and/or re-engineering to address any identified issues. This may result in Sequana Medical needing to undertake further clinical studies to re-establish the safety and efficacy of the revised product, which would be costly and time consuming and may exceed the resources of Sequana Medical. Similar reporting requirements exist for devices approved within the regulatory frameworks of other countries.

Moreover, as part of or following the FDA grant of a PMA for the **alfa**pump® in the United States, the FDA may require Sequana Medical to conduct one or more post-approval studies ("**PAS**"), which could be extensive, expensive and take additional time, effort and capital to complete. The PAS may uncover problems with the **alfa**pump® and may result in a need to redesign certain aspects of the **alfa**pump®, a need to conduct additional studies and/or possible suspension from sale. The requirement for corrective actions in response to MDRs, as well as a PAS may delay or inhibit Sequana Medical's ability to market the **alfa**pump® in target markets.

The **alfa**pump® is subject to extensive testing to international technical standards. Testing may uncover problems or non-compliance with standards that may require a substantial product redesign, resulting in extensive delays and additional costs. Changes in standards may require re-testing of the **alfa**pump®, and compliance with an earlier standard may not necessarily mean compliance with a more recent version of such standard.

If Sequana Medical is unable to comply with post-approval obligations in the markets in which it has commercialised the **alfa**pump® and the **alfa**pump® DSR, this could result in sanctions, additional costs in order to remediate the identified issues and/or the curtailment of its commercial activities, which could in turn limit its revenues in the relevant market.

Sequana Medical's manufacturing facility and those of its third party suppliers are subject to significant regulations and approvals. If Sequana Medical or its third-party manufacturers or suppliers fail to comply with these regulations or maintain these approvals, Sequana Medical's business will be materially harmed.

Sequana Medical currently manufactures the **alfa**pump® and the **alfa**pump® DSR at its manufacturing facility in Switzerland, and has entered into agreements with third party suppliers to manufacture and supply certain components of the **alfa**pump® and the **alfa**pump® DSR. The manufacturing practices of Sequana Medical and its third-party suppliers are subject to ongoing regulation and periodic inspection. Any failure to follow and document the adherence to regulatory requirements (including having in place an adequate QMS in line with the most up-to-date standards and regulations) by Sequana Medical or its third party suppliers may lead to significant delays in the availability of the **alfa**pump®, the **alfa**pump® DSR and/or any future products for commercial sale or clinical studies, may result in the termination of or a hold on a clinical study, or may delay or

prevent filing or approval or maintenance of marketing applications for the **alfa**pump®, the **alfa**pump® DSR and/or any future products.

Failure to comply with applicable regulations could also result in regulatory authorities taking various actions, including:

- levying fines and other civil penalties;
- imposing consent decrees or injunctions;
- requiring Sequana Medical to suspend or put on hold one or more of Sequana Medical's clinical studies;
- suspending or withdrawing regulatory approvals;
- delaying or refusing to approve pending applications or supplements to approved applications;
- requiring Sequana Medical to suspend manufacturing activities, sales, imports or exports of the **alfa**pump®, the **alfa**pump® DSR and/or any future products;
- requiring Sequana Medical to communicate with physicians and other customers about concerns related to actual or potential safety, efficacy, and other issues involving the **alfa**pump®, the **alfa**pump® DSR and/or any future products;
- mandating product recalls or seizing products;
- imposing operating restrictions; and
- seeking criminal prosecutions.

Any of the foregoing actions could have a financial impact on Sequana Medical or could be detrimental to Sequana Medical's reputation.

Sequana Medical is subject to the risk of product liability claims or claims of defectiveness, which could result in uninsured losses for Sequana or recalls of the relevant product.

Sequana Medical is exposed to the risk of potential product liability claims arising from device failures and malfunctions, product use and associated surgical procedures. Sequana Medical maintains product liability insurance at levels which management believes are in line with market practice. To date, no product liability claim has been initiated against Sequana Medical. However, Sequana Medical may not be able to maintain sufficient insurance coverage on commercially acceptable terms in the future, and its insurance coverage may not provide adequate protection against any product liability claims or claims of product defectiveness. As a consequence, Sequana Medical might have to face liabilities for a claim that may not be covered by its insurance or its liabilities could exceed the limits of its insurance.

Moreover, device failures discovered during the clinical study phase may also lead to the suspension or termination of the relevant study. In addition, device failures and malfunctions may result in a recall of the product, which may relate to a specific manufacturing lot or may impact all products in the field. Recalls may occur at any time during the life cycle of a device once regulatory approval has been obtained for the commercial distribution of the device. Recalls of the **alfa**pump®, the **alfa**pump® DSR and/or any future products would divert managerial and financial resources, can result in damaged relationships with regulatory authorities such as the FDA, lead to loss of market share to competitors and materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects. In addition, any product recall may result in irreparable harm to Sequana Medical's reputation. Any product liability claims or other claims of defectiveness or any product recalls could have a financial impact on Sequana Medical or could be detrimental to Sequana Medical's reputation.

Compliance with regulations and standards for quality systems for medical device companies is complex, time consuming and costly. Sequana Medical may be found to be non-compliant, for example as a result of future changes in or interpretation of the regulations regarding quality systems in certain jurisdictions.

Sequana Medical has developed and maintains a QMS to ensure the quality of Sequana Medical's products and activities. The system is ultimately intended to achieve compliance with regulations in different jurisdictions, including the Quality Systems Regulations (the "**QSR**") mandated by the FDA, and the requirements of the Medical Devices Regulation, including the international QMS standard for Medical Devices ISO13485 required by the countries in Europe that recognise the CE Mark and Israel. In some circumstances, the requirements of regulations and standards may be different.

In the past, medical devices marketed in Canada had to have their QMS assessed under the Canadian Medical Devices Conformity Assessment System ("**CMDCAS**"). This option has no longer been available since 1 January 2019. From 1 January 2019, Health Canada requires any manufacturer commercialising medical devices into Canada to comply with the Medical Devices Single Audit Program (the "**MDSAP**").

Compliance with regulations and standards for quality systems for medical device companies is complex, time consuming and costly, and there are changes in the regulations from time to time. Manufacturers (including Sequana Medical's external critical sub-contractors) were required to be certified according to the requirements of new ISO 13485:2016 by 28 February 2019. While management believes that Sequana Medical is compliant with existing QMS standards for medical devices at the date of this Prospectus, it is possible that Sequana Medical may be found to be non-compliant with new or existing regulations and standards in the future. In addition, Sequana Medical may be found to be non-compliant as a result of future changes in, or interpretation of, the regulations for quality systems. Typically, if a third party audit identifies a non-conformity with the requirements of the ISO13485 standard, the company would be given a specified period of time (typically 30 calendar days) to submit a corrective action plan and the issue identified would be required to be remedied by a specified deadline (which would depend on the severity of the finding). The certifying body would then conduct a follow-up review or audit focusing on the implementation of the corrective action and if that action is deemed insufficient, the company would be at risk of losing its ISO13485 certification and consequently its CE Mark. The loss of certification to ISO 13485 would impact Sequana Medical's regulatory position and its ability to sell the **alfa**pump® and/or the **alfa**pump® DSR, as applicable. Therefore the key risk in relation to compliance with this standard is the potential for diversion of management attention and the costs incurred in remedying incidences of non-conformity and ultimately disruption to Sequana Medical's business if it is unable to implement appropriate corrective actions.

Sequana Medical's external vendors must, in general, also comply with the QSR and ISO13485. Any of its external vendors may become non-compliant with QSR or ISO13485, which could result in enforcement action by regulatory authorities, including by way of example a warning letter from the FDA or a requirement to withdraw from the market or suspend distribution, or export or use of products manufactured by one or more of Sequana Medical's vendors.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about medical devices. If Sequana Medical is found to have made false or misleading claims about the alfapump® and/or the alfapump® DSR and/or any future products, or otherwise have violated promotion or advertising restrictions, it may become subject to significant fines and/or other liabilities.

In Sequana Medical's target markets, promotional materials and training methods must comply with numerous applicable laws and regulations. Use of a device outside of its cleared or approved indication is known as "off-label" use. Sequana Medical has only a limited influence over its distribution partners' marketing activities. Although Sequana Medical trains its distribution partners not to promote its products for "off-label" uses, and Sequana Medical's instructions for use in all markets specify that its products are not intended for use outside of those indications cleared for use, it cannot provide any assurance that no competent regulatory agency will hold Sequana Medical responsible for engaging in "off-label" promotion. If a relevant governmental authority determines that Sequana Medical's promotional materials or training constitute promotion of an "off-label" use, it could request modifications to Sequana Medical's training or promotional materials or subject Sequana Medical to regulatory or enforcement actions, which may include the issuance of a warning letter, injunction, seizure, civil fine and criminal penalties. U.S, E.U. or other applicable governmental authorities might also take action if they consider Sequana Medical's promotional or training materials to constitute promotion of an un-cleared or unapproved use, which could result in significant fines or penalties under other statutory

authorities, such as laws prohibiting false claims for reimbursement. In that event, Sequana Medical's reputation could be damaged and adoption of Sequana Medical's products could be impaired. This risk will be heightened once Sequana Medical commercially launches the **alfa**pump® in the United States, given the FDA's focus on false or misleading claims and the potential for significant fines.

Sequana Medical is subject to healthcare fraud and abuse and other laws applicable to Sequana Medical's business activities. If Sequana Medical is unable to comply with such laws, it could face substantial penalties.

While Sequana Medical has not yet commercially launched the **alfa**pump® in the United States, when it does so, it will become subject to various federal and state fraud and abuse laws. Such laws include the federal and state anti-kickback statutes, physician payment transparency laws and false claims laws. These laws may impact, among other things, Sequana Medical's proposed sales and marketing and education programmes and require it to implement additional internal systems for tracking certain marketing expenditures and to report to governmental authorities. In addition, Sequana Medical may be subject to patient privacy and security regulations by both the federal government and the states in which Sequana Medical conducts its business. The laws that may affect Sequana Medical's ability to operate include, inter alia:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly or wilfully soliciting, receiving, offering or paying any remuneration, overtly or covertly, directly or indirectly, in cash or in kind, in return for or to induce either the referral of an individual for, or the purchase, lease, order, arrange for, or recommendation of, any good, facility, item or services for which payment may be made, in whole or in part, under a federal healthcare program;

- federal false claims laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from or approval by a governmental payer program that are false or fraudulent;

- the federal Health Insurance Portability and Accountability Act of 1996, which established new federal crimes for, among other things, knowingly and wilfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, wilfully obstructing a criminal investigation of a healthcare offense, concealing a material fact, or making materially false statements in connection with the delivery of or payment for healthcare benefits, items or services;

- an increasing number of state "sunshine" laws that require manufacturers to provide reports to state governments on pricing and marketing information. Several states have enacted legislation requiring medical device companies to, among other things, establish marketing compliance programmes, file periodic reports with the state, make periodic public disclosures on sales and marketing activities, and to prohibit or limit certain other sales and marketing practices; and

- a federal law known as the Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologicals, and medical supplies to report annually to the Centres for Medicare & Medicaid Services information related to payments and other transfers of value to physicians and teaching hospitals, and ownership and investment interests held by physicians and their immediate family members.

If Sequana Medical's operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to it, it may be subject to penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of Sequana Medical's operations, the exclusion from participation in government healthcare programmes and individual imprisonment. In particular, the Anti-Kickback Statute provides for both criminal and civil penalties for violations. The criminal penalties include fines of up to US$25,000 and five years' imprisonment. In addition, the Office of the Inspector General for the Department of Health and Human Services can pursue civil penalties of up to US$50,000 per violation plus three times the amount of any government overpayment. Penalties for Anti-Kickback Statute violations also frequently include a period of debarment or exclusion from participation in Medicare, Medicaid, and all other federal plans and programmes that provide health benefits, which could impact Sequana Medical's reimbursement for the **alfa**pump® and/or the **alfa**pump® DSR, as applicable, if it were deemed to have violated the statute. Violations of the other statutes referred to above can result in similar sanctions to the Anti-Kickback Statute.

Sequana Medical faces risks related to environmental matters and animal testing activities.

Sequana Medical's manufacturing facility are subject to a broad range of environmental laws and requirements, including those governing discharges to the air and water, remediation of contamination associated with the release of any hazardous substances at Sequana Medical's manufacturing facility and offsite disposal locations and occupational safety and health. Sequana Medical is also subject to strict laws and requirements governing the handling or disposal of solid and hazardous substances and wastes. For example, Sequana Medical must process non-functioning pumps that have been explanted from patients, including patients with hepatitis and other serious diseases, to identify the cause of the pump failure. Sequana Medical has made, and will continue to make, expenditures to comply with such laws and requirements. Future events, such as changes in existing laws and regulations, or the enforcement thereof, or the discovery of contamination at Sequana Medical's manufacturing facility, may give rise to additional compliance or remediation costs that could have a material adverse effect on Sequana Medical's business, financial condition, results of operations and prospectus. Such laws and requirements are constantly changing, are different in every jurisdiction and can impose substantial fines and sanctions for violations. As a manufacturer, Sequana Medical is exposed to some risk of claims with respect to environmental matters, and material costs or liabilities may be incurred in connection with any such claims.

In addition, Sequana Medical has been required to use animals to test the **alfa**pump® and the **alfa**pump® DSR, and may be required to use animals to test future products. In particular, it has used pigs in the Healthy pig DSR proof of concept study and the heart failure pig DSR proof of concept study in relation to the **alfa**pump® DSR. Animal testing activities have been the subject of controversy and adverse publicity. Testing on animals can be vital for the development of a product. If applicable regulations were to ban this practice, or if, due to pressure from animal welfare groups, Sequana Medical is no longer able to source animals to perform such tests, it would be difficult and in some cases impossible to develop products in certain jurisdictions under the applicable marketing authorisations. In addition, negative publicity regarding Sequana Medical's use, or the industry's use, of animal subjects could harm Sequana Medical's reputation.

5. <u>Risks relating to the Sequana Medical's dependence on third parties and on key personnel</u>

Sequana Medical depends on third party suppliers for services and components used in the production and operation of the alfapump® and alfapump® DSR, and some of those services and components are supplied from a single source. Disruption of the supply chain, unavailability of third party services required for the production of the alfapump® and alfapump® DSR, component modifications or failure to achieve economies of scale could have a material adverse effect on Sequana Medical.

The **alfa**pump® and the **alfa**pump® DSR require customised components and services that are currently available from a limited number of sources. Most of these components and services are sourced externally from approximately 70 external suppliers. In addition, for certain components, Sequana Medical relies on single source suppliers. If Sequana Medical has to switch to a replacement supplier for any of these sub-components or for certain services required for the production and operation of the **alfa**pump® or the **alfa**pump® DSR (for example, the sterilisation and coating of the product components), or if Sequana Medical has to commence its own manufacturing to satisfy market demand, it may face additional delays. For example, in the past, a supplier has discontinued its supply of certain components after it deemed Sequana Medical's purchase requirements to be of insufficient volume to justify the enhanced regulatory obligations that affect manufacturers of medical device components. In addition, third party suppliers may be subject to circumstances which impact their ability to supply, including enforcement action by regulatory authorities, natural disasters (e.g. hurricanes, earthquakes, disease and terrorism), epidemics (e.g. the ongoing COVID-19 outbreak), industrial action (e.g. strikes), financial difficulties including insolvency, among a variety of other internal or external factors. Any such supply disruptions could in turn result in production disruptions for an extended period of time, which could delay completion of its clinical studies or commercialisation and prevent Sequana Medical from achieving or maintaining profitability. Alternative suppliers may be unavailable, may be unwilling to supply, may not have the necessary regulatory approvals, or may not have in place an adequate QMS. Furthermore, modifications to a service or component made by a third party supplier could require new approvals from the relevant regulatory authorities before the modified service or component may be used.

In addition, Sequana Medical expects to be required to significantly increase manufacturing volumes as clinical studies on the **alfa**pump® and/or the **alfa**pump® DSR are expanded, as the commercialisation of the **alfa**pump® is expanded and/or the **alfa**pump® DSR reaches commercialisation, and/or as any future products undergo clinical studies or reach commercialisation. Most of its suppliers will need to increase their scale of

production to meet the projected needs for commercial manufacturing, the satisfaction of which on a timely basis may not be met. If Sequana Medical is unable to secure an adequate supply of sub-components, it may be unable to achieve or maintain successful commercialisation in target markets.

Any disruptions in the supply of components or services required for the manufacture of the **alfa**pump® or the **alfa**pump® DSR could result in delays to Sequana Medical's clinical studies and could compromise its ability to commercially launch the **alfa**pump® in North America.

Sequana Medical relies on third parties to conduct its clinical studies, perform data collection and analysis, and provide regulatory advice and other services that are crucial to its business.

Sequana Medical relies, and will rely in the future, on medical institutions, Investigators, contract research organisations ("**CROs**"), contract laboratories and collaborators to perform data collection and analysis and to carry out Sequana Medical's clinical studies. For details of the arrangements into which Sequana Medical has entered for the conduct of its clinical studies, see *"Business Overview — Material contracts — Contract research organisations - Consultants" and " — Cooperative Research and Development Agreement"*. Sequana Medical's development activities or clinical studies conducted in reliance on third parties may be compromised if the third parties do not devote a sufficient amount of time or effort to Sequana Medical's activities or otherwise fail to successfully carry out their contractual duties or to meet regulatory obligations or expected deadlines. Furthermore, if the quality or accuracy of the data obtained by third parties is compromised due to their failure to adhere to clinical protocols, regulatory requirements, or for other reasons including the loss of data, this could adversely affect clinical results or require Sequana Medical to repeat the affected study. In addition, Sequana Medical's third-party agreements usually contain a clause limiting such third party's liability, such that Sequana Medical may not be able to obtain full compensation for any losses that Sequana Medical may incur in connection with the third party's performance failures.

If the third parties upon which Sequana Medical depends do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, or in the event of a default, bankruptcy or shutdown of, or a dispute with, a third party, Sequana Medical would be required to find a replacement third party to conduct the required activities. Sequana Medical may be unable to enter into a new agreement with another third party on commercially acceptable terms. While Sequana Medical believes that there are alternative sources to provide these services, in the event that Sequana Medical seeks such alternative sources, Sequana Medical may not be able to enter into replacement arrangements without incurring delays or additional costs.

If the third parties upon whom Sequana Medical depends fail to perform to the required standard or if Sequana Medical is required to replace such third parties, this could result in delays in the regulatory approval for the **alfa**pump®, the **alfa**pump® DSR and/or any future products in its target markets.

For the marketing of the alfapump®, Sequana Medical will be largely dependent on Fresenius in Belgium and the Netherlands, Vingmed in Denmark and Gamida in Israel.

For the marketing of the **alfa**pump®, Sequana Medical has entered into exclusive distribution agreements with Fresenius in Belgium and the Netherlands, Vingmed in Denmark and Gamida in Israel. The marketing and commercial success of the **alfa**pump® in these countries will be largely driven by the efforts of Fresenius, Vingmed and Gamida and will depend on marketing and commercial efforts deployed by these third parties. Although the **alfa**pump® has not received reimbursement in these countries, Sequana Medical's distribution partners are able to secure payment for the **alfa**pump® systems that are sold via special innovation or other funds that have been established in these countries.

Sequana Medical expects that its product revenues would be adversely impacted with the loss or transition of these or any future distributors of the **alfa**pump®, the **alfa**pump® DSR and/or any future products. If Sequana Medical chooses to terminate any of its distribution agreements, Sequana Medical would either need to reach an agreement with, qualify, train and supply a replacement distributor or supply and service customer accounts in those territories itself, and this may not happen in a timely manner or at all. These factors may be disruptive for Sequana Medical's customers, and Sequana Medical's reputation may be damaged as a result. Sequana Medical's distributors may have more established relationships with potential customers than a new distributor or Sequana Medical may have in particular territories, which could adversely impact Sequana Medical's ability to successfully commercialise the **alfa**pump®, the **alfa**pump® DSR and/or any future products in these territories. In addition, it may take longer for Sequana Medical to be paid if payment timing and terms in these new arrangements are less favourable to Sequana Medical than those in Sequana Medical's existing distribution arrangements. Current or transitioning distributors may irreparably harm relationships with local

existing and prospective customers and Sequana Medical's standing with the medical device community in general. In the event that Sequana Medical is unable to find alternative distributors or mobilise its own sales efforts in the territories in which a particular distributor operates, Sequana Medical's customer supply and reputation may be negatively affected.

6. Risks relating to commercialization and reimbursement

Sequana Medical's success is largely contingent on third party payment from government providers, healthcare insurance providers or other public or private sources and it could fail to achieve or maintain reimbursement levels sufficient to support commercialisation on a large scale.

The existence of coverage and adequate reimbursement for Sequana Medical's products by government and/or private payers will be critical to market adoption for the **alfa**pump®, the **alfa**pump® DSR and/or any future products. Physicians and hospitals are unlikely to use the **alfa**pump®, the **alfa**pump® DSR and/or any future products, at all or to a great extent, if they do not receive adequate reimbursement for the procedures utilising Sequana Medical's product, and potential patients may be unwilling to pay for the **alfa**pump®, the **alfa**pump® DSR and/or any future products themselves.

In many countries, payment for the **alfa**pump®, the **alfa**pump® DSR and/or any future products will be dependent on obtaining a "reimbursement code" for the procedure and product. For details of the reimbursement arrangements in the countries in which Sequana Medical has commercialised or plans to commercialise the **alfa**pump®, the **alfa**pump® DSR, please refer to the Annual Report under the captions *"**alfa**pump® products— **alfa**pump – proven step change for treatment of refractory liver ascites and malignant ascites — Commercial operations - Approval and reimbursement"*. Obtaining a reimbursement code can be a lengthy process (months to years) and Sequana Medical may not be able to obtain such a code at satisfactory levels, or at all. Following the grant of a "reimbursement code" payers (e.g. national healthcare systems or health insurance companies) have to agree to provide coverage for the procedure(s) that use the **alfa**pump®, the **alfa**pump® DSR and/or any future products. Failure to obtain attractive reimbursement may materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects. In addition, the United States will be one of Sequana Medical's target markets if the **alfa**pump® and/or the **alfa**pump® DSR receive marketing authorisation from the FDA. There is a risk that a portion of the patients in the United States suffering from recurrent or refractory liver ascites or volume overload in heart failure will not have any form of health insurance, and therefore that those patients will not seek treatment for their conditions, which could have a negative impact on the estimated market sizes for these indications.

The price that Sequana Medical may receive for, and the marketability of, the **alfa**pump®, the **alfa**pump® DSR and/or any future products for which Sequana Medical receives regulatory approval may suffer if the government and/or third-party payers fail to provide adequate coverage and reimbursement or if further governmental cost containment or other health reform initiatives are adopted or implemented. From time to time, legislation is enacted that could significantly change the statutory provisions governing the clearance or approval, manufacture, marketing or taxation of the **alfa**pump®, the **alfa**pump® DSR and/or any future products. In addition, regulations and guidance are often revised or reinterpreted in ways that may significantly affect the **alfa**pump®, the **alfa**pump® DSR and/or any future products. It is impossible to predict whether legislation changes will be enacted or regulations, guidance or interpretations changed, and what the impact of such changes, if any, may be. Sequana Medical cannot predict what healthcare programmes and regulations will be ultimately implemented at the U.S. federal or state level, or at the E.U. level, or within the implementing legislation of the individual E.U. Member States, or the effect of any future legislation or regulation. However, these types of provisions, as adopted, could materially change the way healthcare is delivered and financed, and may materially impact numerous aspects of Sequana Medical's business. Increasing downward pressure on healthcare pricing and/or any changes that lower reimbursements for Sequana Medical's products could result in product revenues generated from sales of the **alfa**pump®, the **alfa**pump® DSR and/or any future products being lower than anticipated. As a result, Sequana Medical could fail to achieve or maintain reimbursement levels sufficient to support a commercial infrastructure or realise an appropriate return on its investment in product development, which could materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects.

Sequana Medical expects to experience pricing pressures in connection with the sale of the **alfa**pump®, as well as the **alfa**pump® DSR and/or any future products following the receipt of regulatory approval. Generally, hospitals, governments and third-party payers are increasingly exerting downward pressure on pricing and reviewing the cost-effectiveness of medical products, therapies and services. With this global pressure on

healthcare costs, payers are attempting to contain costs by, for example, limiting coverage of and the level of reimbursement for new therapies.

If Sequana Medical is unable to obtain or maintain reimbursement for the **alfa**pump® or the **alfa**pump® DSR in its key markets, this would compromise its ability to commercialise these products on a large scale, which would in turn limit its opportunities to achieve profitability.

Sequana Medical is reliant on the Neue Untersuchungs- und Behandlungsmethoden (the "NUB") (New Research and Treatment Methods) reimbursement mechanism in Germany and will seek to obtain a German Diagnosis Related Group ("G-DRG") code for the alfapump® when its operations in Germany reach sufficient scale, which may not be granted.

In Germany, medical devices are reimbursed according to G-DRG codes, but the receipt of a G-DRG code requires the submission of data collected through usage of the device in selected hospitals. To encourage entry of new medical devices into the German healthcare system, there is an intermediate reimbursement mechanism known as the NUB application that provides hospitals with financial incentives to use a new medical device before it is reimbursed under the G-DRG system. Hospitals using the new medical device must submit an application for reimbursement, which (if approved) is available only to those hospitals that applied. NUB reimbursement must be renewed each year.

Currently, Sequana Medical relies on an existing NUB reimbursement for the **alfa**pump® in Germany, which it intends to renew every year until its operations in Germany reach sufficient scale to warrant the receipt of a G-DRG code. While Sequana Medical has not experienced issues in the past with the renewal of its NUB reimbursement, it may experience such issues in the future. Furthermore, if and when Sequana Medical seeks a G-DRG code for the **alfa**pump®, it may not be granted. The Institut für das Entgeltsystem im Krankenhaus (Institute for the Hospital Remuneration System), which is the organisation responsible for maintaining and developing the G-DRG system, rejected the acceptance of the **alfa**pump® in the 2016 G-DRG catalogue due to a lack of peer-reviewed papers on the **alfa**pump® at the time that the proposal for inclusion were submitted. In 2020, the **alfa**pump® was again rejected for inclusion in the G-DRG catalogue due to the small number of procedures performed in selected hospitals. Even if a G-DRG code is obtained, it may not provide reimbursement adequate to enable Sequana Medical to build a profitable business selling the **alfa**pump® in Germany. Failure to obtain NUB renewals or any future failure to obtain an attractive G-DRG code may leave the **alfa**pump® without reimbursement in Germany and materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects.

Sequana Medical's future financial performance will depend on the commercial acceptance of the alfapump®, the alfapump® DSR and/or any future products in target markets.

At the date of this Prospectus, the **alfa**pump® is the only product that has been commercialised by Sequana Medical. Furthermore, the **alfa**pump® has only received regulatory approval in Europe (through a CE Mark). The **alfa**pump® was launched commercially in 2012, and to date has only been commercialised in a limited number of countries. Sales of the **alfa**pump® have only generated limited revenue while Sequana Medical has been working to gain commercial market acceptance of the **alfa**pump® in target markets. The **alfa**pump®, the **alfa**pump® DSR and/or any future products launched by Sequana Medical may not gain commercial acceptance in target markets. If Sequana Medical fails to gain and maintain commercial market acceptance of the **alfa**pump® in its focus jurisdictions of Germany, Switzerland, France, the United Kingdom, the United States and Canada, in particular if Sequana Medical fails to secure and maintain regulatory approval and reimbursement arrangements for the **alfa**pump® (as further described below), the amount of revenue generated from sales of the **alfa**pump® in the future could continue to be limited, and could even decrease. In addition, the **alfa**pump® DSR has not received marketing approval in any jurisdictions and Sequana Medical's future financial performance will depend on the successful completion of its planned clinical studies on the **alfa**pump® DSR and its ability to secure strategic partnerships and alliances.

Many factors can influence market acceptance of the **alfa**pump®, the **alfa**pump® DSR and/or any future products, including:

- approval from the appropriate regulatory authorities or unavailability of Sequana Medical's products due to regulatory barriers;
- price and reimbursement levels from third party payers;

- successful completion of the clinical development of the **alfa**pump® DSR, including the ongoing RED DESERT clinical study, the subsequent feasibility study or ultimately the pivotal study of the **alfa**pump® DSR;

- macroeconomic conditions in the countries in which the **alfa**pump® and **alfa**pump® DSR are marketed and sold, including the impact of the COVID-19 outbreak or any similar infectious disease outbreak and the resulting restrictions on non-essential medical procedures and hospital visits and on non-essential travel for Sequana Medical's employees and consultants;

- the timing of the launch of the **alfa**pump® or the **alfa**pump® DSR in a particular market;

- inclusion in clinical practice guidelines;

- the availability of clinical evidence through studies and registries, including the POSEIDON and RED DESERT clinical studies;

- accurate anticipation of patients', healthcare providers' and payers' needs and emerging technology trends;

- frequency and/or severity of complications or side effects arising from the implantation of the **alfa**pump® or the **alfa**pump® DSR, and/or market perception of the reliability and quality of the **alfa**pump® or the **alfa**pump® DSR;

- competition, the convenience and ease of use of the **alfa**pump® or the **alfa**pump® DSR compared to competing products and other potential advantages and disadvantages over alternative products and services;

- production barriers such as interruptions to the supply of materials or sub-components or Sequana Medical's manufacturing activities being suspended by regulatory authorities;

- limitations on approved uses of the **alfa**pump® or **alfa**pump® DSR;

- the quality of service that Sequana Medical establishes in order to support customers;

- the ability to demonstrate to physicians and other potential customers the benefits and cost-effectiveness of the **alfa**pump® and the **alfa**pump® DSR relative to other products available on the market;

- the ability of Sequana Medical to maintain relationships with key opinion leaders in the medical community;

- entrance into additional markets or indications and the scope of the indications approved by regulatory authorities;

- tariffs, trade barriers and other trade protection measures, import or export licensing requirements and any other restrictive actions by the U.S. or other governments;

- the ability of Sequana Medical to hire new sales and marketing personnel and their effectiveness in executing its business strategy; and

- the ability of Sequana Medical to secure development and commercial partnerships for the **alfa**pump® DSR.

These and other factors present obstacles to commercial market acceptance of the **alfa**pump®, the **alfa**pump® DSR and/or any future products in target markets. Failure, or any substantial delay, in gaining significant commercial market acceptance of the **alfa**pump®, the **alfa**pump® DSR and/or any future products in target markets, on a timely basis or at all, could limit the revenues Sequana Medical is able to earn from sales of its **alfa**pump® and **alfa**pump® DSR.

The success of the alfapump®, the alfapump® DSR and/or any future products depends on their acceptance and adoption by physicians.

The success of the **alfa**pump®, the **alfa**pump® DSR and/or any future products will require acceptance and adoption by physicians. Such acceptance will depend on physicians being convinced of the distinctive characteristics, clinical performance, benefits, safety and cost-effectiveness of the **alfa**pump®, the **alfa**pump® DSR and/or any future products and being prepared to undertake special training in certain cases. Furthermore, physicians will most likely not adopt the **alfa**pump®, the **alfa**pump® DSR and/or any future products unless they determine, based on experience, clinical data and published peer-reviewed journal articles, that the **alfa**pump®, the **alfa**pump® DSR and/or any future products are an attractive treatment solution.

Even if the safety and efficacy of the **alfa**pump®, the **alfa**pump® DSR and/or any future products is established, physicians may be hesitant to change their medical treatment practices or accept and adopt the **alfa**pump®, the **alfa**pump® DSR and/or any future products, including for the following reasons:

- general conservatism about the adoption of new treatment practices;
- history of adverse events and severe adverse events;
- lack or perceived lack of long-term evidence supporting additional patient benefits;
- perceived liability risks associated with the use of new products and procedures;
- limited or lack of reimbursement and coverage within healthcare payment systems;
- cost associated with the purchase of new products and equipment;
- other procedures competing for physician time and attention;
- the fact that the **alfa**pump® and the **alfa**pump® DSR are implantable devices requiring surgery for implantation;
- the time commitment that may be required for special training;
- insufficient level of commercial attractiveness to physicians;
- the extent of ongoing support required by the clinician; and
- the extent of ongoing involvement of the patient in therapy.

Economic, psychological, ethical and other concerns may also limit general acceptance and adoption of the **alfa**pump®, the **alfa**pump® DSR and/or any future products. Lack of acceptance and adoption of the **alfa**pump®, the **alfa**pump® DSR and/or any future products by a sufficient number of relevant physicians would substantially reduce Sequana Medical's ability to achieve sales estimates and prevent Sequana Medical from achieving or maintaining profitability.

Sequana Medical may not be able to manufacture or outsource manufacturing of the alfapump®, the alfapump® DSR and/or any future products in sufficient quantities, in a timely manner or at a cost that is economically attractive.

Sequana Medical's revenues and other operating results will depend, in large part, on its ability to manufacture and sell the **alfa**pump®, the **alfa**pump® DSR and/or any future products in sufficient quantities and quality, in a timely manner, and at a cost that is economically attractive.

Although Sequana Medical has produced more than 1,000 **alfa**pump® systems at the date of this Prospectus, Sequana Medical expects to be required to significantly increase manufacturing volumes as clinical studies on the **alfa**pump® and/or the **alfa**pump® DSR are expanded, as the commercialisation of the **alfa**pump® is expanded and/or the **alfa**pump® DSR reaches commercialisation, and/or as any future products undergo clinical studies or reach commercialisation. In order to support future demand for the **alfa**pump®, the **alfa**pump® DSR and/or any future products, Sequana Medical would likely need to expand its manufacturing capacity,

which could require relocating to a new facility or outsourcing to a third party contract manufacturing organisation (a "**CMO**"). Relocating to a new manufacturing facility could involve significant additional expenses, including for the construction of a new facility, the movement and installation of key manufacturing equipment, the modification of manufacturing processes, and for the recruitment and training of new team members. In addition, Sequana Medical must also notify, and in most cases obtain approval from, regulatory authorities of any changes or modifications to its manufacturing facility and processes, and the regulatory authorities may not authorise Sequana Medical to proceed. Any failure by Sequana Medical to expand or to outsource its manufacturing capacity to meet future demand could materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects.

Furthermore, if Sequana Medical outsources production to a CMO, the contracted CMO may not be able to manufacture Sequana Medical's products in sufficient quantities, to the same exacting standards and at an economically attractive cost, or at all. In all of these cases, the commercialisation of the **alfa**pump®, the **alfa**pump® DSR and/or any future product may be material and adversely affected, which could prevent Sequana Medical from achieving or maintaining profitability.

Sequana Medical manufactures the **alfa**pump® and the **alfa**pump® DSR according to manufacturing best practices applicable to medical devices and to specifications approved by the applicable regulatory authorities. If the **alfa**pump® or the **alfa**pump® DSR is found to be non-compliant, Sequana Medical would be required to manufacture the **alfa**pump® and/or the **alfa**pump® DSR again, which would entail additional costs and may prevent delivery of the **alfa**pump® or the **alfa**pump® DSR to patients on time.

In addition, Sequana Medical's current business expectation is that the cost of goods sold will decline over time as the cumulative volume manufactured grows. However Sequana Medical and/or its suppliers may be unable to increase yields and/or decrease manufacturing costs with time, and in fact costs may increase, which could prevent Sequana Medical from achieving or maintaining profitability.

If Sequana Medical is unable to expand its sales, marketing and distribution capabilities for the alfapump®, the alfapump® DSR and/or any future products, whether it be with internal infrastructure or an arrangement with a commercial partner such as the ones that Sequana Medical has entered into with Fresenius, Vingmed and Gamida, Sequana Medical may not be successful in commercialising the alfapump®, the alfapump® DSR and/or any future products in its target markets, if and when they are approved.

Sequana Medical will need to expand its internal sales and marketing organisation to commercialise the **alfa**pump®, the **alfa**pump® DSR and/or any future products in markets that it will target directly. There are risks involved with expanding Sequana Medical's own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time-consuming and could delay launch. In addition, Sequana Medical may experience challenges in recruiting qualified sales and marketing personnel.

Furthermore, Sequana Medical intends to enter into additional distribution agreements to distribute its products in other markets. If Sequana Medical is unable to find suitable distribution partners, loses these distribution partners or if Sequana Medical's distribution partners fail to sell its products in sufficient quantities, on commercially viable terms or in a timely manner, the commercialisation of the **alfa**pump®, the **alfa**pump® DSR and/or any future products could be materially harmed, which could prevent Sequana Medical from achieving or maintaining profitability. In addition, if Sequana Medical is unable to identify a strategic partner or alliance for the further development of the **alfa**pump® DSR, it would need to commercialise the **alfa**pump® DSR through its own sales force. A different and/or expanded sales force compared to the sales force required for the **alfa**pump® might be required, which could entail additional costs for Sequana Medical.

Further factors that may inhibit Sequana Medical's efforts to commercialise the **alfa**pump®, the **alfa**pump® DSR and/or any future products in target markets include the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any of Sequana Medical's future products, and the lack of complementary products to be offered by sales personnel, which may put Sequana Medical at a competitive disadvantage relative to companies with more products.

If Sequana Medical is unable to expand its own sales, marketing and distribution capabilities or enter into arrangements with other third parties to perform these services, Sequana Medical's revenue and profitability may be negatively affected.

7. Risks relating to intellectual property

Any inability to fully protect and exploit Sequana Medical's intellectual property may adversely impact Sequana Medical's financial performance and prospects.

Sequana Medical's patent portfolio consists of 82 patents granted across 14 patent families and a further 20 patent applications pending. Most fundamentally, the **alfa**pump® system is covered by patents in the United States under 35 U.S.C. §287(a), including the following 7195608, 7621886, 7909790, 8517973, 9039652, 9149613, 9421347, 9913968, and 10252037. Sequana Medical also has international equivalent patent coverage. In addition to patents, it relies on a combination of trade secrets, design rights, copyright laws, non-disclosure agreements and other contractual provisions and technical measures that help maintain and develop its competitive position with respect to intellectual property. Sequana Medical may be unable to obtain the patents it applies for or to adequately protect its intellectual property rights or may become subject to a claim of infringement or misappropriation, which it is unable to settle on commercially acceptable terms. Sequana Medical cannot be certain that patents will be issued with respect to Sequana Medical's pending or future patent applications, for example in relation to the **alfa**pump® DSR. In addition, Sequana Medical does not know whether any issued patents will be upheld as valid or proven enforceable against alleged infringers or that they will prevent the development of competitive patents or provide meaningful protection against competitors or against competitive technologies.

Sequana Medical's intellectual property rights may also be challenged, invalidated, circumvented or rendered unenforceable. Sequana Medical's competitors or other third parties may successfully challenge and invalidate or render unenforceable Sequana Medical's issued patents, including any patents that may be issued in the future. This could prevent or limit Sequana Medical's ability to stop competitors from marketing products that are identical or substantially equivalent to the **alfa**pump®, the **alfa**pump® DSR and/or any future products. In addition, competitors may be able to design around Sequana Medical's patents or develop products that provide outcomes that are comparable to the **alfa**pump®, the **alfa**pump® DSR and/or any future products but that are not covered by Sequana Medical's patents. Much of Sequana Medical's value is in its intellectual property, and any challenge to Sequana Medical's intellectual property portfolio (whether successful or not) may impact its value. Non-specific claims of inventorship have been made with respect to the **alfa**pump® and the **alfa**pump® DSR by a former officer and director of Sequana Medical, but these were non-specific and no evaluation thereof could be made.

Sequana Medical decides on a case by case basis the countries in which to seek patent protection. It is not economically feasible or practical to seek patent protection in every country, and it is possible that one or more third parties may develop and market devices similar or identical to the **alfa**pump®, the **alfa**pump® DSR and/or any future products in countries where Sequana Medical has not obtained patent protection. Sequana Medical may not be able to prevent such third party action, which may limit Sequana Medical's ability to pursue those markets.

Sequana Medical could become subject to intellectual property litigation that could be costly, result in the diversion of management's time and efforts, require Sequana Medical to pay damages, prevent Sequana Medical from marketing the alfapump®, the alfapump® DSR and/or any future products, and/or reduce the margins for the alfapump® and/or the alfapump® DSR and/or any future products.

The medical device industry is characterised by rapidly changing products and technologies and there is intense competition to establish intellectual property and proprietary rights covering the use of these new products and the related technologies. This vigorous pursuit of intellectual property and proprietary rights has resulted and will continue to result in extensive litigation and administrative proceedings over patent and other intellectual property rights. Whether a product infringes a patent involves complex legal and factual issues, and the outcome of such disputes is often uncertain. There may be existing patents of which Sequana Medical is unaware that are inadvertently infringed by the **alfa**pump®, the **alfa**pump® DSR and/or any future products. Competitors may have or develop patents and other intellectual property that they assert are infringed by the **alfa**pump®, the **alfa**pump® DSR and/or any future products.

Any infringement claim against Sequana Medical, even if without merit, may cause Sequana Medical to incur substantial costs, and could place a significant strain on Sequana Medical's financial resources and/or divert the time and efforts of management from the conduct of Sequana Medical's business. In addition, any intellectual property litigation could force Sequana Medical to do one or more of the following: (i) stop selling the **alfa**pump®, the **alfa**pump® DSR and/or any future products or using technology that contains the allegedly infringing intellectual property; (ii) forfeit the opportunity to license Sequana Medical's technology to others or to

collect royalty payments based upon successful protection and assertion of its intellectual property rights against others; (iii) pay substantial damages to the party whose intellectual property rights Sequana Medical may be found to be infringing; or (iv) redesign those products that contain or utilise the allegedly infringing intellectual property. Any of these circumstances may materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects.

The requirement to obtain licenses to third party intellectual property could also arise in the future. If Sequana Medical needs to license any third party intellectual property, it could be required to pay lump sums or royalties on its products. In addition, if Sequana Medical is required to obtain licenses to third party intellectual property, it may not be able to obtain such licenses on commercially reasonable terms or at all.

Intellectual property rights do not necessarily address all potential threats to Sequana Medical's competitive advantage.

The degree of protection afforded by Sequana Medical's intellectual property rights is uncertain because intellectual property rights are limited, and may not adequately protect Sequana Medical's business or permit it to maintain its competitive advantage or its ability to sell its products. For example:

- others may be able to develop, make and sell products that are similar to or different from that deliver similar therapeutic benefits to the alfapump®, the alfapump® DSR and/or any future products without infringing claims of the Sequana Medical patents or other Sequana Medical intellectual property rights;
- pending patent applications may not lead to issued patents;
- issued patents may not provide Sequana Medical with any competitive advantages, or may be held invalid or unenforceable, as a result of legal challenges;
- Sequana Medical's competitors might conduct research and development activities in countries where Sequana Medical does not have patent rights and sell the resulting competitive products in such countries, or use the information learned from such activities to develop competitive products for sale in major commercial markets;
- Bootstrap may seek to enforce their security interests in Sequana Medical's intellectual property and related assets securing the Bootstrap Loan;
- Sequana Medical may develop intellectual property that is not patentable; and/or
- the patents of others may dominate the patents of Sequana Medical, thereby preventing their use, or have an adverse effect on Sequana Medical's business.

8. Risks relating to business activities

Security breaches and other disruptions could compromise Sequana Medical's information and expose Sequana Medical to liability, which would cause Sequana Medical's business and reputation to suffer.

Sequana Medical, the **alfa**pump® and the **alfa**pump® DSR collect and store confidential and sensitive information. This information includes, among other things, data from patients using the **alfa**pump® or the **alfa**pump® DSR. It is important to Sequana Medical that this information remains secure and is perceived to be secure. Despite security measures, however, Sequana Medical's information technology ("**IT**") and network infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such attack or breach could compromise Sequana Medical's networks and stored information could be accessed, publicly disclosed, lost, stolen, corrupted or hijacked. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, delays and impediments to Sequana Medical's development efforts, and damage to Sequana Medical's reputation. Furthermore, the loss of pre-clinical or clinical study data from completed, ongoing or planned studies could result in delays in Sequana Medical's regulatory approval efforts and significantly increase Sequana Medical's costs to recover or reproduce the data. In addition, Sequana Medical may rely on third parties to store confidential and sensitive information and it is important that these third parties also take adequate measures to secure this information.

In addition, the introduction of the E.U. General Data Protection Regulation (the "**GDPR**") has resulted in additional obligations in relation to the use of customer data. The GDPR is a comprehensive update to the data protection regime in the EEA that became effective in May 2018 and imposes new requirements relating to, among other things, consent to process personal data of individuals, the information provided to individuals regarding the processing of their personal data, the security and confidentiality of personal data, notifications in the event of data breaches and use of third party processors. If Sequana Medical or the third parties on which it relies fails to comply with these standards, Sequana Medical could be subject to criminal penalties and civil sanctions, including fines and penalties for non-compliance with the GDPR, which provides for fines of up to EUR 10 million or up to 2% of the relevant company's global turnover in the preceding fiscal year, whichever is higher. Any such fines could be material for Sequana Medical, given the relatively limited scale of its operations.

Information technology forms a key support requirement within Sequana Medical's business. Any failure of Sequana Medical's IT systems could present a substantial risk to its business continuity.

The efficient operation of Sequana Medical's business and the use of the **alfa**pump® and the **alfa**pump® DSR depend on IT systems. Sequana Medical relies on its information technology systems for the collection of pump performance data using DirectLink technology and to effectively manage its marketing, accounting and financial functions, manufacturing processes, and its development functions. The regulatory and legal environment of Sequana Medical's industry requires Sequana Medical to maintain records for long periods of time, sometimes forever. In most cases, those records are kept in electronic form, and without paper copies.

Sequana Medical uses third party suppliers to provide computing, communication, data storage and backup services, and failure of any of those third party suppliers may have an adverse effect on Sequana Medical's ability to operate. Although industry standard practices are in place for regular information backup, failure of Sequana Medical's IT systems infrastructure may result in the inability to continue business until the records are recreated. These events could materially and adversely affect Sequana Medical's business, financial condition, results of operations and prospects.

Sequana Medical's employees and contractors may also work from home offices, in particular employees or contractors who need to be close to the customer base to enable rapid support (for example, field clinical specialists). This requires strong IT infrastructure support (telephone, e-mail, internet access), which must be continuously maintained. Sequana Medical's employees frequently utilise portable computers, smartphones, and tablets. Loss, theft or damage to a portable computer, smartphone, or tablet could result in loss of key information (in some cases to a competitor). Any failure in Sequana Medical's IT infrastructure or loss of critical information could cause reputational harm for Sequana Medical and/or could result in it becoming liable to patients or other third parties.

9. Risks relating to surgical procedures

Active implantable medical devices such as the alfapump® and the alfapump® DSR carry risks associated with the surgical procedure for implant or removal of the device, use of the device, or the therapy delivered by the device.

The **alfa**pump® and the **alfa**pump® DSR are medical devices with complex electronic circuits and software. It is not possible to design and build electronic medical devices that are 100% reliable, as all electronic devices carry a risk of failure. Furthermore, all surgical procedures carry risks and the effectiveness of any medical therapy varies between patients. The consequences of failure of the **alfa**pump® and/or the **alfa**pump® DSR, complications arising through product use and associated surgical procedures can range from minor to life-threatening effects and even death.

All medical devices have associated risks. Regulatory authorities regard AIMDs as the highest risk category of medical devices, and accordingly, AIMDs are subject to the highest level of scrutiny when seeking regulatory approval. The risks include, among others, risks associated with any surgical procedure, such as infection, allergic reaction, and consequences of anaesthesia and risks associated with any implantable medical device such as device movement, electromagnetic interference, device failure, tissue damage including nerve damage, pain, and psychological effects. Comprehensive lists of the risks associated with the **alfa**pump® are included in the documentation (labelling) provided with the device to both physicians and patients. Prior clinical studies involving treatment with the **alfa**pump® have resulted in patients experiencing serious adverse events, including renal dysfunction and infection

Adverse events associated with these risks may lead some patients to blame Sequana Medical, the physician or other parties for such occurrences. This may result in product liability lawsuits, medical malpractice lawsuits, investigations by regulatory authorities, adverse publicity, criminal charges or other harmful circumstances for Sequana Medical. Any of those circumstances may have a material adverse effect on Sequana Medical's ability to conduct its business, to continue selling the **alfa**pump®, to achieve revenue objectives, or to develop the **alfa**pump® DSR and/or future products.

10. <u>Risks relating to the market in which Sequana Medical operates</u>

Competition from medical device companies, pharmaceutical companies, and medical device subsidiaries of large healthcare and pharmaceutical companies is intense and expected to increase.

Sequana Medical may face intense competition from a number of companies that offer solutions and technologies in its target markets and competitors may develop new products or adapt existing products for the same patients that Sequana Medical targets with the **alfa**pump®, the **alfa**pump® DSR and/or any future products. Sequana Medical may not be able to compete successfully against its current and future competitors, including competitors with more resources and experience.

Any competitors' products currently in clinical studies or in development or developed in the future could have superior clinical results, could be easier to implement clinically, could be more convenient for patients and/or less expensive than the **alfa**pump®, the **alfa**pump® DSR and/or any future products or could reach commercialisation sooner in certain target markets. In addition, products are generally provided at no charge during clinical studies. Entry by a competitive product into clinical studies while the **alfa**pump®, the **alfa**pump® DSR and/or any future products are being commercialised could have an adverse effect on Sequana Medical's sales. Such occurrences could adversely affect Sequana Medical's ability to generate sufficient revenues to sustain its business and/or prevent Sequana Medical from achieving or maintaining profitability.

For the treatment of liver ascites, there are a number of products in development for non-alcoholic steatohepatitis ("**NASH**"), many of which are being developed by pharmaceutical companies that are far larger, with significantly greater resources than Sequana Medical. It is not clear how these new therapeutics may impact Sequana Medical's target markets, and if any of these products effectively prevent the development of NASH-related ascites, the **alfa**pump® may be rendered non-competitive or obsolete for the treatment of ascites resulting from NASH.

In addition, the commercial availability of any approved competing product could potentially inhibit recruitment and enrolment in Sequana Medical's clinical studies. Sequana Medical may successfully conclude its clinical studies and obtain regulatory approval, but may fail to compete against competitors or alternative treatments that may be available or developed for the relevant indication. Alternative treatments include drugs, devices and surgery, among others. New treatment options, or modifications of existing treatments, may emerge which yield clinical results equal to or better than those achieved with the **alfa**pump®, the **alfa**pump® DSR and/or any future products, possibly at a lower cost. Emergence of such new therapies may inhibit Sequana Medical's ability to develop and grow the market for the **alfa**pump®, the **alfa**pump® DSR and/or any future products. Furthermore, new entrants into the markets in which Sequana Medical operates could also decide to more aggressively compete on price, requiring Sequana Medical to reduce prices in an effort to maintain market share.

Risks relating to the New Shares

There has been no prior public market for the New Shares and an active market for the Company's shares may not be sustained.

Prior to the Listing, there has been no public trading market for the New Shares. An active trading market for the New Shares may not develop, nor that the existing active trading market for the Shares can be sustained or will be sufficiently liquid. If an active trading market is not developed or sustained, as the case may be, the liquidity and trading price of the shares of the Company (including New Shares) could be adversely affected.

The average daily trading volume of the Company's Shares was equal to 7,585 in April 2020, 9,621 in March 2020 and 4,778 in February 2020.

The market price of the Shares may fluctuate widely in response to various factors.

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the results of operations or the financial condition of the companies that have issued them. In addition, the market price of the Shares has historically been volatile, ranging from a high of EUR 7.30 on 23 August 2019 and a low of EUR 5.04 on 3 April 2020. The market price of the Shares may continue to fluctuate significantly in response to a number of factors, many of which are beyond Sequana Medical's control, including the following:

- the impact of the ongoing outbreak of the 2019 novel coronavirus (COVID-19) on Sequana Medical's clinical studies and on its business generally;
- announcements of technological innovations, clinical data in relation to existing or new products or collaborations by Sequana Medical or its competitors;
- market expectations for Sequana Medical's financial performance;
- actual or anticipated fluctuations in Sequana Medical's business, results of operations and financial condition;
- changes in the estimates of Sequana Medical's results of operations, downgrades of recommendations, or cessation of publication of research reports on Sequana Medical by securities analysts;
- potential or actual sales of blocks of the Company's shares in the market or short selling of the Company's shares, future issues or sales of the Company's shares, and stock market price and volume fluctuations in general;
- the entrance of new competitors or new products in the markets in which Sequana Medical operates;
- volatility in the market as a whole or investor perception of Sequana Medical's markets and competitors;
- changes in market valuation of similar companies;
- announcements by Sequana Medical or its competitors of significant contracts;
- acquisitions, strategic alliances, joint ventures, capital commitments or new products or services;
- additions or departures of key personnel;
- litigation;
- developments regarding intellectual property rights, including patents;
- regulatory, pricing and reimbursement developments in Europe, the United States and other jurisdictions, and new government regulation in general;
- general economic, financial and political conditions; and
- the risk factors relating to Sequana Medical's business and industry.

The market price of the Shares (including the New Shares) may be adversely affected by the preceding and/or other factors regardless of Sequana Medical's actual results of operations and financial condition.

In addition, stock markets have in the recent past experienced extreme declines and price and volume fluctuations, particularly as a result of the ongoing outbreak of the 2019 novel coronavirus (COVID-19) on the macroeconomic outlook. These fluctuations have not always been related to the performance of the specific

companies whose shares are traded. These fluctuations, as well as general economic and political conditions, could have an adverse effect on the market price of the Shares (including the New Shares).

Future sales of substantial amounts of the Shares, or the perception that such sales could occur, could adversely affect the market value of the Shares.

Any sale of a significant number of the Shares (including the New Shares) on the public markets, or the perception that such sales could or will occur, may adversely affect the market price of the Shares (including the New Shares). The Company cannot make any predictions as to the sale or perception on the market price of the Shares (including New Shares).

In the context of the Private Placement, the Company has entered into a standstill undertaking with the Underwriters for a period of 180 days as from 27 January 2020. For more information about this standstill undertaking, reference is made to chapter "General information", section "Standstill Undertaking".

In the context of the Private Placement, the Company's Chief Executive Officer and Chief Financial Officer have entered into lockup arrangements with the Underwriters for a period of 180 days as from 27 January 2020. For more information about these lockup arrangements, reference is made to chapter "General information", section "Lockup Arrangements".

The Company will likely not be in a position to pay dividends in the near future and intends to retain all earnings.

The Company has not declared or paid dividends on the Shares in the past. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the board of directors. Belgian law and the Company's articles of association do not require the Company to declare dividends.

Currently, the board of directors of the Company expects to retain all earnings, if any, generated by the Company's operations for the development and growth of its business and does not anticipate paying any dividends to the shareholders in the near future.

Furthermore, at the date of this Prospectus, the Bootstrap Loan also includes covenants, which may limit the Company's ability (or require Bootstrap's prior consent) to make distributions by way of dividends or otherwise and this so long as any monies or obligations, actual or contingent, are outstanding under the Bootstrap Loan (and the security documentation entered into in that context).

For more information about the Company's dividend policy, reference is made to chapter "New Shares", section "Rights attached to the New Shares", subsection "Voting rights attached to the New Shares", part "Dividends" as well as section to 2.14.4. of the corporate governance statement of the 2019 Annual Report (incorporated by reference into this Prospectus). The Company's dividend policy may change from time to time by determination of the Company's board of directors.

Certain significant shareholders of the Company may have different interests from the Company and may be able to control the Company, including the outcome of shareholder votes.

The Company has a number of significant shareholders. For an overview of the shareholders that notified the Company pursuant to applicable transparency disclosure rules and the articles of association of the Company, up to the date of this Prospectus, reference is made to chapter "Principal Shareholders", section "Overview of the Company's shareholder structure". These shareholders include NeoMed IV Extension L.P., NeoMed Innovation V L.P, Federale Participatie- en Investeringsmaatschappij NV (FPIM) and LSP Health Economics Fund Management B.V.

The Company is not aware of shareholders of the Company that have entered into a shareholders' agreement or have agreed to act in concert. Nevertheless, they could, alone or together, have the ability to elect or dismiss directors, and, depending on how widely the Company's shares are held, take certain shareholders' decisions that require at least 50%, 75% or 80% of the votes of the shareholders that are present or represented at general shareholders' meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to impose certain shareholders' decisions, they could still have the ability to block proposed shareholders' resolutions that require at least 50%, 75% or 80% of the votes of the shareholders that are present or represented at general shareholders' meetings where such

decisions are submitted to voting by the shareholders. Any such voting by the shareholders may not be in accordance with the interests of the Company or the other shareholders of the Company.

Any future capital increases by the Company could have a negative impact on the price of the Shares and could dilute the interests of existing shareholders.

Sequana Medical announced on 22 January 2020 that it had successfully raised an amount of EUR 19.0 million in gross proceeds by means of a private placement via an accelerated bookbuild offering of 3,166,666 New Shares (being approximately 25.11% of Sequana Medical's outstanding shares) at an issue price of EUR 6.00 per share. This resulted in a dilution of 20.07% of the then existing shareholders of the Company and of the relative voting power of each share in the Company at that time. For more information about the consequences of the transaction for the financial and shareholder rights of the shareholders of the Company, reference is made to the report of the board of directors in accordance with Article 7:198 *juncto* Article 7:179 and 7:191 of the Belgian Companies and Associations Code. This board report must be read together with the report prepared in accordance by the Company's statutory auditor, PwC Bedrijfsrevisoren CVBA, represented by Mr. Peter D'hondt, auditor. The aforementioned reports are available on the Company's website at: https://www.sequanamedical.com/investors/shareholder-information and are incorporated by reference in this Prospectus.

The Company may in the future increase its share capital against cash or contributions in kind to finance any future acquisition or other investment or to strengthen its balance sheet. The Company may also issue subscription rights that are exercisable for new shares, or raise capital through public or private offerings of convertible debt or equity securities, or rights to acquire these securities. In connection with such transactions, the Company may, subject to certain conditions, limit or dis-apply preferential subscription rights of existing shareholders otherwise applicable to capital increases through contributions in cash. In addition, preferential subscription rights do not apply to capital increases through contributions in kind. Such transactions could therefore dilute the stakes in the Company's share capital held by shareholders and could have a negative impact on the price of the Shares (including the New Shares).

IMPORTANT INFORMATION

Responsibility statement

In accordance with article 26 of the Belgian Prospectus Act, the Company, represented by its board of directors, assumes responsibility for the information contained in this Prospectus. The Company, represented by its board of directors, declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Prospectus approval

As competent authority under the Prospectus Regulation, the FSMA approved the English language version of this Prospectus on 16 June 2020 in accordance with article 20 of the Prospectus Regulation. The FSMA's approval does not imply any opinion by the FSMA on the suitability and the status of the New Shares or on the status of the Company, nor as an endorsement of the Issuer or of the quality of the New Shares. The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the New Shares.

Pursuant to article 12(1) of the Prospectus Regulation, this Prospectus will be valid until after the admission of the New Shares to trading on Euronext Brussels, which is expected to occur on or about the Listing Date. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

Supplements to the Prospectus

This Prospectus has been prepared for the purposes of the Listing. The information in this Prospectus is as of the date printed on the front cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in Sequana Medical's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In accordance with article 23 of the Prospectus Regulation, in the event of a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the New Shares during the period from the date of approval of the Prospectus to the Listing Date, a supplement to this Prospectus shall be published. Any supplement is subject to approval by the FSMA, in the same manner as this Prospectus, and must be made public in the same manner as this Prospectus.

Language versions

This Prospectus (including the summary) has been prepared in English and translated into Dutch. The Company is responsible for the consistency between the Dutch and English language versions of the Prospectus. Investors can rely on the Dutch language version of this Prospectus in their contractual relationship with the Company. In any event, in the case of discrepancies between the different language versions of this Prospectus, the English language version will prevail.

Availability of this Prospectus

This Prospectus is available in Belgium at no cost at the Company's registered office, located at AA Tower, Technologiepark 122, 9052 Ghent, Belgium.

Subject to country restrictions, the Prospectus is also available under the 'Investors' section on the following website: www.sequanamedical.com.

The posting of the Prospectus or any summary thereof on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the New Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Although certain references are made to the Company's website, information on the Company's website (www.sequanamedical.com) (other than the Prospectus or any documents incorporated by reference therein) or any other website does not form part of the Prospectus. This Prospectus is valid only if circulated in accordance with applicable law.

The distribution of this Prospectus may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction

in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Further information regarding the Company

The Company was initially incorporated as a limited liability company organised in the form of an Aktiengesellschaft/société anonyme under the laws of Switzerland. In 2018, its registered office was transferred from Switzerland to Belgium.

The Company must file its restated articles of association and all other deeds and resolutions that are to be published in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad/Moniteur Belge*) with the clerk's office of the enterprise court of Ghent, division Ghent, where they are available to the public. The Company is registered with the legal entities register (Ghent, division Ghent) under enterprise number 0707.821.866. A copy of the Company's most recently restated articles of association and corporate governance charter are also available on its website (under the 'Investors' section) free of charge.

In accordance with Belgian law, the Company must prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the Company's board of directors and statutory auditor relating thereto must be filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a company with shares listed on the regulated market of Euronext Brussels, the Company is also required to publish an annual financial report (which includes its audited condensed statutory financial statements and audited consolidated financial statements, the report of its board of directors and the report of the statutory auditor) and an annual announcement preceding the publication of the annual financial report, as well as a half-yearly financial report on the first six months of its financial year (which includes a condensed set of financial statements and an interim management report). Copies of these documents will be made available on the Company's website (under the 'Investors' section) and on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via stori.fsma.be or www.fsma.be.

The Company must also disclose inside information, information about its shareholder structure and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market and Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**") and related rules, as amended from time to time, such information and documentation is made available through the Company's website, press releases, the communication channels of Euronext Brussels, on STORI, or a combination of these means. All press releases published by the Company are made available on its website.

The Company can be contacted by phone (+32 (0) 498 05 35 79), email (IR@sequanamedical.com) or via the contact form available on Sequana Medical's website (www.sequanamedical.com/contacts/).

NOTICE TO INVESTORS

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the New Shares. It contains selected and summarised information (including information incorporated by reference). It does not express any commitment or acknowledgement or waiver, and does not create any right, express or implied, towards anyone other than a potential investor. Investors must assess, with their own advisers if necessary, whether the Company's Shares are a suitable investment for them, considering their personal income and financial situation. In case of any doubt about the risks involved in investing in the Shares, investors should abstain from investing in the Shares.

In making an investment decision, investors must rely on their own assessment, examination, analysis and enquiry of Sequana Medical, the terms of the Listing and the contents of this Prospectus, including the merits and risks involved. Any purchase of Shares should be based on the assessments that an investor may deem necessary and including possible tax consequences that may apply, before deciding whether or not to invest in the Shares. In addition to their own assessment of Sequana Medical and the terms of the Listing, investors should rely only on the information contained in this Prospectus, including the risk factors described herein.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may under no

circumstances be interpreted as a basis for credit or other evaluation, or as investment, legal or tax advice for prospective investors. Prospective investors are urged to consult their own financial adviser, accountant or other advisers concerning the legal, tax, economic, financial and other aspects associated with the trading or investment in the New Shares.

The Company, or any of its respective representatives, is not making any representation to any purchaser of Shares regarding the legality of an investment in the Shares by such purchaser under the laws applicable to such purchaser. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

No person has been authorised to give any information or to make any representation in connection with the Listing other than those contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorised. Without prejudice to the Company's obligation to publish supplements to the Prospectus when legally required (as described above), neither the delivery of this Prospectus nor any sale of Shares made at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in Sequana Medical's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since such date.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

This Prospectus is not for distribution, directly or indirectly, in or into the United States. It does not constitute or form a part of any offer or solicitation to purchase or subscribe for New Shares in the United States. The New Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Company and its affiliates have not registered, and do not intend to register, the New Shares under the Securities Act, and do not intend to conduct a public offering of the New Shares in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This document is only addressed to, and directed in, member states of the EEA (each, a "**Member State**"), at persons who are 'qualified investors' within the meaning of article 2(e) of the Prospectus Regulation ("**Qualified Investors**"). Each person in a Member State who initially acquired any New Shares or to whom any offer of New Shares may be made and, to the extent applicable, any funds on behalf of which such person is acquiring the New Shares that are located in a Member State will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

In the United Kingdom this document is being distributed only to, and is directed only at, qualified investors (i) who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and qualified investors falling within article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This document must not be acted on or relied on (i) in the United Kingdom, by persons who are not Relevant Persons, and (ii) in any member state of the EEA other than the United Kingdom, by persons who are not qualified investors. Any investment or investment activity to which this document relates is available only to (a) Relevant Persons in the United Kingdom and will be engaged in only with Relevant Persons in the United Kingdom and (b) qualified investors in member states of the EEA (other than the United Kingdom).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial statements

This Prospectus contains references to the audited consolidated financial statements of the Company as of and for the years ended 31 December 2019, 2018, and 2017 (the "**Annual Financial Statements**"). The Annual Financial Statements were prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("**IFRS**").

The Annual Financial Statements as of and for the years ended 31 December 2019 and 31 December 2018 have been audited by PwC Bedrijfsrevisoren CVBA, a cooperative company with limited liability organised

and existing under the laws of Belgium, registered with the Belgian Institute of Registered Auditors (*Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*), with office address at Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe, Belgium, represented by Mr. Peter D'hondt.

The Annual Financial Statements as of and for the year ended 31 December 2017 have been audited by PricewaterhouseCoopers AG, with office address at St Jakobs-Strasse 25, CH-4002 Basel, Switzerland, represented by Mr. Thomas Brüderlin and Ms. Susanne Halimi. PricewaterhouseCoopers AG is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary.

There are no qualifications to the audit reports on the Annual Financial Statements. However, with regard to the Annual Financial Statements as of and for the year ended 31 December 2017, the auditors at that time (PricewaterhouseCoopers AG, represented by Mr. Thomas Brüderlin and Ms. Susanne Halimi. PricewaterhouseCoopers AG is a member of EXPERTsuisse – Swiss Expert Association for Audit, Tax and Fiduciary) had included in their report a matter of emphasis paragraph on going concern given that the Company's ability to continue operations depended on its ability to raise additional capital in order to fund operations and assure the solvency of the Company until revenues reached a level to sustain positive cash flows. As such, at that time, there was significant doubt about Sequana Medical's ability to continue as a going concern if Sequana Medical would not succeed in raising additional capital.

The Annual Financial Statements have been included in this Prospectus (by reference) with the consent of PwC Bedrijfsrevisoren CVBA and PricewaterhouseCoopers AG.

Rounding

Certain monetary amounts and other figures included in this Prospectus have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding.

Other Information

In this Prospectus, references to the "Company" are to Sequana Medical NV, and references to "Sequana Medical", "we," "us" or "our" are to the Company, its consolidated subsidiaries, Sequana Medical GmbH (Germany) and Sequana Medical, Inc. (the U.S.), and its branch in Switzerland.

In this Prospectus, references to "euro", "EUR" or "EUR" are references to the euro, the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; references to "Swiss franc" or "CHF" are references to the Swiss franc, the lawful currency of Switzerland and Liechtenstein; references to "U.S. Dollar", "USD", "US$" or "$" are references to the U.S. Dollar, the lawful currency of the U.S.; references to "pound sterling", "U.K. pound sterling", "GBP" or "£" are references to the pound sterling, the official currency of the United Kingdom, Jersey, Guernsey, the Isle of Man, South Georgia and the South Sandwich Islands, the British Antarctic Territory, and Tristan da Cunha.

PRESENTATION OF INDUSTRY, MARKET AND OTHER INFORMATION

Where information has been sourced from third parties, this information has been accurately reproduced. As far as Sequana Medical is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus includes market, economic and industry data, which were obtained by Sequana Medical from scientific journals, industry publications, press releases, filings under various securities laws, data published by government agencies and industry reports prepared by consultants. These market data are primarily presented in the Company's 2018 Annual Report (as defined below), the 2019 Annual Report (as defined below) and the IPO Prospectus (as defined below), which are incorporated in part by reference in this Prospectus. The market, economic and industry data have primarily been derived and extrapolated from reports and articles provided by third parties such as GlobalData, the American Association for the Study of Liver Diseases, the European Association for the Study of the Liver, the U.S. Centers for Disease Control and Prevention, the New England Journal of Medicine, the Journal of the American College of Cardiology, the Journal of Clinical Gastroenterology, the Annals of Oncology, the American Journal of Gastroenterology, the Journal of Hepatology and the Journal of the American College of Cardiology. For further information, see the sources sections of the 2018 Annual Report, the 2019 Annual Report and the IPO Prospectus.

The third-party sources Sequana Medical has used generally state that the information they contain has been obtained from sources believed to be reliable. Some of these third-party sources also state, however, that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As Sequana Medical does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third party sources, Sequana Medical is unable to verify such information. Thus, as mentioned, while the information has been accurately reproduced, and that as far as Sequana Medical is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading, and Sequana Medical believes it to be reliable, Sequana Medical cannot guarantee its accuracy or completeness. The inclusion of this third-party industry, market and other information should not be considered as the opinion of such third parties as to the value of the New Shares or the advisability of investing in the New Shares.

In addition, certain information in this Prospectus is not based on published data obtained from independent third parties or extrapolations therefrom, but rather is based upon Sequana Medical's best estimates, which are in turn based upon information obtained from trade and business organisations and associations, consultants and other contacts within the industries in which Sequana Medical operates, information published by Sequana Medical's competitors and Sequana Medical's own experience and knowledge of conditions and trends in the markets in which it operates.

Sequana Medical cannot assure that any of the assumptions it has made while compiling this data from third party sources are accurate or correctly reflect Sequana Medical's position in the industry and none of Sequana Medical's internal estimates have been verified by any independent sources. Sequana Medical does not make any representation or warranty as to the accuracy or completeness of this information. Sequana Medical has not independently verified this information and, while Sequana Medical believes it to be reliable, Sequana Medical cannot guarantee its accuracy.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus and in the documents which are incorporated by reference in this Prospectus that do not relate to historical facts and events are "forward-looking statements". Forward-looking statements can be found in the summary of this Prospectus, the chapter "Risk Factors", the chapter "Business Overview" and in other sections of this Prospectus and in the documents which are incorporated by reference in this Prospectus. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "plans", "continue", "ongoing", "potential", "predict", "project", "target", "seek" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements appear in a number of places throughout this Prospectus and in documents which are incorporated by reference in this Prospectus. Forward-looking statements include statements regarding Sequana Medical's intentions, beliefs or current expectations concerning, among other things, its results of operations, prospects, growth, strategies and dividend policy and the industry in which Sequana Medical operates. In particular, certain statements are made in this Prospectus and in the documents which are incorporated by reference in this Prospectus regarding management's estimates of future growth.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. Any forward-looking statements are made only as of the date of this Prospectus and, without prejudice to the Company's obligations under applicable law in relation to disclosure and ongoing information, the Company does not intend, and does not assume any obligation, to update forward-looking statements set forth in this Prospectus.

Many factors may cause Sequana Medical's results of operations, financial condition, liquidity and the development of the industries in which Sequana Medical operates to differ materially from those expressed or implied by the forward-looking statements contained in this Prospectus.

These factors include, but are not limited to:

- the impact of the ongoing outbreak of the 2019 novel coronavirus (COVID-19) on Sequana Medical's clinical studies and on its business generally;
- commercial acceptance of existing and future products in target markets;
- acceptance and adoption by physicians of any existing and future products in target markets;
- uncertain, time consuming and expensive regulatory approvals;
- failure to obtain sufficient financing;
- changing regulatory regimes may delay, prohibit or reduce potential sales or create costs that are not economically attractive;
- disruption of supply chain for services and components used for manufacturing products;
- changes in government regulations, legislation and healthcare policies, including with respect to reimbursements;
- intense and increased competition from other companies;
- failure to comply with the loan agreement entered into between the Company and Bootstrap;
- failure to fully protect and exploit intellectual property rights;
- difficulties in recruitment and attracting physicians;
- failure to manufacture or outsource manufacturing in a timely manner or at a cost that is not economically attractive;
- product liability claims and no adequate insurance coverage for such claims;
- product recalls for defective products;
- failure to attract and retain management and other personnel;
- failure to penetrate markets outside of Europe, the U.S. and Canada;
- information security breaches and disruptions;
- failure of information technology systems;
- misconduct or other improper activities of employees, independent contractors, Investigators, consultants, commercial collaborators, service providers, distributors and other counterparties;
- changes in currency exchange rates; and
- changes in tax laws and regulations.

These risks and others described in the chapter "Risk Factors" are not exhaustive. Other sections of this Prospectus describe additional factors that could adversely affect Sequana Medical's results of operations, financial condition, liquidity and the development of the markets in which Sequana Medical operates. New risks can emerge from time to time, and it is not possible for Sequana Medical to predict all such risks, nor can Sequana Medical assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not rely on forward-looking statements as a prediction of actual results.

INFORMATION INCORPORATED BY REFERENCE

Certain information on Sequana Medical is included in documents, parts of which are incorporated by reference in this Prospectus.

The table below sets out the references to the following documents which are incorporated by reference in this Prospectus:

- The Company's report on the financial statements for the year ended 31 December 2019 (the "**2019 Annual Report**"). The 2019 Annual Report is available on Sequana Medical's website and can be inspected via the following hyperlink: https://www.sequanamedical.com/wp-content/uploads/2020/04/2019-Annual-Report-ENG-1.pdf.

- The Company's report on the financial statements for the year ended 31 December 2018 (the "**2018 Annual Report**"). The 2018 Annual Report is available on Sequana Medical's website and can be inspected via the following hyperlink: https://www.sequanamedical.com/wp-content/uploads/2019/04/Sequana-Medical-Annual-Report-2018-1.pdf;

- The prospectus relating to the initial public offering of the shares of the Company dated 30 January 2019 (the "**IPO Prospectus**"). Subject to country restrictions, the IPO Prospectus is available on Sequana Medical's website and can be inspected via the following hyperlink: https://www.sequanamedical.com/wp-content/uploads/2019/02/Stratus-Final-Prospectus-EN.pdf; and

- The report of the board of directors in accordance with Article 7:198 juncto Article 7:179 and 7:191 of the Belgian Companies and Associations Code and the report prepared in accordance by the Company's statutory auditor, PwC Bedrijfsrevisoren 44CVBA, represented by Mr. Peter D'hondt, auditor, available on Sequana Medical's website which can be inspected via the following hyperlink: https://www.sequanamedical.com/investors/shareholder-information.

The parts of the 2019 Annual Report, the 2018 Annual Report and the IPO Prospectus that are not incorporated by reference in this Prospectus are not relevant for investors or covered elsewhere in this Prospectus.

Topic	**IPO Prospectus**	**2018 Annual Report**	**2019 Annual Report**
Business Overview			
Principal activities and main categories of products and services	/	/	"*alfapump platform*" in the business section of the 2019 Annual Report, p. 16-25 "*alfapump platform*" in the business section of the 2019 Annual Report, p. 26-61 See also chapter "*Business Overview*", section "*Principal activities*" in this Prospectus

Principal markets	/	"*6. Segment Information*" in the notes to the 2018 financial statements in the financial section of the 2018 Annual Report, p. 132	"6. *Segment Information*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 164
Development of the Company's business	/	"*Achievements in 2018*" in the business section of the 2018 Annual Report	"*Achievements*" in the business section of the 2019 Annual Report, p. 12-13
Strategy and objectives	/	/	"*Our Strategy & Key Objectives*" in the 2019 Annual Report, p. 1 *"Other potential applications*" in the business section of the 2019 Annual Report, p. 61
Dependency on patens, licences, contracts or manufacturing processes	/	/	"*Extensive Intellectual Property Portfolio & Established Supply Chain*" in the business section of the 2019 Annual Report, p. 24
Competitive position	/	/	"***alfa**pump platform*" in business section of the 2019 Annual Report, p. 17 "*Extensive Intellectual Property Portfolio & Established Supply Chain*" in the business section of the 2019 Annual Report, p. 24

Investments	/	/	"*Operational and other information – Investments*" in the business section of the 2019 Annual Report, p. 65-66
Organisational Structure			
Description of Company's group	/	/	"*1 Corporate Information*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 140-141 "*13.1 Subsidiaries included in or excluded from the consolidation scope, and associates*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 187

Operating and financial review			
Financial condition	/	"*1.1.2. Commentary on the consolidated annual accounts*" in the corporate governance section of the 2018 Annual Report, pp. 53-55 "*7. Detailed information on profit or loss items*" and "*8. Detailed information on balance sheet items*" in the notes to the 2018 financial statements in the financial section of the 2018 Annual Report, pp. 133-148	"*1.1.2. Commentary on the consolidated annual accounts*" in the corporate governance section of the 2019 Annual Report p. 74-75 "*1.4. Research and development*" in the corporate governance section of the 2019 Annual Report, p. 77 "*7. Detailed information on profit or loss items*" and "*8. Detailed information on balance sheet items*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 165-181 "*Outlook for 2020*" in the business section of the 2019 Annual Report, p. 14

Operating results	/	"*1.1.1. Operational review*" in the corporate governance section of the 2018 Annual Report, pp. 52-53 "*1.1.2. Commentary on the consolidated annual accounts*" in the corporate governance section of the 2018 Annual Report, pp. 53-55 "*7. Detailed information on profit or loss items*" and "*8. Detailed information on balance sheet items*" in the notes to the 2018 financial statements in the financial section of the 2018 Annual Report, pp. 133-148	"*1.1.1 Operational review*" in the corporate governance section of the 2019 Annual Report, p. 72-74 "*1.1.2. Commentary on the consolidated annual accounts*" in the corporate governance section of the 2019 Annual Report, p. 74-77 "*7. Detailed information on profit or loss items*" and "*8. Detailed information on balance sheet items*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 165-181
Capital resources			
Capital resources and cash flows	/	/	"*Consolidated statement of cash flows*" in the financial section of the 2019 Annual Report, p. 139 "*Operational and other information – Cash flows*" in the business section of the 2019 Annual Report, p. 66 "*1.1.2. Commentary on the consolidated annual accounts – Cash flows*" in the corporate governance section of the 2019 Annual Report, p. 74-77

Borrowing requirements and funding structure	/	/	"*3.2. Liquidity Risks*", "*3.3. Capital Management*" and "*4. Going Concern*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 160-162
Trend information			
Trend information	/	/	"*Operational and other information – Trend Information*" in the business section of the 2019 Annual Report, p. 66-67
Management			
Administrative, management and supervisory bodies and senior management	/	/	"*2. Corporate Governance Statement*" in the corporate governance section of the 2019 Annual Report, p. 87-112 See also chapter "*General Information*", sections "*Composition board of directors*", "*Composition management*" and "*Conflicts of Interests*" of this Prospectus.

Board practices	/	/	"*2. Corporate Governance Statement*" in the corporate governance section of the 2019 Annual Report, p. 87-112 See also chapter "*General Information*", sections "*Composition board of directors*" and "*Conflicts of Interests*" of this Prospectus.
Remuneration and Benefits			
Remuneration and benefits	/	/	"*3. Remuneration Report*" in the corporate governance section of the 2019 Annual Report, p. 113-122 "*8.7. Post-employment benefits*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 176-180

Employees			
Average number of employees	/	"*13.2. Average number of employees*" in the notes to the 2018 financial statements in the financial section of the 2018 Annual Report, p. 155	"*13.2. Average number of employees*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 187 "*Operational and other information – Employees*" in the business section of the 2019 Annual Report, p. 67
Related party transactions			
Related party transactions	"9. Transactions with related parties" in the notes to the financial statements for the years ended 31 December 2015, 2016 and 2015, p. F-60	"*12. Transactions with related parties*" in the notes to the 2018 financial statements in the financial section of the 2018 Annual Report, p. 153	"*12. Transactions with related parties*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 186
Financial information			
Financial statements	"*Consolidated financial statements for the years ended December 31, 2017, 2016 and 2015*", F-28-F-61	Financial section of the 2018 Annual Report, pp. 99-162	Financial section of the 2019 Annual Report, p. 124-191
Auditing of financial information	"*Independent auditor's report to the Board of Directors on the consolidated financial statements 2017, 2016 and 2015*", F-24-F-27	"*2. Statutory auditor's report*" in the financial section of the 2018 Annual Report, p. 101-105	"*2. Statutory auditor's report*" in the financial section of the 2019 Annual Report, p. 129-133

Significant changes in the Company's financial position	/	/	"*4. Going Concern*" and "*15. Events after the reporting period*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 162 and 189 "*Operational and other information – Trend Information*" in the business section of the 2019 Annual Report, p. 66-67 See also chapter "*Business Overview*", section "*Changes since the date of the last financial information*" in this Prospectus
Dividend policy	/	/	"*2. Corporate Governance Statement*" in the corporate governance section of the 2019 Annual Report, p. 87-112 See also chapter "*New Shares*", section "*Rights attached to the New Shares*"

Share capital			
Company's share capital and securities	/	/	"*8.5. Share capital and Share Premium*" in the notes to the 2019 financial statements in the financial section of the 2019 Annual Report, p. 170-171 "*3. Remuneration Report*" in the corporate governance section of the 2019 Annual Report, p. 113-122

NEW SHARES

Issuance of the New Shares

The New Shares were issued by the Company on 27 January 2020 as part of an aggregate of 3,166,666 new Shares that were placed with institutional, qualified, professional and/or other investors, in and outside of Belgium, on the basis of applicable securities law exemptions, via a private placement through an accelerated bookbuilding procedure. The 3,166,666 new Shares (including the New Shares) were issued pursuant to a capital increase in cash that was decided by the Company's board of directors within the framework of the authorised capital with dis-application of preferential subscription rights of existing shareholders of the Company and, in so far as required, of existing holders of subscription rights (stock options) of the Company (the Private Placement). All of the new Shares were issued at a (gross) issue price of EUR 6.00 per Share. Of the 3,166,666 new Shares, 2,522,379 were immediately admitted to listing and trading on the regulated market of Euronext Brussels upon their issuance, while 644,287 new Shares, being the New Shares, were not immediately admitted to listing trading on the regulated market of Euronext Brussels upon their issuance.

The Private Placement resulted in a dilution of 20.07% of the then existing shareholders of the Company and of the relative voting power of each share in the Company at that time. For more information about the consequences of the transaction for the financial and shareholder rights of the shareholders of the Company, reference is made to the report of the board of directors in accordance with Article 7:198 *juncto* Article 7:179 and 7:191 of the Belgian Companies and Associations Code. This board report must be read together with the report prepared in accordance by the Company's statutory auditor, PwC Bedrijfsrevisoren CVBA, represented by Mr. Peter D'hondt, auditor. The aforementioned reports are available on the Company's website at: https://www.sequanamedical.com/investors/shareholder-information and are incorporated by reference in this Prospectus.

The aggregate of the administrative, legal, tax and audit expenses as well as the other costs in connection with the Private Placement (including but not limited to legal publications, printing and translation of the Prospectus and listing related documents) and Euronext Brussels, is expected to amount to approximately EUR 1.15 million. The net proceeds of the private placement were EUR 17.85 million.

Form and transferability of the New Shares

The New Shares are all ordinary Shares, are fully paid, and rank *pari passu* in all respects with all other existing and outstanding Shares of the Company.

All of the Shares belong to the same class of securities and are in registered or dematerialised form. A register of registered Shares (which may be held in electronic form) is maintained at the Company's registered office. It may be consulted by any holder of Shares. A dematerialised Share will be represented by an entry on a personal account of the owner or holder, with a recognised account holder or clearing and settlement institution. Holders of Shares may elect, at any time, to have their registered Shares converted into dematerialised Shares, and vice versa, at their own expense.

The New Shares are freely transferable. This is without prejudice to certain restrictions that may apply pursuant to applicable securities laws requirements.

Admission to trading of the New Shares on Euronext Brussels

All of the Shares (other than the New Shares) are admitted to listing and trading on the regulated market of Euronext Brussels under the symbol "SEQUA" with ISIN BE0974340722.

An application has been made for the listing and admission to trading on the regulated market of Euronext Brussels of all New Shares. The New Shares are expected to be listed under the symbol "SEQUA" with ISIN BE0974340722. Trading is expected to commence on or about 26 June 2020.

The aggregate of the administrative, legal, tax and audit expenses as well as the other costs in connection with the Listing (including but not limited to legal publications, printing and translation of the Prospectus and listing related documents) and the remuneration of the FSMA (which is estimated at EUR 20,000.00) and Euronext Brussels, is expected to amount to approximately EUR 0.23 million.

Currency of the New Shares

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

Rights attached to the New Shares

Voting rights attached to the New Shares

Each shareholder of the Company is entitled to one vote per Share. Shareholders may vote by proxy, subject to the rules described below in subsection "*Right to attend and vote at general shareholders' meetings*", subsection "*Voting by proxy or remote voting*".

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 or on which more than one person has rights in rem (zakelijke rechten) on, 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 3%, 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 and Associations Code, the voting rights attached to Shares owned by the Company, or a person acting in its own name but on behalf of the Company, or acquired by a subsidiary of the Company, as the case may be, are suspended.

Generally, the general shareholders' meeting has sole authority with respect to:

- the approval of the annual financial statements of the Company;
- the distribution of profits (except interim dividends (see subsection "Dividends" below);
- the appointment (at the proposal of the board of directors and upon recommendation by the remuneration and nomination committee) and dismissal of directors of the Company;
- the appointment (at the proposal of the board of directors and upon recommendation by the audit committee) and dismissal of the statutory auditor of the Company;
- the granting of release from liability to the directors and the statutory auditor of the Company;
- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate;
- the approval of the remuneration report included in the annual report of the board of directors and the determination of the following features of the remuneration or compensation of directors, members of the executive management and certain other executives (as the case may be): (i) in relation to the remuneration of executive and non-executive directors, 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 executive directors, 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, (iii) in relation to the remuneration of non-executive directors, any variable part of the remuneration (provided, however, that no variable remuneration can be granted to independent non-executive directors), and (iv) any service agreements to be entered into with executive directors, members of the executive management and other executives providing for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, eighteen (18) months' remuneration);

- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganisations of the Company; and
- the approval of amendments to the articles of association.

Right to attend and vote at general shareholders' meetings

Annual meetings of shareholders

The annual general shareholders' meeting is held at the registered office of the Company or at the place determined in the notice convening the general shareholders' meeting. The meeting is held every year on fourth Thursday of May. If this day is a public holiday, even if it is only a public holiday in one of the communities of Belgium, the meeting will be held on the next business day. At the annual general shareholders' meeting, the board of directors submits to the shareholders the audited non-consolidated and consolidated annual financial statements and the reports of the board of directors and of the statutory auditor with respect thereto.

The general shareholders' meeting then decides on the approval of the statutory annual financial statements, the proposed allocation of the Company's profit or loss, the release from liability of the directors and the statutory auditor, the approval of the remuneration report included in the annual report of the board of directors and, when applicable, the (re-)appointment or dismissal of the statutory auditor and/or of all or certain directors. In addition, as relevant, the general shareholders' meeting must also decide on the approval of the remuneration of the directors and statutory auditor for the exercise of their mandate, and on the approval of provisions of service agreements to be entered into with executive directors, members of the executive management and other executives providing (as the case may be) for severance payments exceeding twelve months' remuneration (or, subject to a motivated opinion by the remuneration and nomination committee, 18 months' remuneration) (see also subsection "*Voting rights attached to the New Shares*" above).

Special and extraordinary general shareholders' meetings

The board of directors or the statutory auditor (or the liquidators, if appropriate) may, whenever the interest of the Company so requires, convene a special or extraordinary general shareholders' meeting. Such general shareholders' meeting must also be convened every time one or more shareholders holding, alone or together, at least 10% of the Company's share capital so request. Shareholders that do not hold at least 10% of the Company's share capital do not have the right to have the general shareholders' meeting convened.

Right to put items on the agenda of the general shareholders' meeting and to table draft resolutions

Shareholders who hold alone or together with other shareholders at least 3% of the Company's share capital have the right to put additional items on the agenda of a general shareholders' meeting that has been convened and to table draft resolutions in relation to items that have been or are to be included in the agenda. This right does not apply to general shareholders' meetings that are being convened on the grounds that the quorum was not met at the first duly convened meeting (see subsection "*Quorum and majorities*" below). Shareholders wishing to exercise this right must prove on the date of their request that they own at least 3% of the outstanding share capital. The ownership must be based, for dematerialised Shares, on a certificate issued by the applicable settlement institution for the Shares concerned, or by a certified account holder, confirming the number of Shares that have been registered in the name of the relevant shareholders and, for registered

Shares, on a certificate of registration of the relevant Shares in the share register book of the Company. In addition, the shareholder concerned must register for the meeting concerned with at least 3% of the outstanding share capital (see also subsection "*Formalities to attend the general shareholders' meeting*" below). A request to put additional items on the agenda and/or to table draft resolutions must be submitted in writing, and must contain, in the event of an additional agenda item, the text of the agenda item concerned and, in the event of a new draft resolution, the text of the draft resolution. The request must reach the Company at the latest on the twenty second calendar day preceding the date of the general shareholders' meeting concerned. If the Company receives a request, it will have to publish at the latest on the fifteenth calendar day preceding the general shareholders' meeting an update of the agenda of the meeting with the additional agenda items and draft resolutions.

Notices convening the general shareholders' meeting

The notice convening the general shareholders' meeting must state the place, date and hour of the meeting and must include an agenda indicating the items to be discussed and the proposed resolutions. The notice must, as the case may be, include the proposal of the audit committee to nominate a statutory auditor responsible for auditing the consolidated financial statements. The notice also needs to contain a description of the formalities that security holders must fulfil in order to be admitted to the general shareholders' meeting and (as the case may be) exercise their voting right, information on the manner in which shareholders can put additional items on the agenda and table draft resolutions, information on the manner in which security holders can ask questions during the general shareholders' meeting and prior to the meeting via the Company's email address or a specific email address mentioned in this notice, information on the procedure to participate to the general shareholders' meeting by means of a proxy or to vote by means of a remote vote, and, as applicable, the registration date for the general shareholders' meeting. The notice must also mention where shareholders can obtain a copy of the documentation that will be submitted to the general shareholders' meeting, the agenda with the proposed resolutions or, if no resolutions are proposed, a commentary by the board of directors, updates of the agenda if shareholders have put additional items or draft resolutions on the agenda, the forms to vote by proxy or by means of a remote vote, and the address of the webpage on which the documentation and information relating to the general shareholders' meeting will be made available. This documentation and information, together with the notice and the total number of outstanding voting rights, must also be made available on the Company's website at the same time as the publication of the notice convening the meeting, for a period of five years after the relevant general shareholders' meeting.

The notice convening the general shareholders' meeting has to be published at least 30 calendar days prior to the general shareholders' meeting in the Belgian Official Gazette (*Belgisch Staatsblad/Moniteur Belge*), in a newspaper that is published nation-wide in Belgium, in paper or electronically, in media that can be reasonably relied upon for the dissemination of information within the EEA in a manner ensuring fast access to such information on a non-discriminatory basis, and on the Company's website. A publication in a nation-wide newspaper is not needed for annual general shareholders' meetings taking place on the date, hour and place indicated in the articles of association of the Company if the agenda is limited to the treatment and approval of the financial statements, the annual report of the board of directors, the report of the statutory auditor, the remuneration report, the severance pay for executive directors, and the discharge from liability of the directors and statutory auditor. See also subsection "*Voting Rights attached to the New Shares*" above. In addition to this publication, the notice has to be distributed at least 30 calendar days prior to the meeting via the normal publication means that the Company uses for the publication of press releases and regulated information. The term of 30 calendar days prior to the general shareholders' meeting for the publication and distribution of the convening notice can be reduced to 17 calendar days for a second meeting if, as the case may be, the applicable quorum for the meeting is not reached at the first meeting, the date of the second meeting was mentioned in the notice for the first meeting and no new item is put on the agenda of the second meeting. See also further below under subsection "*Quorum and majorities*".

At the same time as its publication, the convening notice must also be sent to the holders of registered Shares, holders of registered convertible bonds, holders of registered subscription rights, holders of registered certificates issued with the co-operation of the Company (if any), and, as the case may be, to the directors and statutory auditor of the Company. This communication needs to be made by e-mail unless the addressee has informed the Company that it wishes to receive the relevant documentation by another equivalent means of communication. If the relevant addressee does not have an e-mail address or if it did not inform the Company thereof, the relevant documentation will be sent by ordinary mail.

Formalities to attend the general shareholders' meeting

All holders of Shares, profit-sharing certificates, non-voting Shares, convertible bonds, subscription rights or other securities issued by the Company, as the case may be, and all holders of certificates issued with the co-operation of the Company (if any) can attend the general shareholders' meetings insofar as the law or the articles of association entitles them to do so and, as the case may be, gives them the right to participate in voting.

In order to be able to attend a general shareholders' meeting, a holder of securities issued by the Company must satisfy two criteria: being registered as holder of securities on the registration date for the meeting, and notify the Company:

- Firstly, the right to attend general shareholders' meetings applies only to persons who are registered as owning securities on the fourteenth calendar day prior to the general shareholders' meeting at midnight (Belgian time) via registration, in the applicable register book for the securities concerned (for registered securities) or in the accounts of a certified account holder or relevant settlement institution for the securities concerned (for dematerialised securities or securities in book-entry form).

- Secondly, in order to be admitted to the general shareholders' meeting, securities holders must notify the Company at the latest on the sixth calendar day prior to the general shareholders' meeting whether they intend to attend the meeting and indicate the number of Shares in respect of which they intend to do so. For the holders of dematerialised securities or securities in book-entry form, the notice should include a certificate confirming the number of securities that have been registered in their name on the record date. The certificate can be obtained by the holder of the dematerialised securities or securities in book-entry form with the certified account holder or the applicable settlement institution for the securities concerned.

The formalities for the registration of securities holders, and the notification of the Company must be further described in the notice convening the general shareholders' meeting.

Voting by proxy or remote voting

Each shareholder has, subject to compliance with the requirements set forth above under subsection "*Formalities to attend the general shareholders' meeting*", the right to attend a general shareholders' meeting and to vote at the general shareholders' meeting in person or through a proxy holder, who need not be a shareholder. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper (handwritten) or electronic form must be received by the Company at the latest on the sixth calendar day preceding the meeting. The appointment of a proxy holder must be made in accordance with the applicable rules of Belgian law, including in relation to conflicts of interest and the keeping of a register.

The notice convening the meeting may allow shareholders to vote remotely in relation to the general shareholders' meeting, by sending a paper form or, if specifically allowed in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

The Company may also organise a remote vote in relation to the general shareholders' meeting through other electronic communication methods, such as, among others, through one or several websites. The Company shall specify the practical terms of any such remote vote in the convening notice.

Holders of securities who wish to be represented by proxy or vote remotely must, in any case comply with the formalities to attend the meeting, as explained above under subsection "*Formalities to attend the general shareholders' meeting*".

Quorum and majorities

In general, there is no attendance quorum requirement for a general shareholders' meeting and decisions are generally passed with a simple majority of the votes of the Shares present or represented. However, capital increases (other than those decided by the board of directors pursuant to the authorised capital), decisions with respect to the Company's dissolution, mergers, de-mergers and certain other reorganisations of the Company, amendments to the articles of association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Companies and Associations Code do not only require the presence or representation of at least 50% of the share capital of the Company but also a majority of at least 75% of the votes cast. An amendment of the Company's corporate purpose requires the approval of at least 80% of the votes cast at a general shareholders' meeting, which can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second general shareholders' meeting may validly deliberate and decide regardless of the number of Shares present or represented. The special majority requirements, however, remain applicable.

Right to ask questions

Within the limits of article 7:139 of the Belgian Companies and Associations Code, security holders have a right to ask questions to the directors in connection with the report of the board of directors or the items on the agenda of such general shareholders' meeting. However, directors may, in the interest of the Company, refuse to answer questions when the communication of certain information or facts is likely to cause prejudice to the Company or is contrary to the obligations of confidentiality entered into by them or by the Company.

Shareholders can also ask questions to the statutory auditor in connection with its report. Such questions can be submitted in writing prior to the meeting or can be asked at the meeting. Written questions to the statutory auditor must be submitted to the Company at the same time. The statutory auditor may, in the interest of the Company, refuse to answer questions when the communication of certain information or facts is likely to cause prejudice to the Company or is contrary to its professional secrecy or to obligations of confidentiality entered into by the Company. The statutory auditor has the right to speak at the general meeting in connection with the performance of its duties.

Written and oral questions will be answered during the meeting concerned in accordance with applicable law. In addition, in order for written questions to be considered, the shareholders who submitted the written questions concerned must comply with the formalities to attend the meeting, as explained above under subsection "*Formalities to attend the general shareholders' meeting*".

Dividends

All of the New Shares, entitle the holder thereof to an equal right to participate in dividends in respect of the financial year ending 31 December 2019 and future years. All of the Shares participate equally in the Company's profits (if any). Pursuant to the Belgian Companies and Associations 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 Belgian Companies and Associations Code and 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, except in exceptional circumstances, to be disclosed and justified in the notes to the annual accounts, the non-amortised costs of incorporation and extension and 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 nor will it meet the requirement at the time of the closing of the Listing. 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.

Furthermore, at the date of this Prospectus, the Bootstrap Loan also includes covenants, which may limit the Company's ability (or require Bootstrap's prior consent) to make distributions by way of dividends or otherwise and this so long as any monies or obligations, actual or contingent, are outstanding under the Bootstrap Loan (and the security documentation entered into in that context).

Finally, additional financial restrictions and other limitations may be contained in future credit agreements.

Rights regarding liquidation

The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary general shareholders' meeting where at least 50% of the share capital is present or represented.

Pursuant to article 7:228 of the Belgian Companies and Associations Code, if, as a result of losses incurred, the ratio of the Company's net assets (determined in accordance with Belgian legal and accounting rules for non-consolidated financial statements) to share capital is less than 50%, the board of directors must convene an extraordinary general shareholders' meeting within two months as of the date upon which the board of directors discovered or should have discovered this undercapitalisation. At this general shareholders' meeting the board of directors needs to propose either the dissolution of the Company or the continuation of the Company, in which case the board of directors must propose measures to ensure the Company's continuity. The board of directors must justify its proposals in a special report to the shareholders. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event shareholders representing 25% of the votes validly cast at the meeting can decide to dissolve the Company.

Pursuant to article 7:229 of the Belgian Companies and Associations Code, if the amount of the Company's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a corporation with limited liability organised under the laws of Belgium (*naamloze vennootschap/société anonyme*)), any interested party is entitled to request the competent court to dissolve the Company. The court can order the dissolution of the Company or grant a grace period within which the Company is to remedy the situation.

If the Company is dissolved for any reason, the liquidation must be carried out by one or more liquidators appointed by the general shareholders' meeting and whose appointment has been ratified by the enterprise court. Any balance remaining after discharging all debts, liabilities and liquidation costs must first be applied to reimburse, in cash or in kind, the paid-up capital of the Shares not yet reimbursed. Any remaining balance shall be equally distributed amongst all the shareholders (see also the chapter "Risk Factors", section "Risks related to Sequana Medical's business and industry", subsection "*Sequana Medical has incurred operating losses, negative operating cash flows and an accumulated deficit since inception and may not be able to achieve or subsequently maintain profitability*").

On the date of this Prospectus, the Company's net equity is positive and thus not falls within the scope of the articles 7:228 and 7:229 of the Belgian Companies and Associations Code.

Changes to the share capital

Changes to the share capital decided by the shareholders

In principle, changes to the share capital are decided by the shareholders. The general shareholders' meeting may at any time decide to increase or reduce the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as

described above under subsection "*Right to attend and vote at general shareholders' meetings*", subsection "*Quorum and majorities*".

Capital increases decided by the board of directors

Subject to the same quorum and majority requirements, the general shareholders' meeting may authorise the board of directors, within certain limits, to increase the Issuer's share capital without any further approval of the shareholders. This is the so-called authorised capital. This authorisation needs to be limited in time (i.e. it can only be granted for a renewable period of maximum five years) and scope (i.e. the authorised capital may not exceed the amount of the registered capital at the time of the authorisation).

By virtue of the resolution of the extraordinary general shareholders' meeting of the Company held on 18 January 2019, as published by excerpt in the Annexes to the Belgian Official Gazette on 15 February 2019 under number 19024057, which entered into force on 12 February 2019, as published by excerpt in the Annexes to the Belgian Official Gazette (*Belgisch Staatsblad/Moniteur belge*) on 12 March 2019 under number 19035933, the board of directors of the Company has been granted certain powers to increase the Company's share capital in the framework of the authorised capital. The powers under the authorised capital have been set out in Article 8 of the Company's Articles of Association.

Pursuant to the authorisation granted by the extraordinary general shareholders' meeting, the board of directors was authorised to increase the share capital of the Company in one or more transactions with a maximum amount of EUR 1,306,939.52 (excluding issue premium, as the case may be). The authorisation is valid for a period of five years as from 15 February 2019.

The capital increases that can be effected in accordance with the aforementioned authorisation can take place by means of contributions in cash or in kind, by capitalisation of reserves, whether available or unavailable for distribution, and capitalisation of issue premiums, with or without the issuance of new Shares, with or without voting rights, that will have the rights as will be determined by the board of directors. The board of directors is also authorised to use this authorisation for the issuance of convertible bonds or subscription rights (stock options), bonds with subscription rights or other securities.

The board of directors is authorised, when exercising its powers within the framework of the authorised capital, to restrict or cancel, in the interest of the company, the preferential subscription right of the shareholders. This restriction or cancellation of the preferential subscription right can also be done in favour of members of the personnel of the Company or of its subsidiaries, or in favour of one or more persons other than members of the personnel of the Company or of its subsidiaries.

The board of directors has used its powers under the authorised capital once at the occasion of the Private Placement. The board of directors therefore still has the authority under the authorised capital to increase the Company's share capital with an aggregate amount of EUR 978,872.92 (excluding issue premium, as the case may be).

Preferential subscription right

In the event of a capital increase for cash with the issue of new shares of the Company, or in the event of an issue of convertible bonds or subscription rights, the existing shareholders have a preferential right to subscribe, pro rata, to the new shares of the Company, convertible bonds or subscription rights. These preferential subscription rights are transferable during the subscription period.

The general shareholders' meeting may decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the general shareholders' meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders may also decide to authorise the board of directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Companies and Associations Code. As mentioned above, the board of directors of the Company has been granted certain powers to increase the Company's share capital in the framework of the authorised capital and to cancel the statutory preferential subscription rights of the shareholders (within the meaning of article 7:193 of the Belgian Companies and Associations Code). The powers under the authorised capital have been set out in Article 8 of the Company's Articles of Association.

Generally, unless expressly authorised in advance by the general shareholders' meeting, the authorisation of the board of directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the financial instruments of the Company. The Company's general shareholders' meeting did not grant such express authorisation to the board of directors.

Purchase and sale of own Shares

In accordance with the Belgian Companies and Associations Code, the Company can, on or outside the stock market, purchase and sell its own Shares, profit certificates or associated certificates by virtue of a special shareholders' resolution approved by at least 75% of the votes validly cast at a general shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented.

In accordance with the Belgian Companies and Associations Code, an offer to purchase Shares must be made by way of an offer to all shareholders under the same conditions. Shares can also be acquired by the Company without offer to all shareholders under the same conditions, provided that the acquisition of the Shares is effected in the central order book of the regulated market of Euronext Brussels or, if the transaction is not effected via the central order book, provided that the price offered for the Shares is lower than or equal to the highest independent bid price in the central order book of the regulated market of Euronext Brussels at that time. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders.

Generally, the general shareholders' meeting or the Articles of Association determine the amount of Shares, profit certificates or certificates that can be acquired, the duration of such an authorization which cannot exceed five years as from the publication of the proposed resolution as well as the minimum and maximum price that the board of directors can pay for the Shares. The prior approval by the shareholders is not required if the Company purchases the Shares to offer them to the Company's personnel, in which case the Shares must be transferred within a period of 12 months as from their acquisition.

The Company may, without prior authorisation by the general shareholders' meeting, dispose of the Company's own Shares, profit certificates or associated certificates in the limited number of situations set out in article 7:218 of the Belgian Companies and Associations Code.

As of the date of this Prospectus, the Company does not hold any own Shares.

Legislation and jurisdiction

Notification of significant shareholding

Pursuant to the Belgian Act of 2 May 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions, as amended from time to time (the "**Belgian Transparency Act**"), a notification to the Company and to the FSMA is required by all natural persons and legal entities (*i.e.* legal person, enterprise without legal personality, or trust), in the following circumstances:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the reaching of a threshold by persons or legal entities acting in concert;
- the conclusion, modification or termination of an agreement to act in concert;
- the downward reaching of the lowest threshold;
- the passive reaching of a threshold;
- the holding of voting securities in the Company upon first admission thereof to trading on a regulated market;

- where a previous notification concerning the financial instruments treated as equivalent to voting securities is updated;

- the acquisition or disposal of the control of an entity that holds voting securities in the Company; and

- where the Company introduces additional notification thresholds in the articles of association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on in increments of 5% or, as the case may be, the additional thresholds provided in the articles of association. Sequana Medical has provided for an additional threshold of 3% in its articles of association.

The notification must be made promptly and at the latest within four trading days following the moment on which the person who is subject to the notification obligation received knowledge or could be deemed to have received knowledge of the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification. Subject to certain exceptions, no shareholder may, pursuant to article 25/1 of the Belgian Transparency Act, cast a greater number of votes at a general shareholders' meeting of the Company than those attached to the rights and securities that it has notified in accordance with the aforementioned disclosure rules at least 20 calendar days prior to the date of the general shareholders' meeting.

The forms on which such notifications must be made, as well as further explanations, can be found on the website of the FSMA (www.fsma.be). Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative sanctions.

The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Company's securities, and must mention these notifications in the notes to its financial statements. A list as well as a copy of such notifications will be accessible on the Company's website (www.sequanamedical.com).

The obligation to disclose significant shareholdings as well as certain other provisions of Belgian law (e.g. merger control, authorised capital and the requirement to have certain change of control clauses approved by an extraordinary shareholders' meeting) that may apply to the Company, may make an unsolicited tender offer, merger, change in management or other change in control, more difficult. Such provisions could discourage potential takeover attempts that third parties may consider and that other shareholders may consider to be in their best interest and could adversely affect the market price of the Shares (including the New Shares). These provisions may also deprive shareholders of the opportunity to sell their Shares (including the New Shares) at a premium (which is typically offered in the context of a takeover bid).

Public takeover bids

Public takeover bids for the Company's Shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Any public takeover bid must be extended to all of the Company's voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by the Belgian Act of 1 April 2007 on public takeover bids, as amended (the "**Belgian Takeover Act**") and the Belgian Royal Decree of 27 April 2007 on public takeover bids, as amended (the "**Belgian Takeover Decree**"). The Belgian Takeover Act provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Belgian Takeover Decree. The mere fact of exceeding the relevant threshold through the acquisition of Shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not

apply in certain cases set out in the Belgian Takeover Decree such as (i) in case of an acquisition if it can be shown that a third party exercises control over the company or that such party holds a larger stake than the person holding 30% of the voting securities or (ii) in case of a capital increase with preferential subscription rights decided by the Company's general shareholders' meeting.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose significant shareholdings (see subsection "Notification of significant shareholdings" above) and merger control, that may apply towards the Company and which may create hurdles to an unsolicited tender offer, merger, change in management or other change in control. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Shares of the Company. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their Shares at a premium.

In addition, pursuant to Belgian company law, the board of directors of Belgian companies may in certain circumstances, and subject to prior authorisation by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the "authorised capital") or through share buy-backs (i.e. purchase of own Shares). In principle, the authorisation of the board of directors to increase the share capital of the Company through contributions in kind or in cash with cancellation or limitation of the preferential subscription right of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid on the securities of the Company. The general shareholders' meeting can, however, under certain conditions, expressly authorise the board of directors to increase the capital of the Company in such case by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. (see also section "*Rights attached to the New Shares*", subsection "*Changes to the share capital*", subsection "*Capital increases decided by the board of directors*").

The Company's articles of association do not provide for any specific protective mechanisms against public takeover bids.

For more information about control arrangements, reference is made to the Chapter "*Principal Shareholders*", section "*Control over the Company*".

Squeeze-outs

Pursuant to article 7:81 of the Belgian Companies and Associations Code or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own, together with the company, at least 95% of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless convertible bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring shareholders.

A squeeze-out offer is also possible upon completion of a public takeover bid, provided that the bidder holds at least 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all remaining shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The Shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

Sell-out right

Within three months after the end of an acceptance period related to a public takeover bid, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns at least 95% of the voting capital and 95% of the voting securities in a public company following a takeover bid, to buy their securities from them at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

CAPITALISATION AND INDEBTEDNESS

Capitalisation and indebtedness table

The following tables set forth Sequana Medical's consolidated capitalisation and net financial indebtedness as at 31 March 2020 on an actual basis. This table should be read in conjunction with the Financial Statements as of 31 December 2019, including the notes thereto. Other than as set forth below, there have been no material changes to Sequana Medical's consolidated capitalisation and net financial indebtedness since 31 March 2020.

Notes:		As at 31 March
(1)		*(in €000)*
	Total current debt	**3,077**
	Guaranteed	-
	Secured [(1)]	2,872
	Unguaranteed/unsecured [(5)]	205
	Total non-current debt	**252**
	Guaranteed	-
	Secured [(1)]	-
	Unguaranteed/unsecured [(5)]	252
	Total other liabilities	**4,501**
	Trade Payables	2,533
	Other Payables	839
	Accrued liabilities	1,129
	Total indebtedness	**7,829**
	Shareholders' equity	
	Share capital [(2)]	1,635
	Other equity	-
	Own shares	-
	Transaction costs for equity instruments [(3)]	(3,223)
	Share premium [(4)]	119,333
	Reserves	795
	Loss brought forward	(105,008)
	Cumulative translation adjustment	494
	Total equity	**14,026**

Amounts payable to Bootstrap under the Bootstrap Loan. Sequana Medical has pledged to Bootstrap its intellectual property as well as the related assets as security for the Bootstrap Loan. Sequana Medical may prepay any or all outstanding amounts on the Bootstrap Loan without penalties.

(2) Includes the issuance of 3,166,666 new shares at the issue price of EUR 6.00 per new share (or EUR 18,999,996.00 in total), of which an amount of (rounded) EUR 0.1036 per new share (equal to the fractional value of the Company's shares prior to the capital increase) was booked as share capital (or EUR 328,066.60 in total) and the balance of (rounded) EUR 5.8964 per new share (or EUR 18,671,929.40 in total) was booked as issue premium.

(3) Represents the additional expenses related to the capital increase accounted for in equity and represent the incremental costs attributable to new shares

(4) Represents the issue premium that was booked in connection with the capital increase of 27 January 2020. See also footnote (2).

(5) Debt representing the lease commitments following the implementation of IFRS 16.

The following table sets out the net financial indebtedness of Sequana Medical as at 31 March 2020:

	As at 31 March 2020
	(in €000)
Cash and cash equivalents[(1)]	18,843
Trading securities	-
Total liquidity	**18,843**
Current financial receivable	-
Current bank debt	-
Current portion of non-current debt	-
Other financial debt	3,077
Current financial debt	**3,077**
Net current financial indebtedness	**3,077**
Non-current bank loans	**(15,766)**
Bonds issued	-
Other non-current loans	-
Non-current financial indebtedness	252
Net financial indebtedness	**(15,515)**

Notes:

(1) The cash balance on 31 December 2019 amounted to EUR 5.6 million. Taking into account the capital increase of EUR 19 million (see also footnote (2) of the table on page 59 of this Prospectus) and a cash burn of EUR 3.5 million (including the costs related to the capital increase), the cash balance as at 29 February 2020 amounted to EUR 21.1 million.

As at 31 March 2020, Sequana Medical has no contingent or indirect indebtedness..

Working capital statement

On the date of this Prospectus, Sequana Medical is of the opinion that, taking into account its available cash and cash equivalents, it does not have sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of this Prospectus.

The Company has incurred operating losses and negative operating cash flows in each period since it was founded in 2006, and as of 31 December 2019, the Company has a loss brought forward of EUR 99.9 million. 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 depends on its ability to raise additional capital and to refinance existing debt in order to fund operations and assure the solvency of the Company until revenues reach a level to sustain positive cash flows. Since the end of 2019, the Company already successfully raised EUR 19 million in January 2020 via the Private Placement. The net proceeds from the Private Placement are expected to allow the Company to extend the current cash runway from the second quarter of 2020 into the first quarter of 2021.

The Company's 12 month working capital shortfall is approximately EUR 6.1 million to 30 June 2021

The Company continues to evaluate equity and debt financing options, including discussions with existing and/or new investors. As a result, the board of directors remains confident that the liquidity requirements for the next twelve months can be secured. Based on the above, the executive management and the board of directors remain confident about the strategic direction. However the impact of COVID-19 on the Company's

ability to secure additional financing rounds or undertake capital market transactions is unclear at this point in time and will remain under review by the executive management and the board of directors.

BUSINESS OVERVIEW

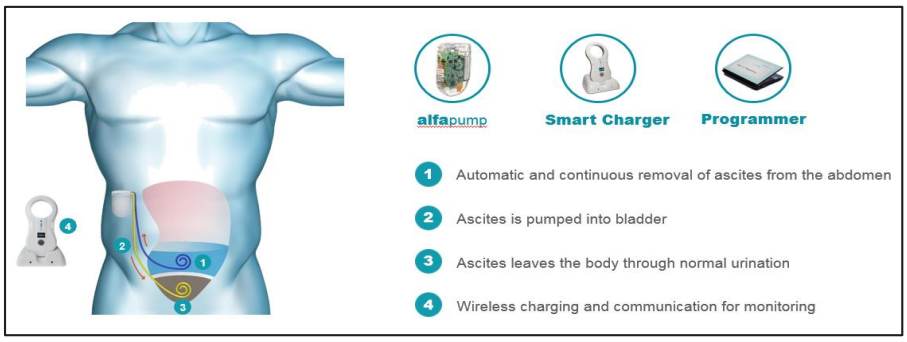
Principal activities

Sequana Medical is a commercial stage medical device company developing the **alfa**pump® platform for the management of fluid overload in liver disease, malignant ascites and heart failure. Our two pillars of growth are the commercialisation of the **alfa**pump® in North America, a large market driven by non-alcoholic steatohepatitis (NASH)-related cirrhosis, and the clinical development of **alfa**pump® DSR (Direct Sodium Removal), a potential chronic therapy for patients suffering from heart failure-induced volume overload. Both markets leverage the **alfa**pump®, a unique, fully implanted wirelessly charged and controlled system that automatically pumps fluid from the abdomen into the bladder, where it is eliminated via urination. The two pillars of growth are described in detail below:

- **Sequana Medical's alfapump®**: The **alfa**pump® is a subcutaneously implanted battery-powered pump that ensures the controlled and continuous removal of fluid from the abdominal cavity into the bladder where it is eliminated through urination. The **alfa**pump® system provides an automated system for the removal of fluid without the need for repeated needle punctures, needles or external tubes. It has a number of unique features:
    - Fully implantable
    - Automatic operation
    - Battery charged through the skin
    - Pump settings easily and wirelessly adjusted
    - Remote pump performance data monitoring
    - Easy, long-term implantation & catheter patency
    - Monitors bladder and peritoneal pressure via pressure sensors
    - Removing up to 4 litres of fluid / day
    - Virtually non-clogging
    - No significant heating during charging and operation
    - Strong IP barriers through extensive patent portfolio & know-how

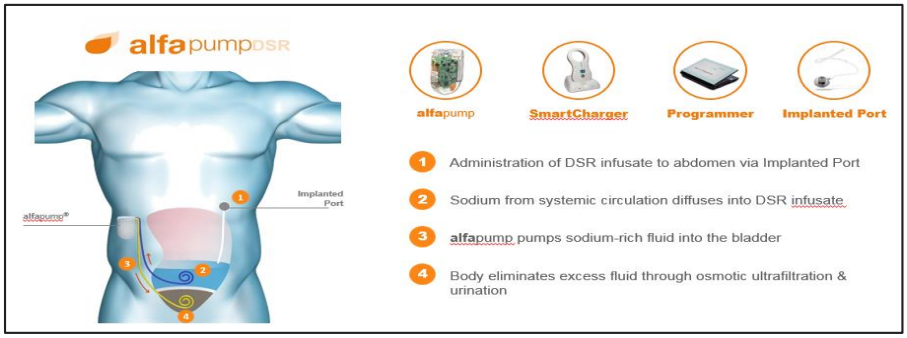
  The **alfa**pump® is one of the first medical devices for automatic and continuous removal of fluid from the abdomen into the bladder, which is applicable across multiple life-threatening disorders.

  The **alfa**pump® is approved in Europe for the treatment of refractory liver ascites and malignant ascites. By automatically and continuously moving ascites from the abdomen to the bladder where it is eliminated via urination, the **alfa**pump® prevents fluid build-up and possible complications, improving patients' quality of life and nutrition, and potentially reducing hospital visits and healthcare costs. To date, over 750 **alfa**pump® systems have been implanted.



For more information about the **alfa**pump®, reference is made to section "***alfa****pump platform*", subsection "***alfa****pump platform - using the bladder to manage fluid overload*" and section "***alfa****pump products*", subsection "*alfapump*" of the 2019 Annual Report, which is incorporated by reference into this Prospectus.

- **Sequana Medical's alfapump® DSR**: Sequana Medical has also developed Direct Sodium Removal (DSR), which is built upon the proven **alfa**pump® platform, to deliver a fully implanted system for Direct Sodium Removal (DSR) therapy for the management of volume overload in heart failure. The **alfa**pump® DSR combines three proven elements: (i) Direct Sodium Removal, (ii) the **alfa**pump® system, and (iii) a surgically implanted port. The DSR infusate is administered to the peritoneal cavity via the surgically implanted port. The DSR infusate remains in the peritoneal cavity for a pre-determined time before the DSR infusate and the extracted sodium is pumped to the bladder by the **alfa**pump® where it is eliminated via urination.



For more information about the **alfa**pump® DSR, reference is made to section "***alfa****pump products*", subsection "***alfa****pump DSR*" of the 2019 Annual Report, which is incorporated by reference into this Prospectus.

Changes since the date of the last financial information

Except as a result of the outbreak of the novel coronavirus (COVID-19), there has been no material adverse change in the prospects of Sequana Medical since the end of the last financial period covered by its last published audited financial statements, nor has there been any significant change in the financial performance of Sequana Medical since the end of the last financial period for which financial information has been published to the date of this Prospectus. See also notes 4 and 15 to the 2019 Financial Statements. For further information regarding the potential negative impact of the novel coronavirus (COVID-19) on Sequana Medical, see also the Chapter "Risk Factors", section "Risk relating to Sequana Medical's business and industry", subsection "*1. Risks relating to the COVID-19 outbreak — The outbreak of the novel coronavirus (COVID-19) or any other infectious disease outbreak or other serious public health concern could result in delays to Sequana Medical's clinical studies and could adversely affect its supply chain and work force, as well as macroeconomic conditions generally, which could have an adverse effect on demand for the **alfa**pump® and/or the **alfa**pump® DSR.*" and "*2. Risks relating to Sequana Medical's financial situation — Sequana Medical has incurred operating losses, negative operating cash flows and an accumulated deficit since inception and may not be able to achieve or subsequently maintain profitability*".

Material agreements

Supplier agreements

The large majority of sub-components of the **alfa**pump® and **alfa**pump® DSR including the batteries, printed circuit board, motor, charger, docking station, catheter and surgical accessories are sourced externally, from a total of approximately 70 external suppliers. Sequana Medical's suppliers are predominantly headquartered in Europe and the U.S. and range from large multinational companies to smaller private companies. In Sequana Medical's opinion, the suppliers of the critical components of the **alfa**pump® are experienced and well-respected manufacturers with multiple customers and have existing quality control programmes and registrations with the appropriate regulatory authorities.

The tenure of Sequana Medical's relationships with suppliers usually extends beyond a single contract term with automatic agreement renewals for successive one-year periods over the life of the relationship. Sequana Medical determines whether it is appropriate to have a long term or short term agreement in place

with a supplier on a case by case basis. Both Sequana Medical and each supplier can typically terminate the relevant supplier agreement with six months' advance notice prior to the expiration of the initial term of the agreement or the relevant renewal period.

The prices of the supplier components and/or services are set in Sequana Medical's supplier agreements, in some cases for the period of the contract and in other cases agreed per each purchase order placed by Sequana Medical.

Distribution agreements

For the marketing and sale of the **alfa**pump®, Sequana Medical has entered into exclusive distribution agreements with Fresenius in Belgium and the Netherlands, Vingmed in Denmark and Gamida in Israel. The terms of these agreements range from two years to ten years. The prices of the **alfa**pump® are generally set in the distribution agreements, in some cases for the period of the contract and in other cases subject to regular review. In those countries covered by distributors, Sequana Medical typically sells the **alfa**pump® to the distributor at a price which is lower than the price paid by the end user. As a result, in the countries where it has distribution agreements, it will typically have a lower gross margin compared to Germany and Switzerland, where it has direct sales and marketing activities.

The agreements are renewable by mutual agreement between Sequana Medical and the applicable distributor. Both Sequana Medical and the distributors can terminate the distribution agreements for cause. Sequana Medical has the right to terminate an agreement if the distributor fails to meet pre-established sales thresholds for a specified number of consecutive quarters (typically 2-3), subject to the payment by Sequana Medical of any applicable pre-agreed termination fees based on the number of **alfa**pump® systems sold in the jurisdiction covered by the terminated agreement. To date, Sequana Medical has not exercised this right of termination in instances where a distributor did not meet the pre-established sales threshold. The provisions of these agreements may temporarily constrain Sequana Medical's ability to convert certain jurisdictions from a distributor to a direct sales model.

The distribution agreements contain a confidentiality clause whereby the distributor is prohibited from disclosing or using for any other purpose than the execution of the distribution agreement any information which is confidential.

In addition, the Gamida Distribution Agreement contains a change of control provision. Gamida is entitled to terminate the Gamida Distribution Agreement with written notice in the event there is (i) more than a 50% change of ownership of Sequana Medical or (ii) a direct or indirect change of control of Sequana Medical. In order to exercise this termination right, Gamida must provide Sequana Medical with written notice of termination with immediate effect.

Contract research organisations - Consultants

Sequana Medical has entered into contracts with CROs, primarily in connection with clinical studies and the development of the **alfa**pump®. These contracts with CROs are generally entered into for the duration of the clinical study or limited period of time (up to 3 years), with early termination options for both parties, including for convenience (but subject to the payment of some or part of the costs and fees already, or to be, incurred by the CRO).

All of the contracts with CROs contain confidentiality and intellectual property rights clauses. The confidentiality clauses in these contracts generally remain applicable for a period which varies between the different contracts and ranges from the duration of the contract to a period of up to 10 years after termination of the contract. The intellectual property rights clauses in these contracts grant Sequana Medical all proprietary rights with respect to the results of the study and the performance of the agreement.

In October 2019, the Company entered into a services agreement with a consultant, based in the United States, pursuant to which the consultant has agreed to provide services to the Company with respect to the development of the **alfa**pump® DSR and its components in exchange for certain fees payable by the Company. Either party is entitled to terminate the consultancy agreement by written notice to the other party in a limited number of circumstances set out in the services agreement. The Company will acquire title to all work product developed by the consultant for the Company in the course of the provision of services pursuant to the services agreement which have been funded by the Company or for which the data was provided by the Company. The

consultant will transfer to the Company the rights to all intellectual property related to such work product. The services agreement also contains conflicts of interests and confidentiality provisions.

Cooperative Research and Development Agreement

In January 2020, the Company entered into a Principal Investigator Initiated Study Cooperative Research and Development Agreement (CRADA) with a federal U.S. government agency, represented by a medical center, and a research institute, all based in the United States, in respect of collaborative research in relation to a multi-center study of outpatients with cirrhosis (NACSELD-III). The Company is required to make payments and provide certain capital equipment in connection with the study under the CRADA. The CRADA can be terminated by mutual consent or unilaterally (i) at any time by providing written notice at least sixty (60) days before the desired termination date; or (ii) immediately upon a material breach, for good cause, for subject safety, or upon termination of the study by the FDA. The CRADA provides that each party shall retain ownership of and title to inventions made by its employees in the context of the performance of the agreement. The agreement also includes certain license options for the Company.

Bootstrap Loan

Sequana Medical's liquidity requirements relate primarily to the funding of clinical studies, sales and marketing, regulatory compliance and quality assurance, its supply chain, engineering and general and administrative expenses, capital expenditures and working capital requirements. Historically, Sequana Medical was funded from equity capital and loans.

In 2016, Sequana Medical entered into a secured loan agreement with Bootstrap in the amount of up to CHF 10 million and made a drawdown of CHF 5 million. The nominal interest rate was set at 12% per annum. In addition, as an inducement for Bootstrap to enter into the secured loan agreement, the Company and Bootstrap entered into the 'Bootstrap Warrant Agreement'. Sequana Medical has pledged to Bootstrap its intellectual property as well as the related assets as security for the Bootstrap Loan.

In 2017, following the significant restructuring of Sequana Medical's commercial team that drove a decrease in revenues from 2017 to 2016, the agreement for the Bootstrap Loan was amended whereby, in exchange for Bootstrap waiving potential events of default, the second advance of CHF 5 million was cancelled, the terms of the 'Bootstrap Warrant' were also amended, and Bootstrap was granted an 'Exit Fee' initially to be payable in cash upon the occurrence of certain exit events (including in the event of a listing), which was further amended in October 2018 as described below.

On 1 October 2018, the agreement for the Bootstrap Loan (CHF 5 million) was amended to provide that 5% of the proceeds of a potential initial public offering of the Company should 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 the IPO *(i.e.* EUR 27,500,089.54) was EUR 1,375,004 (CHF 1,560,768).

In addition, the Company granted Bootstrap additional rights to subscribe for new Shares. The new Shares offered in the IPO could also be subscribed for through a contribution in kind by Bootstrap of the payable due by the Company upon the closing of the IPO as an "exit fee" pursuant to the Bootstrap Loan. The aforementioned "exit fee" amounted to CHF 663,996.83. Half of this amount (being CHF 331,998.41) was converted into Shares. The applicable exchange rate was CHF 1.1351 to EUR 1.00. On this basis, 34,409 new Shares were issued at EUR 8.50 (being EUR 292,476.50 in total). The remaining amount of CHF 663,996.83 minus EUR 292,476.50, being EUR 292,491.19 (based on the aforementioned exchange rate) was paid in cash by the Company following the closing of the IPO.

Following these events, no repayments of the principal amount are due until 31 December 2020. After that period, the entire outstanding principal amount shall be due in four substantially equal consecutive instalments on each of 31 December 2020, 31 January 2021, 28 February 2021 and 31 March 2021.

For more information about the Bootstrap Loan, reference is made to note 8.6.1. to the 2019 Financial Statements, incorporated by reference into this Prospectus.

Regulation

Europe

In Europe, regulatory approval for the **alfa**pump® (and potentially in the future, regulatory approval for the **alfa**pump® DSR and any future products) is obtained via the CE Mark process according to the European Active Implantable Medical Devices Directive 90/385/EEC (the "**AIMD Directive**") and going forward according to the Medical Devices Regulation, which repeals and replaces the AIMD Directive and provides approval for the European Economic Area (EEA) (which includes the European Union, Iceland, Liechtenstein and Norway) and is accepted by certain other non-EEA countries, including Switzerland (provided that the mutual recognition agreement between the European Union and Switzerland can be extended). Sequana Medical has received a CE Mark for the **alfa**pump® for single patient use in patients with liver refractory ascites and in patients with malignant ascites. This approval is limited to those indications and the jurisdictions that accept the CE Mark. The CE Mark must be renewed every five years. Sequana Medical received approval under the AIMD Directive in April 2020. A CE Mark granted pursuant to the AIMD Directive prior to the effective date of the Medical Devices Regulation will remain valid until 26 May 2024.

The Medical Devices Regulation, which was adopted on 5 April 2017 and will become applicable from 26 May 2021 (previously 26 May 2020 but this was extended in light of the ongoing COVID-19 outbreak), contains further obligations with which Sequana Medical will be required to comply. In addition to the re-certification requirement for medical devices described above, it will require the application of a unique device identifier ("**UDI**") for implantable devices (from 26 May 2021), Eudamed registration and entry of data in relation to the devices (for 24 months following the date of the EC notice of full functionality of Eudamed currently announced for 26 May 2022). The new regulations influence the way Sequana Medical conducts business in Europe and include, among other things, the following:

- stricter rules for placing devices on the market with increased evidence requirements for CE Marking requiring additional clinical studies, as well as subsequent post-market surveillance and clinical follow-up once they are available;

- stricter rules for the assessment of certain high-risk devices, such as implantable medical devices such as the **alfa**pump® and the **alfa**pump® DSR, which may need to undergo additional testing (for example, on safety or efficacy) and may be subject to additional scrutiny by independent experts before they are placed on the market;

- re-approval requirements for medical devices currently on the market in the EEA (such as the **alfa**pump®) and for the organisations responsible for assessing whether manufacturers and their medical devices meet applicable regulatory requirements ("**Notified Bodies**");

- explicit provisions on the responsibilities of manufacturers and other supply chain actors for the follow-up of the quality, performance and safety of devices placed on the market;

- better traceability of medical devices throughout the supply chain to the end-user or patient through a unique identification number; and

- a central database and increased transparency requirements to provide patients, healthcare professionals and the public with comprehensive information on products available in the E.U.

In addition, in Europe, the **alfa**pump® and the **alfa**pump® DSR fall within the scope of radio equipment and are therefore also subject to the Radio Equipment Directive 2014/53/EU (the "**RED**"), which imposes requirements for safety and health, electromagnetic compatibility, and the efficient use of the radio spectrum.

United Kingdom

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**." The British Prime Minister formally announced the country's withdrawal in March 2017. Following a general election in December 2019, the British Parliament ratified the withdrawal agreement, and the U.K. left the E.U. on 31 January 2020. This began a transition period that is set to end on 31 December 2020, during which the U.K. and E.U. will negotiate the terms of their future relationship. 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 particular, following Brexit, the **alfa**pump®, **alfa**pump® DSR

and any future products may be subject to a separate regulatory regime with different approval requirements from those contained in the Medical Devices Regulation applicable in the EEA.

United States

In the U.S., regulatory approval for the **alfa**pump® (and potentially the **alfa**pump® DSR and/or any future products) is obtained via pre-market approval ("**PMA**") from the U.S. Food and Drug Administration (the "**FDA**"). The **alfa**pump® has not yet received a PMA. Timing for regulatory approval via a PMA by the FDA is uncertain, as it depends on the design of the clinical studies to be agreed between Sequana Medical and the FDA, including parameters such as number of subjects and duration of follow-up. The process is expected to take significantly longer than obtaining a CE Mark and there is a risk that the **alfa**pump® may not receive a PMA at all. Once granted, the PMA does not have an expiry date, however regulatory approvals may be withdrawn if, for example, a new and unexpected risk emerges which would make continued marketing of the relevant product no longer acceptable. The Federal Communications Commission must also determine that wireless medical devices, such as the **alfa**pump® and the **alfa**pump® DSR, are compatible with other uses of the spectrum on which the device operates, and that power levels and the frequency spectrum of the wireless energy transfer comply with applicable regulations. In addition, certain policies of the Trump administration in the U.S. may impact the medical device industry. There have been judicial and Congressional challenges to certain aspects of the Patient Protection and Affordable Care Act (the "**Affordable Care Act**"), as well as recent efforts by the Trump administration to repeal or replace certain aspects of the Affordable Care Act and such challenges and amendments may continue.

Canada

In Canada, medical devices are regulated by Health Canada, the department of the government of Canada with responsibility for national public health, which reviews medical devices to assess their safety, effectiveness, and quality based on clinical data before authorising their sale in Canada according to the Medical Devices Regulation SOR/98-282. Prior to marketing the **alfa**pump®, the **alfa**pump® DSR and/or any future product in Canada, Sequana Medical must obtain a medical device licence from Health Canada and fulfil the necessary quality requirements established under the Medical Devices Single Audit Program (the "**MDSAP**"). Health Canada also monitors medical devices after they are placed on the market to ensure their continued safety and effectiveness. If a medical device is found to no longer be safe and effective, its medical device license can be suspended or the manufacturer may be requested to recall or refurbish the medical device.

Israel

In Israel, European companies importing medical devices must generally request a pre-marketing approval from the Israel Ministry of Health (the "**IMOH**"), and such request is based on an existing CE Mark. The Israel Ministry of Communication (the "**IMOC**") also imposes certification requirements on medical devices that transmit and/or receive data in order to protect the frequency spectrum and telecommunications networks of Israel. IMOH certifications have a five-year validity period; however, if critical components in a product are modified, the updated product must be resubmitted for approval to the IMOH. Sequana Medical has received a pre-marketing approval from the IMOH but has not yet received a certification from the IMOC. Instead Sequana Medical has received a temporary special permission from the IMOC to use a limited number of pumps within Israel. The IMOC may withdraw this special permission at any time, in which case Sequana Medical would not be permitted to market the **alfa**pump® in Israel without receiving certification from the IMOC. Furthermore, the IMOC has informed Sequana Medical that in order for the **alfa**pump® to be certified, Sequana Medical will be required to modify the frequency on which the **alfa**pump® operates.

PRINCIPAL SHAREHOLDERS

Overview of the Company's shareholder structure

The Company has an international shareholder base with both large and smaller specialized shareholders focused on the healthcare and life sciences sectors, and a number of more local retail investors. Based on the number of Shares on the date of this Prospectus and transparency notifications received by the Company until that date, the shareholder base of the Company is as set out in the table below. Applicable transparency disclosure rules and the articles of association of the Company provide for shareholder notification thresholds of 3%, 5%, or a multiple of 5% (*i.e.* 10%, 15%, 20%, etc.) of the total number of existing voting rights. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of the relevant thresholds (as set out above), it is possible that the information below in relation to a shareholder is not or no longer up-to-date. All transparency notifications are available under the 'Investors' section of www.sequanamedical.com/investors/shareholder-information/.

		On a non-diluted basis		On a fully diluted basis	
	Date of Notification	Number of Shares	% of the voting rights attached to Shares[1]	Number of Shares	% of the voting rights attached to Shares[2]
Société Fédérale de Participations et d'Investissement SA – Federale Participatie- en Investeringsmaatschappij NV / Belfius Insurance SA[3]	18 February 2020	2,004,358	12.70%	2,004,358	11.35%
Capricorn Partners NV[4]	14 February 2020	N/A[5]	N/A[5]	N/A[5]	N/A[5]
GRAC Société Simple[6]	30 January 2020	833,333	5.28%	833,333	4.72%
NeoMed IV Extension L.P. / NeoMed Innovation V L.P[7]	30 January 2020	4,270,807	27.07%	4,270,807	24.18%
Newton Biocapital I Pricav Privée SA[8]	21 February 2019	1,102,529	6.99%	1,102,529	6.24%
Venture Incubator AG / VI Partners AG[9]	21 February 2019	525,501	3.33%	525,501	2.97%
LSP Health Economics Fund Management B.V. [10]	19 February 2019	1,539,407	9.76%	1,539,407	8.71%
Participatiemaatschappij Vlaanderen NV[11]	18 February 2019	1,223,906	7.76%	1,223,906	6.93%

Notes:

(1) The percentage of voting rights is calculated on the basis of 15,778,566 outstanding Shares.

(2) The percentage of voting rights is calculated on the basis of 17,665,859 outstanding Shares, assuming that (i) 302,804 new Shares were issued upon the exercise of one subscription right that was granted in 2016 to Bootstrap, (ii) 320,734 new Shares were issued upon the exercise of 111,177 share options that are still outstanding under the "Executive Share Options" plan for staff members and consultants of the Company, entitling the holder thereof to acquire approximately 2.88 Shares when exercising one of his or her share options, (iii) 1,263,755 new Shares can be issued upon the exercise of 1,263,755 share options (each share option having the form of a subscription right) that are still outstanding under the "2018 Share Options" plan for directors, employees and other staff members of the Company and its subsidiaries, entitling the holder thereof to acquire one new Share when exercising one of his or her share options.

(3) A parent undertaking or a controlling person of Société Fédérale de Participations et d'Investissement SA / Federale Participatie- en Investeringsmaatschappij NV ("**SFPI-FPIM**"), Belfius Banque SA ("**Belfius Bank**") and Belfius Insurance SA ("**Belfius Insurance**"), informed the Company, by means of a notification dated 18 February 2020, that the aggregate shareholding of SFPI-FPIM and Belfius Insurance crossed the threshold of 10% of the outstanding voting rights of the Company on 17 February 2020. The joint notification specifies furthermore that SFPI-FPIM is the parent company of Belfius Bank (ex Dexia Banque SA), which in its turn is the parent company of Belfius Insurance. The notification also states that SFPI-FPIM acts in its own name, but on behalf of the Belgian State and that it is owned for 100% by the Belgian State. It follows from the notification that Belfius Bank does not own any voting securities or voting rights in the Company.

(4) Capricorn Partners NV ("**CP**") (acting as person that notifies alone), informed the Company, by means of a notification dated 14 February 2020, that the aggregate shareholding of the funds Capricorn Health-tech Fund NV and Quest for Growth NV, managed by CP, fell below the lowest threshold of 3% of the outstanding voting rights of the Company on 14 February 2020. The notification further specifies that (a) CP is in itself not the owner of Shares but rather manages two funds (Capricorn Health-tech Fund NV and Quest for Growth NV) which are owners of Shares, (b) CP exercises the voting rights in both funds as management company, and (c) CP is not controlled within the meaning of the articles 1:14 and 1:16 of the Belgian Companies and Associations Code. The notification also states that (a) the voting securities are owned by two funds managed by CP and (b) CP can exercise the voting rights of the funds at its own discretion at the general meeting of shareholders of the Company.

(5) The transparency notification did not mention how many voting securities or voting rights are held by CP after falling below the lowest threshold of 3%.

(6) GRAC Société Simple ("**GRAC**") (acting as a person that notifies alone) informed the Company, by means of a notification dated 30 January 2020, that the shareholding of GRAC crossed the threshold of 5% of the outstanding voting rights of the Company. The notification further specifies that GRAC is not controlled by another entity or holding.

(7) 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 30 January 2020, that the aggregate shareholding of NeoMed IV and NeoMed V passively fell below the threshold of 30% of the outstanding voting rights of the Company. The notification further specifies that both NeoMed IV and NeoMed V are private limited companies incorporated in Jersey, and are each controlled by their investment manager, NeoMed Management (Jersey) Limited (a private limited company incorporated in Jersey) and that NeoMed Management (Jersey) Limited is controlled by Erik Amble, Claudio Nessi, Dina Chaya and Pål Jensen. The notification also states that NeoMed IV and NeoMed V do not own the securities of the Company but rather manage partnerships that own the voting rights attached to the securities and that, as general partners in its partnerships, NeoMed IV and NeoMed V exercise the voting rights attached to the securities at their discretion in the absence of specific instructions. The previous number of voting rights that was notified by NeoMed IV and NeoMed V amounted to, 2,853,673 and 1,342,968, respectively, being 4,196,641 in total.

(8) Newton Biocapital I Pricav Privée SA ("**NBC**") (acting as 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 IPO, on 11 February 2019, NBC's shareholding crossed the threshold of 5% of the outstanding voting rights of the Company. The notification further specifies that NBC is not controlled within the meaning of the articles 5 and 7 of the Belgian Companies Code of 7 May 1999. 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.

(9) VI Partners AG (acting as 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 IPO, 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 further specifies that VI Partners AG is not a controlled entity within the meaning of article 5 and 7 of the Belgian Companies Code of 7 May 1999. 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 discretion, in the absence of specific instructions.

(10) 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 IPO, 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 of 7 May 1999 and that LSP Management Group BV is not a controlled undertaking. The notification also states that (a) LSP is not an owner of the shares of the Company, but rather manages the funds that own the Shares, (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.

(11) 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 IPO, on 11 February 2019, PMV's shareholding crossed the threshold of 5% of the outstanding voting rights of the Company. The notification further specifies that PMV is controlled by Het Vlaams Gewest within the meaning of the articles 5 and 7 of the Belgian Companies Code of 7 May 1999 and that Het Vlaams Gewest is not controlled.

No other shareholders, acting 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.

Control over the Company

The Company has a relatively widely held shareholder base, and no single shareholder controls the Company.

To the best knowledge of the Company, there are no arrangements in place which may, at a subsequent date, result in a change in control of the Company.

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

On the date of this Prospectus, the Company is a party to the following significant agreements which, upon a fundamental change in shareholders or change of control of the Company or following a takeover bid can be terminated by the other parties thereto:

- the secured loan from Bootstrap that was signed in September 2016, as amended (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 casting 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 will use commercially reasonable efforts to convince the new owners of the Company of a new distribution agreement between the Company and Gamida Ltd. with terms that are similar to the terms of the current agreement.

Furthermore, the employment agreement between the Company and Ian Crosbie (Chief Executive Officer) contains takeover provisions. Agreements concluded between the Company and certain of its employees also provide for compensation in the event of a change of control.

In addition, the 'Warrant Agreement', dated 2 September 2016, entered into between the Company and Bootstrap, as amended on 28 April 2017, 1 October 2018, and 20 December 2018, also contains take-over provisions.

Finally, the Company's subscription rights plans provide for an accelerated vesting of the subscription rights in case of a change of control event. These plans are described in more detail in the Remuneration Report of the 2019 Annual Report, which is incorporated by reference into this Prospectus, and is available under the 'Investors' section of www.sequanamedical.com/investors/financial-information/.

Changes in the share capital since 2017

The changes to the Company's actual share capital since 1 January 2017 can be summarised as follows:

Date	Transaction	Increase (reduction) of share capital	Number of Shares issued (cancelled)	Class of Shares issued (cancelled)	Issue price per Share	Resulting share capital	Existing Shares
16 March 2017	Capital increase	CHF 34,636.50	346,365	Series E preferred Shares	CHF 10.48	CHF 932,663.20	9,326,632
9 November 2017	Capital increase(1)	CHF 34,636.50 and CHF 35,688.80	346,365 and 356,888	Series E preferred Shares	Relevant exercise price	CHF 1,002,988.50	10,029,885
9 July 2018	Capital increase	CHF 1,846.80	18,468	Common Shares	CHF 0.10	CHF 1,004,835.30	10,048,353
1 October 2018	Cancellation of treasury stock		(117,569)(2)	Common Shares and series B, C and D preferred Shares		EUR 887,977.47(3)	9,930,784
12 February 2019	Capital increase(4)	EUR 83,785.59	937,199	Series E preferred Shares	EUR 8,50	EUR 971,763.06	10,867,983
12 February 2019	Series E Conversion(5)		213,724	Series E preferred Shares		EUR 971,763.06	10,867,983
			(213,724)	Other Shares			
12 February 2019	Share Consolidation (6)					EUR 971,763.06	9,376,606
12 February 2019	Capital Increase(7)	EUR 335,176.46	3,235,294	Ordinary Shares	EUR 8,50	EUR 1,306,939.52	12,611,900
27 January 2020	Capital Increase(8)	EUR 328,066.60	3,166,666	Ordinary Shares	EUR 6,00	EUR 1,635,006.12	15,778,566

Notes:

(1) During the period from 8 March 2017 to 17 October 2017, options and conversion rights were exercised based on conditional capital in the articles of association. Therefore, the board of directors increased the capital on 9 November 2017 based on Article 5e articles of association in the amount of CHF 34,636.50 and based on Article 5f articles of association in the amount of CHF 35,688.80. Therefore, the share capital was increased in the amount of CHF 70,325.30 in total.

(2) On 1 October 2018, the shareholders' meeting decided to cancel all treasury stock held by the Company, i.e. 107,196 common Shares, 4,773 series B preferred Shares, 1,600 series C preferred Shares, and 4,000 series D preferred Shares, without cancellation of share capital.

(3) On 1 October 2018, the shareholders' meeting decided to convert the share capital from CHF 1,004,835.30 into EUR 887,977.47.

(4) On 12 February 2019, immediately preceding the completion of the IPO, the Company's share capital was increased through the conversion of outstanding convertible loans, with the issuance of new series E preferred Shares. The

conversion was implemented by means of contribution in kind of the outstanding payable amounts due by the Company under the convertible loans. In connection with this conversion, an aggregate of 937,199 new series E preferred Shares was issued, an aggregate amount of EUR 83,785.59 was booked as share capital, and an aggregate amount of EUR 8,532,737.28 was booked as issue premium.

(5) On 12 February 2019, immediately preceding the completion of the IPO and following the capital increase referred to in footnote (4), the lenders that were a party to one of the convertible loan agreements outstanding at that time converted a number of their Shares other than series E preferred Shares into series E preferred Shares at a ratio of one existing Share per new series E preferred Share subscribed for through the conversion of their convertible loans (referred to in footnote (4)). As a result, 58.632 series D preferred Shares, 149.800 series C preferred Shares, 5.256 series B preferred Shares and 36 series A preferred Shares were converted into 213,724 series E preferred Shares.

(6) On 12 February 2019, immediately preceding the completion of the IPO, and following the capital increase referred to in footnote (4) and the conversion of Shares referred to in footnote (5), the Company effected a share consolidation whereby all the outstanding preferred and common Shares were converted into an aggregate of 6,181,693 ordinary Shares.

(7) On 12 February 2019, immediately following the capital increase referred to in footnote (4), the conversion of Shares referred to in footnote (5) and the share consolidation referred to in footnote (6), the Company increased its share capital with an aggregate amount of 27,500,089.54 of which EUR 335.176,46 was booked as share capital and EUR 27,164,913.08 was booked as issue premium. This capital increase took place in the framework of the IPO. For more information about the IPO, reference is made to the financial section of the 2019 Annual Report.

(8) On 27 January 2020, the Company increased its share capital with an aggregate amount of EUR 18,999,996.00 of which EUR 328,066.60 was booked as share capital and EUR 18,671,929.40 was booked as issue premium. This capital increase took place in the framework of the Private Placement. For more information about the Private Placement, reference is made to the Chapter "New Shares" of this Prospectus.

Composition 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	56	Chair, Independent Non-Executive Director	2019	2022
Mr Ian Crosbie	52	CEO, Executive Director	2019	2022
Mr Rudy Dekeyser	58	Non-Executive Director	2019	2022
Mr Erik Amble	68	Non-Executive Director	2019	2022
Mr Wim Ottevaere[(1)]	63	Independent Non-Executive Director	2019	2022
Mr Jason Hannon	48	Independent Non-Executive Director	2019	2022

Notes:

(1) Acting as permanent representative of WIOT BV.

Mr Pierre Chauvineau is an independent non-executive director and the chair of the Company's board of directors. Mr Chauvineau has over 29 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 mentor and coach for Boston Scientific. He is also an executive board member with U.K. based Creavo Medical Technologies and with London based Rhythm AI. 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 2, a EUR 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 Lumeon, 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 founders of VIB and co-managing director of this leading life sciences research institute for 17 years, during which he was also responsible for all 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 is member of the advisory board of several foundations investing in life sciences innovation and has been one of the catalysts in the foundation of Oncode, a Dutch cancer research institute. Dr. Dekeyser holds a Ph.D in molecular biology from the University of Ghent.

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 (WIOT BV) is an independent non-executive director of the Company. Mr Ottevaere is currently active as a non executive consultant for biotechs. 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.

Mr Jason Hannon is an independent non-executive director of the Company. Mr. Hannon has extensive experience in the medical devices industry and is currently 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, Jason led the international business, was responsible for business development and strategy, and also served as general counsel. Jason 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.

Composition senior management team

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

Name	Age	Position
Mr Ian Crosbie	52	Chief Executive Officer
Mrs Kirsten Van Bockstaele[(1)]	45	Chief Financial Officer

Notes:

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

Mr Ian Crosbie is the chief executive officer and a director of the Company. Please see his biography under the section "Composition 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 Oliver Gödje	56	Chief Medical Officer
Mr Martijn Blom	46	Chief Commercial Officer
Mr Timur Resch	38	Global Vice President Quality Management and Regulatory Affairs
Mr Dirk Fengels[(1)]	48	Global Vice President Engineering and Manufacturing

Dr Gijs Klarenbeek	43	Senior Medical Advisor

Notes:

(1) Mr Dirk Fengels' function shifted from a full time position (100%) to a part-time position (40%) on 30 April 2020.

Dr Oliver Gödje is a highly experienced clinician and medtech industry executive with 18 years of international experience in medical and commercial roles. Prior to joining Sequana Medical, Dr Gödje served as Chief Medical Officer at Humedics GmbH, Medical Director and VP Sales & Marketing at Hepa Wash GmbH, and Medical & Marketing Director of PULSION Medical Systems AG, all medtech companies in the liver or cardiovascular field. Dr Gödje holds a PhD and Professorship in Human Medicine and built an extensive knowledge of cardiology during his time as a Cardiac Surgeon at leading German Universities. He was a Consultant and Vice Chairman of the Department of Cardiac Surgery at the University Hospital of Ulm until 2002.

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 IIII 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).

Dr Gijs Klarenbeek is the Senior Medical Advisor 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).

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.

Other mandates by directors and senior managers

In the five years preceding the date of this Prospectus, the directors and members of the senior management have held the following directorships (apart from their functions within the Company) and memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Past
Rudy Dekeyser	Celyad SA Remynd NV Curetis NV Emblem GmbH Life Sciences Partners Lumeon Inc R.A.D. Life Sciences BVBA SystemUnoDue GCV	Ablynx nv Devgen nv CropDesign nv Actogenix nv Pronota nv Multiplicom nv
Erik Amble	NeoMed Management Ltd JenaValve Technology GmbH CorFlow Therapeutics AG Axonics Modulation Technologies Inc. Serca Pharmaceuticals AS	Sonendo Inc. Index Pharmaceuticals AB Vessix Vascular Inc.
Wim Ottevaere (WIOT BV)	Woconsult BV Vlaams Instituut voor Biotechnologie	Ablynx NV(1)
Pierre Chauvineau	Creavo Medical Technologies Ltd Rhythm AI in London NED Pathena	Boston Scientific Inc.
Jason Hannon	Mainstay Medical BV Mainstay Medical Limited Mainstay Medical (Australia) PTY Limited Mainstay Medical Distribution Limited Mainstay Medical Gmbh Kuros Inc	Nemaris, Inc. MIS Spine Comercial Cervitech, Inc. NeuroMed, Inc. NuVasive and subsidiaries
Ian Crosbie	N/A	GC Aesthetics Ltd
Kirsten Van Bockstaele(2)	Fin-2K BV	Fagron Inc

Name	Current	Past
Oliver Gödje	MDIC	Humedics GmbH Advitos GmbH Tensys Medical
Martijn Blom	N/A	N/A
Timur Resch	N/A	N/A
Dirk Fengels	N/A	N/A
Gijs Klarenbeek	Melfin Medical Consulting	N/A

Notes:

(1) Acting through WIOT BV.
(2) Acting through Fin-2K BV.

Confirmations by directors and members of the senior management

Each of the directors and each of the members of the senior management confirmed to the Company that neither he or she nor the company through which he or she acts (as the case may be) was subject to (i) any convictions in relation to fraudulent offenses during the past five years or (ii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years. In addition, each of them has confirmed to the Company that neither he or she nor the company through which he or she acts (as the case may be) is subject to any bankruptcies, receiverships, liquidations or administration of any entities in which he, she or it held any office, directorships, or partner or senior management positions during the past five years.

No conflicts of interest

On the basis of information provided by the relevant directors and members of the senior management of the Company, there are, on the date of this Prospectus, no potential conflicts of interest between any duties of the members of the board of directors and members of the senior management to the Company and their private interest and/or other duties.

Lock-up arrangements

Pursuant to the 'Underwriting Agreement' entered into on 22 January 2020 between the Company and KBC Securities NV, Van Lanschot Kempen Wealth Management N.V. and Belfius Bank SA/NV (the "**Underwriters**") in the framework of the Private Placement, Ian Crosbie (Chief Executive Officer) and Kirsten Van Bockstaele (acting through Fin 2-K BV) (Chief Financial Officer) (the "**Locked Parties**") entered into lock-up arrangements for a period ending 180 days from the date of settlement of the Private Placement, *i.e.* 27 January 2020 (the "**Lock-up Period**"). Each Locked Party agreed and undertook that, except with the prior written consent of KBC Securities NV and Van Lanschot Kempen Wealth Management N.V., acting on behalf of the Underwriters, neither he/she nor any person acting on his/her behalf will:

(a) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any shares of the Company held by the relevant Locked Party on the date of the relevant lock-up letter (the "**Locked Securities**"), or any securities convertible into or exercisable or exchangeable for Locked Securities; or

(b) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Locked Securities,

whether any such transaction described in (a) or (b) above is to be settled by delivery of Locked Securities or other securities, in cash or otherwise; or

(c) publicly announce such an intention to effect any such transaction.

The restrictions to which the Locked Parties are subject will not prohibit the Locked Parties from (i) accepting a general take-over bid on all of the ordinary share capital of the Company, giving an irrevocable commitment to accept such an offer, or disposing of Locked Securities to an offeror or potential offeror during the period of such an offer; (ii) proceeding with any disposal required by law, regulation or a court of competent jurisdiction; (iii) transferring Locked Securities intra-family for natural persons, provided that each such transferee will continue to be bound by the foregoing restrictions for the remainder of the Lock-Up Period; (iv) for legal persons transferring Locked Securities to a controlling shareholder, provided that each such transferee will continue to be bound by the foregoing restrictions for the remainder of the Lock-Up Period; and (v) selling such number of Locked Securities required for a cashless exercise of the stock options of the relevant Locked Party that would otherwise lapse following the termination of the employment or service agreement of the relevant Locked Party with the Company. Nothing in the relevant lock-up letter will restrict the possibility of the relevant Locked Party to accept or exercise options giving right to acquire Locked Securities.

Standstill undertaking

Pursuant to the 'Representation and Indemnity Letter' entered into on 20 January 2020 between the Company and the Underwriters, in the framework of the Private Placement, the Company entered into a standstill undertaking for a period ending 180 days from the date of settlement of the Private Placement, *i.e.* 27 January 2020. During this period, the Company will not, and will procure that none of its affiliates will without the Underwriters' prior written consent:

(a) issue, offer, sell, contract to sell or otherwise transfer, (attempt to) dispose of, lend, or solicit any offer to buy (or publicly announce such action), directly or indirectly, any Shares or securities of the Company that are substantially similar to Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, shares or any such substantially similar securities,

(b) grant or issue any options, subscription rights, convertible securities, other guaranty, or other rights to subscribe for or purchase shares in the Company, or enter into any swap, hedge or other arrangement pursuant to which the economic consequences of its ownership of Shares in the Company is transferred to any other person or entity, in whole or in part, whether any such transaction is to be settled by delivery of Shares or such other securities, or cash or otherwise,

(c) submit to its shareholders or any other body a proposal to effect any of the foregoing.

The foregoing undertaking does not apply in relation to: (i) the issue of Shares in the context of the Private Placement; (ii) the shares (to be) issued upon the exercise of subscription rights, conversion rights or options that were outstanding at the date of the 'Representation and Indemnity Letter' (20 January 2020); and (iii) the granting of subscription rights or options under subscription right or option plans that were outstanding on the date of the 'Representation and Indemnity Letter' (20 January 2020).

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on Sequana Medical and/or Sequana Medical's financial position or profitability.

Expenses of the Listing

The aggregate of the administrative, legal, tax and audit expenses as well as the other costs in connection with the Listing (including but not limited to legal publications, printing and translation of the Prospectus and listing related documents) and the remuneration of the FSMA (which is estimated at EUR EUR 20,000.00) and Euronext Brussels, is expected to amount to approximately EUR 0.23 million.

TAXATION OF NEW SHARES

Belgian taxation

The paragraphs below present a summary of certain Belgian federal income tax consequences of the ownership and disposal of the Shares by an investor that acquires such Shares in connection with this Listing. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect. Belgian tax legislation, as well as the relevant tax legislation of a prospective investor's country of origin, may have an impact on the income received from the New Shares.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the investment in, ownership in and disposal of the Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, Share repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the tax regime applicable to Shares held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium. This summary does in principle not address the local taxes that may be due in connection with an investment in the Shares, other than Belgian local surcharges which generally vary from 0 % to 9 % of the investor's income tax liability.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (i.e. an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (i.e. a corporate entity that has its main establishment, its administrative seat or seat of management in Belgium1), an Organisation for Financing Pensions subject to Belgian corporate income tax (i.e. a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (i.e. a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of management in Belgium).

A non-resident is any person that is not a Belgian resident. Investors should consult their own advisers regarding the tax consequences of an investment in the Shares in the light of their particular circumstances, including the effect of any state, local or other national laws.

Belgian taxation of dividends on Shares

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Code on Companies and Associations is not treated as a dividend distribution to the extent that such repayment is imputed to the fiscal capital. This fiscal capital is, in principle, the capital that is formed through contributions in cash or in kind, other than labour, and, subject to certain conditions, the paid-up issuance premiums and the amounts subscribed to, in cash or in kind, other than labour, at the time of the issue of profit sharing certificates. However, a repayment of capital decided upon by the shareholder's meeting as of 1 January 2018 and which is carried out in accordance with the Belgian Code on Companies and Associations is partly considered to be a dividend distribution, more specifically with respect to the portion that is deemed to be the distribution of the existing taxed retained earnings (irrespective of whether they are incorporated into the capital) and/or of the tax-free retained earnings incorporated into the capital. Such portion is determined on the basis of the ratio of the taxed retained earnings (except for the legal reserve up to the legal minimum and certain unavailable retained earnings) and the tax-free retained earnings incorporated into the capital (with a few exceptions) over the aggregate of such retained earnings and the fiscal capital.

Notes:

(1) A corporate entity that has its statutory seat in Belgium is presumed, in the absence of evidence to the contrary, also to have its main establishment, its administrative seat or seat of management in Belgium. Such evidence to the contrary shall be admissible only if it is also demonstrated that the tax domicile of the company is established in a State other than Belgium under the tax legislation of that other State.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In case of redemption of the Shares, the redemption gain (i.e. the redemption proceeds after deduction of the portion of fiscal capital represented by the redeemed Shares) will be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on Euronext or a similar stock exchange and meets certain conditions.

In case of liquidation of the Company, the liquidation gain (i.e. the amount distributed in excess of the fiscal capital) will in principle be subject to Belgian withholding tax at a rate of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions.

Non-Belgian dividend withholding tax, if any, will neither be creditable against any Belgian income tax due nor reimbursable to the extent that it exceeds Belgian income tax due.

Belgian resident individuals

For Belgian resident individuals who acquire and hold the Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where such individual opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income (local surcharges will not apply). The first EUR 812 (amount applicable for income year 2020) of reported ordinary dividend income will be exempt from tax. For the avoidance of doubt, all reported dividends (hence, not only dividends distributed on the Shares) are taken into account to assess whether said maximum amount is reached. In addition, if the dividends are reported, the dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. This condition is not applicable if the individual can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends.

For Belgian resident individuals who acquire and hold the Shares for professional purposes, the Belgian withholding tax does not fully discharge their personal income tax liability. Dividends received must be reported by the investor and will, in such case, be taxable at the investor's personal income tax rate increased with local surcharges. Withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified[2] and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of the Shares for an uninterrupted period of twelve months prior to the attribution of the dividends.

Belgian resident companies

Corporate income tax

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. For such companies, the gross dividend income (including the withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 29,58% for assessment year 2020 and of 25% as of assessment year 2021 for financial years starting on or after 1 January 2020. Subject to certain conditions, a reduced corporate income tax rate may apply.[3]

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is

(2) The Belgian Parliament adopted a law pursuant to which full legal ownership of the Shares needs to be held on the day the beneficiary of the dividend is identified. This law enters into force as of its date of publication in the Belgian State Gazette, i.e. on 22 January 2019.

(3) Subject to certain conditions, a reduced corporate income tax rate of 20,4% (including the 2% crisis surcharge) for assessment year 2020 and 20% as of assessment year 2021 (i.e. for financial years starting on or after 1 January 2020) applies for Small and Medium Sized Enterprises (as defined by Article 1:24 §1 to §6 of the Belgian Code on Companies and Associations) on the first EUR 100,000 of taxable profits.

identified4; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable (a) if the company can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends; or (b) if, during said period, the Shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a permanent establishment ("**PE**") in Belgium.

As a general rule, Belgian resident companies can (subject to certain limitations) deduct 100% of gross dividends received from their taxable income (dividend received deduction), provided that at the time of a dividend payment or attribution: (1) the Belgian resident company holds Shares representing at least 10% of the share capital of the Company or a participation in the Company with an acquisition value of at least EUR 2,500,000; (2) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (3) the conditions relating to the taxation of the underlying distributed income, as described in article 203 of the Belgian Income Tax Code (the "**Article 203 ITC Taxation Condition**") are met (together, the "**Conditions for the application of the dividend received deduction regime**"). Under certain circumstances the conditions referred to under (1) and (2) do not need to be fulfilled in order for the dividend received deduction to apply.

The Conditions for the application of the dividend received deduction regime depend on a factual analysis, upon each distribution, and for this reason the availability of this regime should be verified upon each distribution.

Withholding tax

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends and as beneficial owner thereof, at least 10% of the share capital of the Company and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions. If the Belgian resident company holds the required minimum participation for less than one year, at the time the dividends are paid on or attributed to the Shares, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the Belgian resident company certifies its qualifying status, the date from which it has held such minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The Belgian resident company must also inform the Company or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the share capital of the Company before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the Belgian resident company.

Please note that the above described dividend received deduction and withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements ("*rechtshandeling of geheel van rechtshandelingen*"/"*acte juridique ou un ensemble d'actes juridiques*") for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine ("*kunstmatig*"/"*non authentique")* and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive of 30 November 2011 (2011/96/EU) ("**Parent-Subsidiary Directive**") in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

Belgian resident organisations for financing pensions

For organisations for financing pensions ("**OFPs**"), i.e. Belgian pension funds incorporated under the form of an OFP ("*organismen voor de financiering van pensioenen*"/"*organismes de financement de pensions*")

(4) The Belgian Parliament adopted a law pursuant to which full legal ownership of the Shares needs to be held on the day the beneficiary of the dividend is identified. This law enters into force as of its date of publication in the Belgian State Gazette, i.e. on 22 January 2019.

within the meaning of article 8 of the Belgian Act of 27 October 2006, the dividend income is generally tax exempt.

Subject to certain limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

Belgian (or foreign) OFPs not holding the Shares - which give rise to dividends - for an uninterrupted period of 60 days in full ownership amounts to a rebuttable presumption that the arrangement or series of arrangements ("*rechtshandeling of geheel van rechtshandelingen*"/"*acte juridique ou un ensemble d'actes juridiques*") which are connected to the dividend distributions, are not genuine ("*kunstmatig*"/"*non authentique*"). The withholding tax exemption will in such case not apply and/or any Belgian dividend withholding tax levied at source on the dividends will in such case not be credited against the corporate income tax, unless counterproof is provided by the OFP that the arrangement or series of arrangements are genuine.

Other Belgian resident legal entities subject to Belgian legal entities tax

For taxpayers subject to the Belgian income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their income tax liability.

Non-resident individuals or non-resident companies

Non-resident income tax

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a Belgian PE.

If the Shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident personal or corporate income tax rate, as appropriate. Belgian withholding tax levied at source may be credited against non-resident personal or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if (a) the non-resident individual or the non-resident company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of twelve months prior to the attribution of the dividends or (b) with regard to non-resident companies only, if, during said period, the Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian PE.

Non-resident companies whose Shares are invested in a Belgian PE may deduct 100% of the gross dividends received from their taxable income if, at the date the dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met. See subsection 0 (Belgian resident companies). Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

Belgian dividend withholding tax relief for non-residents

Dividends distributed to non-resident individuals who do not use the Shares in the exercise of a professional activity, may be eligible for the tax exemption with respect to ordinary dividends in an amount of up to EUR 812 (amount applicable for income year 2020) per year. For the avoidance of doubt, all dividends paid or attributed to such non-resident individual (and hence not only dividends paid or attributed on the Shares) are taken into account to assess whether said maximum amount is reached. Consequently, if Belgian withholding tax has been levied on dividends paid or attributed to the Shares, such non-resident individual may request in its Belgian non-resident income tax return that any Belgian withholding tax levied on up to such an amount be credited and, as the case may be, reimbursed. However, if no Belgian non-resident income tax return has to be filed by the non-resident individual, any Belgian withholding tax levied on up to such an amount could in principle be reclaimed by filing a request thereto addressed to the tax official ("*Adviseur-generaal Centrum Buitenland*"/"*Conseiller-général du Centre Étranger*") appointed by the Royal Decree of 28 April 2019. Such a request has to be made at the latest on 31 December of the calendar year following the calendar year in which

the relevant dividend(s) have been received, together with an affidavit confirming the non-resident individual status and certain other formalities determined in the Royal Decree.

Under Belgian tax law, withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) it is a non-resident saver within the meaning of Article 227, 3° of the Belgian Income Tax Code which implies that it has separate legal personality and has its tax residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its corporate purpose, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) provided that it is not contractually obliged to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the Shares, nor obliged to pay a manufactured dividend with respect to the Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the Shares and that the above conditions are satisfied. The organisation must then forward that certificate to the Company or its paying agent.

A pension fund not holding the Shares - which give rise to dividends - for an uninterrupted period of 60 days in full ownership amounts to a rebuttable presumption that the arrangement or series of arrangements ("*rechtshandeling of geheel van rechtshandelingen*"/"*acte juridique ou un ensemble d'actes juridiques*") which are connected to the dividend distributions, are not genuine ("*kunstmatig*"/"*non authentique*"). The withholding tax exemption will in such case be rejected, unless counterproof is provided by the OFP that the arrangement or series of arrangements are genuine.

Dividends distributed to non-resident qualifying parent companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause, will, under certain conditions, be exempt from Belgian withholding tax provided that the Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the share capital of the Company and such minimum participation is held or will be held during an uninterrupted period of at least one year. A non-resident company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the EU Parent-Subsidiary Directive, as amended from time to time, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty, it has a legal form similar to the ones listed in such annex; (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime. In order to benefit from this exemption, the non-resident company must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions.

If the non-resident company holds a minimum participation for less than one year at the time the dividends are attributed to the Shares, the Company must levy the withholding tax but does not need to transfer it to the Belgian Treasury provided that the non-resident company provides the Company or its paying agent with a certificate confirming, in addition to its qualifying status, the date as of which it has held the minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The non-resident company must also inform the Company or its paying agent when the one-year period has expired or if its shareholding drops below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year holding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the non-resident company.

Please note that the above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements ("*rechtshandeling of geheel van rechtshandelingen*"/"*acte juridique ou un ensemble d'actes juridiques*") for which the tax Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine ("*kunstmatig*"/"*non authentique*") and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

Dividends distributed by a Belgian company to non-resident companies on a share participation of less than 10% will under certain conditions be subject to an exemption from withholding tax, provided that the non-

resident companies (i) are either established in another Member State of the EEA or in a country with which Belgium has concluded a double tax treaty, where that treaty, or any other treaty concluded between Belgium and that jurisdiction, includes a qualifying exchange of information clause; (ii) have a legal form as listed in Annex I, Part A to the Parent-Subsidiary Directive as amended from time to time, or a legal form similar to the legal forms listed in the aforementioned annex and which is governed by the laws of another Member State of the EEA or a similar legal form in a country with which Belgium has concluded a double tax treaty; (iii) hold a share participation in the Belgian dividend distributing company, upon payment or attribution of the dividends, of less than 10% of the Company's share capital but with an acquisition value of at least EUR2,500,000; (iv) hold or will hold the Shares which give rise to the dividends in full legal ownership during an uninterrupted period of at least one year; and (v) are subject to the corporate income tax or a tax regime similar to the corporate income tax without benefiting from a tax regime which deviates from the ordinary regime. The exemption from withholding tax is only applied to the extent that the Belgian withholding tax, which would be applicable absent the exemption, could not be credited nor reimbursed at the level of the qualifying, dividend receiving, company. The non-resident company must provide the Company or its paying agent with a certificate confirming, in addition to its full name, legal form, address and fiscal identification number (if applicable), its qualifying status and the fact that it meets the required conditions mentioned under (i) to (v) above, and indicating to which extent the withholding tax, which would be applicable absent the exemption, is in principle creditable or reimbursable on the basis of the law as applicable on 31 December of the year preceding the year during which the dividend is paid or attributed.

Belgian dividend withholding tax is subject to such relief as may be available under applicable tax treaty provisions. Belgium has concluded tax treaties with more than 95 countries, reducing the dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable treaty rate.

Prospective holders of Shares should consult their own tax advisers to determine whether they qualify for a reduction in withholding tax upon payment or attribution of dividends, and, if so, to understand the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

Belgian taxation of capital gains and losses on Shares

Belgian resident individuals

In principle, Belgian resident individuals acquiring the Shares as a private investment should not be subject to Belgian capital gains tax on the disposal of the Shares and capital losses will not be tax deductible.

However, capital gains realised by a Belgian resident individual are taxable at 33% (plus local surcharges) if the capital gain on the Shares is deemed to be realised outside the scope of the normal management of the individual's private estate (e.g. in case of speculation). Capital losses are, however, not tax deductible.

Moreover, capital gains realised by Belgian resident individuals on the disposal of the Shares, outside the exercise of a professional activity, to a non-resident company (or body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident legal entity, each time established outside the EEA, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his/her spouse or with certain relatives, a substantial shareholding in the Company (i.e. a shareholding of more than 25% in the Company). Capital losses are, however, not tax deductible in such event.

Capital gains realised by Belgian resident individuals upon redemption of the Shares or upon liquidation of the Company will generally be taxable as a dividend. See section 0 (Belgian Taxation of dividends on Shares), subsection (a) (Belgian resident individuals).

Belgian resident individuals who hold the Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realised upon the disposal of the Shares, except for the Shares held for more than five years, which are taxable at a separate rate of 10% (capital gains realised in the framework of the cessation of activities under certain circumstances) or 16.5% (other), plus local surcharges. Capital losses on the Shares incurred by Belgian resident individuals who hold the Shares for professional purposes are in principle tax deductible.

Belgian resident companies

Belgian resident companies are normally not subject to Belgian capital gains taxation on gains realised upon the disposal of the Shares provided that the Conditions for the application of the dividend received deduction regime are met.

If one or more of the Conditions for the application of the dividend received deduction regime are not met, any capital gain realised would be taxable at the standard corporate income tax rate of 29,58% for assessment year 2020 and 25% as of assessment year 2021 for financial years starting on or after 1 January 2020, unless the reduced corporate income tax rate of respectively 20,4% or 20% applies. For assessment year 2020, a reduced tax rate of respectively 25,50% or 20,40% may apply if the Conditions for the application of the dividend received deduction are met except for the one-year minimum holding period condition.

Capital losses on the Shares incurred by Belgian resident companies are as a general rule not tax deductible.

Shares held in the trading portfolios of Belgian qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. The capital gains on such Shares are taxable for assessment year 2020 at the ordinary corporate income tax rate of 29.58%, unless the reduced corporate income tax rate of 20.4% applies, and the capital losses on such Shares are tax deductible. The standard corporate income tax rate is reduced to 25%, and the reduced corporate income tax rate is further reduced to 20% as of assessment year 2021 for financial years starting as of 1 January 2020. Internal transfers to and from the trading portfolio are assimilated to a realisation.

Capital gains realised by Belgian resident companies upon redemption of the Shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

Belgian resident organisations for financing pensions

Capital gains on the Shares realised by OFPs within the meaning of article 8 of the Belgian Act of 27 October 2006 are in principle exempt from corporate income tax and capital losses are not tax deductible.

Other Belgian resident legal entities subject to Belgian legal entities tax

Capital gains realised upon disposal of the Shares by Belgian resident legal entities are in principle not subject to Belgian income tax and capital losses are not tax deductible.

Capital gains realised upon disposal of (part of) a substantial participation in a Belgian company (i.e. a participation representing more than 25% of the share capital of the Company at any time during the last five years prior to the disposal) may, however, under certain circumstances be subject to income tax in Belgium at a rate of 16.5%.

Capital gains realised by Belgian resident legal entities upon redemption of the Shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

Non-resident individuals, non-resident companies or non-resident entities

Non-resident individuals, companies or entities are, in principle, not subject to Belgian income tax on capital gains realised upon disposal of the Shares, unless the Shares are held as part of a business conducted in Belgium through a fixed base in Belgium or a Belgian PE. In such a case, the same principles apply as described with regard to Belgian individuals (holding the Shares for professional purposes), Belgian companies, Belgian resident organisations for financing pensions or other Belgian resident legal entities subject to Belgian legal entities tax.

Non-resident individuals who do not use the Shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Shares to Belgium, might[5] be subject to tax in Belgium if the capital gains are obtained or received in Belgium and arise from transactions which are to be

(5) Belgium has concluded tax treaties with more than 95 countries which generally provide for a full exemption from Belgian capital gains taxation on such gains realised by residents of those countries. Capital losses are generally not tax deductible.

considered speculative or beyond the normal management of one's private estate or in case of disposal of a substantial participation in a Belgian company as mentioned in the tax treatment of the disposal of the shares by Belgian individuals. See subsection (a) (Belgian resident individuals) above. Such non-resident individuals might therefore be obliged to file a tax return and should consult their own tax adviser.

Capital gains realised by non-resident individuals or non-resident companies upon redemption of the Shares or upon liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

Belgian tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions ("*taks op de beursverrichtingen*"/"*taxe sur les opérations de bourse*") if (i) it is entered into or carried out in Belgium through a professional intermediary, or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). The tax on stock exchange transactions is not due upon the listing of the New Shares (primary market transactions).

The tax on stock exchange transactions is levied at a rate of 0.35% of the purchase price, capped at EUR 1,600 per transaction and per party.

Such tax is separately due by each party to the transaction, and each of those is collected by the professional intermediary. However, if the order is made directly or indirectly to a professional intermediary established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement ("*bordereau*"/"*borderel*"), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-today listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative ("**Stock Exchange Tax Representative**"), which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary and for complying with the reporting obligations and the obligations relating to the order statement in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in article 2, 9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies; (iii) pension institutions referred to in article 2,1° of the Belgian Law of 27 October 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; (v) regulated real estate companies; and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

The EU Commission adopted on 14 February 2013 the Draft Directive on a common Financial Transaction Tax. The Draft Directive currently stipulates that, once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive regarding the FTT is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

Common Reporting Standard

Following recent international developments, the exchange of information is governed by the Common Reporting Standard ("**CRS**"). More than 100 jurisdictions have signed the multilateral competent authority agreement ("**MCAA**")The MCAA is a multilateral framework agreement to automatically exchange financial and

personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 45 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 ("**early adopters**"). More than 50 jurisdictions have committed to exchange information as from 2018.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC2 started as of 30 September 2017 (as of 30 September 2018 for Austria).

The Belgian government has implemented said Directive 2014/107/EU, respectively the Common Reporting Standard, per the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes.

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States, (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date as determined by the Royal Decree of 14 June 2017. The Royal Decree provides that (i) for a first list of 18 countries, the mandatory exchange of information applies as of income year 2016 (first information exchange in 2017) and (ii) for a second list of 44 countries, the mandatory automatic exchange of information applies as of income year 2017 (first information exchange in 2018).

Investors who are in any doubt as to their position should consult their professional advisers.

The proposed Financial Transaction Tax (FTT)

On 14 February 2013 the EU Commission adopted the Draft Directive on a common Financial Transaction Tax. Earlier negotiations for a common transaction tax among all 28 EU Member States had failed. The current negotiations between the Participating Member States (i.e. Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain) are seeking a compromise under "enhanced cooperation" rules, which require consensus from at least nine nations. Estonia already left the negotiations by declaring it would not introduce the FTT.

The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force.

Pursuant to the Draft Directive, the FTT would be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT would, however, not apply to (inter alia) primary market transactions referred to in article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT would be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions would in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT should be payable by each financial institution established or deemed established in a Participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, would become jointly and severally liable for the payment of the FTT due.

In case of implementation any sale, purchase or exchange of Shares would become subject to the FTT at a minimum rate of 0.1% provided the above mentioned prerequisites are met. The issuance of New Shares would not be subject to the FTT.

In January 2019 Germany and France proposed that a French-style FTT be levied on the acquisition of shares of listed companies whose head office is in a Member State of the European Union and whose market capitalisation exceeds EUR 1 billion on 1 December of the preceding year. The tax should be levied on the transfer of ownership when shares of listed public limited companies are acquired. Initial public offerings, market making and intraday trading should not be taxable.

The tax rate should be no less than 0.2 per cent.

On 11 March 2019 the finance ministers of the Participating Member States met in the margins of the Ecofin meeting. There is consensus among the ministers that the FTT should continue to be negotiated according to the Franco-German proposal.

However, the introduction of the FTT remains subject to negotiations between the Participating Member States. It may therefore be altered prior to any implementation, of which the eventual timing and fate remains unclear. Additional EU Member States may decide to participate or drop out of the negotiations. The project will be terminated if the number of Participating Member States falls below nine.

Prospective investors should consult their own professional advisors in relation to the FTT.