

## SEQUANA MEDICAL

### Limited Liability Company

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## REPORT OF THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLE 7:228 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE

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### 1. Introduction

The present special report has been prepared by the board of directors of the limited liability company (*naamloze vennootschap*) Sequana Medical NV (the "**Company**") in accordance with article 7:228 of the Belgian Companies and Associations Code.

### 2. Article 7:228 and 7:229 of the Belgian Companies and Associations Code

In accordance with article 7:228 of the Belgian Companies and Associations Code, a general shareholders' meeting of the Company must be convened if as a result of incurred losses the Company's (non-consolidated) net assets (*nettoactief*) as defined in the Belgian Companies and Associations Code (*i.e.* summarised, the total amount of all assets as shown in the (non-consolidated) balance sheet, reduced with provisions, liabilities, and, except in exceptional circumstances to be disclosed and justified in the notes to the (non-consolidated) statutory financial statements, the non-amortized costs of incorporation and expansion, as well as non-amortized costs for research and development) have fallen below 50% of the share capital of the Company in order to deliberate and resolve upon the dissolution of the Company or any other measures announced in the agenda of such general shareholders' meeting. The same requirement applies when the net assets have fallen below an amount less than 25% of the share capital of the Company. Article 7:229 of the Belgian Companies and Associations Code provides that when the net assets have fallen below the amount of EUR 61,500, each interested party or the Belgian public prosecutor's office (*openbaar ministerie*) may request the dissolution of the Company before a court of law. Where appropriate, the court of law can grant the Company a binding period in which it has to regularise its situation.

### 3. Evolution of the net assets and working capital of the Company

As announced by the Company on 28 April 2026, on the date of this report, the Company is conducting a review of a range of financial and strategic options to address its current financial position and the future of its business. Against the background of this ongoing review, the Company's statutory and consolidated financial statements for the financial year ended 31 December 2025, together with the related reports of the board of directors and the statutory auditor, are not yet available on the date of this report.

While the statutory (non-consolidated) financial statements of the Company for the financial year ended 31 December 2025 are therefore still in preparation, the board of directors of the Company has determined that, based on preliminary financial information for that financial year, the Company's (non-consolidated) accounting net assets as at 31 December 2025 are negative, amounting at least at ca. – EUR 24.5 million (assuming an application of accounting rules and principles on a going concern basis). This negative position is attributable to losses incurred by the Company.

Consequently, on the basis of the aforementioned preliminary financial information, it appears that as at 31 December 2025 the Company's (non-consolidated) accounting net assets have fallen below the thresholds of the articles 7:228 and 7:229 of the Belgian Companies and Associations Code.

#### **4. Current financial situation and cash runway of the Company**

Since the start of the Company's operations, the Company has been aware that losses will be incurred for a number of years before any prospect of profitability is possible. These losses have resulted principally from costs incurred in the development and commercialisation of the alfapump® and DSR® product, as well as from costs associated with the Company's operations and manufacturing scale-up.

Notably, following the receipt of FDA approval for the alfapump®, the Company has commenced commercialising the alfapump® in the United States through a specialty commercial team and is in the process of further developing and scaling its commercial and other operations in the United States. The DSR® product, on the other hand, is still in its development phase and while certain studies have been suspended in view of the working capital that would otherwise be required, further clinical trials will be required to achieve regulatory marketing approvals for this product. Both programs incur various risks and uncertainties, including but not limited to, the uncertainty of development (mainly for DSR®), the commercialisation process (notably for the alfapump®), and the timing of achieving profitability. Further funding is also needed to continue the development of the DSR® product, to expand manufacturing capabilities for the alfapump®, to seek further regulatory and marketing approvals (as far as needed), to secure reimbursement by payers for the Company's products, to maintain, protect and expand the Company's intellectual property portfolio, and to expand sales and marketing activities.

Based on current expectations, the Company's existing cash resources and working capital are anticipated to provide a cash runway into Q2 2026.

As a result, the Company's ability to continue its operations consequently depends in particular on its ability to raise additional capital and to refinance existing debt, and to manage or reduce (to the extent still possible) operational and other costs and expenditures, in order to fund operations and assure the going concern and solvency of the Company, until revenues reach a level at which positive cash flows can be sustained.

#### **5. Measures proposed by the board of directors**

To date, the Company has been successful in raising sufficient funding in order to continue its investments and activities, including via debt funding from several sources, including certain key shareholders, and equity financing, including most recently via a share subscription facility agreement with GEM Global Yield LLC SCS, as amended. Further measures, however, are needed to ensure the Company's going concern.

Firstly, as announced on 28 April 2026, the Company is conducting a review of a range of financial and strategic options to address its current financial position and the future of its business. This review is being undertaken with the assistance of the Company's advisers and may include, among other things, financing transactions, a strategic or corporate transaction (involving the Company or its assets), or other measures.

At this stage, several options are being reviewed, including in relation to financing, but no decision has been taken, and there can be no assurance as to whether any final option will be available or whether any measures will be implemented, nor as to their outcome or timing.

In parallel, the Company also worked to deliver on several important milestones that are strategic to its business, and that are also expected to further demonstrate the potential of the Company's products. These include, amongst other things, the continued expansion of the U.S. commercial rollout of the alfapump®, including increasing the number of active implanting centres and patient treatments following the Company's soft launch phase involving up to eight hospitals and a targeted 70 U.S. commercial implants, and in the framework of the full commercial launch commencing in Q2 2026, with approximately five additional centres expected to open per quarter.

Over the past few years, the Company has also carried out several measures in order to reduce costs and expenditures, including, amongst other things, the postponement of DSR® studies in the U.S. pending dedicated financing, and a focussed commercialisation strategy in the U.S. for the alfapump®.

The board intends to further look for combination of these operational and cost measures in order to extend its cash runway. Furthermore, the Company has control over its spendings, and management is still able to reduce budgeted expenditures should this be necessary in the context of the Company's going concern and/or should it be necessary to have more time to obtain additional financing.

On the basis of the foregoing, the Company's board of directors believes that a combination of the aforementioned measures, together with the potential funding or strategic options that it is reviewing, may enable the Company to address its liquidity situation and going concern. The board of directors therefore proposes that, until further notice, the Company's shareholders continue the Company's activities, and do not decide to dissolve the Company.

Nevertheless, given the uncertainties described above, no assurance can be provided as to the availability, implementation, outcome or timing of any such measures. Should the Company's financial situation further deteriorate or should the Company be unable to obtain additional financing or pursue an alternative strategic solution, the board of directors reserves the right to reconvene the general shareholders' meeting in order to propose alternative measures, taking into account the interests of the Company, its shareholders, employees, patients, creditors and other stakeholders.

Done on 28 April 2026

On behalf of the board of directors,

By:   
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Director

By:   
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Director